



Appropriations Committee

Wednesday, March 8, 2017
3:30 PM – 6:00 PM
212 Knott Building

Meeting Packet

Richard Corcoran
Speaker

Carlos Trujillo
Chair



The Florida House of Representatives

Appropriations Committee

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AGENDA

Wednesday, March 8, 2017

212 Knott Building

3:30 PM – 6:00 PM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Trujillo
- III. Consideration of the following bill:
 - HB 7007** State Group Insurance Program by Health & Human Services Committee, Brodeur
 - HB 7021** Local Government Ethics Reform by Public Integrity & Ethics Committee, Metz
 - HB 7023** Trust Funds/Creation/Local Government Lobbyist Registration Trust Fund by Public Integrity & Ethics Committee, Yarborough
- IV. Presentation and Discussion of Higher Education Funding and Direct Support Organizations
- V. Subcommittee Chairs Report on Budget Exercise
- VI. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7007 PCB HHS 17-01 State Group Insurance Program
SPONSOR(S): Health & Human Services Committee, Brodeur
TIED BILLS: **IDEN./SIM. BILLS:** SB 900

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Health & Human Services Committee	11 Y, 6 N	Poche	Calamas
1) Appropriations Committee		Delaney <i>LD</i>	Leznoff <i>JL</i>

SUMMARY ANALYSIS

The State Group Insurance Program (program), administered by the Department of Management Services (DMS), is an optional benefit for employees that includes health, life, dental, vision, disability, and other supplemental insurance benefits. The program offers employees a choice among a health maintenance organization (HMO) plan, preferred provider plan (PPO) plan, and a high-deductible health plan (HDHP) with a health saving account (HSA). However, only one benefit level is offered for each plan type. Additionally, the employee's premium for the HMO and PPO are the same, even though the HMO provides greater benefits.

HB 7007 adds new products and services to the program by giving DMS broad authority to contract for a wide variety of additional products and services. Employees will be able to purchase new products as optional benefits. DMS is directed to contract with at least one entity that provides comprehensive pricing and inclusive services for surgery and other types of medical procedures. The contract requires cost savings to the program, which will be shared by the state and the enrollee.

Beginning in 2018, DMS is directed to contract with at least one entity that provides online health care price and quality information, including the average price paid for health care services and providers by county. The contract requires the entity to allow enrollees to shop for health care using the information provided to select higher quality, lower cost services and providers. The contract also requires the entity to identify any savings realized by the enrollee, and share those savings with the enrollee

Beginning in the 2020 plan year, the bill provides that state employees will have health plan choices at four different benefit levels. If the state's contribution towards the premium is more than the cost of the plan selected by the employee, then the employee may use the remainder to:

- Fund a flexible spending arrangement or a health savings account.
- Purchase additional benefits offered through the state group insurance program.
- Increase the employee's salary.

The bill directs DMS to hire an independent benefits consultant (IBC). The IBC will assist DMS in developing a plan for the implementation of the new benefit levels in the program. The plan shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Representatives no later than January 1, 2019. The IBC will also provide ongoing assessments and analysis for the program.

The bill directs DMS to recommend employee contribution rates for standard plans and high deductible health plans for the 2018 plan year reflecting the actual benefit difference between the HMO and the PPO plans for both self-insured and fully insured products. The proposed enrollee premium rates for the 2018 plan year must be submitted to the Legislative Budget Commission (LBC) for review and approval. If the LBC does not approve the proposed rates, the rates provided in the 2017-18 General Appropriations Act will apply.

The bill provides \$151,216 in recurring trust fund and \$507,546 in nonrecurring trust fund authority to the Department of Management Services, and 2 full-time equivalent positions to implement the administrative provisions of the act. The provisions of the bill are expected to have a positive, but indeterminate, fiscal impact on the state. See fiscal comments.

The bill provides an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

State Group Insurance Program

Overview

The State Group Insurance Program (state program) is created by s. 110.123, F.S., and is administered by the Division of State Group Insurance (DSGI) within the Department of Management Services (DMS or department).

The state program is an optional benefit for all state employees including all state agencies, state universities, the court system, and the Legislature. The program includes health, life, dental, vision, disability, and other supplemental insurance benefits.

The health insurance benefit for active employees has premium rates for single, spouse program¹, or family coverage regardless of plan selection. The state contributed approximately 92% toward the total annual premium for active employees for a total of \$1.80 billion out of total premium of \$1.95 billion for active employees during FY 2016-17². Retirees and COBRA participants contributed an additional \$233.3 million in premiums, with \$158.9 million more in other revenue for a total of \$2.34 billion in total revenues.³

Cafeteria Plans

A cafeteria plan is a plan that offers flexible benefits under Section 125 of the Internal Revenue Code. Employees choose from a "menu" of benefits. The plan can provide a number of selections, including medical, accident, disability, vision, dental and group term life insurance. It can reimburse actual medical expenses or pay children's day care expenses.

A cafeteria plan reduces both the employer's and employee's tax burden. Contributions by the employer are not subject to the employer social security contribution. Contributions made by the employee are not subject to federal income or social security taxes.

The employer chooses the range of benefits it wishes to offer in a cafeteria plan. The plan can be a simple premium-only plan where only health insurance is offered. Full flex plans, which offer a wide variety of benefits and choices, are more often offered by large employers and allow for more consumer-directed consumption of benefits. In some full flex plans, the employee is offered the choice between receiving additional compensation in lieu of benefits.

The state program qualifies as a cafeteria plan⁴ even though it offers relatively narrow health plan options compared to other cafeteria plans.

¹ The Spouse Program provides discounted rates for family coverage when both spouses work for the state.

² Florida Legislature, Office of Economic and Demographic Research, Self-Insurance Estimating Conference, *State Employees' Group Health Self-Insurance Trust Fund- Report on the Financial Outlook for Fiscal Years Ending June 30, 2017 through June 30, 2022*, adopted December 9, 2016, page 6, available at <http://edr.state.fl.us/Content/conferences/healthinsurance/HealthInsuranceOutlook.pdf>

³ Id.

