A bill to be entitled 1 2 An act relating to public employee compensation; amending 3 s. 215.425, F.S.; revising provisions relating to the 4 prohibition against the payment of extra compensation; 5 providing for bonuses; specifying the conditions for 6 paying bonuses; requiring that contracts providing for 7 severance pay under certain circumstances include 8 specified provisions; defining the term "severance pay"; 9 prohibiting certain contract provisions that provide for 10 extra compensation to limit the ability to discuss the 11 contract; amending s. 125.01, F.S.; deleting provisions relating to the power of a county to pay extra 12 13 compensation; amending s. 166.021, F.S.; deleting a 14 provision that allows a municipality to pay extra compensation; amending s. 112.061, F.S.; conforming cross-15 16 references; repealing s. 373.0795, F.S., relating to a prohibition against severance pay for officers or 17 employees of water management districts; providing an 18 19 effective date. 20 21 Be It Enacted by the Legislature of the State of Florida: 22 23 Section 1. Section 215.425, Florida Statutes, is amended 24 to read: 25 215.425 Extra compensation claims prohibited; bonuses; 26 severance pay.-27 (1)No extra compensation shall be made to any officer, 28 agent, employee, or contractor after the service has been Page 1 of 7

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29 rendered or the contract made; nor shall any money be 30 appropriated or paid on any claim the subject matter of which 31 has not been provided for by preexisting laws, unless such 32 compensation or claim is allowed by a law enacted by two-thirds 33 of the members elected to each house of the Legislature. 34 However, when adopting salary schedules for a fiscal year, a 35 district school board or community college district board of 36 trustees may apply the schedule for payment of all services 37 rendered subsequent to July 1 of that fiscal year. 38 The provisions of This section does do not apply to: (2) 39 Extra compensation given to state employees who are (a) 40 included within the senior management group pursuant to rules 41 adopted by the Department of Management Services; to extra 42 compensation given to county, municipal, or special district 43 employees pursuant to policies adopted by county or municipal 44 ordinances or resolutions of governing boards of special 45 districts or to employees of the clerk of the circuit court 46 pursuant to written policy of the clerk; or to 47 A clothing and maintenance allowance given to (b) plainclothes deputies pursuant to s. 30.49. 48 49 Any policy, ordinance, rule, or resolution designed to (3) 50 implement a bonus scheme must: 51 Base the award of a bonus on work performance; (a) 52 (b) Describe the performance standards and evaluation 53 process by which a bonus will be awarded; (c) Notify all employees of the policy, ordinance, rule, 54 55 or resolution before the beginning of the evaluation period on 56 which a bonus will be based; and

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| 57 | (d) Consider all employees for the bonus.                       |
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| 58 | (4)(a) On or after July 1, 2011, a unit of government that      |
| 59 | enters into a contract or employment agreement, or renewal or   |
| 60 | renegotiation of an existing contract or employment agreement,  |
| 61 | that contains a provision for severance pay with an officer,    |
| 62 | agent, employee, or contractor must include the following       |
| 63 | provisions in the contract:                                     |
| 64 | 1. A requirement that severance pay provided may not            |
| 65 | exceed an amount greater than 20 weeks of compensation, unless  |
| 66 | the unit of government approves the contract or employment      |
| 67 | agreement, or renewal or renegotiation of a contract or         |
| 68 | employment agreement, by a two-thirds vote of the membership of |
| 69 | the approving body of the unit of government.                   |
| 70 | 2. A prohibition of provision of severance pay when the         |
| 71 | officer, agent, employee, or contractor has been fired for      |
| 72 | misconduct, as defined in s. 443.036(29), by the unit of        |
| 73 | government.   |
| 74 | (b) Notwithstanding paragraph (a), on or after July 1,          |
| 75 | 2011, an officer, agent, employee, or contractor may receive    |
| 76 | severance pay if:   |
| 77 | 1. The severance pay is paid from wholly private funds,         |
| 78 | the payment and receipt of which do not otherwise violate part  |
| 79 | III of chapter 112; or  |
| 80 | 2. The severance pay is administered under part II of           |
| 81 | chapter 112 on behalf of an agency outside this state and would |
| 82 | be permitted under that agency's personnel system.              |
| 83 | (c) This subsection does not create an entitlement to           |
| 84 | severance pay in the absence of its authorization.              |

