

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Committee on Banking and Insurance

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BILL: SB 376

INTRODUCER: Senator Hukill

SUBJECT: Individuals with Disabilities

DATE: October 20, 2015

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	<b>Pre-meeting</b>
2.	_____	_____	AGG	_____
3.	_____	_____	FP	_____

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**I. Summary:**

SB 376 creates the Financial Literacy Program for Individuals with Developmental Disabilities within the Department of Financial Services (DFS). The goal of the program is to promote economic independence and successful employment of individuals with developmental disabilities by providing education, outreach, and resources on specific issues. These issues include financial education, financial and health benefit programs and services, job training and employment opportunities, and the impact of earnings and assets on eligibility for federal and state programs. Navigating the complex network of federal and state requirements and finding employment resources can be difficult for individuals and their families.

The bill requires the DFS to establish on its website a clearinghouse for information regarding the program and other resources and to develop a brochure that describes the program. The bill also requires that financial institutions participating in the qualified public depository program participate in the Financial Literacy Program as a condition of eligibility for the qualified public depository program.

The bill provides one position and \$137,234 to implement the program.

**II. Present Situation:**

Although some individuals are born with disabilities, some individuals may experience a short-term or long-term disability, whether through accidents, employment-related injuries or illnesses, disease, or aging. Individuals may also have mental disorders or developmental disabilities. The definition of the term “disability,” for purposes of eligibility for state and federal benefits and employment programs, varies among the different programs. Individuals with disabilities must navigate a complex set of federal and state regulations to obtain financial and medical benefits as well as access to resources available at the federal and state levels.

## Federal Disability Insurance Programs

The Social Security Disability Insurance (SSDI)<sup>1</sup> and Supplemental Security Income (SSI)<sup>2</sup> programs are two types of disability programs administered by the federal Social Security Administration. Applicants for each of the programs must meet strict medical requirements to qualify for disability benefits. Under the programs, disability is defined as the inability to engage in substantial gainful activity (SGA) due to a medically determinable physical or mental impairment expected to result in death or last at least 12 months.<sup>3</sup> Generally, a person who is earning more than a certain monthly amount is considered to be engaging in SGA.

The SSDI program is an insurance program that provides benefits to individuals who have contributed to the Social Security system and meet certain minimum work requirements. In contrast, SSI is a means-tested program for aged, blind, or disabled individuals who meet certain income and resource limitations; however, there are no contribution or minimum work requirements. The SSI program provides cash payments assuring a minimum income for aged, blind, or disabled individuals who have very limited income and assets. Effective January 1, 2015, the maximum monthly federal benefit rate is \$733 for an eligible individual and \$1,100 for an eligible individual with an eligible spouse.<sup>4</sup> The countable resource limit for SSI eligibility is \$2,000 for individuals and \$3,000 for couples with exclusions.<sup>5</sup> The SSI recipients living alone or in a household where all members receive SSI benefits are generally eligible for Medicaid. In December 2013, there were 547,594 SSI recipients (aged, blind, or disabled) and 551,858 disabled workers that were recipients of SSDI in Florida.<sup>6</sup>

## Definition of Developmental Disabilities in Florida

Section 393.063(9), F.S., defines developmental disabilities to mean “a disorder or syndrome that is attributable to intellectual disability, cerebral palsy, autism, spina bifida, or Prader-Willi syndrome; that manifests before the age of 18; and that constitutes a substantial handicap that can reasonably be expected to continue indefinitely.”

The Agency for Persons with Disabilities (APD) currently serves approximately 55,000 clients with developmental disabilities.<sup>7</sup> The total population of individuals in Florida with developmental disabilities is indeterminate at this time. In January 2015, the APD extrapolated the estimated Florida population of individuals with developmental disabilities based on national

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<sup>1</sup> 42 U.S.C. ss. 401-433.

<sup>2</sup> 42 U.S.C. ss. 1381 note-1385 note.

<sup>3</sup> See <http://www.socialsecurity.gov/disability/professionals/bluebook/general-info.htm> (last accessed Oct. 8, 2015).

<sup>4</sup> Generally, the maximum monthly payment changes yearly due to changes in the Consumer Price Index. The 2015 schedule is available at: <http://www.socialsecurity.gov/OACT/COLA/SSI.html> (last accessed Oct. 8, 2015).

<sup>5</sup> 20 C.F.R. s. 416.1201 and 20 C.F.R. ss. 416.1210-416.1239.

