

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7011 PCB EDP 09-02 Legislative Sunset Review

SPONSOR(S): Economic Development Policy Committee and Carroll

TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	<u>Economic Development Policy Committee</u>	<u>20 Y, 0 N</u>	<u>West</u>	<u>Kruse</u>
1)	<u>Government Operations Appropriations Committee</u>	<u>7 Y, 0 N</u>	<u>Dykes</u>	<u>Topp</u>
2)	<u>Economic Development & Community Affairs Policy Council</u>		<u>West</u>	<u>Tinker</u>
3)	<u></u>	<u></u>	<u></u>	<u></u>
4)	<u></u>	<u></u>	<u></u>	<u></u>
5)	<u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

The Florida Governmental Accountability Act requires the periodic review of state agencies to ensure they operate in an efficient manner and provide an acceptable level of services to the residents of Florida. The Act provided for the establishment of Legislative Sunset Review Committees and the Joint Legislative Sunset Committee to oversee the agency sunset review process and to make recommendations to the Legislature.

At least two years prior to a sunset review, each state agency is required to submit a report to the Legislature detailing the effectiveness of that agency in meeting its performance goals, its interaction with the public, meeting its statutory obligations, and other relevant information.

Current law provides for the review of the Executive Office of the Governor (EOG), which includes the Office of Tourism, Trade, and Economic Development (OTTED), by July 1, 2022. EOG's report to the legislature is due by July 1, 2020.

The bill would require the sunset review of OTTED, all of its public-private partnerships, and all offices created within OTTED by July 1, 2010. The bill provides that OTTED's agency report to the legislature required by s. 11.906, F.S., is due by October 1, 2009.

The bill appears to have no fiscal impact on state or local government.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

OTTED

The Office of Tourism, Trade, and Economic Development (OTTED) was established in 1996 by the Florida Legislature to assist the Governor and the Legislature in formulating and implementing economic development policies to strengthen Florida's economy. OTTED is housed within the Executive Office of the Governor.¹ OTTED has established public-private partnerships with entities such as Enterprise Florida, Inc., VISIT Florida, Florida Sports Foundation, Florida Black Business Investment Board, Office of Film and Entertainment, and Space Florida.² OTTED oversees or administers most of Florida's economic development incentive programs.

Sunset Review

Sections 11.901 through 11.920, F.S., comprise the Florida Government Accountability Act, which provides for the periodic review of agencies of Florida government. The act provides that an agency subject to review will be abolished unless the Legislature continues the agency or advisory committee. However, an agency may not be abolished unless all state laws the agency had responsibility to implement or enforce have been repealed, revised, or reassigned to another agency and adequate provision has been made for the transfer to a successor agency of all duties and obligations.

Legislative Sunset Review Committees/Joint Legislative Sunset Committee

Section 11.903, F.S., provides for the Legislative Sunset Review Committees and the Joint Legislative Sunset Committee for the purpose of overseeing the agency review process and to make recommendations to the Legislature. The Senate and House of Representatives may each appoint a committee as a Legislative Sunset Review Committee to conduct independent reviews for each chamber regarding agency sunsets. The Joint Legislative Sunset Committee is comprised of 5 members from the Senate appointed by the President of the Senate and 5 members from the House of Representatives appointed by the Speaker of the House of Representatives.

Section 11.906, F.S., provides that each state agency is required to submit a report to the Legislature, no later than July 1, two years preceding its scheduled review. The report must include:

¹ OTTED website. http://www.flgov.com/otted_home

² OTTED website. http://www.flgov.com/pub_priv_partners

1. The performance measures for each program and activity and 3 years of data for each measure that provides actual results for the immediately preceding 2 years and projected results for the current fiscal year.
2. An explanation of factors that have contributed to any failure to achieve the legislative standards.
3. The promptness and effectiveness with which the agency disposes of complaints concerning persons affected by the agency.
4. The extent to which the agency has encouraged participation by the public in making its rules and decisions as opposed to participation solely by those it regulates and the extent to which public participation has resulted in rules compatible with the objectives of the agency.
5. The extent to which the agency has complied with applicable requirements of state law and applicable rules regarding purchasing goals and programs for small and minority-owned businesses.
6. A statement of any statutory objectives intended for each program and activity, the problem or need that the program and activity were intended to address, and the extent to which these objectives have been achieved.
7. An assessment of the extent to which the jurisdiction of the agency and its programs overlap or duplicate those of other agencies and the extent to which the programs can be consolidated with those of other agencies.
8. An assessment of less restrictive or alternative methods of providing services for which the agency is responsible which would reduce costs or improve performance while adequately protecting the public.
9. An assessment of the extent to which the agency has corrected deficiencies and implemented recommendations contained in reports of the Auditor General, the Office of Program Policy Analysis and Government Accountability, legislative interim studies, and federal audit entities.
10. The process by which the agency actively measures quality and efficiency of the services it provides to the public.
11. The extent to which the agency complies with public records and public meetings requirements.
12. The extent to which alternative program delivery options, such as privatization, outsourcing, or insourcing, have been considered to reduce costs or improve services to state residents.
13. Recommendations to the Legislature for statutory, budgetary, or regulatory changes that would improve the quality and efficiency of services delivered to the public, reduce costs, or reduce duplication.
14. The effect of federal intervention or loss of federal funds if the agency, program, or activity is abolished.
15. A list of all advisory committees, including those established in statute and those established by managerial initiative; their purpose, activities, composition, and related expenses; the extent to which their purposes have been achieved; and the rationale for continuing or eliminating each advisory committee.
16. Agency programs or functions that are performed without specific statutory authority.
17. Other information requested by the committee.

Current law provides for the sunset review of the Executive Office of the Governor (EOG), which includes OTTED, by July 1, 2022.³ EOG's report to the legislature is due by July 1, 2020.

Section 11.907, F.S., provides that upon receipt of the agency report, the Joint Legislative Sunset Committee or one of the two Legislative Sunset Review Committees may direct the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an evaluation and justification review considering the information submitted by the agency. The results of OPPAGA's report are to be submitted to the Legislature in a timeframe prescribed by the committee requesting the review.

³ s. 11.905(8)(a)

Effects of Proposed Changes

The bill requires the sunset review of the Office of Tourism, Trade, and Economic Development (OTTED), all of its public-private partnerships, and all offices created within OTTED by July 1, 2010. The agency report to the legislature required by s. 11.906, F.S., is due by October 1, 2009.

B. SECTION DIRECTORY:

Section 1: Creates subsection (e) of s. 11.905(2), F.S., to provide for the sunset review of OTTED by July 1, 2010 and the submission of OTTED's agency report by October 1, 2009.

Section 2: Provides the bill is effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill appears to have no fiscal impact on state or local government.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. The bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES