

# 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 66C

SPONSOR: Banking and Insurance Committee and Senators Latvala and Garcia

SUBJECT: Department of Labor and Employment Security

DATE: December 4, 2001      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Johnson</u>	<u>Deffenbaugh</u>	<u>BI</u>	<u>Favorable/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

The committee substitute abolishes the Department of Labor and Employment Security, effective January 1, 2002, and transfers the Division of Workers' Compensation within the Department of Labor and Employment Security to the Department of Insurance, effective January 1, 2002, by a type-two transfer, with exceptions. The Department of Insurance is authorized to reduce and reclassify transferred positions, as it deems necessary. The exceptions to the transfer of the entire division to the Department of Insurance are delineated below:

- 96 positions within the Division of Workers' Compensation responsible for rehabilitation and reemployment services are transferred to the Division of Vocational Rehabilitation in the Department of Education;
- 19 positions within the Division of Workers' Compensation responsible for certifying health care providers, adopting reimbursement manuals, resolving reimbursement disputes, and other medical related functions, are transferred to the Agency for Health Care Administration; and
- 11 positions responsible for the regulation of child labor are transferred to the Department of Business and Professional Regulation.

The committee substitute also authorizes the following transfers of programs, functions, and positions from the Department of Labor and Employment Security to other agencies:

- An unspecified number of positions related to the farm labor and migrant labor programs are transferred to the Department of Business and Professional Regulation;
- The General Counsel position and the related resources within the Office of the General Counsel of the Department of Labor and Employment Security are transferred to the Department of Insurance;

- Oversight of the Florida Workers' Compensation Self-Insurance Guaranty Association is transferred to the Department of Insurance and the association is provided increased regulatory authority over self-insured employers;
- The Unemployment Appeals Commission is transferred to the Agency for Workforce Innovation; and
- The Office of Information Systems, which provides support for the Division of Workers' Compensation, is transferred to the State Technology Office in the Department of Management Services, if the Department of Insurance determines that it is feasible.

The committee substitute also provides changes to the administration of the workers' compensation law. The Department of Insurance is: (1) authorized to share confidential medical records with the Agency for Health Care Administration to assist the agency in fulfilling its responsibilities and the agency is required to maintain the confidentiality of the information; (2) required to develop reporting requirements for health care providers in consultation with the agency; and (3) authorized to monitor and audit workers' compensation carriers and to fine or discipline a carrier.

The committee substitute also provides for increased regulatory responsibility over self-insured employers to the Florida Workers' Compensation Self-Insurance Guaranty Association and requires board members of the association have experience in self-insurance in Florida.

Certain reporting and administrative functions are revised or eliminated. The Workers' Compensation Oversight Board is abolished.

This committee substitute substantially amends the following sections of the Florida Statutes: 20.13, 110.205, 112.19, 112.191, 121.125, 122.03, 238.06, 440.02, 440.102, 440.05, 440.09, 440.10, 440.102, 440.103, 440.104, 440.105, 440.106, 440.107, 440.108, 440.125, 440.13, 440.134, 440.14, 440.15, 440.185, 440.191, 440.192, 440.1925, 440.20, 440.207, 440.211, 440.24, 440.25, 440.271, 440.345, 440.35, 440.38, 440.381, 440.385, 440.386, 440.40, 440.41, 440.42, 440.44, 440.49, 440.491, 440.50, 440.51, 440.52, 440.525, 440.572, 440.59, 440.591, 440.593, 443.012, 443.036, 447.02, 447.305, 450.012, 450.191, 450.28, and 627.0915. The committee substitute also repeals the following sections of the Florida Statutes: 20.171 and 440.4416.

## **II. Present Situation:**

### **The Department of Labor and Employment Security**

Section 20.171, F.S., creates the Department of Labor and Employment Security. The head of the department is the Secretary of Labor and Employment Security. There are two assistant secretaries, the Assistant Secretary for Finance and Administration and the Assistant Secretary for Programs and Operations. The DLES has five field offices which are headed by managers.

Section 20.171(3)(c), F.S., creates the Office of Administration, the Office of Management and Budget, and the Office of Information Services. These offices are headed by managers who are supervised by and responsible to the Assistant Secretary for Finance and Administration.

Section 20.171(7), F.S., establishes the Unemployment Appeals Commission.

Section 110.205, F.S.,<sup>1</sup> provides that the positions described in Chapter 20, F.S., are exempt positions and therefore not classified as career service.

Legislation was enacted during the 2000 Legislative session that significantly reorganized the Department of Labor and Employment Security by eliminating many programs and functions or transferring the programs or functions to other agencies.<sup>2</sup> See Section V of the analysis regarding the functions and positions remaining at the department at this time.

### **Type I and Type II Transfers**

Section 20.06, F.S., provides the method by which reorganization of the executive branch is to occur. The section provides for two methods of transfer:

**Type I Transfer**<sup>3/4</sup> In this type of transfer, an existing *agency or department is transferred intact* to another agency or department *by becoming a unit* of the agency or department to which it is transferred. For example, if the Public Service Commission was transferred to the Department of Environmental Protection and the entire agency was made a division of that department, a Type I Transfer would be the appropriate method of transfer. When an agency or department is transferred intact to another agency or department, the transferred agency or department exercises its powers, duties, and functions subject to review and approval by, and under the direct supervision of, the head of the agency or department to which the transfer is made, unless otherwise provided by law.

Under a Type I Transfer, the transferred agency or department which becomes a unit of another agency or department, has all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds transferred to the agency or department to which it is transferred. When segregated funds are transferred, the transfer must be completed in such a fashion that the relation between the program and the revenue source as is provided by law is retained.

Additionally, under a Type I Transfer, the administrative rules of the agency or department transferred remain in effect until specifically changed under the procedures provided in ch. 120, F.S., the Administrative Procedure Act.

**Type II Transfers**<sup>3/4</sup> This type of transfer applies not only to agencies and departments that are transferred, but also to the transfer of specific programs, activities, functions, units or subunits within an agency or department. Under a Type II transfer, an agency, a department, program, activity, function, identifiable unit or subunit is *merged into another agency or department*.

The merged agency, department, program, activity, function, unit or subunit retains all its statutory powers, duties, and functions under a Type II Transfer. Its records, personnel, property,

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<sup>1</sup> Chapter 110, F.S., deals with public officers, employees, and records. More specifically, ss. 110.201-110.235, F.S., addresses the career service system.

<sup>2</sup> Ch. 2000-165, L.O.F.

and unexpended balances of appropriations, allocations, or other funds are transferred to the agency with which it is merged, except those transferred elsewhere or abolished. The transfer of segregated funds must be made in such a manner that the relation between the program and revenue source that is provided by law is retained.

Unless otherwise provided by law, the head of the agency or department to which an existing agency, department, program, activity, function or unit is transferred is authorized to establish units or subunits to which the agency or department is assigned. Further the head of the receiving agency may assign administrative authority for identifiable programs, activities, or functions, to the extent authorized by ch. 20, F.S.

Unless otherwise provided by law, the administrative rules of any agency or department involved in the transfer which are in effect immediately before the transfer remain in effect until specifically changed pursuant to ch. 120, F.S.

### **Administration of the Workers' Compensation System in Florida**

Chapter 440, F.S., is the "Workers' Compensation Law." Presently, the Division of Workers' Compensation in the Department of Labor and Employment Security is organized into the following program/function areas: Monitoring and Audit, Employee Assistance and Ombudsman Office, Rehabilitation and Medical Services, Operations Support (including the Special Disability Trust Fund), Compliance, Research and Education, Information Management, and the Director's Office.

The Bureau of Monitoring and Audit is primarily responsible for monitoring the accuracy and timeliness of benefit payments, assessing penalties for late payments or reporting, and auditing carriers and individual, self-insurers to determine compliance with statutory requirements for timeliness and accuracy of payment. The bureau is also responsible for administering the permanent total supplemental benefits provided to workers injured prior to July 1, 1984.

The Bureau of Employee Assistance and Ombudsman Office (EAO) is charged with the responsibility of informing and assisting employers/carriers, injured workers, and health care providers in fulfilling their respective responsibilities under ch. 440, F.S., the Workers' Compensation Law. Section 440.191, F.S., also directs EAO to "take all steps necessary to educate and disseminate information to employees and employers."

To effect the self-executing features of the law, s. 440.191, F.S., provides that ch. 440, F.S., is construed to permit injured workers and employers/carriers to resolve disputes ". . . without undue expense, costly litigation, or delay in the provisions of benefits." As a result, EAO investigates disputes and attempts to resolve disputes between injured workers and the carrier/employer in an informal manner through the Request for Assistance process.

