

STORAGE NAME: h1669.go

DATE: March 17, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: HB 1669

RELATING TO: Employment Opportunity Act

SPONSOR(S): Representative Bush and others

COMPANION BILL(S): SB 2078 (similar)

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

- (1) GOVERNMENTAL OPERATIONS
 - (2) GOVERNMENTAL RULES & REGULATIONS
 - (3) BUSINESS DEVELOPMENT & INTERNATIONAL TRADE
 - (4) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (5)
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I. SUMMARY:

This bill creates the "Florida Comprehensive Employment Act," which shall be known as the "Florida Introduction to Employment Opportunity Act".

This bill would require each state agency having an annual budget of \$1,000,000 or more to establish a separate category in its legislative budget request to provide employment for persons who have never been employed.

Each such budget request will, at the discretion of the agency head, include a portion for the employment of minority persons who have never been employed. It is believed that minority persons, as provided for in this bill, may be racial minorities. However, there is no identification in the bill as to which minorities are being referenced, which would call for employment of children, as well as persons in racial, ethnic, religious, and all other classes which are considered in a minority.

Each such budget request must be carried forward in the Governor's recommended budget and submitted to the Legislature.

The fiscal impact of this bill can not be determined since the bill does not provide guidelines concerning the size of the employment requests, but could, if enacted, significantly impact virtually every agency in state government.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Section 216.031, F.S., provides that the head of each state agency submit "a legislative budget request, reflecting the independent judgment of the head of the state agency. . . with respect to the needs of the agency. . . during the next fiscal year. . ."

Similarly, s. 216.151, F.S., related to the duties of the Executive Office of the Governor, provides that the Executive Office of the Governor make detailed studies of each agency to determine needs based on a number of factors, prepare budget-related analyses, prepare policy statements on operational standards, provide the Legislature with information needed to justify the Governor's recommended balanced budget, and determine what is necessary to obtain more federal funding. This statute does not have any specific ties to minority or other special employee classes.

Section 216.162, F.S., provides that the Governor "shall furnish each senator and representative a copy of his or her recommended balanced budget for the state, based on the Governor's own conclusions and judgment. . ."

Section 216.163, F.S., provides for the form and content of the Governor's recommended budget, including a requirement to provide the Legislature with a performance-based program budget, and a recommendation for incentives or disincentives for agency performance. Such incentives could include *additional flexibility in budget or salary management*, *retention of up to 50 percent of unexpended and unencumbered balances of appropriations* (with exceptions), and *additional funds* for expenditures such as: bonuses, employee training, or productivity enhancement.

B. EFFECT OF PROPOSED CHANGES:

This bill would require each state agency having an annual budget of \$1,000,000 or more to establish a separate category in its legislative budget request to provide for employment of persons who have never been employed. The bill provides each agency head with the discretion for designating a separate portion of the budget for this category for the employment of minority persons.

The bill requires the Governor to include such categories and requests in his recommended balanced budget submitted according to sections 216.151, 216.162 and 216.163, F.S.

The extent to which the provisions of such statutory sections will apply to this bill.

This bill states that it is the intent of the Legislature that this bill be an integral component of the Work and Gain Economic Self-sufficiency Act (WAGES). It is also unclear how, or to what extent, the provisions of this bill will be incorporated into WAGES.

This bill does not indicate the dollar amount, or percentage or other portion of each agency's budget which is to be included in the request for employment of minority, and other persons who have never been employed, nor does it provide definitions, or parameters for the terms "employment", "employed", or "minority persons". Also, there are no exemptions to the provisions of this bill.

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?

Indirectly, yes. Each agency head has the authority to decide what portion of certain funds legislatively earmarked for a certain class of persons (persons who have never been employed), will be allocated to another legislatively identified sub-set class of persons (minority persons who have never been employed), within the larger class. The

potential disputes among "minority" groups, and between them and the non-minority group could require a considerable amount of adjudicating.

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

Yes. Agencies are required to allocate some portion of their budget for workers who have never been employed. Should such agencies' operational requirements call for a significant number of personnel with special training or skills, it may be necessary for them to limit, or modify operations to comply with the provisions of this bill.

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

Yes. Should an agency be required to provide employment for untrained, or unskilled workers, it would be, in effect, providing a benefit to those employees.

- 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?

Not applicable.

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

Not applicable.

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

Not applicable.

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?

No.

- 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. In fact, the bill could be viewed as creating an entitlement for a special class of persons by providing employment by state agencies.

- 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?

No.

- 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:

Not applicable.

- (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?

No.

- 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?

No.

- (2) service providers?

No.

(3) government employees/agencies?

The bill makes no mention of hiring decisions and appears to leave employment decisions in the hands of state agencies.

D. STATUTE(S) AFFECTED:

Creates s. 414.0275, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1. Creates the "Florida Comprehensive Employment Act," to be known as the "Florida Introduction to Employment Opportunity Act", requiring each state agency having an annual budget of \$1,000,000 or more to establish a separate category in its legislative budget request to provide for employment of persons who have never been employed; providing each agency head with the discretion for designating a portion of the budget to a separate category within the general category of persons who have never been employed (containing persons in "minority" groups); requiring the Governor to include such categories and requests in his recommended balanced budget submitted according to ss. 216.151, 216.162 and 216.163, F.S.

Section 2. Provides an effective date of upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Indeterminate. This bill provides no guidance as to how extensive or limited the provisions should be.

2. Recurring Effects:

Indeterminate.

3. Long Run Effects Other Than Normal Growth:

Indeterminate.

4. Total Revenues and Expenditures:

Indeterminate.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

Unknown. Depending on the source of the workers envisioned in this bill, there may be no effect, or a positive effect on local governments.

2. Recurring Effects:

Unknown.

3. Long Run Effects Other Than Normal Growth:

Unknown.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None.

2. Direct Private Sector Benefits:

None.

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

None.

D. FISCAL COMMENTS:

The cost of the bill is indeterminate since it does not specify or provide guidelines concerning the size of the budget to be allocated to employment of the identified classes specified in the bill. The amount of any appropriations would be determined by the Legislature.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

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

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:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

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