

STORAGE NAME: H2129a.ted

DATE: April 16, 1999

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
ANALYSIS**

BILL #: HB 2129 (PCB TU 99-08)

RELATING TO: Promotion of Amateur and Professional Sports

SPONSOR(S): Committee on Tourism

COMPANION BILL(S):

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

- (1) TOURISM YEAS 7 NAYS 1
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS YEAS 7 NAYS 0
 - (3)
 - (4)
 - (5)
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I. SUMMARY:

The bill authorizes the direct-support organization, known as the "Florida Sports Foundation" (Foundation), established under the Governor's Office of Tourism, Trade, and Economic Development (OTTED) to absorb many of the duties currently assigned to the Governor's Council on Physical Fitness and Amateur Sports (Council). These activities include the promotion of physical fitness and amateur sports for the citizens of Florida, the promotion of Florida as a host for national and international amateur sports competitions, and the administration of the Sunshine State Games. The bill repeals s. 14.22, F.S., which established the Council. Additionally, the bill transfers from the Council to the Foundation the administration of the funds collected from the sale of Olympic license plates under s. 320.08058, F.S., 1998 Supplement. The use of the state funds is clarified to make certain that they are used to support the Sunshine State Games. The bill also provides for the transfer of all funds and property held by the Council and the Sunshine State Games Foundation, Inc., to the Florida Sports Foundation and requires that such resources will be used to promote amateur sports.

Under current law, the Council is required to promote and provide information and education regarding physical fitness; to promote amateur sports competitions for Floridians; to promote national and international amateur athletic competitions; to promote the development of the Sunshine State Games; and, to promote development of Olympic development centers. Under current law, the Foundation is required to promote the sports industry and related industries in the state; to serve as the primary source of information on sports and sporting opportunities in the state; and, to work in the areas of both professional and amateur sports.

Duties related to the promotion of amateur sports and physical fitness under current law are streamlined and more discretion is given to the direct-support organization by the bill. The promotion and development of Olympic development centers is dissolved and a broader charge is provided in the bill for programs to encourage participation of Florida's youth in Olympic sports and competitions. Finally, the 17-member Florida Olympics and Pan American Games Task Force is dissolved and replaced by provisions in the bill requiring the direct-support organization to assist and support Florida bid-cities or communities seeking to host the Summer Olympics or Pan American Games and to annually report to the Governor, President of the Senate and the Speaker of the House of Representatives on the status of the bid-city efforts.

The bill amends the requirements for the qualifications and the number of the board members of the Foundation's board of directors.

Finally, the combining of both the functions and administration of these two sports promotion entities should reduce expenses and eliminate confusion created by having two very similar organizations representing sports interests of Florida.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Currently, Florida has two statutorily created entities which perform a number of functions designed to promote sporting activities within the state: the Florida Sports Foundation, the direct support organization created under s. 288.1229, F.S., and the Governor's Council on Physical Fitness and Amateur Sports, created under s. 14.22, F.S.

Section 288.1229, F.S., authorizes the creation of a direct-support organization within the Governor's Office of Tourism, Trade, and Economic Development (OTTED) for the purpose of promoting and developing the sports industry and related industries in the state. The Florida Sports Foundation (Foundation) is the name of this not-for-profit, direct-support organization. The Foundation board members consist of fifteen members appointed by the Governor and up to fifteen members appointed by the existing board of directors. Funding for the Foundation activities is provided from the private sector and from the professional sports license tag program under s. 320.08058(9), F.S., 1998 Supplement. The license tag program provides approximately \$1.1 million annually which channels matching grant funds through the Foundation to regional sports organizations and professional sports franchise host committees in local communities.

In its role as the state's official sports promotion office, the Florida Sports Foundation serves as the primary source of information on sports and sporting opportunities in the state. The organization produces several Florida sports guides and conducts workshops and conferences designed to increase the knowledge of, and interest in, sports as a viable revenue producer for the state. In addition to channeling grant funds to local and regional sports organizations and local governments, the Foundation has been very active in assisting these entities in promoting their venues to not only professional, but also major amateur competitions. In the area of amateur sports such as golf and fishing, the Foundation has been active in helping to create state championship programs.

The Governor's Council on Physical Fitness and Amateur Sports (Council) under s. 14.22, F.S., has as its duties the promotion of physical fitness and the promotion, development, and coordination of amateur sporting competitions throughout the state. Specifically, the Council is authorized to promote the development of the "Sunshine State Games" and Olympic development centers. The Council works closely with the United States Olympic Committee in these endeavors and is responsible for administering funds derived from the sale of Florida United State Olympic Committee License Plates. Approximately \$400,000 annually is collected from these license plate sales and is deposited with the Sunshine State Games Foundation for equal distribution between the Florida Olympic Sports Festival for Amateur Athletes and the U.S. Olympic Committee.

In 1997, the law was amended to provide for the creation of a 17-member task force under the Council for the specific purpose of studying the feasibility of and for making recommendations for bringing the Summer Olympics and the Pan American Games to Florida. This task force made its initial report to the Governor in December of 1997. The task force has failed to submit its follow-up report due to the Governor in December of 1998.

B. EFFECT OF PROPOSED CHANGES:

The bill amends s. 14.2015, F.S., 1998 Supplement, to expand the purposes of the direct-support organization created under s. 288.1229, F.S. The bill amends s. 288.1229, F.S., to authorize the direct-support organization, known as the "Florida Sports Foundation" (Foundation), established under the Governor's Office of Tourism, Trade, and Economic Development (OTTED) to absorb many of the duties currently assigned to the Governor's Council on Physical Fitness and Amateur Sports under s. 14.22, F.S. These duties or activities include the promotion of physical fitness and amateur sports for the citizens of Florida, the promotion of Florida as a host for national and international amateur sports competitions, and the administration of the Sunshine State Games.

Duties related to the promotion of amateur sports and physical fitness under current law are streamlined and more discretion is given to the Foundation by the bill. The promotion and development of Olympic development centers is dissolved and a broader charge is provided in the bill for programs to encourage participation of Florida's youth in Olympic sports and competitions. Finally, the 17-member Florida Olympics and Pan American Games Task Force is dissolved and replaced by provisions in the bill requiring the direct-support organization to assist and support Florida bid-cities or communities seeking to host the Summer Olympics or Pan American Games and to annually report to the Governor, President of the Senate and the Speaker of the House of Representatives on the status of the bid-city efforts.

Section 288.1229, F.S., is also amended to change the qualifications for the board members of the Florida Sports Foundation to reflect the additional duties. The section is changed to provide the Governor greater flexibility in determining the necessary size of the board of directors by the Governor to appoint "up to" 15 board members as opposed to current law which provides the Governor must appoint 15 board members. The current provision allowing the board members to appoint "up to" an additional 15 members is not changed.

Additionally, the bill transfers from the Council to the Foundation the administration of the funds collected from the sale of Olympic license plates under s. 320.08058, F.S., 1998 Supplement. The use of the state funds is clarified to make certain that they are used to support the Sunshine State Games.

The bill also provides for the transfer of all funds and property held by the Council and the Sunshine State Games Foundation, Inc., to the Florida Sports Foundation and requires that such resources will be used to promote amateur sports.

Finally, the bill repeals s. 14.22, F.S., which established the Governor's Council on Physical Fitness and Amateur Sports (Council).

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?

Yes, this bill assigns new sports and physical fitness promotion-related responsibilities to the direct support organization created under s. 288.1229, F.S.

(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?

Many of the responsibilities and the commensurate funding of the Governor's Council on Physical Fitness and Amateur Sports are absorbed by the Florida Sports Foundation. In addition, new responsibilities are created and assigned to the Foundation.

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

The potential is created for reducing costs by combining the functions and administration of the state's two sports promotion entities. OTTED estimates a total savings of \$756,578. This estimated savings is realized through the elimination of the Olympic development centers program (\$421,578), elimination of the Council offices in Gainesville and Kissimmee (\$135,000) and a reduction of staff from the current Council staff of 15 to a staff of 3 to 5 (\$200,000).

