

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 559  
**SPONSOR(S):** Jennings  
**TIED BILLS:**

Prosperity Campaigns

**IDEN./SIM. BILLS:** SB 1188

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Economic Development, Trade &amp; Banking Committee</u>	<u>13 Y, 0 N</u>	<u>Sheheane</u>	<u>Carlson</u>
2) <u>Community Colleges &amp; Workforce Committee</u>	<u></u>	<u></u>	<u></u>
3) <u>Education Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
4) <u>Commerce Council</u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

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### SUMMARY ANALYSIS

The bill creates a Prosperity Campaign program to: educate citizens about available economic benefits programs and the importance of wise financial decision making; connect low-wage workers to economic benefits programs, including, but not limited to, the Earned Income Tax Credit and the Childcare Tax Credit; offer free tax preparation services, economic benefits screening, and other related services; and provide information to businesses to enable them to distribute economic benefits information to current and new employees.

The bill creates the Prosperity Campaign Office within Workforce Florida, Inc. The Prosperity Campaign Office is directed to coordinate Prosperity Campaigns in the state, foster the establishment of new campaigns in designated areas, and coordinate with the Internal Revenue Service in providing programs for low-wage workers and work closely with Prosperity Campaign offices in other states.

The bill creates the Florida Prosperity Campaign Council to head the Prosperity Campaign Office. The council is composed of 23 members. The council's responsibilities include assisting in the development of Prosperity Campaigns throughout the state, coordinating with Prosperity Campaigns to assist in the development of new programs, and coordinating financial literacy classes or programs within each Prosperity Campaign; working with businesses and agencies to develop a package of services for citizens participating in Prosperity Campaign; working with the Department of Education in developing a on-half-credit financial literacy course to be offered in high schools by the beginning of the 2006-2007 school year; and performing other activities deemed necessary by the council or directed by Workforce Florida, Inc.

The bill will take effect July 1, 2005.

The Agency for Workforce Innovation reports the fiscal estimate for this bill as indeterminate. See "fiscal comments."

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

Provide limited Government- The bill creates the Prosperity Campaign Office within Workforce Florida, Inc., to establish and coordinate Prosperity Campaigns in the state.

#### B. EFFECT OF PROPOSED CHANGES:

The bill creates the Prosperity Campaign Office (the office) to be housed in Workforce Florida, Inc. The office is directed to coordinate Prosperity Campaigns in the state, foster the establishment of new campaigns in designated areas, and coordinate with the Internal Revenue Service in providing programs for low-wage workers. The bill instructs the office to also work closely with prosperity campaign offices in other states.

The office is to be headed by the Florida Prosperity Campaign Council. The council is to be composed of:

- Five individuals each representing a different Prosperity Campaign in the state, appointed by the Governor;
- One member of the Senate appointed by the President of the Senate;
- One member of the House of Representatives appointed by the Speaker;
- The Chief Financial Officer or his or her designee;
- One representative of Workforce Florida, Inc.;
- One representative from the Florida Bankers Association;
- One representative from the Florida Institute of CPA's;
- One representative from the Florida Council on Economic Education;
- One representative from the Florida Credit Union League;
- The Commissioner of Education or his or her designee;
- The Executive Director of the Florida Department of Revenue or his or her designee;
- One representative from the Florida League of Cities;
- One representative from the Florida Association of Counties;
- One representative from the Florida Association of Realtors;
- One representative from the United Way of Florida;
- One representative from Leadership Florida;
- One representative from the Florida Chamber of Commerce;
- One representative from AARP; and
- One representative from a faith based organization.

The council shall be responsible for: assisting in the development of Prosperity Campaigns throughout the state; coordinating with Prosperity Campaigns to assist in the development of new programs; coordinating financial literacy classes or programs within each Prosperity Campaigns; working with the Department of Education in developing a one-half-credit financial literacy course to be offered in high schools by the beginning of the 2006-2007 school year; working with businesses and agencies to develop a package of services for citizens participating in Prosperity Campaigns; performing other activities deemed necessary by the council or directed by Workforce Florida, Inc.

Each Prosperity Campaign shall: educate citizens about available economic benefits programs and the importance of wise financial decision making; connect low wage workers to economic benefits programs, including, but not limited to, the Earned Income Tax Credit and the Childcare Tax Credit; offer free tax preparation services, economic benefits screening, and other related services; provide information to businesses to enable them to distribute economic benefits information to current and new employees.

C. SECTION DIRECTORY:

Section 1: Creates s. 445.057, F.S., to establish the Prosperity Campaign Office; creates the Florida Prosperity Campaign Council; provides responsibilities of the Florida Prosperity Campaign Council; provides duties of each Prosperity Campaign.

Section 2: Provides that the bill will take effect July 1, 2005.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See "fiscal comments."

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The Agency for Workforce Innovation provided the following comments:

The bill establishes a 23 member council to be administratively housed within Workforce Florida and defines a number of coordination and information dissemination roles for the council. At a minimum, one full time staff position and a half-time support position would be needed to implement and support the council. Salary and benefit costs for these positions would be in the beginning range of \$77,500. Other costs directly associated with this initiative would be costs for hosting the required council meetings, travel costs of council members and staff, costs for the preparation, publication, and dissemination of printed materials to businesses and employees, and costs associated with providing free tax preparation, economic benefit screenings, and other related services to individuals.

The bill does not provide for per diem and travel under chapter 112, F.S. This may create a fiscal impact on state expenditures. An administrative impact is expected on the Agency for Workforce Innovation for staff support. The impact has not been estimated.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

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

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not reduce the percentage of state tax shared with municipalities or counties.

##### 2. Other:

None.

#### B. RULE-MAKING AUTHORITY:

None.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill as drafted does not make clear what the relationship will be between Workforce Florida Inc., (WFI) and the Prosperity Campaign. It also ignores the fact that WFI is a contractor for the Agency for Workforce Innovation (AWI) with respect for workforce development in the state. It may be more appropriate to place the Prosperity Campaign within AWI and more clearly define AWI's role.

The bill as drafted also creates a large, possibly unwieldy council and does not specify meeting requirements, procedures or provide for per diem and travel.

The bill as drafted does not specify what staff the Prosperity Campaign office will require.

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

None.