⁴ 26 USC sec. 125 requires that a cafeteria plan allow its members to choose between two or more benefits "consisting of cash and qualified benefits." The proposed regulations define "cash" to include a "salary reduction arrangement" whereby salary is deducted pre-tax to pay the employee's share of the insurance premium. Since the state program allows a "salary reduction arrangement", the program qualifies as a cafeteria plan. 26 C.F.R. ss. 1.125-1, et seq.

Health Plan Options

The program provides limited options for employees to choose as their health plan. The preferred provider organization (PPO) plan is the statewide, self-insured health plan administered by Florida Blue, whose current contract is for the 2015 through 2018 plan years. The administrator is responsible for processing health claims, providing access to a Preferred Provider Care Network, and managing customer service, utilization review, and case management functions. The standard health maintenance organization (HMO) plan is an insurance arrangement in which the state has contracted with multiple statewide and regional HMOs⁵.

Prior to the 2011 plan year, the participating HMOs were fully insured; in other words, the HMOs assumed all financial risk for the covered benefits. During the 2010 session, the Legislature enacted s. 110.12302, F.S., which directed DMS to require costing options for both fully insured and self-insured plan designs as part of the department's solicitation for HMO contracts for the 2012 plan year and beyond. The department included these costing options in its Invitation to Negotiate⁶ to HMOs for contracts for plans years beginning January 1, 2012. The department entered into contracts for the 2012 and 2013 plan years with two HMOs with a fully insured plan design and four with a self-insured plan design. The contracts with the HMOs had been renewed for the 2015 plan year.⁷

Additionally, the program offers two high-deductible health plans (HDHP⁸) with health savings accounts (HSAs)⁹. The Health Investor PPO Plan is the statewide HDHP with an integrated HSA. It is also administered by Florida Blue. The Health Investor HMO Plan is an HDHP with an integrated HSA in which the state has contracted with multiple state and regional HMOs. Both have an individual deductible of \$1,300 for individual and \$2,600 for family for network providers.¹⁰ The state makes a \$500 per year contribution to the HSA for single coverage and a \$1,000 per year contribution for family coverage. The employee may make additional annual contributions¹¹ to a limit of \$3,400 for single coverage and \$6,750 for family coverage. Both the employer and employee contributions are not subject to federal income tax on the employee's income. Unused funds roll over automatically every year. An HSA is owned by the employee and is portable.

The following charts illustrate the benefit design of each of the plan choices.

⁵ The HMOs include Aetna, AvMed, Capital Health Plan, Florida Health Care Plans and UnitedHealthcare.

⁶ ITN NO.: DMS 10/11-011

⁷ After extending the existing HMO contracts for the 2016 and 2017 plan years, DMS is currently procuring HMOs for the next contract period and expects to complete the procurement process and award contracts to the HMOs during or after the 2017 Regular Legislative Session.

⁸ High-deductible health plans with linked HSAs are also called consumer-directed health plans (CDHP) because costs of health care are more visible to the enrollee.

⁹ 26 USC sec. 223; To qualify as a high-deductible plan, the annual deductible must be at least \$1,300 for single plans and \$2,600 for family coverage, but annual out-of-pocket expenses cannot exceed \$6,550 for individual and \$13,100 for family coverage. These amounts are adjusted annually by the IRS.

¹⁰ Internal Revenue Service, *Revenue Procedure 2016-28*, April 29, 2016 (setting contribution limits for 2017 calendar year) available at <https://www.irs.gov/pub/irs-drop/rp-16-28.pdf> (last viewed February 10, 2017).

¹¹ *Id.*, The IRS annually sets the contribution limit as adjusted by inflation.

	HMO Standard		PPO Standard	
	Network Only	Network	Network	Out-of-Network
Deductible	None	\$250 \$500 Single Family	\$750 \$1,500 Single Family	
Primary Care	\$20 copayment	\$15 copayment	40% of out-of-network allowance plus the amount between the charge and the allowance	
Specialist	\$40 copayment	\$25 copayment		
Urgent Care	\$25 copayment	\$25 copayment		
Emergency Room	\$100 copayment	\$100 copayment		
Hospital Stay	\$250 copayment	20% after \$250 copayment	40% after \$500 copayment plus the amount between the charge and the allowance	
Generic Preferred Non-Preferred Prescriptions	\$7 \$30 \$50 Retail	\$7 \$30 \$50 Retail	Pay in full, file claim	
	\$14 \$60 \$100 Mail Order	\$14 \$60 \$100 Mail Order		
Out-of-Pocket Maximum	\$1,500 \$3,000 Single Family	\$2,500 \$5,000 (coinsurance only) Single Family		

	PPO and HMO Health Investor	
	Network	Out-of-Network (PPO Only)
Deductible	\$1,300 \$2,600 Single Family	\$2,500 \$5,000 Single Family
Primary Care	After meeting deductible, 20% of network allowed amount	After meeting deductible, 40% of out-of-network allowance plus the amount between the charge and the allowance
Specialist		
Urgent Care		After meeting deductible, 20% of out-of-network allowance
Emergency Room		
Hospital Stay		After meeting deductible, 40% after \$1,000 copayment plus the amount between the charge and the allowance
Generic Preferred Non-Preferred Prescriptions	After meeting deductible, 30% 30% 50% Retail and Mail Order	Pay in full, file claim
Out-of-Pocket Maximum	\$3,000 \$6,000 (coinsurance only) Single Family	\$7,500 \$15,000 (coinsurance only) Single Family

Flexible Spending Accounts

Currently, the state program offers flexible spending accounts (FSAs)¹² as an optional benefit for employees. The FSA is funded through pre-tax payroll deductions from the employee's salary¹³. The funds can be used to pay for medical expenses that are not covered by the employees' health plan. Prior to 2013, there was no limit on the contribution to a FSA; however, it is now limited to \$2,600¹⁴ and subsequently adjusted for inflation. Unlike a HSA, a FSA is a "use it or lose it" arrangement.¹⁵ If the employee does not annually use the contributions to the FSA, the contributions are forfeited.