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

The Florida Sports Foundation is accountable by contract to OTTED and is required to include performance measures and standards in its contract. Additionally, it is a statutorily created direct-support organization created for the purposes of assisting the Governor and OTTED in the area of sports.

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.

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:

(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:

Amends ss. 14.2015 and 320.08058, F.S., 1998 Supplement

Amends ss. 14.22 and 288.1229, F.S.

E. SECTION-BY-SECTION ANALYSIS:

Section 1 amends s. 14.2015 (2)(b), F.S., 1998 Supplement, to expand the duties and powers of the direct-support organization created under s. 288.1229, F.S.

Section 2 amends s. 288.1229 (1), F.S., by creating paragraphs (a) and (b) to expand the charge of the direct-support organization (Florida Sports Foundation) to also assist OTTED with the promotion of amateur athletic participation and competitions including the promotion of Florida as a host for national and international amateur athletic competitions for the purpose of encouraging and increasing economic activity in Florida.

Section 2 also amends s. 288.1229 (2)(b), F.S., potentially reducing the number of the board of directors of the direct-support organization by allowing the Governor to appoint "up to" 15 board members as opposed to current law which provides the Governor must appoint 15 board members. The background for appointees to the board of directors is amended to include community service or sports activism in, or financial support of, organized amateur athletics. Appointees to the board of directors must also be highly knowledgeable about or active in organized amateur sports.

Subsections (8) and (9) are added to s. 288.1229, F.S. The duties assigned to the direct-support organization under s. 288.1229 (8), F.S., are related to the promotion and support of athletic amateur competition and physical fitness for the citizens of Florida and include the following: develop, foster, and coordinate services and programs for amateur sports for the people of Florida; sponsor amateur sports workshops, clinics, conferences, and other similar activities; recognize outstanding developments and achievements in amateur sports; encourage, support, and assist local governments and communities in the development of or hosting of local amateur athletic events and competitions; develop a statewide program of amateur athletic competition known as the "Sunshine State Games"; continue successful amateur sports programs conducted by the Governor's Council on Physical Fitness and Amateur Sports; encourage and continue the use of volunteers in amateur sports programs; develop, foster, and coordinate services and programs designed to encourage the participation of Florida's youth in Olympic sports activities and competitions; and foster and coordinate services and programs designed to contribute to the physical fitness of the citizens of Florida.

Subsection (8) also provides for the promotion of Florida as a host for national and international amateur athletic competitions, including, the direct-support organization providing assistance and support to bid-cities seeking to host the Summer Olympics or Pan American Games and annually reporting to the Governor, the President of the Senate and the Speaker of the House of Representatives regarding the status and projected needs of those bid-cities and communities seeking to host or hosting the Summer Olympics or Pan American Games.

Provided for in s. 288.1229 (9), F.S., is the transfer of those duties, powers and oversight functions performed by the Governor's Council on Physical Fitness and Amateur Sports in developing a statewide program of amateur athletic competition known as the "Sunshine State Games" from the Council to the direct-support organization.

Section 3 amends s. 320.08058, F.S., 1998 Supplement, removing references to the Governor's Council on Physical Fitness and Amateur Sports and the Sunshine State Games Foundation and directing annual fees from the sale of Florida United States Olympic Committee license plates to the direct-support organization established under s. 288.1229, F.S. Funds to be used in the state are specifically to be used for the Sunshine State Games.

Section 4 provides for the transfer of any funds or property held in trust by the Sunshine State Games Foundation, Inc., and the Governor's Council on Physical Fitness and Amateur Sports to the direct-support organization, created under s. 288.1229, upon expiration or cancellation of the contract with OTTED. Funds and property transferred are to be used for the promotion of amateur sports in Florida.

Section 5 repeals s. 14.22, F.S., thereby dissolving the Governor's Council on Physical Fitness and Amateur Sports.

Section 6 provides an effective date of July 1, 1999 for the bill.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Indeterminate.