An employee may not file a petition for benefits unless the employee has exhausted this informal dispute resolution process. If resolution is not made in 30 days, the employee may file a petition for benefits. Under the provisions of s. 440.192, F.S., the employee is required to serve the petition upon the employer, the employer's carrier, and the Office of the Judges of Compensation Claims. Within 14 days of receipt of a petition for benefits, the carrier must either pay the

requested benefits without prejudice to its right to deny within 120 days of receipt of the petition or file a notice of denial with the Office of the Judges of Compensation Claims.

The Bureau of Rehabilitation and Medical Services certifies and decertifies health care providers, promulgates reimbursement manuals, resolves reimbursement disputes, monitors carriers' compliance with reimbursement policies, evaluates carrier-provided re-employment services and training, and provides screening, re-employment, and training for injured workers.

The Bureau of Compliance is charged with the responsibility of ensuring that employers, subject to the Workers' Compensation Law, maintain workers' compensation coverage for their employees and maintain records relating to proof of coverage and exemption from coverage.

The Bureau of Operations Support administers the Special Disability Trust Fund, calculates and collects the assessments for the Workers' Compensation Administrative Trust Fund and the Special Disability Trust Fund, regulates individual self-insurers, and provides administrative support to the division.

The Bureau of Research and Education provides training and educational materials on the Workers' Compensation Law, responds to internal and external data requests, and administers the electronic data interchange for the bureau. The Bureau of Information Management provides and maintains information systems technology for the division. The Director's Office includes: the director, assistant director, and administrative support for the office.

### III. **Effect of Proposed Changes:**

**Section 1.** (1) Transfers the Division of Workers' Compensation by a type two transfer, as defined in s. 20.06(2), F.S., to the Department of Insurance effective January 1, 2002, except as otherwise provided in his section. The department is authorized to determine the number of positions necessary to administer the provisions of ch. 440, F.S.; however, the number of positions may not exceed the number of positions and salary and benefits that were previously authorized for the Division of Workers' Compensation within the Department of Labor and Employment Security prior to the transfer.

The Department of Insurance is authorized to reassign, reorganize, or otherwise transfer those positions within the department. The department is authorized to contract with public and private entities to administer its duties related to the transfer of the division. All existing contracts of the division are transferred to the department and are subject to cancellation or renewal upon review by the department.

Eleven positions from the Division of Workers' Compensation are transferred by a type two transfer to the Department of Business and Professional Regulation for the administration of child labor laws under chapter 450, F.S.

A type two transfer to the Agency for Health Care Administration transfers 19 positions related to medical services from the Division of Workers' Compensation.

The subsection also transfers 96 positions, responsible for re-employment, training, and education, and rehabilitation, from the Division of Workers' Compensation to the Department of Education by a type two transfer.

(2) The farm labor and migrant labor programs are transferred from the Office of the Secretary and the Office of Administrative Services of the Department of Labor and Employment Security by a type two transfer to the Department of Business and Professional Regulation for the administration of migrant labor and farm labor laws under chapter 450, F.S.

(3) Any other functions and resources not otherwise transferred in this act relating to workplace regulation and enforcement, including those under ch. 448, F.S., are transferred from the Department of Labor and Employment Security to the Department of Business and Professional Regulation by a type two transfer.

(4) The Unemployment Appeals Commission is transferred by a type two transfer to the Agency for Workforce Innovation.

(5) The Office of Information Systems is transferred by a type two transfer to the State Technology Office. Upon completion of this transfer, the State Technology Office and the Department of Insurance would enter into discussions to determine whether it would be technologically feasible and cost effective to separate the workers' compensation related systems and transfer ownership of these systems to the Department of Insurance. If the Department of Insurance ultimately determines that it is technologically feasible and cost effective to transfer ownership of these systems from the State Technology Office to the Department of Insurance, the State Technology Office and the Department of Insurance shall jointly develop and implement a plan to transfer this system to the Department of Insurance.

(6) Resources of the Office of the Secretary and the Office of Administrative Services of the Department of Labor and Employment Security which support the activities and the functions of the Division of Workers' Compensation which are transferred under subsection (1) are also transferred by a type two transfer to the Department of Insurance, the Agency for Health Care Administration, and the Department of Education, respectively. The resources not otherwise transferred from the Department of Labor and Employment Security that support functions that are transferred by a type two transfer under subsections (1), (2), and (3), are also transferred to the Department of Business and Professional Regulation for the administration of the child labor, farm labor, and migrant labor programs.

The resources of the Office of the Secretary and Office of the Administrative Services of the Department of Labor and Employment Security which support the activities and functions of the Department of Labor and Employment Security which are transferred by a type two transfer to the Agency for Workforce Innovation, the Department of Management Services, and the State Technology Office, respectively, are also transferred.

