

STORAGE NAME: h0073a.fpr.doc

DATE: March 2, 2001

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FISCAL POLICY & RESOURCES
ANALYSIS**

BILL #: HB 73

RELATING TO: Florida Customer Service Standards Act

SPONSOR(S): Representative(s) Wallace and others

TIED BILL(S): None

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

- (1) STATE ADMINISTRATION YEAS 3 NAYS 1
 - (2) FISCAL POLICY & RESOURCES
 - (3) COUNCIL FOR SMARTER GOVERNMENT
 - (4)
 - (5)
-

I. SUMMARY:

This bill creates the "Florida Customer Service Standards Act" which directs state departments to comply with certain requirements regarding customer service, including:

- ! Identifying a designated employee of the department to facilitate the resolution of customer complaints and providing telephonic or direct electronic access to that person;
- ! Providing available information and accurate responses to questions and requests for assistance in a prompt manner;
- ! Developing a process for review by upper-level management of any customer complaints not resolved by the department employee or employees designated to resolve customer complaints;
- ! Developing customer satisfaction measures as a part of the department's performance measurement system;
- ! Providing statistical data on customer service complaints, requests, and resolutions, as well as data obtained through the customer feedback mechanisms, in departmental annual reports and other performance publications; and
- ! Conducting interdepartmental discussion on methods of providing and improving customer service.

This bill directs departments to implement its provisions utilizing available resources. This bill provides that failure to comply with its provisions does not constitute a cause of action.

This bill does not appear to have a fiscal impact on state or local governments.

The Committee on State Administration adopted three amendments, which are traveling with this bill.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

State departments are directed to implement customer service measures that would be in addition to their current duties.

B. PRESENT SITUATION:

According to a 1997 National Performance Review, in the past thirty years, while the public's access to information has grown at a rate not otherwise comparable in history, the public's distrust of government's ability to solve problems has also grown. In 1963, the public's confidence in the government rated 75 percent compared to a low of 17 percent in 1993. *Putting Customers First '97: Standards for Serving the American People*, National Performance Review (October 1997) at 1. Some claim that a part of this growth in distrust and lack of confidence stems from problems with communicating with governmental departments. *Id.*

Many of the State of Florida's departments already use departmental customer service standards, as well as grievance processes, ombudsmen offices, and track actual calls and the volume and speed that customer requests and complaints are resolved. Several agencies use computer database tracking systems to monitor customer correspondence, the nature of the complaint, resolution, and date of resolution. *PCB GRR 00-02 Survey Results*, House Committee on Governmental Rules and Regulations (January 2000). Tracking allows departments to prepare analyses which identify trends or problem areas, to proactively plan and streamline their customer service processes, and to facilitate other activities, through the use of empirical data.

Departments are defined in Chapter 20, Florida Statutes, (Organizational Structure) as "the principal administrative unit within the executive branch of state government." Chapter 20, Florida Statutes, provides the organizational structure for all of the departments: State, Legal Affairs, Banking and Finance, Insurance, Agriculture and Consumer Affairs, Education, Business and Professional Regulation, Labor and Employment Security, Community Affairs, Children and Family Services, Law Enforcement, Revenue, Management Services, Transportation, Highway Safety and Motor Vehicles, Environmental Protection, Citrus, Corrections, Juvenile Justice, and Lottery.

C. EFFECT OF PROPOSED CHANGES:

This bill creates the "Florida Customer Service Standards Act" which directs departments to comply with the following requirements regarding customer service, while utilizing available resources and existing disciplinary policies:

- ! Designate an employee or employees in the department who must be responsible for facilitating the resolution of customer complaints, including any customer complaints regarding unsatisfactory treatment by department employees.
- ! Provide available information, excluding confidential information under state or federal law, and accurate responses to questions and requests for assistance in a prompt manner.
- ! Acknowledge receipt of a telephonic or electronic inquiry by the end of the next business day.
- ! Provide direct local or toll-free telephonic or direct electronic access to the department employee or employees designated to resolve customer complaints.
- ! Develop a process for review by upper-level management of any customer complaints not resolved by the department employee or employees designated to resolve customer complaints. In evaluating the response time, management may consider periodic, high-volume inquiries as a justifiable cause of delay.
- ! Develop customer satisfaction measures as a part of the department's performance measurement system.
- ! Employ a system by which customer service complaints, requests, and resolutions are tracked.
- ! Provide statistical data on customer service complaints, requests, and resolutions, as well as data obtained through the customer feedback mechanisms, in departmental annual reports and other performance publications.
- ! Provide training to employees on improving customer service and on the role of the employee designated to resolve customer complaints.
- ! Include in the departmental strategic plan a program outline or goal regarding customer service.
- ! Conduct interdepartmental discussion on methods of providing and improving customer service.

This bill defines "customer" as any member of the public who uses or requests services or information provided by a state department, or who is required by statute to interact with the department. This bill does not apply, however, to a person requesting services or information relating to that person's criminal prosecution; incarceration; pending administrative action; or current lawful state or local government custody. The terms "criminal prosecution" and "incarceration" do not state whether this bill effects current, pending, or past criminal prosecution or incarceration. The sponsor is offering amendments to clarify what situations are effected.

This bill defines "department" as a "principal administrative unit within the executive branch as *defined* in Chapter 20, Florida Statutes, and also includes the Public Service Commission." Although Chapter 20, Florida Statutes, does define "department", that definition is the same as the definition given in this bill; accordingly, the cross-reference to Chapter 20, Florida Statutes, in this bill's definition of "department", adds no additional meaning to that definition. However, the

departments are organizationally structured within Chapter 20, Florida Statutes. The sponsor is offering an amendment to clarify the definition of "department".

This bill provides that the departments be staffed and open to the public for business on all regular business days. This bill also provides that the departments must use available resources to achieve this bill's purposes.

This bill further states that failure to comply with its provisions does not constitute a cause of action. For example, if a person is subject to a penalty and believes that the department did not comply with the measures set forth in this bill, the customer would not be relieved of paying the penalty by arguing the department's noncompliance with this section.

The effective date of this bill is October 1, 2001.

D. SECTION-BY-SECTION ANALYSIS:

See Effect of Proposed Changes.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

This bill stipulates that measures must be implemented utilizing available resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

In last year's analysis of a similar bill, HB 1047, the Committee on General Government Appropriations added data to the Fiscal Comments Section, as follows:

Since the bill directs [departments] to utilize existing funds, the costs associated with the implementation of this program could be offset by reductions in spending for existing programs within each department. For example, the Executive Office of the Governor

(EOG), which currently has a correspondence tracking system in place, estimates that implementation of this program would result in a recurring reduction of \$60,000 to existing [department] programs (\$52,000 for the hiring of one FTE to serve as the consumer advocate, and \$8,000 for expenses related to implementation). For those [departments] that have not established a correspondence tracking system, the potential fiscal impact could be even larger than that of EOG.

Fiscal Comments by the Committee on General Government Appropriations, Substantive Bill Analysis for HB 1047 (2000), at 4.

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 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:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

Last year, the Committee on Governmental Rules and Regulations and Representative Wallace introduced a similar bill, HB 1047 (PCB GRR 00-02). That bill died on the calendar.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On January 25, 2001, the Committee on State Administration adopted three amendments to HB 73, which are traveling with the bill, and reported the bill, as amended, favorably.

The first amendment removes from page 2, line 10, the word "defined" and inserts "set forth" in the definition of "department", this a technical-type amendment clarifying the definition of "department". The second amendment removes the word "criminal" and adds "pending or current criminal" to clarify what information regarding criminal prosecution is specifically affected in that exception. The third amendment removes the word "incarceration" and inserts "current incarceration" to clarify what information is specifically affected in that exception.

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VII. SIGNATURES:

COMMITTEE ON STATE ADMINISTRATION:

Prepared by:

Jennifer D. Krell, J.D.

Staff Director:

J. Marleen Ahearn, J.D., Ph.D.

AS REVISED BY THE COMMITTEE ON FISCAL POLICY & RESOURCES:

Prepared by:

Doug Pile

Staff Director:

Greg Turbeville