SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2312

SPONSOR: Senators Argenziano and Bullard

SUBJECT: Rural Counties/Small County Technical Assistance Program

DATE: March 18, 2004 REVISED: ____ ____ ____ ____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Akhavein	Poole	AG	Fav/1 amendment
2.	Cooper	Yeatman	CP	Favorable
3.			ATD	
4.			AP	
5.				
6.				

I. Summary:

This bill transfers the Small County Technical Assistance Program by a type two transfer from the Department of Agriculture and Consumer Services to the Department of Community Affairs (DCA). The program was originally created in 1992 to provide technical assistance to small counties that would enable them to implement workable solutions to financial and administrative problems.

The DCA is authorized by the bill to administer funds for a grant program for fiscally constrained counties and is directed to establish a grant application process. The grants may be used by the counties to help with government services, infrastructure development or as seed funding for long-term projects. The bill directs the DCA to work with the Rural Economic Development Initiative (REDI) to establish a grant application process. In addition, REDI is instructed to take measures to inform fiscally constrained counties of the grant program and the availability of funds.

A fiscally constrained county that receives a grant must provide a written report to the DCA describing the status of the grant-funded activities, the nature and amount of local or other financial support used for those activities, and the progress made toward ending the county's status as fiscally constrained. Currently, twenty-seven counties qualify for this funding: Baker, Bradford, Calhoun, Columbia, DeSoto, Dixie, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Holmes, Jackson, Jefferson, Lafayette, Levy, Liberty, Madison, Okeechobee, Putnam, Suwannee, Taylor, Union, and Washington.

This bill amends sections 163.05 and 288.0656 of the Florida Statutes, and creates s. 288.06571 of the Florida Statutes.

II. Present Situation:

The Small County Technical Assistance Program was created by the 1992 Legislature because projected revenue and expenditure trends of the small counties indicated that a serious fiscal condition had developed and could require a number of small counties to declare financial emergencies. Fiscal shortfalls persisted even though 13 of the small counties had levied the maximum ad valorem millage authorized in their jurisdictions in 1990 and an additional 13 small counties had levied between 8 and 10 mills. State and federal mandates would continue to place additional funding demands on small counties. Recognizing these findings, the Legislature created the program and appropriated $250,000 to provide technical assistance to small counties to enable them to implement workable solutions to financial and administrative problems. The Office of the Comptroller provided fiscal oversight for the program and was authorized to enter into contracts to administer the act.

The 2002 Legislature transferred the responsibility for this program from the Office of the Comptroller to the Commissioner of Agriculture. This bill transfers oversight of the program from the Department of Agriculture and Consumer Services to the Department of Community Affairs (DCA). This transfer is recommended by the Governor's Office and is one piece of the Governor's Rural Initiative. The Governor's Office represents that the activities of the program are closely aligned with the DCA's mission of assisting and investing in communities, and that the program will be enhanced through utilization of the community resources and staff expertise within the DCA.

III. Effect of Proposed Changes:

Section 1 of the bill transfers the Small County Technical Assistance Program by a type two transfer from the Department of Agriculture and Consumer Services to the Department of Community Affairs.

Section 2 amends s. 163.05, F.S., to change references of the Commissioner of Agriculture to the Department of Community Affairs.

Section 3 amends s. 288.0656, F.S., to require designees to the Rural Economic Development Initiative to be a high-level staff person who directly reports to the head of their agency or organization. The bill updates the list of Rural Economic Development Initiative members to include a representative from the Department of Elderly Affairs and the Agency for Health Care Administration.

It defines the term "fiscally constrained county" to mean a county designated as a rural area of critical economic concern for which the value of a mill in the county is no more than $3 million based on the property valuations and tax data annually published by the Department of Revenue under s. 195.052, F.S. The bill provides legislative intent that a fiscally constrained county for which the value of a mill in the county is at least $1 million, and which receives benefits from the state, demonstrate progress toward ending its status as a fiscally constrained county. In addition, as appropriate, it must provide increasing amounts of local financial support, commensurate with such progress, as match for state benefits.

Section 4 creates s. 288.06571, F.S., to define "fiscally constrained county" the same as ascribed above in Section 3. The bill defines "department" to mean the Department of Community Affairs. It authorizes the provision of grants to fiscally constrained counties. The bill provides for a grant application process that is not burdensome to any applicant. It directs the Rural Economic Development Initiative to provide technical and administrative assistance to applicants. It also directs the Rural Economic Development Initiative to develop a marketing process to inform fiscally constrained counties about the grant program and the availability of funds. The bill requires the department to establish criteria for reviewing grant applications and to approve grant award amounts and to award grants as soon as practicable after such review. It requires fiscally constrained counties to provide an annual written report describing the status of grant-funded activities, the cumulative benefit to the county of those activities, the nature and amount of local or other financial support used for those activities and the progress made toward ending the county's status as a fiscally constrained county. This bill requires the department to provide the Rural Economic Development Initiative with a copy of the report. It provides for rulemaking to implement the provisions of this section.

Section 5 provides that this act shall take effect July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

This bill would have no fiscal impact on the Department of Agriculture and Consumer Services. The Small County Technical Assistance Program was transferred to the Department for FY 2002/03 from the Office of the Comptroller. HB 3-E appropriated $500,000 for this program and no FTEs. In FY 2003/04, due to requested General Revenue cuts, this program was reduced to the current appropriation of $350,000.

In support of the fiscally constrained grant program, the governor's recommended budget includes $5 million of General Revenue to the Department of Community Affairs. This amount is subject to legislative appropriation.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Agriculture:
Corrects a typing error.