Health Reimbursement Arrangements

Health reimbursement arrangements (HRAs) are defined contribution benefits established by an employer for their employees. Each year, an employer determines a specified amount, or a defined contribution benefit, of pre-tax dollars to assist employees with medical expenses. The employer can determine minimum and maximum contribution amounts; there are no federal limits. Typically associated with an HDHP, an HRA is entirely funded by the employer and provides tax-free reimbursements to employees for medical expenses.¹⁶ Unlike a FSA, an HRA is not a "use it or lose it" arrangement, but the employer may cap the rollover amount. The state program does not currently offer HRAs.

The following chart shows the distinctions among FSAs, HSAs, and HRAs:

	FSA	HSA	HRA
Who funds the account?	Employee and employer (optional)	Employee, employer, and other individuals	Employer
How is it funded?	Employee payroll deduction; employer direct contribution - money is held by employer in "fund"	Cash contributions to bank account owned by employee	Employer pays up to promised amount
Account Owner	Employer	Employee	Employer
Contribution Limits	\$2,600 annually	Single - \$3,400 Family - \$6,750 Over 55 - additional \$1,000 for single coverage	Set by employer
Rollover of Funds?	Up to \$500 (federal law)	Yes	Yes, as determined by employer
Medical Expenses Allowed	IRC 213(d) expenses; ¹⁷	IRC 213(d) expenses	Post-tax health insurance premiums and IRC 213(d) expenses
High Deductible Health Plan Required?	No	Yes Minimum deductible: Single - \$1,300 Family - \$2,600 Max out-of-pocket: Single - \$6,550 Family - \$13,100	No

¹² Sec. 125 I.R.C.; see *IRS Publication 969* (2014) available at <https://www.irs.gov/pub/irs-pdf/p969.pdf> (last viewed February 10, 2017).

¹³ Employers are also allowed to contribute to FSAs.

¹⁴ Internal Revenue Service, *Revenue Procedure 2016-55*, October 25, 2016 (setting contribution limit for 2017 calendar year) available at <https://www.irs.gov/pub/irs-drop/rp-16-55.pdf> (last viewed February 10, 2017).

¹⁵ Beginning in 2013, an employee may carryover up to \$500 into the next calendar year.

¹⁶ An HRA can only be used for qualified medical expenses defined under s. 213(d), I.R.C., including health insurance and long-term care insurance.

¹⁷ S. 213(d), I.R.C., permits the deduction of expenses paid for medical care of the taxpayer, his or her spouse, or a dependent.

Medical care includes amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease; transportation necessary for medical care; qualified long-term care services; and health insurance or long-term care insurance.

Employer and Employee Contributions

The state program is considered employer-sponsored since the state contracts with providers and contributes a substantial amount on behalf of the employee toward the cost of the insurance premium. The state's employer contribution is part of a state employee's overall compensation. The state program is a defined-benefit program. In a defined-contribution program, the employer pays a set amount toward the monthly premium and the employee pays the remainder. The following chart shows the monthly contributions¹⁸ of the state and the employee to employee health insurance premium.

Subscriber Category	Coverage Type	PPO and HMO Standard			PPO and HMO Health Investor		
		Employer	Enrollee	Total	Employer*	Enrollee	Total
Career Service/ OPS	Single	\$642.84	\$50.00	\$692.84	\$642.84	\$15.00	\$657.84
	Family	\$1,379.60	\$180.00	\$1,559.60	\$1,379.60	\$64.30	\$1,443.90
	Spouse	\$1,529.60	\$30.00	\$1,559.60	\$1,413.92	\$30.00	\$1,443.92
"Payalls" (SES/SMS)	Single	\$684.50	\$8.34	\$692.84	\$549.50	\$8.34	\$657.84
	Family	\$1,529.60	\$30.00	\$1,559.60	\$1,413.90	\$30.00	\$1,443.90

* Includes employer tax-free Health Savings Account (HSA) contribution - \$41.66 and \$83.33 per month (\$500 and \$1,000 annually) for single and family coverage, respectively

The state program is projected to spend \$2.34 billion in FY 2016-2017 in health benefit costs.¹⁹ The aggregate annual growth in spending for the state program during the current fiscal year is 6.2 percent.²⁰ Annual growth is forecasted to rise to more than 11 percent in future fiscal years.²¹ The state has absorbed almost all of the cost of the increase and employee contributions have remained the same for the last nine years as illustrated by the following charts.²²

¹⁸ Department of Management Services, State Employees' Group Health Self-Insurance Trust Fund, *Premium Rate Table Effective January 2017 for February 2017 Coverage*, available at http://mybenefits.myflorida.com/content/download/130052/808071/DSGI_-_Premium_Table_Effective_January_2017_for_February_2017_Coverage.pdf (last viewed February 8, 2017).

¹⁹ Supra, FN 2, page 4.

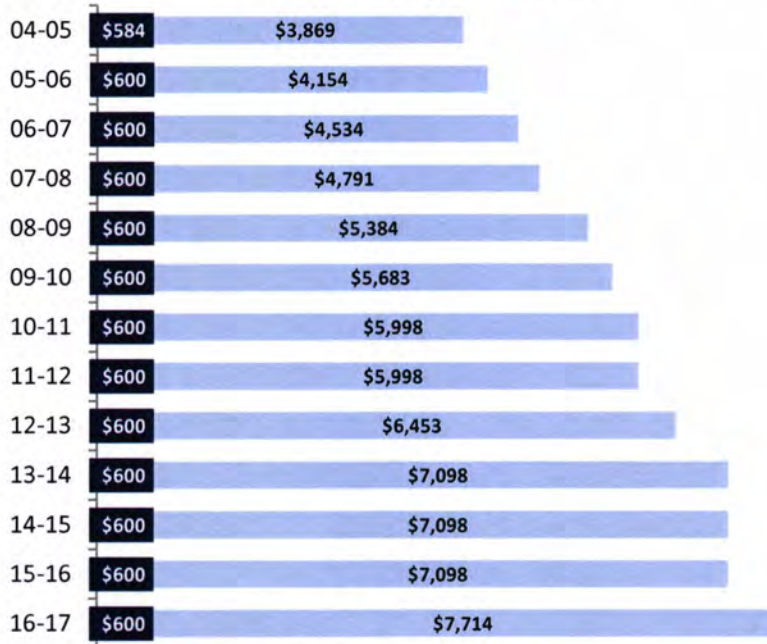
²⁰ Department of Management Services, *Overview of the State Group Health Insurance Program*, presentation to the Health and Human Services Committee on February 14, 2017, slide 5 (on file with Health and Human Services Committee staff).

²¹ Supra, FN 2, page 3.

²² Supra, FN 20 at slide 15.

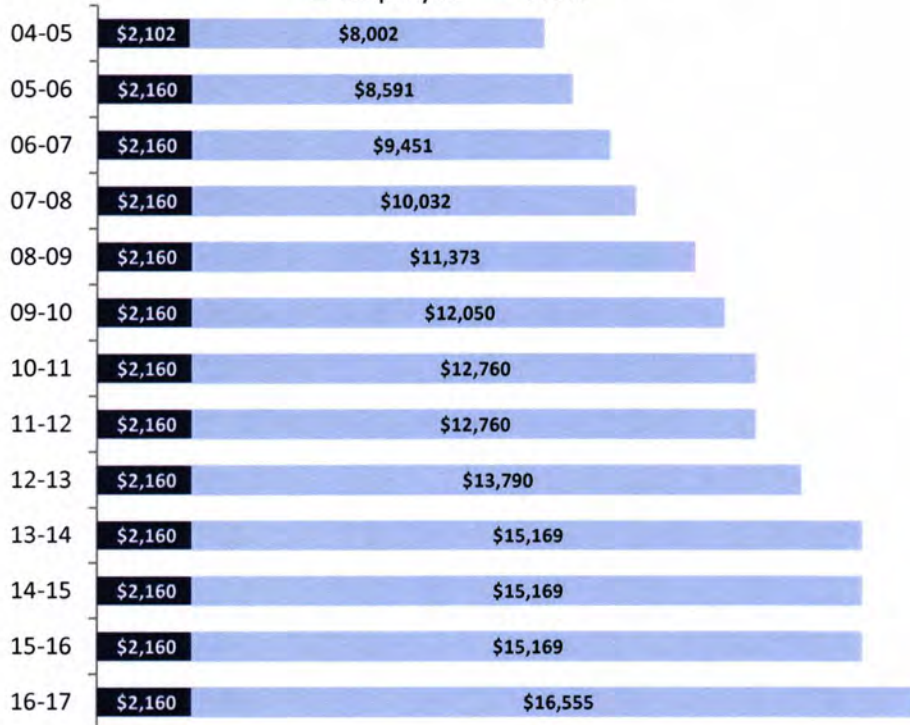
Single Coverage Annual Premium

■ Employee ■ State



Family Coverage Annual Premium

■ Employee ■ State



Plan Enrollment

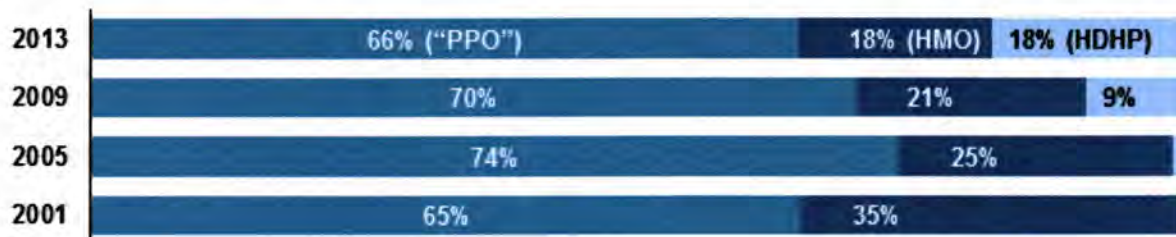
The state program has 366,080 covered lives and 173,761 policyholders.²³ Currently, 51.4% of enrollees who chose the standard plan selected an HMO while 48.6% chose the PPO.²⁴ Only 1.9% of enrollees chose either HDHP.²⁵ During the open enrollment period for 2015, PPO enrollment increased slightly, by 0.05%, and HMO enrollment decreased by 0.46%.²⁶ Open Enrollment trends forecasted from FY 2016-17 through 2020-21 show an average annual decrease in PPO plan enrollment of 0.5% and an average increase in HMO plan enrollment of 2.5%.²⁷

Employer Sponsored Insurance Trends

In 2010, DSGI contracted with Mercer Consulting to prepare a Benchmarking Report²⁸ (report) for the state. The report compares Florida's program to the programs of other large employers²⁹, both in the public and in the private sectors. The report found that the State of Florida contributes a higher percentage of the premium to employee health benefits than other states and private employers. At the time, Florida paid 84% of the monthly premium for a family PPO plan, but the average for large national employers was 69%. This results in Florida state employees paying less in monthly premiums than other states' employees and private employees. For example, the monthly premium for a family PPO plan for a Florida state employee is \$180 and in 2011, the average premium for large national employers was \$361.

