

**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 Policy and Steering Committee on Ways and Means

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BILL: CS/CS/SB 1238

INTRODUCER: Policy and Steering Committee on Ways and Means, Governmental Oversight and Accountability Committee and Senator Ring

SUBJECT: Department of Management Services

DATE: March 24, 2010

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	Wilson	GO	<b>Fav/CS</b>
2.	McVane/Pigott	Coburn	WPSC	<b>Fav/CS</b>
3.			RC	
4.				
5.				
6.				

**Please see Section VIII. for Additional Information:**

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|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes        |
| B. AMENDMENTS.....           | <input type="checkbox"/>                   | Technical amendments were recommended   |
|                              | <input type="checkbox"/>                   | Amendments were recommended             |
|                              | <input type="checkbox"/>                   | Significant amendments were recommended |

**I. Summary:**

This bill renames the Department of Management Services (DMS) as the Department of Personnel Management, and places it under the Governor and Cabinet. The Department of Personnel Management retains all functions related to human resource management, insurance benefits administration, and retirement benefits administration. All other DMS duties and functions are moved to other departments. The bill creates, in 2011, the Department of Asset Management to manage all state lands and facilities.

The former DMS functions and entities are assigned as follows:

- Department of Personnel Management (DPM):
  - Human Resource Management.
  - Insurance Benefits Administration.
  - Retirement Benefits Administration.
  - Public Employees Relations Commission (independent entity).
  - Agency for Workforce Innovation (independent entity).
  - Division of Administrative Hearings (independent entity).

- Executive Office of the Governor:
  - Aircraft Operations.
  - Employees leased to the Black Business Investment Board and Enterprise Florida.
  - Florida Commission on Human Relations (independent entity).
- Department of Financial Services (DFS):
  - State Purchasing (not the Council on Efficient Government, which is abolished).
  - Fleet Management.
  - Federal Surplus Property.
  - Private Prison Monitoring.
- Department of Environmental Protection (DEP):
  - Facilities Management.
  - Building Construction.
- Department of Law Enforcement:
  - Statewide Law Enforcement Radio System.
  - Florida Interoperability Network.
- Agency for Enterprise Information Technology:
  - Southwood Shared Resource Center (independent entity).
  - Telecommunications Services (SUNCOM).

The bill also creates and transfers the necessary trust funds.

The bill substantially amends the following sections of the Florida Statutes: 11.917, 14.057, 14.204, 16.615, 20.04, 20.22, 20.23, 20.331, 20.50, 24.105, 24.120, 29.008, 29.21, 110.1055, 110.107, 110.1099, 110.116, 110.121, 110.1227, 110.1228, 110.123, 110.12312, 110.12315, 110.1232, 110.1234, 110.1245, 110.125, 110.131, 110.151, 110.1522, 110.161, 110.171, 110.181, 110.2035, 110.2037, 110.205, 110.2135, 110.227, 110.403, 110.405, 110.406, 110.503, 110.605, 110.606, 112.0455, 112.05, 112.08, 112.0804, 112.24, 112.3173, 112.31895, 112.352, 112.354, 112.358, 112.361, 112.362, 112.363, 112.63, 112.64, 112.658, 112.661, 112.665, 120.65, 121.021, 121.025, 121.031, 121.051, 121.0511, 121.0515, 121.055, 121.1815, 121.1905, 121.192, 121.22, 121.23, 121.24, 121.35, 121.40, 121.4501, 121.4503, 121.591, 121.5911, 121.78, 122.02, 122.09, 122.23, 122.34, 145.19, 154.04, 163.3184, 175.032, 175.1215, 175.361, 185.02, 185.105, 185.37, 189.4035, 189.412, 210.20, 210.75, 213.053, 215.196, 215.22, 215.28, 215.422, 215.425, 215.47, 215.50, 215.94, 215.96, 216.0152, 216.016, 216.023, 216.044, 216.163, 216.237, 216.238, 216.262, 216.292, 217.02, 217.04, 217.045, 238.01, 238.02, 238.03, 238.07, 238.09, 238.10, 238.11, 238.12, 238.15, 238.171, 238.181, 238.32, 250.22, 252.385, 253.034, 253.126, 253.45, 255.02, 255.043, 255.05, 255.0525, 255.248, 255.249, 255.25, 255.25001, 255.252, 255.253, 255.257, 255.2575, 255.259, 255.28, 255.29, 255.30, 255.31, 255.32, 255.45, 255.451, 255.502, 255.503, 255.504, 255.505, 255.506, 255.507, 255.508, 255.509, 255.51, 255.511, 255.513, 255.514, 255.515, 255.517, 255.518, 255.52, 255.521, 255.522, 255.523, 255.555, 265.001, 265.002, 265.2865, 267.061, 267.0625, 267.075, 270.27, 272.03, 272.04, 272.05, 272.06, 272.07, 272.08, 272.09, 272.12, 272.121, 272.122, 272.124, 272.129, 272.16, 272.161, 272.18, 272.185, 273.055, 281.02, 281.03, 281.06, 281.07, 281.08, 282.0041, 282.205, 282.604, 282.702, 282.703, 282.704, 282.705, 282.706, 282.707, 282.709, 282.7101, 282.711, 283.30, 283.32, 284.01, 284.04, 284.05, 284.08, 284.33, 284.385, 284.42, 285.06, 285.14, 286.29, 287.012, 287.025, 287.032, 287.042, 287.055, 287.057, 287.05721, 287.0574, 287.076, 287.083, 287.0834, 287.0943, 287.09451, 287.131, 287.133, 287.134, 287.15, 287.151, 287.155, 287.16, 287.161, 287.17, 287.18, 287.19, 288.021, 288.109, 288.1092, 288.1093, 288.1185, 288.15, 288.17, 288.18, 288.703, 288.706, 288.708, 288.7091, 288.712, 288.901, 295.187,