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85 (d) As used in this subsection, the term "severance pay" 86 means the actual or constructive compensation, including salary, 87 benefits, or perquisites, for employment services yet to be 88 rendered which is provided to an employee who has recently been 89 or is about to be terminated. The term does not include 90 compensation for: 91 1. Earned and accrued annual, sick, compensatory, or 92 administrative leave; 2. Early retirement under provisions established in an 93 actuarially funded pension plan subject to part VII of chapter 94 95 112; or 96 3. Any subsidy for the cost of a group insurance plan 97 available to an employee upon normal or disability retirement 98 that is by policy available to all employees of the unit of 99 government pursuant to the unit's health insurance plan. This 100 subparagraph may not be construed to limit the ability of a unit 101 of government to reduce or eliminate such subsidies. 102 (5) Any agreement or contract, executed on or after July 103 1, 2011, which involves extra compensation between a unit of 104 government and an officer, agent, employee, or contractor may 105 not include provisions that limit the ability of any party to 106 the agreement or contract to discuss the agreement or contract. 107 Section 2. Paragraphs (cc) and (dd) of subsection (1) of 108 section 125.01, Florida Statutes, are redesignated as paragraphs 109 (bb) and (cc), respectively, and paragraph (bb) of that subsection is amended to read: 110 125.01 Powers and duties.-111 112 The legislative and governing body of a county shall (1) Page 4 of 7

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113 have the power to carry on county government. To the extent not 114 inconsistent with general or special law, this power includes, 115 but is not restricted to, the power to: 116 (bb) Notwithstanding the prohibition against extra 117 compensation set forth in s. 215.425, provide for an extra 118 compensation program, including a lump-sum bonus payment 119 program, to reward outstanding employees whose performance 120 exceeds standards, if the program provides that a bonus payment 121 may not be included in an employee's regular base rate of pay 122 and may not be carried forward in subsequent years. 123 Section 3. Present subsections (8) through (10) of section 124 166.021, Florida Statutes, are redesignated as subsections (7) 125 through (9) respectively, and present subsection (7) of that 126 section is amended, to read: 127 166.021 Powers.-128 (7) Notwithstanding the prohibition against extra compensation set forth in s. 215.425, the governing body of a 129 130 municipality may provide for an extra compensation program, 131 including a lump-sum bonus payment program, to reward 132 outstanding employees whose performance exceeds standards, if 133 the program provides that a bonus payment may not be included in 134 an employee's regular base rate of pay and may not be carried 135 forward in subsequent years. Section 4. Paragraphs (a) and (c) of subsection (14) of 136 section 112.061, Florida Statutes, are amended to read: 137

138 112.061 Per diem and travel expenses of public officers,
139 employees, and authorized persons.-

140 (14) APPLICABILITY TO COUNTIES, COUNTY OFFICERS, DISTRICT

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141 SCHOOL BOARDS, SPECIAL DISTRICTS, AND METROPOLITAN PLANNING142 ORGANIZATIONS.—

(a) The following entities may establish rates that vary
from the per diem rate provided in paragraph (6) (a), the
subsistence rates provided in paragraph (6) (b), or the mileage
rate provided in paragraph (7) (d) if those rates are not less
than the statutorily established rates that are in effect for
the 2005-2006 fiscal year:

The governing body of a county by the enactment of an
 ordinance or resolution;

151 2. A county constitutional officer, pursuant to s. 1(d),
152 Art. VIII of the State Constitution, by the establishment of
153 written policy;

154 3. The governing body of a district school board by the155 adoption of rules;

4. The governing body of a special district, as defined in s. 189.403(1), except those special districts that are subject to s. <u>166.021(9)</u> <del>166.021(10)</del>, by the enactment of a resolution; or

160 5. Any metropolitan planning organization created pursuant 161 to s. 339.175 or any other separate legal or administrative 162 entity created pursuant to s. 339.175 of which a metropolitan 163 planning organization is a member, by the enactment of a 164 resolution.

(c) Except as otherwise provided in this subsection, counties, county constitutional officers and entities governed by those officers, district school boards, special districts, and metropolitan planning organizations, other than those

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169 subject to s. <u>166.021(9)</u> <del>166.021(10)</del>, remain subject to the 170 requirements of this section.

| 171 | Section 5. | Section | 373.0795, | Florida | Statutes, | is |
|-----|------------|---------|-----------|---------|-----------|----|
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- 172 repealed.
- 173 Section 6. This act shall take effect July 1, 2011.