Today, the monthly premium for a family PPO plan for a Florida state employee is still \$180; however, the state now pays 88% of the premium³⁰ and the benchmark premium for large national employers ranges from \$270 to \$391 with the company paying 71% to 79% of the premium.³¹

The national trend among large employer health plans is increasing enrollment in high-deductible health plans (HDHP) and declining enrollment in HMOs as illustrated in the following chart³²:



Mercer's latest survey of employer health plans reveals that near 3 in 10 employees were enrolled in an HDHP in 2016.³³

²³ Id. at slide 7.

²⁴ Supra, FN 2 at page 1.

²⁵ Supra, FN 21 at slides 8-9.

²⁶ Florida Legislature, Office of Economic and Demographic Research, Self-Insurance Estimating Conference, State Employees' Group Health Self-Insurance Trust Fund, *Report on the Financial Outlook*, March 9, 2015, page 1, available at <http://edr.state.fl.us/Content/conferences/healthinsurance/archives/150309healthins.pdf> (last viewed February 10, 2017).

²⁷ Supra, FN 23.

²⁸ Mercer Consulting, *State of Florida Benchmarking Report*, March 24, 2011, available at:

<http://www.dms.myflorida.com/content/download/81475/468865/version/1/file/2010+Small+Employer+Benchmarking+Report+for+State+of+Florida.pdf>.

²⁹ For the purpose of the report, "large employers" had 500 or more employees.

³⁰ The state contributes 92% of the premium for the individual PPO plan.

³¹ *Market-Based Framework for Health Plan Program Changes*, Mercer Health & Benefits, presentation to the Health and Human Services Committee on January 16, 2014, at slide 18.

³² Id. at slide 6.

³³ Mercer, *Mercer survey: Health benefit cost growth slows to 2.4% in 2016 as enrollment in high-deductible plans climbs*, October 26, 2016, available at <https://www.mercer.com/newsroom/national-survey-of-employer-sponsored-health-plans-2016.html> (last viewed February 8, 2017).

The state program's trend is the reverse of the national trend in HMO, PPO, and HDHP because of the HMO's high actuarial value and no difference in premiums between the HMO and PPO. The actuarial value (AV) measures the percentage of expected medical costs that a health plan will cover and is generally considered a measure of the health plan's generosity. The state program's standard HMO as an AV of 93%, the standard PPO has an AV of 86%, and the HDHP has an AV of 80%.³⁴ Accordingly, enrollees in the state program gravitate toward the high value, low cost HMO because they experience no price difference between the plans.

Employee Choice

The FY 2011-2012 General Appropriations Act directed DMS to develop a report of plan alternatives and options for the state program. DMS contracted with Buck Consultants which released its report³⁵ on September 29, 2011. The report concludes:

The state's current approach to its health plan is best described as paternalistic, whereby the state serves as the architect/custodian of the plan, providing generous benefits and allowing employees to be passive and perhaps even entitled, with little concern about costs. Historically prevalent among large and governmental employers, this approach is rapidly being replaced by initiatives that focus on increasing and improving consumerism behaviors. In the consumerism approach the employer and employees maintain shared accountability, with the employer providing a supportive environment, partnering with employees and enabling them to make informed decisions, considering costs and outcomes of the health care services they seek and receive.

In a presentation before the Health and Human Services Committee on January 16, 2014, Mercer Health & Benefits (Mercer) reported that the state program is behind other large employers in key survey trends.³⁶ The state program has plans with lower employee premiums and higher benefits than industry benchmarks.³⁷ There is virtually no enrollment in HDHPs versus significant growth nationally.³⁸ Florida's plan costs and annual trend increase are higher than national survey data.³⁹ State employees have little real choice among health plan options since there is only a 4 percent difference in the "richness of the benefits" between the HMO and PPO, and the price is the same.⁴⁰ Consequently, 99 percent of enrollees chose the HMO or PPO with little to no incentive to choose the HDHP.⁴¹

Effect of the Bill

Premium Adjustments

Current law provides that "the state contribution toward the cost of any plan in the state group insurance program shall be uniform with respect to all state employees . . . participating in the same coverage tier⁴² in the same plan."⁴³ Since there is a 4 percent difference in the actuarial value between the HMO and the PPO, the state currently pays more from the State Employees' Group Health Self-Insurance Trust Fund (Trust Fund) for the HMO benefits. However, each year the Legislature sets

³⁴ Supra, FN 31 at slide 20.

³⁵ Buck Consultants, *Strategic Health Plan Options for the State of Florida* (September 29, 2011), available at: <http://www.dms.myflorida.com/content/download/81468/468856/version/1/file/Strategic+Health+Plan+Options+for+the+State+of+Florida+9-30-11+-+Final.pdf> (last viewed on February 8, 2017).

³⁶ Supra, FN 31 at slide 5.

³⁷ Id.

³⁸ Id.

³⁹ Supra, FN 31 at slide 6.

⁴⁰ Foster and Foster, *Actuarial Value Contribution Analysis*, March 20, 2015 at page 3.

⁴¹ Supra, FN 31 at slide 9.

⁴² The coverage tier is either individual or family.

⁴³ S. 110.123(3)(f), F.S.