318.18, 318.21, 320.0802, 320.08056, 321.04, 328.72, 337.02, 337.023, 337.165, 338.2216, 338.227, 350.0614, 350.125, 364.0135, 364.515, 364.516, 365.171, 365.172, 373.4596, 373.461, 376.10, 377.703, 381.98, 394.9151, 395.1031, 400.121, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 401.245, 402.35, 402.50, 403.061, 403.42, 403.518, 403.5365, 403.7065, 403.714, 403.7145, 403.71852, 406.075, 408.039, 408.910, 413.036, 413.051, 414.37, 429.14, 440.2715, 440.45, 445.009, 447.205, 455.32, 471.038, 489.145, 553.995, 570.07, 627.096, 633.382, 650.02, 760.04, 766.302, 768.1326, 943.03, 943.0311, 943.13, 943.61, 943.66, 943.681, 944.02, 944.10, 944.115, 944.713, 944.72, 944.8041, 945.215, 946.504, 946.515, 946.525, 957.04, 957.06, 957.07, 957.08, 957.14, 957.15, 957.16, 1001.27, 1001.42, 1001.705, 1001.706, 1001.74, 1002.36, 1002.37, 1004.58, 1012.33, 1012.34, 1012.61, 1012.796, 1012.865, 1012.875, 1013.03, 1013.23, 1013.30, and 1013.38.

The bill creates unnumbered sections of the Florida Statutes.

The bill repeals sections 121.1905 and 287.0573, Florida Statutes.

## II. Present Situation:

Sections 11.901-11.920, F.S., are known as the Florida Government Accountability Act (act). Under this act, most state agencies are subject to a “sunset” review process, conducted by various committees, in order for the Legislature to determine whether the agency should be retained, modified, or abolished.

Agencies subject to a sunset review are reviewed prior to the legislative session in the year the repeal is scheduled to occur. The Department of Management Services will sunset on June 30, 2010, unless it is reenacted by the Legislature.

The Senate Governmental Oversight and Accountability Committee is the primary sunset review committee for review of the DMS. Issue Brief 2010-217<sup>1</sup> recommends that the Legislature consider whether to place the DMS under the Governor and Cabinet, and whether to transfer some DMS programs to other state agencies.

## III. Effect of Proposed Changes:

**Section 1** provides that all powers, duties, functions, records, offices, personnel, property, pending issues, and existing contracts, administrative authority, administrative rules, and unexpended balances of appropriations, allocations, and other funds relating to the following programs in the Department of Management Services are transferred to other departments by a type two transfer, as follows.

- Executive Office of the Governor (EOG):
  - Executive Aircraft Pool.
- Department of Financial Services:
  - Division of State Purchasing.
  - Office of Supplier Diversity.
  - Fleet Management Program.

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<sup>1</sup> Issue Brief 2010-217, *Agency Sunset Review of the Department of Management Services*, Governmental Oversight and Accountability Committee, December 2009.

- Federal Surplus Property Donation Program.
  - Bureau of Private Prison Monitoring .
- Department of Environmental Protection:
  - Facilities Program.
- Agency for Enterprise Information Technology:
  - Telecommunications services.
- Department of Law Enforcement:
  - Land mobile radio services, including local public safety radio services, state public safety radio services, emergency medical services, and the Florida Interoperability Network.

Trust Funds will be transferred as follows.

