

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Community Affairs Committee

BILL: SB 2338

INTRODUCER: Senator Wise

SUBJECT: Firefighters/Supplement Compensation

DATE: March 25, 2007

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Molloy	Yeatman	CA	Pre-meeting
2. _____	_____	GO	_____
3. _____	_____	GA	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____

I. Summary:

This bill provides for a \$300 per month salary supplement to any firefighter who receives a master's degree applicable to fire department duties from any accredited college or university.

This bill substantially amends section 633.382, Florida Statutes.

II. Present Situation:

Firefighters Supplemental Compensation

Section 633.382, F.S., provides for supplemental salary compensation to firefighters who meet certain education requirements:

- A firefighter who receives an associate's degree from a college is eligible to receive \$50 per month in supplemental compensation if the degree is applicable to fire department duties outlined by the Division of State Fire Marshall in the Department of Financial Services.
- A firefighter who receives a bachelor's degree from an accredited college or university, regardless of whether or not the firefighter has previously received an associate's degree, is eligible to receive \$110 per month in supplemental compensation if the degree is applicable to fire department duties.

According to the Office of the State Fire Marshall, payments under this formula are not cumulative.

Firefighters' Supplemental Compensation Trust Fund

The Firefighters' Supplemental Compensation Trust Fund is established under the Department of Revenue and is funded from the Police and Firefighters' Premium Tax Trust Fund. Each qualified municipal or special fire control district with a Firefighters' Pension Trust Fund is authorized to impose an excise tax of 1.85 percent of the gross amount of receipts on all premiums collected on property insurance policies covering property within municipality or special fire control district. The excise tax is remitted by the insurance company to the Department of Revenue which must maintain a separate account of all taxes collected for each municipality and special fire control district.

The excise taxes are transferred to the Pension Trust Fund and are separately accounted for by the Division of Retirement in the Department of Management Services. Distributions to the municipalities and special fire control districts are limited to funds in excess of that produced by one-half of the excise tax, and all taxes not distributed under the limitation must be transferred to the Firefighters' Supplemental Compensation Trust Fund. Taxes not needed for supplemental compensation payments are redistributed on a pro rata basis to the participating municipalities and special fire control districts that transfer funds to support the supplemental compensation program.

III. Effect of Proposed Changes:

This bill amends s. 633.382, F.S., to provide that any firefighter who receives a master's degree applicable to fire department duties, as outlined in policy guidelines of the Division of State Fire Marshall of the Department of Financial Services, shall receive a \$300 monthly salary supplement, regardless of whether or not the firefighter has received an earlier bachelor's degree.

If enacted into law, this bill will take effect July 1, 2007.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Inasmuch as this bill requires the state and municipalities to incur expenses, i.e., pay additional supplemental payments to firefighters, the bill falls within the purview of subsection (a) of Article VII, Section 18, Florida Constitution, which provides that cities and counties are not bound by general laws requiring them to spend funds or to take an action which requires the expenditure of funds unless certain specified exemptions or exceptions are met.

None of the specified constitutional exemptions apply.

As for applicable specified constitutional exceptions, the bill requires similar expenditures by all similarly situated persons (i.e., all state and local public employers with firefighters will pay the supplemental compensation); therefore, the only additional requirement necessary to remove the bill from the purview of this constitutional provision is a finding by the Legislature that the bill fulfills an important state interest.

Absent a legislative determination that the bill fulfills an important state interest, cities will not be bound by the provisions of this bill should it become law. The bill does not contain a legislative finding that its provisions fulfill an important state interest.

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:

The Division of Retirement at the Department of Management Services reported the following collections and expenditures for the Firefighters' 2005 Premium Tax Distribution:

Gross Premium Taxes Collected:	\$76.7 million
General Revenue Service Charge:	\$5.6 million
Maximum Net Available to Cities:	\$71.11 million
Minimum Distribution to Cities at 50% of Net:	\$35.56 million
Firefighters' Supplemental Trust Fund Disbursement:	\$17.65 million
Amount distributed as supplemental compensation and retained as Reserve:	\$ 7.12 million
Excess redistributed to cities and special districts:	\$10.5 million

To the extent that additional supplemental payments are made to firefighters, the excess distribution to cities and special fire control districts may be reduced.

State Agencies

The Division of Forestry in the Department of Agriculture and Consumer Services reports a recurring annual revenue increase of \$20,520 for 9 firefighters with a master's degree who currently receive \$110 per month in supplemental compensation. The additional \$190 per month per firefighter will be transferred to the agency from the Firefighters' Supplemental Compensation Trust Fund.

The division also reports annual expenditures of \$5,879 which represent unfunded social security matching costs and retirement contributions which will be paid out of the department's Incidental Trust Fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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