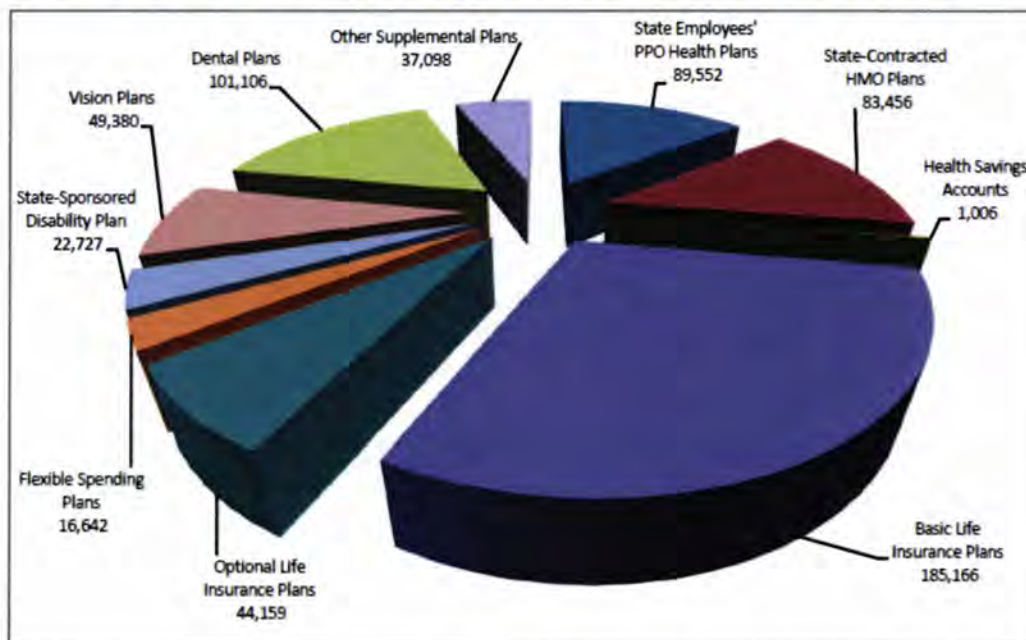
uniform premium amounts in the General Appropriations Act for state paid premiums. The premiums are deposited into the Trust Fund and used to pay the expenses of the state program.

Because DMS is currently procuring HMO contracts for the SGI program, the value of the benefits offered by the HMOs that will receive a contract is unknown. Employee contribution rates that reflect the different values of the HMO and the PPO cannot be determined until the conclusion of the procurement. The bill directs DMS to determine and recommend employee contribution rates for standard plans and high deductible health plans for the 2018 plan year reflecting the actuarial benefit difference between the HMO and the PPO plans for both self-insured and fully insured products. The proposed enrollee premium rates for the 2018 plan year must be submitted to the LBC for review and approval. If the LBC does not approve the proposed rates, the rates provided in the 2017-18 General Appropriations Act will apply.

Additional Benefits

Many state employees enroll in products offered by the state program other than health insurance:

Insurance Plans Average Enrollment FY 2011-12



The bill allows DMS to contract for additional products to be included in the state program. These include:

- Prepaid limited health service organizations as authorized under part I of chapter 636.
- Discount medical plan organizations as authorized under part II of chapter 636.
- Prepaid health clinic service providers licensed under part II of chapter 641.
- Health care providers, including hospitals and other licensed health facilities, health care clinics, licensed health professionals, and other licensed health care providers, who sell service contracts and arrangements for a specified amount and type of health services.
- Provider organizations, including service networks, group practices, professional associations, and other incorporated organizations of providers, who sell service contracts and arrangements for a specified amount and type of health services.
- Entities that provide specific health services in accordance with applicable state law and sell service contracts and arrangements for a specified amount and type of health services.
- Entities that provide health services or treatments through a bidding process.

- Entities that provide health services or treatments through bundling or aggregating the health services or treatments.
- Entities that provide other innovative and cost-effective health service delivery methods.

The bill also directs DMS to contract with at least one entity that provides comprehensive pricing and inclusive services for surgery and other medical procedures. These bundled services will be another option for state employees. The entity will be required to have procedures and evidence-based standards to assure only high quality health care providers are included. Assistance must be provided to the enrollee in accessing care and in the coordination of the care. The bundled services must provide cost savings to the state program and the enrollee, which will be shared by the state and the enrollee. The cost savings payable to an enrollee can be paid:

- To the enrollee's FSA;
- To the enrollee's HSA;
- To the enrollee's HRA; or
- To the enrollee as additional health plan reimbursements not exceeding the amount of the enrollee's out-of-pocket medical expenses.

The selected entity must provide an educational campaign for employees to learn about the offered services.

By January 15 of each year, DMS must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the participation level and cost-savings to both the enrollee and the state resulting from contract.

Price Transparency and Cost Savings Sharing

The costs of health care procedures are often unknown and unknowable to consumers and can vary dramatically among providers.⁴⁴ For example, the average Medicare expenditure for surgery, hospitalization, and recovery ranges from \$16,500 to \$33,000 across geographic areas for lower extremity joint replacement, which includes hips and knees.⁴⁵

The California Public Employees' Retirement System (CalPERS), the second largest benefits program in the country started a "reference pricing" initiative in 2011. CalPERS set a threshold of \$30,000 for hospital payments for both for inpatient hip and knee replacements and designated certain hospitals where enrollees could get care at or below that price. If enrollees had surgery at designated hospitals, they paid only their plans' typical deductible and coinsurance up to the out-of-pocket maximum. Patients could go to other in-network hospitals for care but were responsible for both the typical cost sharing and all allowed amounts exceeding the \$30,000 threshold, which were not subject to an out-of-pocket maximum. The initiative reportedly resulted in \$2.8 million savings for CalPERS and \$300,000 in savings for enrollees in 2011 without sacrificing quality.⁴⁶

The bill directs DMS to contract with at least one entity that provides online health care price and quality information, including the average price paid for health care services and providers by county. The contract requires the entity to allow enrollees to shop for health care using the information provided to select higher quality, lower cost services and providers. The contract also requires the entity to

⁴⁴ *How to Bring the Price of Health Care Into the Open*, The Wall Street Journal, Melinda Beck, February 23, 2014, available at: http://online.wsj.com/news/articles/SB10001424052702303650204579375242842086688?mod=trending_now_5 (last viewed on February 8, 2017). *Does Knowing Medical Prices Save Money? CalPERS Experiment Says Yes*, Kaiser Health News, Ankita Rao, December 6, 2013, available at: <http://capsules.kaiserhealthnews.org/index.php/2013/12/does-knowing-medical-prices-save-money-calpers-experiment-says-yes/> (last viewed on February 8, 2017).