<sup>6</sup> Social Security Administration *Annual Statistical Supplement, 2014* available at: <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/2014/5j.pdf> and <http://www.socialsecurity.gov/policy/docs/statcomps/supplement/2014/7b.pdf> (last accessed Oct. 8, 2015).

<sup>7</sup> Email from the Agency for Persons with Disabilities, Summary of Active Clients, January 28, 2015 (on file with the Senate Banking and Insurance Committee).

prevalence rates of disorders and syndromes. This calculation suggests that the population of individuals with developmental disabilities could be between 300,000 to 600,000.<sup>8</sup>

### **Financial Literacy and Economic Independence**

People with disabilities comprise approximately 15 percent of the population of the United States and experience significant disparities in employment and participation in the workforce.<sup>9</sup> In 2011, almost 28 percent of non-institutionalized individuals in the United States with disabilities, ages 21-64, lived below the federal poverty line, compared with 12 percent of individuals without disabilities.<sup>10</sup>

In Florida, approximately 9.5 percent of individuals ages 16-64 are individuals with disabilities.<sup>11</sup> The unemployment rate of this group is 35.6 percent and the poverty rate is 24.2 percent.<sup>12</sup> Many of these individuals would like to find employment, but are concerned if they earn more money it will cause them to lose disability and health benefits.

Financial education and literacy are critical components for gaining economic independence. A 2014 report by the National Disability Institute (NDI) evaluated the financial capability among individuals with and without disabilities based on information derived from the FINRA<sup>13</sup> Investor Education Foundation's 2012 National Financial Capability Study.<sup>14</sup> The NDI report found that individuals with disabilities have greater difficulty in meeting monthly expenses, are less likely to have access to emergency funds, are more likely to carry credit card balances and use non-bank methods of borrowing, are less likely to have received financial education, and have lower financial literacy. The report concluded that individuals with disabilities "are generally marginalized from the economic mainstream, as indicated by the notably lower levels of overall financial capability and economic security compared to persons without disabilities." The report advocated, "innovative approaches that increase access for individuals with disabilities to financial tools and services that foster informed decision making, build financial confidence, and improve financial capability."

Various state agencies provide services, benefits, and resources for individuals with disabilities. These agencies include the Agency for Health Care Administration, the Agency for Persons with Disabilities, the Department of Children and Families, the Department of Economic Opportunity (DEO), and the Department of Education. Many state and regional advocacy groups also provide resources and services.

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<sup>8</sup> Email from the Agency for Persons with Disabilities, January 13, 2015 (On file with the Senate Banking and Insurance Committee).

<sup>9</sup> American Institutes for Research, *An Uneven Playing Field: The Lack of Equal Pay for People with Disabilities*, December 2014.

<sup>10</sup> *Id.*

<sup>11</sup> National Disability Institute with support from the Florida Developmental Disabilities Council, *The Changing Face of Benefits, Knowledge for Successful Employment and Asset Development*, March 2013.

<sup>12</sup> *Id.*

<sup>13</sup> FINRA is the Financial Industry Regulatory Authority, which is an independent, not-for-profit organization authorized by Congress charged with regulatory oversight of all securities broker-dealers conducting business with the public in the United States.

<sup>14</sup> Nicole E. Conroy, ET AL., *Financial Capabilities of Adults with Disabilities, Findings from the FINRA Investor Education Foundation 2012 National Financial Capability Study*, National Disability Institute, July. 22, 2014.

On July 26, 2011, Governor Scott created the Governor's Commission on Jobs for Floridians with Disabilities to advance job and employment opportunities for persons with disabilities in order to help those individuals achieve greater independence.<sup>15</sup> The commission found that the state's disability system does not effectively connect employers to candidates with disabilities and inform them about the resources available to support these individuals in the workplace. The commission recommended the DEO serve as a single-point of contact to assist employers in finding these resources and services in order to help them recruit, hire, and retain individuals with disabilities in the workforce. The commission further recommended the DEO provide information on available services and support that make it possible for persons with disabilities to succeed in the workforce. The "Abilities Work" Web Portal<sup>16</sup> within the Employ Florida Marketplace website was developed to meet the needs of Florida employers looking to hire qualified job seekers with disabilities and individuals with disabilities who are seeking to find employment.