(7) The committee substitute provides that the Department of Management Services would be designated as the custodian of any property that is not otherwise transferred.

(8) The Department of Banking and Finance, in conjunction with the Office of the Attorney General, are authorized to use any unexpended balances of the Department of Labor and Employment Security to settle claims or close out other costs incurred by the Department of Labor and Employment Security.

(9) Any binding contract or agreement between the Department of Labor and Employment Security and other agency, entity, or person would continue for the remainder of the term of the contract or agreement with the successor department, agency, or entity responsible for the program, except as provided in subsection (1) of the committee substitute.

(10) The subsection provides that this act does not affect the validity of any judicial or administrative proceeding involving the Department of Labor and Employment Security which is pending, as of the effective date of any transfer under this act. The successor agency, department, or entity responsible for the transferred program, activity, or function relative to the proceeding would be substituted, as of the effective date of the applicable transfer under this act, for the Department of Labor and Employment Security.

(11) The Department of Insurance, the Agency for Health Care Administration, the Department of Education, the Department of Business and Professional Regulation, the Agency for Workforce Development, and the State Technology Office would be exempt from the state purchasing provisions of chapter 287, F.S., when purchasing for goods or services under this act. The exemption from state purchasing provisions would take effect upon this act becoming law and expire July 1, 2002.

(12) The Department of Insurance, the Agency for Health Care Administration, the Department of Education, the Department of Business and Professional Regulation, the Agency for Workforce Development, and the State Technology Office would be exempt from any state laws and rules relating to the leasing of space. The exemption from state leasing provisions would take effect upon this act becoming law and expire July 1, 2002. However, all leases entered into under this act through July 1, 2002, would be submitted for approval to the Department of Management Services at the earliest practical time.

(13) The Department of Insurance, the Agency for Health Care Administration, the Department of Education, the Department of Business and Professional Regulation, the Agency for Workforce Development, and the State Technology Office would be authorized to adopt emergency rules relating to the implementation of this act. This provision would take effect upon this act becoming law, and these emergency rules would be valid for a period of 180 days after January 1, 2002.

(14) The General Counsel position and related resources would be transferred from the Department of Labor and Employment Security to the Department of Insurance.

**Section 2.** Amends s. 20.13, F.S., to create the Division of Workers' Compensation within the Department of Insurance.

**Section 3.** Amends s. 440.02, F.S., to revise definitions to reflect the transfer of the functions of the Division of Workers' Compensation to the Department of Insurance, the Department of Education, and the Agency for Health Care Administration.

**Sections 4–64.** Amends these sections to conform to the transfers made by this act. Substantive changes to these sections are summarized below.

**Section 14.** Amends s. 440.125, F.S., to authorize the Department of Insurance to share any confidential and exempt information received pursuant to s. 440.13, F.S., with the Agency for Health Care Administration in furtherance of the agencies duties under ss. 440.13 and 440.14, F.S. The agency would be required to maintain the confidentiality and exempt status of such information.

**Section 15.** Amends s. 440.13, F.S., to require the Department of Insurance to develop reporting requirements for health care providers relating to the reporting of medical or surgical treatment and medical reports and bills in consultation with the Agency for Health Care Administration. The section is also amended to authorize the Department of Insurance to monitor and audit workers' compensation carriers to determine whether medical bills are paid in accordance with this section and the provisions of s. 624.3161, F.S., which relates to market conduct examinations of insurers. The department would also be authorized to impose a fine or otherwise discipline an employer or carrier, pursuant to ch. 440, F.S., the insurance code, or rules adopted by the department, if an employer or carrier does not comply with these provisions.

**Section 23.** Amends s. 440.20, F.S., to authorize the Department of Insurance to monitor and audit workers' compensation carriers in accordance to its market conduct examination and investigation process as provided in ss. 624.3161 and 624.317, respectively, to ensure carrier compliance with the provisions of ch. 440, F.S., and the insurance code. The Department of Insurance is required to impose penalties for each late payment of compensation pursuant to s. 624.4211, F.S., which authorizes administrative fines. Presently, carriers are subject to a fine of up to \$50 for each late payment.

The department is also authorized to examine, on an ongoing basis, claims files of a carrier, as provided in ss. 624.3161 and 624.310, F.S. The department is authorized to impose fines or impose penalties as provided in s. 624.4211, F.S., to ensure compliance.