⁴⁵ U.S. Department of Health and Human Services, Centers for Medicaid and Medicare Services, *Comprehensive Care for Joint Replacement Model*, available at <https://innovation.cms.gov/initiatives/cjr> (last viewed February 10, 2017).

⁴⁶ *The Potential of Reference Pricing to Generate Health Care Savings: Lessons from a California Pioneer*, Center for Studying Health System Change, Amanda E. Lechner, Rebecca Gourevitch, Paul B. Ginsburg, Research Brief No. 30, December 2013, available at: <http://www.hschange.org/CONTENT/1397/> (last viewed on February 8, 2017).

identify any savings realized between what the enrollee pays for a service or provider and the average price paid for the same service or provider. The bill provides for the enrollee and state to share any savings generated by the enrollee's choice of providers. The amount payable to the employee can be paid:

- To the employee's FSA;
- To the employee's HSA;
- To the employee's HRA; or
- To the employee as additional health plan reimbursements not exceeding the amount of the enrollee's out-of-pocket medical expenses.

By January 1 of 2019, 2020, and 2021, the department shall report to the Governor, the President of the Senate, and the Speaker of the House of Representatives on the participation level, the amount paid to enrollees, and cost-savings to both the enrollees and the state resulting from the price transparency pilot project.

Additional Benefit Choices

Beginning in the 2020 plan year, the bill provides that state employees will have health plan choices at four different benefit levels. These levels are:

- Platinum Level (at least 90% AV)
- Gold Level (at least 80% AV)
- Silver Level (at least 70% AV)
- Bronze Level (at least 60% AV)

The state will make a defined contribution for each employee toward the cost of purchasing a health plan. The employee will have the following options:

- Use the entire employer contribution to pay for health insurance and pay any additional premium if the cost of the plan exceeds the employer contribution.
- Use part of the employer contribution to pay for health insurance and have the balance credited to a FSA.
- Use part of the employer contribution to pay for health insurance and have the balance credited to an HSA.
- Use part of the employer contribution to pay for health insurance and use the balance to purchase additional benefits offered through the state group insurance program.
- Use part of the employer contribution to pay for health insurance and have the balance used to increase the employee's pay.⁴⁷

The state currently pays 92 percent of the employee's premium for an individual plan and 88 percent for a family plan for a Platinum level plan (HMO) or a Gold level plan (PPO).

The following chart illustrates a hypothetical⁴⁸ example for a Career Service employee with a family plan and a defined contribution benchmarked using the current state contribution, current employee contribution, and the current plan cost:

⁴⁷ The employee must use part of the employer contribution to purchase health insurance. The employee may not receive pay in lieu of benefits.

⁴⁸ All examples must be hypothetical since the 2018 benefit structure and plan actuarial values cannot be known at this time.

Family Coverage	Current Plan 88% - 92% AV	80% AV Coverage	70% AV Coverage	60% AV Coverage
State Contribution	\$16,555	\$16,555	\$16,555	\$16,555
Plan Cost	\$18,715	\$14,972	\$13,101	\$11,229
Employee Contribution	\$2,160	\$0	\$0	\$0
Employee Receives	\$0	\$1,583	\$3,454	\$5,326

Under this hypothetical, the employee may choose the same value health plan as the employee has today and pay the same amount as today. Unlike today, the employee may also choose a different health plan and use the remainder toward other health benefits or receive additional salary.

Independent Benefits Consultant

The bill also directs DMS to competitively procure an independent benefits consultant (IBC). The IBC must not be or have a financial relationship in any HMO or insurer. Additionally, the IBC must have substantial experience in designing and administering benefit plans for large employers and public employers.

The IBC will assist DMS in developing a plan for the implementation of the new benefit levels in the state program. The plan shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Representatives no later than January 1, 2019, and include recommendations for:

- Employer and employee contribution policies.
- Steps necessary for maintaining or improving total employee compensation levels when the transition is initiated.
- An education strategy to inform employees on the additional choices available in the state program.

The ongoing duties of the IBC include:

- Providing assessments of trends in benefits and employer sponsored insurance that affect the state program.
- Conducting comprehensive analysis of the state program including available benefits, coverage options, and claims experience.
- Identifying and establishing appropriate adjustment procedures necessary to respond to any risk segmentation that may occur when increased choices are offered to employees.
- Assist the department with:
 - The submission of any necessary plan revisions for federal review.
 - Ensuring compliance with applicable federal and state regulations.
 - Monitoring the adequacy of funding and reserves for the state self-insured plan.

The IBC will assist DMS in preparing recommendations for any modifications to the state program no later than January 1 of each year which shall be submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

B. SECTION DIRECTORY:

Section 1: Amends s. 110.123, F.S., relating to state group insurance program.

Section 2: Creates s. 110.12303, F.S., relating to state group insurance program; additional benefits; price transparency program; reporting.

Section 3: Creates s. 110.12304, F.S., relating to independent benefits consultant.

- Section 4:** Creates an unnumbered section of law authorizing the Department of Management Services to determine and recommend premiums for employees in the state group insurance plan for the 2018 plan year, submit the proposed premium rates to the Legislative Budget Commission for approval, and providing for application of the premium rates in the 2017-18 General Appropriations Act if the Legislative Budget Commission does not approve the proposed premium rates.
- Section 5:** Appropriates \$151,216 in recurring funds and \$507,546 in nonrecurring funds and authorizes 2 full-time equivalent positions and 120,000 of associated salary rate for the 2017-2018 fiscal year to implement the act.
- Section 6:** Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will provide additional opportunities for private companies to contract to provide services to the state and its employees.

D. FISCAL COMMENTS:

The bill appropriates \$507,546 in nonrecurring trust funds and \$151,216 in recurring trust funds and 2 FTEs to DMS to implement the administrative provisions of the bill. The positions and recurring funds are provided primarily for the implementation and continued administration of the price transparency pilot project, the administration of certain medical and surgical services provided for in the bill, and the implementation of communication and education components of the bill. The nonrecurring funds are provided to procure consulting services, conduct actuarial analysis, provide procurement support, assist in the development of the premium tiers and the reference pricing pilot project, and assist in the development of communication and education tools to provide employees with the means to make well-informed and educated choices.

