



# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government** – This bill increases the membership of the State Retirement Commission. The Governor's membership appointments will increase from three to five.

### B. EFFECT OF PROPOSED CHANGES:

#### Background

The State Retirement Commission (commission) is created within the Department of Management Services (DMS).<sup>1</sup> The commission is composed of three members appointed by the Governor and confirmed by the Senate:

- One member who is retired under a state-supported retirement system;
- One member who is an active member of a state-supported retirement system; and
- One member who is not a retiree, beneficiary, or member of a state-supported retirement system administered by DMS.

Each member is required to have a different occupational background, and is required to have been a Florida citizen for at least three years prior to appointment. The members serve four year terms<sup>2</sup> and receive a stipend<sup>3</sup> in addition to per diem and travel expenses.<sup>4</sup>

The commission may meet in panels of no less than three members for the purpose of hearing appeals on the merits of applications for disability retirement, reexamination of retired members receiving disability benefits, applications for special risk membership, and reexamination of special risk members in the Florida Retirement System.<sup>5</sup> For all other purposes, a quorum consists of four members.<sup>6</sup> Because the commission only consists of three members, a quorum of four is impossible to attain.

#### Effect of Bill

This bill increases the membership of the commission from three to five members. Two members must be retired under a state-supported retirement system administered by DMS, two members must be active members of a state-supported retirement system, and one member must not be a retiree, beneficiary, or member of a state-supported retirement system administered by DMS.

This bill requires a quorum of two members for three-member panel meetings for purposes of hearing appeals. For all other purposes, three members constitute a quorum.

### C. SECTION DIRECTORY:

Section 1 amends s. 121.22(1), F.S., increasing the membership of the State Retirement Commission.

Section 2 amends s. 121.24(1), F.S., amending the commission quorum requirement.

Section 3 provides an effective date of July 1, 2005.

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<sup>1</sup> Section 121.22(1), F.S.

<sup>2</sup> Section 20.052(4)(c), F.S., provides that members must be appointed for four year staggered terms unless expressly provided otherwise in the State Constitution.

<sup>3</sup> Members are paid a stipend of \$100 for each day spent on the work of the commission. Section 121.24(6), F.S.

<sup>4</sup> Section 121.24(6), F.S., provides that members are paid per diem and travel expenses as provided in s. 112.061, F.S.

<sup>5</sup> Sections 121.23 and 121.24(1)(a), F.S.

<sup>6</sup> Section 121.24(1)(a), F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None. This bill does not create, modify, or eliminate a state revenue source.

#### 2. Expenditures:

Each commission member is paid a \$100 stipend for each full day of commission work, in addition to per diem and travel expenses as provided in s. 112.061, F.S. The commission meetings take place in different parts of the state and are held approximately 10 times per year. The average cost is \$500 per commissioner per meeting. Therefore, the estimated annual cost to the Florida Retirement System Trust Fund is \$10,000 annually for two additional commissioners.<sup>7</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None. This bill does not create, modify, or eliminate a local revenue source.

#### 2. Expenditures:

None. This bill does not affect local governments.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None. This bill does not regulate the conduct of persons in the private sector.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not affect municipal or county government.

#### 2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

This bill provides an effective date of July 1, 2005. Given the current conflict in statute and the difficulties it poses for the commission to meet, the commission would benefit by changing the effective date to "upon becoming a law."

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not applicable.

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<sup>7</sup> Email from DMS, February 15, 2005.