This section also eliminates the submission of an annual report regarding the promptness of first payment of compensation of each carrier or self-insurer. It is anticipated that carrier compliance would be more effectively addressed through the market conduct examination process.

**Section 31.** Amends s. 440.38, F.S., to transfer certain responsibilities relating to the oversight of self-insured employers from the Division of Workers' Compensation to the Florida Workers' Compensation Self-Insurance Guaranty Association ("Association") or the Department of Insurance. The association would be required to evaluate the financial strength of applicants for membership, current and former members and make recommendations to the Department of Insurance regarding their qualifications to self-insure. The department is required to consult with the association on any recommendations before taking action.



The association is also authorized to recommend that the department require an employer to deposit with the association, rather than the Division of Workers' Compensation, a qualifying deposit. The association would recommend the type and amount of the qualifying deposit and prescribe conditions for the qualifying security deposit. The association would have the authority to call the qualifying deposit in the case of default.

This section also requires employers to provide to the association, if requested, an actuarial report providing an opinion regarding the appropriateness of the present value of the reserves for current and future compensation claims. If a member or former member refuses, the association may obtain an order from a circuit court requiring the production of such a report and be entitled to recover all reasonable costs and attorney's fees in such proceedings.

If an employer does not provide the annual actuarial report or fails to timely provide the security deposit requirements, the association would recommend and the department would revoke such employer's authority to self-insure.

The committee substitute deletes the maximum \$100 fine ("for each failure") that applies if a self-insurer fails to file any report required by rule. As amended, the employer would be subject to a civil penalty. The bill does not state the amount of the civil penalty, which would be specified by department rule.

**Section 32.** Amends s. 440.381, F.S., to eliminate the requirement that the Department of Insurance notify a carrier of the name of any injured worker who has not reported as earning wages on the last quarterly earnings report. Carriers have not historically requested this information.

**Section 33.** Amends s. 440.385, F.S., to provide that the activities of the association would be subject to review by the Department of Insurance and authorizes the association to enter into agreements with the State of Florida to perform specified services.

Any member voluntarily withdrawing from the association would be required to provide to the association upon withdrawal, and at 12-month intervals thereafter, proof, including if requested by the association, a report of known and potential claims certified by a member of the American Academy of Actuaries that it continues to meet the requirements of s. 440.38 (1)(b), F.S. If such a withdrawing member fails to provide such proof, the association may obtain an order from a circuit court requiring the production of such a report and ordering such other relief as the court determines appropriate. The association would be entitled to recover all reasonable costs and attorney's fees in such proceedings.

If a withdrawing member fails to meet the requirements of s. 440.38(1)(b), F.S., and fails to provide the actuarial reports, the association would be entitled to recover all reasonable costs and attorney's fees in such proceedings to compel production of any actuarial report required by this statute.

The Insurance Commissioner, rather than the Secretary of the Department of Labor and Employment Security, would appoint the nine-member board of directors of the association. The committee substitute provides that appointments made after December 31, 2001, would be made

by the Insurance Commissioner. All board members would be required to be experienced in self-insurance in Florida.

The association would be authorized to collect and review financial information from employers and make recommendations to the Department of Insurance regarding the appropriate security deposit and reinsurance amounts necessary for an employer to demonstrate that it has financial strength to assure timely payment of all claims. The department is required to act on such recommendations.

If an employer fails to provide an additional security deposit required by the department, the association would have a cause of action against an employer or any successor of an employer. The association is authorized to recover a judgment in the amount of the requested additional deposit together with reasonable attorney's fees. Also, the association is authorized to implement any and all procedures necessary to ensure compliance with regulatory actions of the department.

Assessments by the association would be subject to approval by the Department of Insurance. Currently, assessments are certified by the association and levied by the Department of Labor and Employment Security.

Funds may be paid from the Workers' Compensation Administration Trust Fund to contract with the association to perform services required by law. However, no state funds can be allocated to the association for payment of covered claims or related expenses except those state funds accruing to the association through the assignment of rights of an insolvent employer. The department may not levy an assessment on the association.

The association would be required to operate pursuant to a plan of operation adopted by the board. The plan of operation in effect as of November 1, 2001, and approved by the Department of Labor and Employment Security would remain in effect. Any subsequent amendments would require prior approval by the Department of Insurance. By June 1, 2002, the board would be required to submit a plan of operation to the Department of Insurance for approval.

The department is required to review recommendations of the association concerning whether self-insured employers have the financial strength necessary to ensure the timely payment of claims and take such actions as deemed necessary to order compliance with the recommendations. The department is authorized to contract with the association to process applications for self-insurance, collect and review financial statements, collect security deposit documents and reinsurance policies, and collect all data necessary to calculate annual premiums, including individual self-insurers that are public utilities or governmental entities, and provide such premium to the department for assessment purposes.

The department may also contract with the association for the audit and administration of the individual, self-insurers, including individual self-insurers that are public utilities or governmental entities. The department may contract with attorneys recommended by the association for representation in any administrative or legal proceeding necessitated by the recommended regulation of the individual self-insurers.

**Section 34.** Amends s. 440.386, F.S., to authorize the association or the department to initiate a delinquency proceeding against a self-insured employer. The association may also apply to the court for an order appointing a receiver and directing the receiver to liquidate the business of a domestic individual, self-insurer if such individual self-insurer is insolvent. Currently, the association may petition the department to apply to the court for such an order and upon the receipt of such order; the department must apply to the court for such order. The association would also be authorized to apply to the court for an order appointing a receiver and directing the receiver to conserve the assets within this state, of a foreign individual self-insurer, if such individual self-insurer is insolvent. Currently, the association may petition the department to apply to the court for such an order, and upon the receipt of such order, the department must apply to the court for such order.

**Section 66.** Repeals s. 20.171, F.S., to abolish the Department of Labor and Employment Security and s. 440.4416, F.S., to abolish the Workers' Compensation Oversight Board.

**Section 67.** Provides that if any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of the act, which can be given effect without the invalid provision, or application, and to this end the provisions of this act are severable.

**Section 68.** Provides that this act will take effect January 1, 2002.

#### **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:

Workers' compensation carriers previously subject to regulation by the Department of Insurance and the Department of Labor and Employment Security could benefit from the streamlining of the examination process within one department.

### C. Government Sector Impact:

To the extent certain functions within the Division of Workers' Compensation can be merged or consolidated with existing regulatory functions of the Department of Insurance due to the transfer of functions to the department, the overall administrative costs of the workers' compensation system could be reduced. By authorizing the Department of Insurance to audit workers' compensation carriers in accordance with the provisions of the insurance code, rather than ch. 440, F.S., the department would be able to streamline the examination of workers' compensation carriers into the examination process used for all other carriers.

The abolishment of the Department of Labor and Employment Security would result in an indeterminate amount of savings related to the elimination of administrative positions, associated expenses and other capital outlays. Presently, there are 18 authorized positions within the Office of the Secretary. (Six positions are not filled.) Seven of the eighteen positions within the office are currently pending transfer to the State Technology Office.

The Division of Workers' Compensation has stated that there are 576 authorized positions. (512 positions are filled.) The positions are to be transferred by a type-two transfer to the Department of Insurance, except for the following positions:

- Department of Education - 96
- Agency for Health Care Administration - 19
- Department of Business and Professional Regulation - 11  
(Child Labor, which is funded through the Division of Workers' Compensation)

Presently, there are an additional 216 authorized positions in the Department of Labor and Employment Security. The following programs, functions, or positions within the Department of Labor and Employment Security are to be transferred:

- Unemployment Appeals Commission - 28  
(To be transferred to the Agency for Workforce Innovation)
- Office of Information Systems - 140  
(To be transferred to the State Technology Office)
- Migrant and Farm Labor  
An unspecified number of positions related to the farm labor and child labor programs are transferred to the Department of Business and Professional Regulation. There are 30 positions authorized for the migrant and farm labor programs. An indeterminate number of positions or shared positions in the Office of the Secretary provide administrative support for these programs. There are currently 18 authorized positions in the Office of the Secretary; however, only 12 are filled.
- General Counsel position within the Department of Labor and Employment Security  
(To be transferred to the Department of Insurance)

**VI. Technical Deficiencies:**

The committee substitute does not specify the number of positions that would be transferred to the Department of Business and Professional Regulation from the Office of the Secretary to support the administration of migrant labor and farm labor programs.

**VII. Related Issues:**

An amendment to the Florida Constitution approved by the voters in November of 1998, modifies the Cabinet, effective January 7, 2003. Among other changes, the amendment merges the offices of the Treasurer and the Comptroller into one Chief Financial Officer. The new state Cabinet will consist of an Attorney General, a Commissioner of Agriculture, and a Chief Financial Officer. As the Comptroller heads the Department of Banking and Finance and the Treasurer heads the Department of Insurance, the status of these departments must be determined, which is the subject of legislation expected to be considered during the 2002 Regular Session.

**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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