



# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. HOUSE PRINCIPLES ANALYSIS:

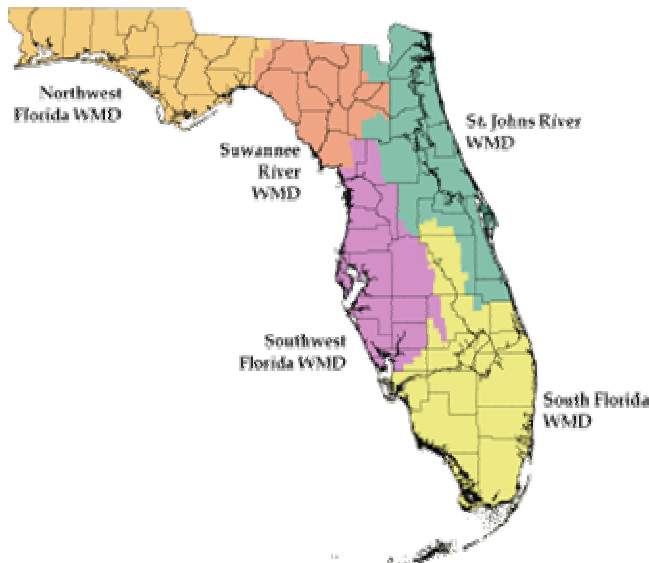
The bill does not appear to implicate any of the House Principles.

### B. EFFECT OF PROPOSED CHANGES:

#### Current Situation

#### **Water Management Districts**

The Florida Department of Environmental Protection is involved in managing the quality and quantity of water through its relationship with the state's five water management districts: Northwest Florida Water Management District, Suwannee River Water Management District, St. Johns River Water Management District, South Florida Water Management District and Southwest Florida Water Management District.<sup>1</sup>



The water management districts administer flood protection programs and perform technical investigations into water resources. The districts also develop water management plans for water shortages in times of drought and to acquire and manage lands for water management purposes under the Save Our Rivers program. Regulatory programs delegated to the districts include programs to manage the consumptive use of water, aquifer recharge, well construction and surface water management.

As part of their surface water management programs, the districts administer the Department's stormwater management program. This increases the districts' contacts with local governments by directing the districts to help with the development of the water elements in local government comprehensive plans.

Water management districts have the authority to levy ad valorem (property) taxes to support water management activities. While all of the water management districts have similar responsibilities, not all have the amount of financial resources available to address these responsibilities.

In addition to ad valorem, other water management districts revenue sources include the United States Government, the State of Florida, local governments within the district, and other district sources like permit fees and interest earnings on investments.

Funding from the state may to each water management district may vary. For instance, for FY 2006-2007, 46 percent of the St. Johns River Water Management District budget came from the state (approximately \$163 million). South Florida Water Management District's budget received approximately \$251 million from the state, which is 18 percent of its budget. The Southwest Florida

<sup>1</sup> Source for map: <http://www.dep.state.fl.us/secretary/watman/#nw>  
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Water Management District received 25 percent, or \$80 million from the state. Suwannee River Water Management District received approximately \$47 million from the state, or 55 percent of its budget. The Northwest Florida Water Management District received approximately \$61 million from the state, or 53 percent of its budget.

A project or a “work of the district” that might qualify for review by OPPAGA under this law includes the S331 Control Structure (pump station) in Miami-Dade County, within the South Florida Water Management District. This project, begun in November, 2006, is estimated by the district to be completed in July, 2009, at a cost of \$7,134, 378.

### **The Florida Office of Program Policy Analysis and Government Accountability**

The Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) is a special staff unit of the Legislature created by state law under the oversight of the Joint Legislative Auditing Committee. OPPAGA was created by the Florida Legislature in 1994 to help improve the performance and accountability of state government. OPPAGA is the research arm of the Florida Legislature, and it examines agencies and programs to improve services and cut costs when directed by state law, the presiding officers, or the Joint Legislative Auditing Committee. OPPAGA’s research projects are undertaken at the direction of legislative leadership, the Joint Legislative Auditing Committee, and/or statutes or proviso language. OPPAGA provides a variety of research services:

- Performance audits and policy reviews of state government programs
- Research and technical assistance to legislators and legislative committees
- Follow-up reviews that assess whether agencies have resolved problems identified in earlier studies
- The Florida Government Accountability Report (FGAR), an electronic encyclopedia containing descriptive and evaluative information on all major state programs
- The Florida Monitor Weekly, a weekly electronic newsletter of policy research of interest to Florida policymakers
- Technical assistance and reviews of agency performance-based program budgeting (PB2) accountability systems
- Reviews of Florida school districts

In short, OPPAGA supports the Florida Legislature by providing evaluative research and objective analyses to promote government accountability and the efficient and effective use of public resources. One measure of OPPAGA’s impact is the implementation of its recommendations by state agencies and the Legislature. OPPAGA’s progress reports issued in Fiscal Year 2005-06 found that agencies and the Legislature had taken action to implement approximately 73% of its recommendations. According to its Fiscal Year 2006-07 business plan, OPPAGA has provided its research services with total operating costs that are less than half of that charged by private consulting firms.<sup>2</sup> OPPAGA is funded by the Legislature. For FY 2006-2007, OPPAGA received a lump sum appropriation of \$9,531,496.

### **Effect of Proposed Changes**

The bill directs the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA) to evaluate on an annual basis projects adopted by the board of each water manage district that have an expected or actual cost that meets or exceeds \$5 million. Projects include, but are not limited to, structures, impoundments, pump stations, storage facilities such as stormwater treatment areas. The evaluation must identify benchmark progress in flood control, environmental protection, and water quality and water storage for each project. In addition, the evaluation must include an accounting of consultant fees, construction costs, and all other costs and fees expended for goods or services in achieving the goals of the work. Finally, the evaluation must include recommendations regarding the

<sup>2</sup> [http://www.oppaga.state.fl.us/reports/pdf/oppaga\\_businessplan2006-07.pdf](http://www.oppaga.state.fl.us/reports/pdf/oppaga_businessplan2006-07.pdf)

aforementioned expenditures and the methodologies used in reaching the goals of the work under review. OPPAGA is directed to submit a report to the Speaker of the House and the Senate President by December 1 of each year, beginning in 2007.

C. SECTION DIRECTORY:

Section 1. Directs OPPAGA to annually review certain works or projects of the water management districts and to submit a report.

Section 2. Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The fiscal is indeterminate and subject to OPPAGA's examination of project lists submitted by the five water management districts to determine the scope and number of the works that may qualify for review. To date, staff has received responses from only two districts to requests for information regarding the number and cost for works in each of 5 districts. The South Florida Water Management District (SFWMD) is recognized as the district with the most works, and the most expensive. Using that district's response as a guide to develop a tentative fiscal impact we note that SFWMD has identified a total of 40 works in the district with costs in excess of \$5 Million dollars; 17 of those works have costs in excess of \$50 million dollars each. Based upon the cost of a previous peer review of a similar district work purchased by SFWMD at a cost of \$75,000, we estimate the cost of one-time peer reviews on only the 17 works in SFWMD with costs in excess of \$50 Million dollars each to be \$1,275,000. OPPAGA has not attempted to estimate the fiscal impact of the annual reviews required by the bill's current language.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

OPPAGA is directly funded through the Florida Legislature.

## III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

D. STATEMENT OF THE SPONSOR

None.

#### **IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**