- Department of Environmental Protection:
  - Architects Incidental Trust Fund.
  - Florida Facilities Pool Working Capital Trust Fund.
  - Florida Facilities Pool Clearing Trust Fund.
  - Public Facilities Finance Trust Fund.
  - Supervision Trust Fund.
- Executive Office of the Governor:
  - The Bureau of Aircraft Trust Fund.
- Agency for Enterprise Information Technology:
  - Communications Working Capital Trust Fund.
  - Working Capital Trust Fund.
- Department of Law Enforcement:
  - Law Enforcement Radio Trust Fund.
  - Emergency Communications Number E911 System Trust Fund.
- Department of Financial Services:
  - Surplus Property Revolving Trust Fund.

**Section 2** allows the EOG, with the approval of the Legislative Budget Commission, to transfer funds and positions between agencies to implement the bill.

**Section 3** provides for the Division of Statutory Revision to assist in crafting conforming legislation to implement the bill.

**Section 4** amends s. 11.917, F.S., to provide that the DFS replaces the DMS as the custodian of property of abolished state agencies.

**Section 5** amends s. 14.057, F.S., to provide that the DEP replaces the DMS as the entity that must provide for office facilities for Governors-elect.

**Section 6** amends s. 14.204, F.S., to conform provisions to changes made by the bill.

**Section 7** amends s. 16.615, F.S., to change a reference from the DMS to the DPM.

**Section 8** amends s. 20.04, F.S., to change references from the DMS to the DPM.

**Section 9** amends s. 20.22, F.S., to move duties from the DMS to the DPM, delete those duties assigned to other agencies, place the DPM under the Governor and Cabinet with the authority to appoint an executive director of the DPM, and place the Chief Labor Negotiator under the Governor.

**Section 10** amends ss. 20.23, F.S., to conform provisions to changes made by the bill.

**Section 11** amends ss. 20.255, F.S., to provide a fourth deputy secretary for the DEP and a new Division of Facilities Management and Building Construction.

**Section 12** amends ss. 20.331, F.S., to conform provisions to changes made by the bill.

**Section 13** amends s. 20.50, F.S., to conform provisions to changes made by the bill and make technical amendments.

**Sections 14 through 17** amend ss. 24.105, 24.120, 29.008, and 29.21, F.S., to conform provisions to changes made by the bill.

**Sections 18 through 48** amend ch. 110, F.S., relating to state employment, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DPM, and make technical amendments.

**Sections 49 through 66** amend ch. 112, F.S., relating to public officers and employees, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DPM, and make technical amendments.

**Section 67** amends s. 120.65, F.S., to conform provisions to changes made by the bill.

**Sections 68 through 87** amend ch. 121, F.S., relating to the Florida Retirement System, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DPM, and make technical amendments.

In addition, s. 121.1905, F.S., creating the Division of Retirement in the DMS, is repealed. Section 20.22, F.S., is amended to create the Division of Retirement in the DPM.

**Sections 88 through 126** amend various sections of the Florida Statutes to conform provisions to changes made by the bill and make technical amendments.

**Sections 127 through 138** amend ch. 238, F.S., relating to the Teachers' Retirement System, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DPM, and to make technical amendments.

**Sections 139 and 140** amend sections of the Florida Statutes to conform provisions to changes made by the bill and make technical amendments.

**Sections 141 through 183** amend ch. 253 and 255, F.S., relating to state lands and public property and publicly owned buildings, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DEP, and to make technical amendments.

**Sections 184 through 189** amend various sections of the Florida Statutes to conform provisions to changes made by the bill and to make technical amendments.

**Sections 190 through 205** amend ch. 272, F.S., relating to the Capitol Center, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DEP, and to make technical amendments.

**Section 206** amends s. 273.055, F.S., to provide that the approval of the DFS is required before disposal of motor vehicles, watercraft, and aircraft.

**Sections 207 through 211** amend ch. 281, F.S., relating to safety and security services, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DEP, and to make technical amendments.

**Sections 212 through 223** amend ch. 282, F.S., relating to Communications and Data Processing, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the Agency for Enterprise Information Technology (AEIT), and to make technical amendments.

**Sections 224 through 235** amend various sections of the Florida Statutes to conform provisions to changes made by the bill and to make technical amendments.

**Sections 236 through 260** amend ch. 287, F.S., relating to procurement of personal property and services, to conform provisions to changes made by the bill, largely by replacing references to the DMS with references to the DFS, and to make technical amendments.

The Council on Efficient Government is deleted, though agency duties related to business cases to outsource are retained.

**Section 261** amends s. 288.021, F.S., to delete a reference to the DMS and a reference to the defunct Department of Labor and Employment Security.

**Sections 262 through 264** amend ss. 288.109, 288.1092, and 288.1093, F.S., to assign to the Department of Community Affairs duties formerly assigned to the DMS, in relation to the One-Stop Permitting System, the One-Stop Permitting System Grant Program, and the Quick Permitting County Designation Program.

