

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 147 Concrete Masonry Education

SPONSOR(S): Higher Education & Workforce Subcommittee

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Higher Education & Workforce Subcommittee		Ammel	Sherry

SUMMARY ANALYSIS

The proposed committee substitute for HB 147 creates the "Concrete Masonry Education Act," and establishes the Florida Concrete Masonry Council, Inc., (council) as a nonprofit corporation operating as a direct-support organization of the Department of Economic Opportunity (DEO). The bill:

- Outlines administrative powers and duties of the council including the power to plan, implement, and conduct educational programs related to the field of concrete masonry, particularly for individuals seeking employment.
- Provides for the appointment of a 13 member governing board.
- Allows the council to accept grants, donations, contributions, gifts, and to collect self-imposed, voluntary assessments on concrete masonry units produced and sold by concrete masonry manufacturers in the state.
- Requires the council to adopt bylaws that must be approved by DEO.
- Prohibits the council from participating or intervening in any political campaign on behalf of or in opposition to any candidate for public office or any state or local ballot initiative.

The fiscal impact of the bill is indeterminate. (SEE FISCAL COMMENTS)

The bill provides an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Concrete Masonry Education Programs

Educational programs to train individuals in the field of concrete masonry are currently offered by school districts, colleges and apprenticeship programs throughout Florida. The Florida Department of Education develops Career and Technical Education programs in ‘Concrete Masonry’ as well as ‘Brick and Block Masonry.’ These programs are provided through a “network of service providers, which include District Technical Centers, Adult Education Providers and Florida colleges.”¹ Career and Technical Education programs are reviewed on a three-year cycle by programmatic review committees,² with industry members comprising 50 percent of the review committees in the case of masonry programs.³ The 2012 review of the Concrete Masonry program recommended deletion of the program due to low enrollment.⁴ The program will be removed from inventory in the 2014-2015 school year.⁵

The Florida Masonry Apprentice and Educational Foundation, Inc., was created in 2002 as a non-profit educational foundation associated with the Masonry Association of Florida and the Florida Concrete & Products Association. The foundation coordinates and provides apprenticeship education of the masonry trade. Voluntary contributions are the sole financial support of the Florida Masonry Apprentice & Educational Foundation.⁶

EXAMPLES OF STATE INDUSTRY MARKETING STRUCTURES

Citrus Industry

The Florida Department of Citrus (department) has regulatory responsibility for all aspects of the citrus industry. The department is funded by the “box tax” and the equalizing excise tax. The box tax is an excise tax levied on each standard field box of fruit grown and placed into the primary channel of trade in Florida. The equalizing excise tax is assessed on processed citrus products imported into the state at a rate equal to the box tax. The majority of the proceeds of these taxes must be used by the department to advertise Florida citrus products.⁷

Florida Beef Council

The Florida Beef Council is a wholly-owned corporation of the Florida Cattlemen’s Association. Created by the Beef Market Development Act, the Council functions as the promotional and educational arm of the beef industry in the state of Florida.⁸

Council activities are funded by beef producers through a federally mandated check-off program, paying one dollar per head on all cattle sold in the state. Half of those funds collected in Florida are designated for national promotion, research, consumer information, and industry information programs.

¹ Florida Department of Education, Career and Adult Education, available at http://www.fldoe.org/workforce/dwdframe/arch_cluster_frame13.asp (last visited Feb. 7, 2014).

² Section 1004.92(2)(b)4, F.S.

³ Department of Education, *Senate Bill 286 Agency Legislative Bill Analysis* (Oct. 23, 2013).

⁴ In the 2012-2013 school year, the concrete masonry program was offered in three school districts with only 24 students statewide. Conversation with Florida Department of Education representative (Dec. 11, 2013).

⁵ *Id.*

⁶ Fourteen apprentice programs throughout the state have approximately 300 enrollees. Florida Masonry Apprentice & Educational Foundation, About Us, available at <http://www.masonryeducation.org/about.html> (last visited Feb. 7, 2014).

⁷ Section 601.15, F.S.

⁸ Section 570.9135, F.S.

The other half is used in Florida to disseminate nutritional and product information to the media, food service and retail industries, school educators, health professionals, consumers, and producers.⁹

The Florida Beef Council's activities are governed by a board of directors comprised of representatives from all segments of the beef industry.¹⁰

Florida Building Commission

The Florida Building Commission is established in ch. 553, F.S., within the Department of Business and Professional Regulation (DBPR) and consists of 25 members that are appointed by the Governor and confirmed by the Senate.¹¹ The Commission is responsible for adopting and enforcing the Florida Building Code as a single, unified state building code used to provide effective and reasonable protection for the public safety, health and welfare.¹² The Florida Building Code is required to be updated every three years by the Florida Building Commission.¹³ Pursuant to s. 553.73, F.S., the Commission is authorized to adopt internal administrative rules, impose fees for binding code interpretations, and use the rule adoption procedures listed under ch. 120, F.S., to approve amendments to the building code.¹⁴

Effect of Proposed Changes

The proposed committee substitute creates the Concrete Masonry Education Act and establishes the Florida Concrete Masonry Council (council) as a nonprofit corporation acting as a direct-support organization of DEO. The council must operate under a written contract with DEO, and the contract requires, at a minimum, that the council's articles of incorporation, bylaws, and budget be approved by DEO. The contract also provides for a reversion of funds to DEO should the council cease to exist.

