

STORAGE NAME: h3261a.go
DATE: February 11, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: HB 3261
RELATING TO: Telecommuting
SPONSOR(S): Representative Culp and Others
COMPANION BILL(S): SB 0496 (i)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

HB 3261 provides for the continuation of telecommuting, pursuant to The State Employee Telecommuting Act, codified in s. 110.171, F.S. This act authorizes telecommuting, using technology, to perform work away from the traditional work site, as a workplace option for certain state employees. Without reenactment the program would terminate as of October 1, 1998.

The bill removes the repealer language of ch. 94-113, L.O.F., which calls for termination of telecommuting as of October 1, 1998, or reenactment of s. 110.171, F.S.

The bill eliminates the requirement for the Department of Management Services to annually collect and report certain information from the agency telecommuting coordinators, supervisors and employees who telecommute.

There may be a beneficial fiscal impact on state government due to the elimination of the administrative requirements provided for in Section 3 of ch. 94-113, F.S. There will be no material fiscal impact on local governments.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The State Employee Telecommuting Act, codified in s. 110.171, F.S., will be repealed on October 1, 1998, unless reenacted by the Legislature. This act authorizes telecommuting, using technology to perform work away from the traditional work site, as a workplace option for certain state employees.

The telecommuting pilot program was authorized under ch. 90-291, L.O.F., based on recommendations made by the Legislative Information Technology Resource Committee. The Department of Administration (later replaced by the Department of Management Services) conducted a pilot program from August 1991 through August 1993. At the end of the pilot program, the Department of Management Services recommended the continuation of telecommuting as a permanent workplace option.

Chapter 94-113, L.O.F., established telecommuting as a workplace option, set out requirements for agencies that participated in the telecommuting program, and established a repealer date requiring the Legislative Information Technology Resource Committee to conduct a review of the program prior to its repeal.

Chapter 96-399, L.O.F., further amended the law, deleting the requirement for the Department of Management Services to establish rules or guidelines for the program and deleting the requirement for the fire safety inspection of telecommuters' homes.

The current law authorizing the state employee telecommuting program requires the Department of Management Services to:

- ◆ establish and coordinate the state employee telecommuting program and administer s. 110.171, F.S.
- ◆ appoint a statewide telecommuting coordinator to provide technical assistance to state agencies and to promote telecommuting in state government.
- ◆ identify state employees who are participating in a telecommuting program, and their job classifications, through the state personnel payroll information subsystem created under s. 110.116, F.S.

Each participating agency voluntarily elects to offer a telecommuting program. As of July 1997, there were 259 state employees telecommuting. Each agency that chooses to implement a telecommuting program is required to administer its own program. Each participating agency is required by law to meet criteria specified in the statute.

B. EFFECT OF PROPOSED CHANGES:

The bill reenacts without future review and repeal, the State Employee Telecommuting Act, a permanent workplace option for certain state employees. The bill eliminates the requirement for the Department of Management Services to annually collect and report on certain information from participating agencies.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

None that do not currently exist.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

None. In fact the bill eliminates the requirement for the Department of Management Services to annually collect and report on certain information from agency telecommuting coordinators, supervisors and state employee telecommuters.

(2) what is the cost of such responsibility at the new level/agency?

N/A.

(3) how is the new agency accountable to the people governed?

N/A.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

Not directly. (see Fiscal Impact)

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

In the cases where employees purchase their own equipment and/or software, some costs of continuing the telecommuting program will be borne by those employees.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

N/A.

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

- (5) Are families penalized for not participating in a program?

N/A

- b. Does the bill directly affect the legal rights and obligations between family members?

N/A

- c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

- (1) parents and guardians?

N/A

- (2) service providers?

N/A

- (3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Section 110.171, F.S..

E. SECTION-BY-SECTION RESEARCH:

Section 1. Removes the repealer language from ch. 91-113, L.O.F.

Section 2. Provides for an effective date of October 1, 1998.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Unknown.

2. Recurring Effects:

Unknown, but due to the elimination of information gathering and reporting requirements, there should be a beneficial fiscal impact. Also, see #3 Long Run Effects.

3. Long Run Effects Other Than Normal Growth:

There are equipment costs to set up a telecommuting worksite, estimated at about \$1,500 per site, less costs borne by telecommuting employees. However, to the extent that agencies encourage employees to telecommute, there will be cost reductions as a result of reductions in office space requirements, lower utility bills, reduced traffic volume in high density areas, and improvements in employee time utilization.

4. Total Revenues and Expenditures:

Unknown.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

The initial cost of setting up a telecommuting work site is estimated to cost about \$1,500 if the state purchases equipment. However, some state employees have purchased their own equipment to set up a home work site. In fiscal year 1996 - 1997, the state spent approximately \$45,000 for telecommuting equipment (including laptops and phone lines) for state employee telecommuters. It is difficult to estimate how much offsetting savings there will be in employee production, leased space, and the like, as a result of telecommuting.

In fiscal years 1995 - 1997, six agencies reduced office space as a direct result of telecommuting. The Department of Revenue was able to cut by almost half the amount of office space needed for auditors in the Miami area, and has plans to reduce space in other areas as leases lapse. The Department of Labor and Employment Security closed its Cocoa Beach office, saving the state approximately \$56,000. The Department of Insurance reduced one of its offices, and the Department of Health and Rehabilitative Services reduced two offices. During fiscal year 1996 - 1997, the Departments of Environmental Protection, Highway Safety & Motor Vehicles, and Labor & Employment Security, combined, eliminated over 6,300 square feet of office space through telecommuting.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require the counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

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B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that counties or municipalities have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

Continuing telecommuting as a permanent workplace option may assist agencies in recruiting and retaining key personnel in areas which are identified as critical, and may also enhance the ability of agencies to provide positions for certain disabled individuals.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

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