### **Department of Financial Services**

The Chief Financial Officer (CFO) of the State of Florida is the head of the Department of Financial Services.<sup>17</sup> The CFO has instituted many outreach and education programs to increase the financial literacy of Florida residents and to protect them from financial fraud. These initiatives include a comprehensive online financial literacy and education initiative to provide Hispanic Floridians and their families with important personal financial information, a program to educate and protect seniors from financial schemes, and financial education for military service members.<sup>18</sup>

The CFO administers the Florida Security for Public Deposits Act (act),<sup>19</sup> which authorizes local and state governmental units (public depositors) to place public deposits in qualified public depositories (QPD).<sup>20</sup> Public deposits are funds in excess of amounts required to meet disbursement needs or expenses. A QPD can be a bank, savings bank, or savings association that meets specific criteria, including collateral requirements, under the act. The CFO is responsible for designating financial institutions as qualified public depositories.

### **III. Effect of Proposed Changes:**

SB 376 creates the Financial Literacy Program for Individuals with Developmental Disabilities under the direction of the Chief Financial Officer who heads the Department of Financial Services (DFS). The goal of the program is to promote economic independence and successful

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<sup>15</sup> Executive Order 11-161 available at <http://www.flgov.com/gcifd/> (last accessed Oct. 8, 2015).

<sup>16</sup> The Ability Work website available at <https://abilitieswork.employflorida.com/vosnet/Default.aspx#> (last accessed Oct. 8, 2015).

<sup>17</sup> Section 20.121, F.S.

<sup>18</sup> See Money Matter\$, a one-stop website to access the CFO's financial literacy resources, available at <http://www.myfloridacfo.com/sitePages/services/flow.aspx?ut=Financial+Literacy> (last accessed on Oct. 8, 2015).

<sup>19</sup> Chapter 280, F.S.

<sup>20</sup> A qualified public depository is organized under the laws of the United States or any state or territory of the United States; has a principal place of business or branch office in this state authorized to receive deposits; has federally-insured deposits, has procedures and practices that accurately report and collateralize public deposits; meets the requirements of the act; and has been designated as a qualified public depository by the CFO [see s. 280.02(26), F.S.].

employment of individuals with developmental disabilities by providing resources, outreach, and education on specific issues. These issues include financial education, financial and health benefit programs and services, job training and employment outreach, and the impact of earnings and assets on eligibility for federal and state programs.

The bill provides that the DFS, in consultation with stakeholders, will develop and implement the program. Banks, credit unions, savings associations, and savings banks will be key participants in the development and promotion of the program. The DFS will establish a clearinghouse for information regarding the program and other available resources on its website for individuals with developmental disabilities and their employers. The DFS will publish a brochure that describes the program and will provide access to it through its website.

Financial institutions participating in the qualified public depository program are required to participate in the Financial Literacy Program as condition of eligibility for the qualified public depository program. This requirement would apply to banks, savings associations, and savings associations that participate in the program. Within 90 days of the DFS establishing the program and publishing the brochure, each participating financial institution must make brochures available at each Florida branch office, which has in-person teller services, or have the capability to print a copy of the brochure upon request. A financial institution or other program participant is not subject to a civil cause of action arising from the distribution or nondistribution of program information. Each participating financial institution website must also provide a hyperlink to the department's website for the program.

The bill provides one position and \$137,234 from the Insurance Regulatory Trust Fund within the DFS to develop and manage the new program, which includes printing and postage costs for the brochures.

The effective date of the bill is January 1, 2017.

#### **IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Implementation of the Financial Literacy Program will provide individuals with developmental disabilities an opportunity to obtain a better understanding of financial products and services, financial management, employment options, and federal and state benefits. The program will facilitate greater financial literacy and economic independence. Employers will also benefit from resources that will facilitate employment of individuals with developmental disabilities.

Financial institutions may incur indeterminate costs associated with providing brochures about the program at their places of business and revising their websites to provide a link to access the Financial Literacy Program's website.

**C. Government Sector Impact:**

The bill provides one position and \$137,234 from the Insurance Regulatory Trust Fund within the Department of Financial Services (DFS) to implement this program. This includes one Government Analyst position with the standard expense package and expense costs relating to printing and mailing brochures to all bank branches.

The DFS indicates that the bill will have a recurring fiscal impact of \$69,570 annually on DFS attributable to the costs associated with printing and shipping 50 brochures to an estimated 4,500 financial institutions in Florida.<sup>21</sup> The bill provides that the DFS will make copies of the brochure available to a bank, savings association, or savings bank upon request of such financial institution.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

The bill substantially amends section 280.16 of the Florida Statutes. The bill creates section 17.68 of the Florida Statutes.

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<sup>21</sup> Department of Financial Services, Senate Bill 376 Fiscal Analysis (Oct. 5, 2015) (on file with the Senate Committee on Banking and Insurance).

**IX. Additional Information:**

- A. **Committee Substitute – Statement of Changes:**  
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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