The proposed committee substitute requires the council to:

- Plan, implement, and conduct programs of education to train individuals in the field of concrete masonry.
- Develop and improve access to education for individuals seeking employment in the field of concrete masonry.
- Develop and implement outreach programs to ensure diversity among individuals trained in the programs.
- Coordinate educational programs with national programs and programs of other states.
- Inform and educate the public about the sustainability and economic benefits of concrete masonry products in order to increase employment opportunities.
- Develop, implement, and monitor a system for the collection of self-imposed voluntary assessments.
- Keep a separate accounting of all money received through voluntary assessments and provide for an annual financial audit in accordance with s. 215.981, F.S.
- Adopt bylaws by September 30, 2014.
- Provide a report, by January 15 of each year, to the Governor, President of the Senate and Speaker of the House of Representatives outlining the following: revenues received; use of funds received; annual goals and objectives and methods for achieving those; the number of individuals who received training or assistance from the programs; and information related to job placements and industry workforce needs.

The proposed committee substitute provides that the council may:

⁹ Florida Cattlemen's Association, Beef Council, available at <http://www.floridacattlemen.org/fbc.html> (last visited Feb. 7, 2014).

¹⁰ *Id.*

¹¹ See s. 553.74(1)(a)-(w), F.S.

¹² Sections 553.73 and 553.74, F.S.

¹³ Section 553.73(7)(a), F.S. See also Florida Department of Business & Professional Regulation, Florida Building Commission, http://www.floridabuilding.org/fbc/information/building_commission.htm (last visited Feb. 7, 2014).

¹⁴ See ss. 553.76, 553.775, and 553.73(7), F.S., respectively.

- Provide to governmental bodies, upon request, information relating to the concrete masonry industry.
- Sue and be sued as a council.
- Maintain a financial reserve for emergency use, not to exceed 10 percent of the council's anticipated income.
- Employ officers and employees of the council, prescribe their duties, and determine their compensation and terms of employment.
- Cooperate with other agencies or organizations in work or activities consistent with the council's objectives.
- Meet with masonry manufacturers to coordinate the collection of self-imposed voluntary assessments.
- Accept grants, donations, contributions, or gifts to be used for activities consistent with the council's objectives.
- Make payments to other organizations for work or services performed and if so, must secure a written agreement that recipients submit, at least annually, a written report detailing the activities and use of such funds.

The proposed committee substitute prohibits the council from:

- Participating in a political campaign, or state or local ballot initiatives.
- Using receipts to benefit directors, officers, or other private persons, not including reasonable compensation for services.
- Participating in activities prohibited for non-profit corporations under federal tax law.

The proposed committee substitute provides that each manufacturer who agrees to pay the self-imposed voluntary assessment shall collect such moneys and submit them quarterly to the council and must commit to paying the assessment for at least one year. The assessment shall be paid for each masonry unit produced and sold by the manufacturer.

The proposed committee substitute also establishes a 13-member board of directors for the council. Members are appointed by the Governor, President of the Senate, and the Speaker of the House as follows:

The Governor shall appoint three members:

- Two representing concrete masonry manufacturers.
- One representing a major building industry association in the state.

The President of the Senate shall appoint five members:

- Three representing concrete masonry manufacturers.
- One who is a stakeholder in the masonry industry, but is not a masonry contractor or manufacturer or employee of such.
- One who is a masonry contractor and is a member of the Masonry Association of Florida.

The Speaker of the House of Representatives shall appoint five members:

- Three representing concrete masonry manufacturers.
- One who has expertise in apprenticeship or has workforce education training.
- One who is a masonry contractor and is also a member of the Masonry Association of Florida.

The initial board members will be assigned to staggered terms. Thereafter, members shall be appointed to 3-year terms and may be reappointed to serve an additional consecutive term. All members serve without compensation but may be reimbursed for per diem and travel expenses.

B. SECTION DIRECTORY:

Section 1. Creates the Concrete Masonry Education Act in an unspecified section of Florida Statutes.

Section 2. Establishes the Concrete Masonry Education Council as a direct-support organization to DEO; outlines specific duties, responsibilities, and prohibitions for the council; establishes a 13-member governing board with specific membership requirements; and requires an annual report to the Governor, President of the Senate and Speaker of the House of Representatives.

Section 3. Provides an effective date of July 1, 2014.

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:

Proposed payments by concrete masonry manufacturers to Florida Concrete Masonry Council, Inc., are self-imposed voluntary assessments on concrete masonry units produced and sold in the state. Additionally, the council may accept grants, donations, contributions, or gifts.

The fiscal impact cannot be determined because of the voluntary nature of the anticipated revenue.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES