

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 395 Direct-Support Organization for the Department of Military Affairs
SPONSOR(S): Military & Local Affairs Policy Committee, Abruzzo and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/CS/SB 644

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	<u>Military & Local Affairs Policy Committee</u>	<u>11 Y, 0 N, As CS</u>	<u>Fudge</u>	<u>Hoagland</u>
2)	<u>Governmental Affairs Policy Committee</u>	<u></u>	<u>Haug</u>	<u>Williamson</u>
3)	<u>Economic Development & Community Affairs Policy Council</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

Under current law the Department of Military Affairs administers the Family Readiness Program to provide need-based financial assistance to eligible servicemembers of the United States Armed Forces on active duty or state active duty and all members of the Florida National Guard and United States Reserve Forces. Funding for this program has decreased and necessitates the need for a new program to be funded privately.

The bill creates a new program called the Soldiers and Airmen Assistance Program. The program provides financial assistance and services to eligible servicemembers of the Florida National Guard and eligible members of their families. The program will be implemented through funding provided by the direct-support organization of the Department of Military Affairs. The bill also deletes provisions that specify the number of authorized direct-support organization board members, the terms of office, qualifications for appointment, and the board's authorization to remove any board member for cause and fill vacancies that occur.

The bill has an effective date of July 1, 2010.

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

In 2005, the Legislature created the Family Readiness Program under the Department of Military Affairs.¹ The purpose of the program is to provide need-based assistance to families of members of the Florida National Guard on active duty serving in the Global War on Terrorism or Homeland Defense operations. The program is dependent on appropriation expressly provided for the program.² Program funds could be used 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.³ Five million dollars was appropriated in 2005 and that amount has decreased each year to \$200,000 for fiscal year 2009.

The president of the Board of the Direct-Support Organization (DSO) is appointed by the Adjutant General. The board president is authorized to appoint up to 15 board members who serve terms of office of 3 years. Qualifications for appointment include Florida residents who are highly knowledgeable about the United States military, its service personnel, its mission, and consideration is given to the potential member's background in community service. The board is authorized to remove a member for cause and fill vacancies that occur.

Effect of Proposed Changes

The bill creates the Soldiers and Airmen Assistance Program. The program provides financial assistance and services to eligible servicemembers of the Florida National Guard and eligible members of their families.⁴ The program will be implemented through funding provided by the direct-support organization authorized under s. 250.115, F.S. The assistance available under the program includes: housing assistance, living expenses, vehicles, health care, and other services. The bill provides for procedures to request assistance, and for review and approval of such requests.

¹ Chapter 2005-51, L.O.F., codified at s. 250.5206, F.S.

² Section 250.5206(2), F.S.

³ Section 250.5206(3), F.S.

⁴ Eligible individuals include servicemembers who are members of the Florida National Guard who are: on active duty serving in the Global War on terrorism or Overseas Contingency Operation or request assistance within 120 days after the termination of orders for such service and return to home of record; deployed by the Federal Government and participating in state operations for homeland defense or request assistance within 120 days after the termination of orders for such service and return to home of record; beneficiaries of an eligible servicemember designated on the United States Department of Defense Form 93; and individuals demonstrating a financial need for authorized assistance who are dependents or family members of an eligible servicemember.

The bill adds a provision requiring the direct-support organization to operate under a written contract with the Department of Military Affairs. The written contract must provide for:

- Annual certification by the department that the DSO is complying with the terms for the contract and is doing so consistent with the goals and purposes of the department and in the best interests of the state.
- The reversion of moneys and property held by the DSO if the DSO is no longer approved to operate by the department; if the DSO ceases to exist; or if the department ceases to exist.
- The disclosure to donors of the material provisions of the contract and the distinction between the department and the DSO.

The financial committee of the direct-support organization must conduct quarterly reviews of the financial transactions of the program and may request the Office of Inspector General to conduct additional reviews.

The bill also revises the composition of the board of directors of the direct-support organization by removing the limitation on the number of members that may serve on the board as well as the terms of office and criteria for selecting members.

B. SECTION DIRECTORY:

Section 1: Amends s. 250.115, F.S., to authorize the direct-support organization of the Department of Military Affairs to administer the Soldiers and Airmen Assistance Program or similar programs and revises the composition of the board.

Section 2: Creates the Soldiers and Airmen Assistance Program.

Section 3: Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None. The bill provides a privately funded alternative to a state funded program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to: require cities or counties to spend funds or take an action 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 shared state tax or premium sales tax received by cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill authorizes the Department of Military Affairs to adopt rules to administer the program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

A strike all amendment was adopted by the Military & Local Affairs Policy Committee on February 17, 2010, that requires the DSO to operate pursuant to a contract with the DMA and provides for reversion of funds to DMA if the DSO ceases operation; restates that the program will be administered by DMA instead of the Director of Financial Management of DMA; and changes a reference of "gasoline" to "motor vehicle fuel."