

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 843 Family Readiness Program
SPONSOR(S): Government Efficiency & Accountability Council and Patronis
TIED BILLS: **IDEN./SIM. BILLS:** SB 2522

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Military & Veterans' Affairs</u>	<u>5 Y, 0 N</u>	<u>Shaffer</u>	<u>Camechis</u>
2) <u>Government Efficiency & Accountability Council</u>	<u>13 Y, 0 N, As CS</u>	<u>Camechis/Dykes</u>	<u>Cooper</u>
3) <u>Policy & Budget Council</u>	<u></u>	<u>Leznoff</u>	<u>Hansen</u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The Florida Statutes currently establish the Family Readiness Program within the Department of Military Affairs (DMA) for the purpose of providing need-based emergency financial assistance to beneficiaries and dependents of servicemembers of the Florida National Guard and United States Reserve Forces, including the Coast Guard Reserves. Assistance may be provided while the servicemembers are on active duty serving in the Global War on Terrorism and federally deployed or are participating in state operations for homeland defense, and after servicemembers return from active duty if a request is filed within 120 days after return. Financial assistance may be used to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care. Since the program's inception in 2005, the DMA has awarded approximately \$566,000 to eligible family members under the Family Readiness Program out of \$5 million originally appropriated to fund the program.

The statutes do not authorize DMA to provide similar financial assistance to servicemembers who are unmarried or do not have dependents.

As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The DMA estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

This bill extends eligibility for assistance from the Family Readiness Program by authorizing the DMA to provide emergency financial assistance to servicemembers who are unmarried or do not have dependents. The bill also clarifies that: (1) all recipients of assistance must be Florida residents and (2) beneficiaries and dependents of a servicemember must also be family members of the servicemember in order to receive assistance.

This bill appears to have an insignificant fiscal impact on state government and the department has indicated that any increase can be absorbed within the funding provided in the proposed General Appropriations Act. There is no impact to local government.

The bill takes effect July 1, 2008.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Promote Personal Responsibility -- The bill expands eligibility for need-based financial assistance to include additional servicemembers of the Florida National Guard and the United States Reserve Forces. Assistance may be provided in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care.

B. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Family Readiness Program Generally

As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The Florida Department of Military Affairs (DMA) estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

In 2005, the Legislature established the Family Readiness Program ("program") within the DMA and appropriated \$5 million to fund the program.¹ The program provides need-based financial assistance to *beneficiaries and dependents* of servicemembers of the Florida National Guard (FNG) and United States Reserve Forces, including the Coast Guard Reserves. Assistance may be provided while the servicemembers are on active duty serving in the Global War on Terrorism and federally deployed or are participating in state operations for homeland defense, and after servicemembers return from active duty if a request is filed within 120 days after return. Assistance may be provided in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care.²

Servicemembers who are unmarried or do not have dependents are not eligible for financial assistance under the program.

Requests for assistance are reviewed and validated at the local level by a federal Family Center Support Specialist stationed at a state armory or a reserve facility. Recommendations from the Support Specialist are forwarded to the DMA's Program Director for review and validation of documents. The Adjutant General or a designee receives the recommendations and is authorized by statute to grant requests for assistance.³ Assistance may not be approved unless the applicant satisfies the statutory requirements.

The inspector general of DMA is required to conduct a semiannual review and an annual audit of the program and the DMA must maintain sufficient data to provide an annual report to the Governor and the Legislature on the families served under the program, the types of services provided, and the allocation of funds spent.⁴

¹ Ch. 2005-51, L.O.F.

² s. 250.5206(3), F.S.

³ s. 250.5206(5), F.S.

⁴ s. 250.5206(6) & (7), F.S.

Florida National Guard Pamphlet 930-4 – Guidelines for Program Implementation

On March 10, 2008, the DMA issued a revised Florida National Guard Pamphlet 930-4 (the “Pamphlet”), which establishes guidelines for implementing the Florida Family Readiness Program. According to the Pamphlet, the Adjutant General designated the Deputy Chief of Staff for Personnel to review recommendations regarding applications for assistance. The Deputy Chief of Staff for Personnel is authorized to determine approval of applications for assistance up to \$5,000; the Chief of Staff of the FNG must review and approve applications for assistance that exceed \$5,000.⁵

The Pamphlet requires the Office of the Staff Judge Advocate to review all applications for assistance prior to the payment of funds,⁶ and requires the FNG State Quartermaster to process applications for payment.⁷

The Pamphlet provides application forms for use by persons seeking assistance through the program. The application requires the following information:⁸ contact information for the servicemember; applicant information; the military point of contact for verification; a listing of services needed and the service provider; and the amount of funds being requested. Applicants are also required to provide a financial affidavit listing assets and liabilities, proof of Florida residency, military orders, and proof of dependency on a servicemember.⁹

The Pamphlet also requires applicants who have been awarded funds to provide final invoices when work has been completed.¹⁰

Eligible Services as Defined in FNG Pamphlet 930-4

Section 250.5206(3), F.S., specifically authorizes the use of program funds “in emergency situations to purchase critically needed services, including, but not limited to, reasonable living expenses, housing, vehicles, equipment or renovations necessary to meet disability needs, and health care.” The Pamphlet provides the following definitions of the categories of “eligible services” listed in statute:¹¹

- Reasonable living expenses – where critically needed to prevent termination of utilities, to provide food, or furnish similar basic necessities.
- Housing – includes emergency repairs to the servicemember’s primary residence that are critically needed to address health or safety issues, and assistance with mortgage and rent expenses where need-based and determined to be appropriate after review by the Florida National Guard Family Assistance Center Specialist.
- Vehicles – repairs essential to maintain one vehicle per family in safe operating condition.
- Disability – equipment or renovations necessary to meet disability needs [medical documentation required].
- Health care – documented by medical authority as essential for the health and welfare of the individual, not elective, and not covered by other medical/dental insurance.

Auditor General Operational Audit of the Family Readiness Program

On October 16, 2007, the Auditor General of Florida issued an Operational Audit of the Department of Military Affairs (DMA) for the period July 2005 through February 2007, and of selected actions through June 2007.¹² The Audit focused on the DMA’s administration of selected agency programs,

⁵ FLNG Pamphlet 930-4, p. 6.

⁶ FLNG Pamphlet 930-4, p. 2.

⁷ FLNG Pamphlet 930-4, p. 3.

⁸ FLNG Pamphlet 930-4, Appendix C.

⁹ FLNG Pamphlet 930-4, Appendix D.

¹⁰ FLNG Pamphlet 930-4, p. 6.

¹¹ FLNG Pamphlet 930-4, p. 5.

¹² Auditor General Report No. 2008-022 (Adjutant General’s response is attached to the report).

construction contracts, and other administrative functions, and included a follow-up on prior audit findings.

The Audit reviewed the Family Readiness Program and found that procedures did not ensure that documentation demonstrating that Program assistance was used for the intended and authorized purpose was timely obtained and retained. The Audit report indicates that tests showed the DMA generally complied with significant program requirements and guidance; however, the Audit found that four of ten recipient files reviewed did not contain receipts or invoices documenting that program funds were utilized for the intended and authorized purpose. The absence of such documentation indicated that established controls were not adequate to ensure consistent and effective monitoring of a recipient's use of program funds. Similar findings were noted in reviews conducted by the DMA's Inspector General, who recommended that the DMA follow up with recipients within an appropriate time frame to obtain the documentation necessary to ensure that funds were spent as intended.

On October 10, 2007, the Adjutant General of Florida, Major General Douglas Burnett, provided a written response to the Audit, indicating that: "The Department has secured all required receipts identified in the four deficient files and is reviewing all remaining case files to ensure 100% compliance. Furthermore, the Department has implemented Standard Operating Procedures (SOPs) which will ensure that (1) future program fund recipients fully understand their obligation to provide receipts within 14 days of funds expenditure, (2) the Department accurately tracks compliance and non-compliance, and (3) the Department pro-actively seeks copies of receipts from fund recipients and/or vendors as needed."

Under s. 20.055(5)(g), F.S., the DMA's Inspector General must conduct an internal audit within 6 months for the purpose of determining whether the DMA has taken corrective action as recommended by the Auditor General. The Inspector General must report findings to the agency head and the Legislative Auditing Committee. Depending on the Inspector General's report, the Auditor General may conduct a follow-up audit to confirm compliance.

EFFECT OF PROPOSED CHANGES

This bill amends s. 250.5206, F.S., to authorize the DMA to provide emergency financial assistance to servicemembers who are unmarried or do not have dependents. The bill also clarifies that: (1) all recipients of assistance from the program must be Florida residents and (2) only beneficiaries and dependents of a servicemember must also be family members of the servicemember in order to receive assistance.

As of December 31, 2007, approximately 1,410 members of the Florida National Guard and reservists were deployed abroad in the Global War on Terrorism. The DMA estimates that approximately 61% (or 860) of deployed servicemembers are unmarried.

C. SECTION DIRECTORY:

Section 1. Amends s. 250.5206, F.S., expanding eligibility for financial assistance from the Family Readiness Program.

Section 2. Provides an effective date of July 1, 2008.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues: None.

2. Expenditures: This bill has an insignificant fiscal impact on state government.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: None.

DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR: This bill expands eligibility for participation in the Family Readiness Program by making unmarried servicemembers eligible for emergency financial assistance. The DMA estimates that approximately 61% (or 860) of currently deployed servicemembers are unmarried.

C. FISCAL COMMENTS: This bill appears to have an insignificant impact on state government. The current program utilization is very low. According to the DMA 98 families accessed the program in Fiscal year 2005-06 and 46 families accessed the program in Fiscal Year 2006-07. Therefore expanding the potential pool of applicants is unlikely to result in a significant increase in program utilization. \$400,000 is appropriated for this program in the proposed General Appropriations Act. The department has indicated that any increase can be absorbed within this funding.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision: Not applicable as this bill does not appear to affect municipal or county government.

2. Other: None.

B. RULE-MAKING AUTHORITY: Agency rule-making authority is not addressed in this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS: None.

D. STATEMENT OF THE SPONSOR: The bill sponsor did not submit a statement.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

On March 19, 2008, the Committee on Military & Veterans' Affairs adopted a strike-all amendment offered by the bill sponsor, Representative Patronis. The amendment modified the original bill to clarify, without substantively changing, eligibility requirements for the program.

On April 8, 2008, the Government Efficiency & Accountability Council reported HB 843 favorably with a Council Substitute to incorporate the amendment adopted by the Committee on Military & Veterans' Affairs.