2. Recurring Effects:

The potential is created for reducing costs by combining the functions and administration of the state's two sports promotion entities. OTTED estimates a total savings of \$756,578. This estimated savings is realized through the elimination of the Olympic development centers program (\$421,578), elimination of the Council offices in Gainesville and Kissimmee (\$135,000) and a reduction of staff from the current Council staff of 15 to a staff of 3 to 5 (\$200,000).

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Indeterminate at this time. See comments under "Recurring Effects."

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:

Total revenues and expenditures are indeterminate at this time because it has been difficult for staff to determine with any precision the costs and expenditures incurred by the Council as part of its statutorily mandated functions and responsibilities. For example, while there are various line-items related to the "Olympic development centers" in the Council budget as submitted to OTTED on January 26, 1999, it is difficult to determine what the total expenditure has been on behalf of these "Olympic development centers." While the Council has received funding for the Sunshine State Games Foundation, Inc. of \$350,000 and another \$350,000 for Olympic development centers, neither program is outlined in a separate spread-sheet. The Florida Sunshine Games Foundation, Inc., budget combines the Council, the Sunshine State Games Foundation, Inc. and the Olympic development centers (and "Other Programs") into one budget statement and the funds are administered out of a single account. While the Sunshine State Games Foundation, Inc., received a satisfactory review from its independent annual audit, submitted on June 30, 1998, as a matter for analysis, it is difficult to ascertain how the statutory changes in this bill would be realized in the fiscal administration of the direct-support organization. Therefore, it is difficult to project what the fiscal impact would be under the administration of the direct-support organization.

An analysis by the OTTED estimates an initial savings of \$756,578 through the elimination of the Olympic development centers program (\$421,578), the elimination of the Council offices in Gainesville and Kissimmee (\$135,000) and the reduction in staff from the current Council staff of 15 to a full-time staff of 3 to 5 (\$200,000).

In addition, OTTED estimates savings to other entities would include the following: elimination of host city bid fees for the Sunshine State Games (\$87,000); cessation of grant from Osceola County TDC (\$100,000); and the elimination of a grant from North Miami Beach (\$50,000).

According to OTTED, while the direct-support organization will retain the Olympic license tag money (approximately \$250,000 in FY 98-99) and the \$350,000 to promote and coordinate the Sunshine State Games, the direct-support organization will conduct an extensive, on-going evaluation of the Sunshine State Games and the actual costs necessary to coordinate the games. The direct-support organization's goal is to eliminate the host city fees and participant entry fees and to eventually request less than the current \$350,00 currently provided by the State of Florida.

The preliminary conference report on the General Appropriations Act for fiscal year 1999-2000 contains a lump sum allocation of \$280,000 for the Sunshine State Games and \$27,442 for Sports Operations. The conference report also provides budget flexibility to the Executive Office of the Governor to modify the budget allocation to these programs through the budget amendment process provided in Chapter 216, Florida Statutes. The conference report does not include funding for the Olympic development centers program, which reflects a budget reduction of \$350,000.

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 expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenue.

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

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

V. COMMENTS:

There are 38 states that currently have some entity related to the promotion of sports and physical fitness. While the term "Governor's Council on Physical Fitness and Sports" is common, derivations of such title in these states are not unusual, including four state entities that are named a "commission," one state entity that is referred to as a "committee," another as an "advisory board," and two state entities that are "coalitions" on physical fitness, health, healthy living or some other reference related to fitness in addition to "sports."

Whatever the name of the direct-support organization, whether it is known as the "Florida Sports Foundation" or another designation or title, the direct-support organization, as proposed in this bill, would be able to interface with and represent the State of Florida before the national physical fitness body.

The direct-support organization negotiates an annual contract with OTTED which stipulates performances measures and specific goals for the upcoming fiscal year. Any requirements to interface with the national body could be addressed by the Governor's Office through contract, if determined needed.

Given the expressed mission of the Office of Tourism, Trade and Economic Development (OTTED), which, as suggested by its name, is related to economic development, a statewide entity advocating or promoting physical fitness and providing education regarding healthy living to Florida's citizens may arguably be better suited within the Department of Health or other governmental agency.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

STORAGE NAME: H2129a.ted

DATE: April 16, 1999

PAGE 11

VII. SIGNATURES:

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