**Sections 265 through 302** amend various sections of the Florida Statutes to conform provisions to changes made by the bill and to make technical amendments.

**Sections 303 through 309** amend ch. 401, F.S., relating to Medical Telecommunications and Transportation, to conform provisions to changes made by the bill, largely by replacing

references to the DMS with references to the Department of Law Enforcement, and to make technical amendments.

**Sections 310 through 382** amend various sections of the Florida Statutes to conform provisions to changes made by the bill and to make technical amendments.

**Section 383** requires the DEP to coordinate with all state agencies for the submission of a plan, by September 1, 2010, to centralize positions and resources related to real estate leasing, and facilities operations and maintenance in the new Department of Asset Management. It also requires each agency to include such information in their legislative budget request for the 2011-2012 fiscal year.

**Section 384** creates the Department of Asset Management, effective July 1, 2011, which will manage all state lands and facilities.

**Section 385** provides for the transfer of the Division of State Lands and the Division of Facilities Management and Building Construction from the DEP to the new Department of Asset Management on July 1, 2011.

**Section 386** provides that the bill will take effect on July 1, 2010.

#### **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:**

None.

**C. Government Sector Impact:**

Overall, by placing the newly named Department of Personnel Management under the Governor and Cabinet, this bill will allow the state to achieve numerous efficiencies

statewide. It will provide the opportunity for statewide elected officers that manage executive branch agencies to provide policy direction and ensure that policies are implemented by all agencies in the executive branch. The bill will also enable the state to achieve economies of scale and leverage its purchasing power, facilitate centralized and concentrated expertise in various programs, apply consistent processes and practices statewide, lower transaction costs for agencies, and improve information dissemination.

The bill is anticipated to produce long-term savings by consolidating operations, which enables future efficiencies. Two major areas for future cost savings to the state include the development of a strategic approach to managing the state's real estate portfolio and the identification of strategies to increase the volume of the state's purchases made through the competitive process. While future long-term savings are indeterminate, for the 2010-2011 fiscal year, savings reflected in the Senate's Proposed General Appropriations Act (SPB 7090) include a reduction of 46 positions and \$3.1 million. The chart below reflects the estimated fiscal impact to each affected agency by year, with nonrecurring costs removed in Fiscal Year 2011-2012.

In order to provide resources to administratively support programs being transferred, SPB 7090 includes 70 positions and \$7.2 million (line item 2179A, Administered Funds). The distributions of resources are subject to the budget amendment process pursuant to ch. 216, F.S.

Estimated Fiscal Impact	FTE	Total Costs for FY 10-11		Total Costs for FY 11-12	
		General Revenue	Trust Funds	General Revenue	Trust Funds
Department of Environmental Protection	24.0		1,916,561	Indeterminate	
Department of Financial Services	9.0		1,168,308		830,415
Executive Office of the Governor	20.0	70,779	2,878,354	63,044	2,563,789
Florida Department of Law Enforcement	14.0		865,089		810,811
Department of Personnel Management		Indeterminate			
<b>Total Est. Impact</b>	<b>67.0</b>	<b>70,779</b>	<b>6,828,312</b>		
<b>Positions &amp; Budget to Offset Fiscal Impact in FY 10-11</b>					
Administered Funds/ Lump Sum	70.0		7,727,965		
<b>Recurring Cost Savings – Beginning FY 10-11</b>					
DMS Reductions	(46.0)	(436,177)	(2,645,708)		

## VI. Technical Deficiencies:

None.



**VII. Related Issues:**

None.

**VIII. Additional Information:****A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS/CS by Policy and Steering Committee on Ways and Means on March 24, 2010:**

This committee substitute:

- Provides the organizational structure for transferring the real estate functions from the Department of Management Services to the Department of Environmental Protection by adding a fourth deputy secretary and creating a new Division of Facilities Management and Building Construction.
- Requires the Department of Law Enforcement to coordinate with the Agency for Enterprise Information Technology when developing a comprehensive plan for use of the statewide law enforcement radio system.
- Requires the Department of Environmental Protection to coordinate with state agencies and submit a plan by September 1, 2010, for centralizing all real estate functions in the new Department of Asset Management.
- Requires agencies to include the transfer of positions and resources for centralizing real estate functions in their legislative budget requests for the 2011-2012 fiscal year.

**CS by Governmental Oversight and Productivity on March 17, 2010:**

The CS adds a provision creating the Department of Asset Management on July 1, 2011, to manage state lands and properties, and changes the effective date for all other provisions to July 1, 2010.

**B. Amendments:**

None.