

STORAGE NAME: h3839a.ca

DATE: March 19, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: HB 3839

RELATING TO: Hillsborough County Hospital Authority

SPONSOR(S): Representative Tamargo & others

COMPANION BILL(S): None

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

- (1) COMMUNITY AFFAIRS YEAS 7 NAYS 0
 - (2)
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

This bill amends the Hillsborough County Hospital Authority special act. The bill adds two components to the list of required performance audit components. The bill clarifies a non-exhaustive list of standard procedures used when the commission contracts for professional services.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The Hillsborough County Hospital Authority (hospital authority) is listed in the **1997 Official List of Special Districts** as a dependent special district. It was created by special act chapter 80-510, Laws of Florida, as amended. However, chapter 96-449, Laws of Florida, supersedes chapter 80-510, Laws of Florida, and all acts amendatory or supplementary thereto, relating to the hospital authority. The hospital authority is granted all powers authorized by law to hospital facilities and districts. The hospital authority consists of 15 appointed members.

Chapter 96-449, Laws of Florida, provides that the hospital authority is subject to a performance audit every 4 years. The special act provides that the audit must contain the following components:

- A management performance appraisal;
- An assessment of compliance with general and special law and certain rules;
- Recommendations for changes required in general or special law which, if enacted, enhances the efficiency and effectiveness of the public transportation program;
- An examination and evaluation of alternative methods of providing program services or products more efficiently and effectively;
- The adequacy of operating controls and operating procedures;
- An assessment of relations with employees and the public; and
- A copy of the response received pursuant to subparagraph (c) 2. c. of chapter 96-449, Laws of Florida, which requires the hospital authority's chairman to prepare a written response to the preliminary findings of the performance audit.

Chapter 96-449, Laws of Florida, provides that the hospital authority must use standard procedures for any public body when contracting for professional services, including, but not limited to:

- A uniform and consistent manner of public announcement; general description of the audit, and an indication of how interested parties may apply. However, these requirements do not include a requirement that the audit applicant provide a statement of qualifications and performance data;
- An adoption of evaluation procedures for professional auditing services;
- A finding that the auditing firm or individual to be employed is fully qualified pursuant to the adopted evaluation procedures. This requirement fails to recognize that compliance with adopted evaluation procedures does not preempt or exempt compliance with any relevant law.

One year from the date of the final audit report, the hospital authority's chair must submit to the Office of the Hillsborough County Legislative Delegation a written statement of the status of the recommendations contained in the audit report. The law does not require that the commission's chair submit a written statement of the status of his or her audit responses.

B. EFFECT OF PROPOSED CHANGES:

The bill adds two required components to the performance audit. Specifically, the performance audit must also include:

- A financial impact assessment, if any, of any of the recommendations contained in the final audit report; and
- A progress assessment made on the most recent previous performance audit recommendations, if any.

The bill clarifies a non-exhaustive list of standard procedures that the hospital authority is required to follow when contracting for professional service. These procedural clarifications include:

- Requiring the hospital authority to issue a public "notice" for professional auditing services which must include a general description of the audit and state how interested firms or individuals can apply for consideration.
- Requiring the applicant to provide a statement of qualifications and performance data.
- Providing a statement that the applicant meets continuing professional educational requirements as prescribed by the Florida Department of Business and Professional Regulation, Board of Accountancy.

The bill provides that the hospital authority must also base its finding that an applicant is fully qualified pursuant to the law.

The bill conforms the law by requiring the hospital authority's chair to also submit a written statement of the status of audit responses.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 96-449, Laws of Florida.

D. 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?

Private or governmental entities performing audits for the Hillsborough County Hospital Authority must include a financial impact and progress assessment.

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

No.

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?

N/A

(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?

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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?

No.

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?

N/A

5. Family Empowerment:

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

- (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

E. SECTION-BY-SECTION RESEARCH:

Section 1 -- Amends section 10 of chapter 96-449, Laws of Florida:

Section 10: Requires that the performance audit also contain a financial impact assessment and a progress assessment on the most recent previous performance audit recommendations; clarifies standard procedures for any public body when contracting for professional services; requires that the adopted procedures for professional auditing services evaluation include; (a) a statement that the audit applicant meets the required continuing professional educational requirements as prescribed by the Florida Department of Business and Professional Regulation, Board of Accountancy and, (b) the results of their most recent external quality control review; clarifies that audit applicant's qualification findings must also be based on the law; clarifies that the entity performing the audit must provide relevant supporting documents of preliminary audit findings, upon request, to the Hillsborough County Hospital Authority's chair; requires a written statement of the status of responses contained in the audit report; provides conforming sections.

Section 2 -- Provides that this act is effective upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 30, 1998

WHERE? The Times, an edition of the St. Petersburg Times; Tampa, Florida

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

IV. COMMENTS:

The Hillsborough County Home Rule Charter took effect May 1985. The charter provides for local self-determination and grants all powers of a chartered county under Section I, Article VIII, Florida Constitution, 1968, as amended. One of the features of the Hillsborough County charter as described in "Home Rule Charter for Hillsborough County Florida, Approved by Hillsborough County Voters, September, 1983," is:

Special laws enacted by the Florida Legislature may be effective in Hillsborough County without approval by County electors if they relate to the following: civil service, aviation, the port, sports, transportation, **hospitals**, planning, environment, solid waste management, consumer affairs, resource recovery, criminal justice, historic preservation, and the arts. [Emphasis added.]

House Rule 92(a), provides that "if a committee determines that a local bill may be enacted into law under the authority of a local governing body, that committee shall not report the bill to the Clerk."

The purposes of this local bill could be accomplished by a local ordinance but would require that the special acts relating to the hospital authority be repealed by the Legislature and converted to local ordinances. The ordinances would then be subject to modification or repeal by the local governing body as are other local ordinances. The entire contents of the Act remain in full force and effect during the conversion process.

Because the special acts related to the hospital authority have not been repealed and converted to local ordinances, House Rule 92(a) does not apply in this instance.

Special District Status Statement

Section 189.404(5), Florida Statutes, provides that after October 1, 1997, the charter of any newly created special district shall contain and, as practical, the charter of a preexisting special district shall be amended to contain, a reference to the status of the special district as dependent or independent. When necessary, the status statement shall be amended to conform with the department's determination or declaratory statement regarding the status of the district.

An examination of this charter reveals that this statement is not contained in the district's charter.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

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