The provision requiring DMS to determine and propose employee premium rates that reflect the actuarial benefit difference between the HMO, PPO and HDHPs for plan year 2018, if implemented, will be cost neutral to the state. Employees will generally have a choice between richer benefits and lower premiums.

DMS has previously indicated that the fiscal impact of the development of the tiered premium structure in plan year 2020 is indeterminate. The cost or savings to the state will be dependent on the specifics of the premium and cost-sharing arrangement ultimately established by the Legislature in implementing the tiered structure. The tiers and premium structure can be designed to be cost-neutral to the state.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

DMS has sufficient rule-making authority to implement the provisions of the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to state group insurance program;
 3 amending s. 110.123, F.S.; revising applicability of
 4 certain definitions; defining the term "plan year";
 5 authorizing the state insurance program to include
 6 additional benefits; authorizing an employee to use a
 7 specified portion of the state's contribution to
 8 purchase additional program benefits and supplemental
 9 benefits under certain circumstances; providing for
 10 the program to offer health plans in specified benefit
 11 levels; requiring the Department of Management
 12 Services to develop a plan for implementation of the
 13 benefit levels; providing reporting requirements;
 14 providing for expiration of the implementation plan;
 15 creating s. 110.12303, F.S.; authorizing additional
 16 benefits to be included in the program; requiring the
 17 department to contract with at least one entity that
 18 provides comprehensive pricing and inclusive services
 19 for surgery and other medical procedures; providing
 20 contract and reporting requirements; requiring the
 21 department to contract with an entity to provide
 22 enrollees with online information on health care
 23 services and providers; providing contract and
 24 reporting requirements; creating s. 110.12304, F.S.;
 25 directing the department to contract with an

26 independent benefits consultant; providing
 27 qualifications and duties of the independent benefits
 28 consultant; providing reporting requirements;
 29 providing that the department shall determine and
 30 recommend premiums for enrollees for the 2018 plan
 31 year; providing requirements for the determination of
 32 premiums; requiring the department to submit premium
 33 rates to the Legislative Budget Commission by a
 34 specified date for review and approval; requiring
 35 premium rates to be consistent with the total budgeted
 36 amount for the program in the General Appropriations
 37 Act for the 2017-2018 fiscal year; providing an
 38 appropriation and authorizing positions; providing an
 39 effective date.

40

41 Be It Enacted by the Legislature of the State of Florida:

42

43 Section 1. Subsection (2) and paragraphs (b), (f), (h),
 44 and (j) of subsection (3) of section 110.123, Florida Statutes,
 45 are amended, and paragraph (k) is added to subsection (3) of
 46 that section, to read:

47

110.123 State group insurance program.—

48

(2) DEFINITIONS.—As used in ss. 110.123-110.1239 ~~this~~
 49 ~~section~~, the term:

50

(a) "Department" means the Department of Management

51 Services.

52 (b) "Enrollee" means all state officers and employees,
53 retired state officers and employees, surviving spouses of
54 deceased state officers and employees, and terminated employees
55 or individuals with continuation coverage who are enrolled in an
56 insurance plan offered by the state group insurance program.

57 "Enrollee" includes all state university officers and employees,
58 retired state university officers and employees, surviving
59 spouses of deceased state university officers and employees, and
60 terminated state university employees or individuals with
61 continuation coverage who are enrolled in an insurance plan
62 offered by the state group insurance program.

63 (c) "Full-time state employees" means employees of all
64 branches or agencies of state government holding salaried
65 positions who are paid by state warrant or from agency funds and
66 who work or are expected to work an average of at least 30 or
67 more hours per week; employees paid from regular salary
68 appropriations for 8 months' employment, including university
69 personnel on academic contracts; and employees paid from other-
70 personal-services (OPS) funds as described in subparagraphs 1.
71 and 2. The term includes all full-time employees of the state
72 universities. The term does not include seasonal workers who are
73 paid from OPS funds.

74 1. For persons hired before April 1, 2013, the term
75 includes any person paid from OPS funds who:

76 a. Has worked an average of at least 30 hours or more per
 77 week during the initial measurement period from April 1, 2013,
 78 through September 30, 2013; or
 79 b. Has worked an average of at least 30 hours or more per
 80 week during a subsequent measurement period.

81 2. For persons hired after April 1, 2013, the term
 82 includes any person paid from OPS funds who:

83 a. Is reasonably expected to work an average of at least
 84 30 hours or more per week; or
 85 b. Has worked an average of at least 30 hours or more per
 86 week during the person's measurement period.

87 (d) "Health maintenance organization" or "HMO" means an
 88 entity certified under part I of chapter 641.

89 (e) "Health plan member" means any person participating in
 90 a state group health insurance plan, a TRICARE supplemental
 91 insurance plan, or a health maintenance organization plan under
 92 the state group insurance program, including enrollees and
 93 covered dependents thereof.

94 (f) "Part-time state employee" means an employee of any
 95 branch or agency of state government paid by state warrant from
 96 salary appropriations or from agency funds, and who is employed
 97 for less than an average of 30 hours per week or, if on academic
 98 contract or seasonal or other type of employment which is less
 99 than year-round, is employed for less than 8 months during any
 100 12-month period, but does not include a person paid from other-

101 personal-services (OPS) funds. The term includes all part-time
 102 employees of the state universities.

103 (g) "Plan year" means a calendar year.

104 (h)~~(g)~~ "Retired state officer or employee" or "retiree"
 105 means any state or state university officer or employee who
 106 retires under a state retirement system or a state optional
 107 annuity or retirement program or is placed on disability
 108 retirement, and who was insured under the state group insurance
 109 program at the time of retirement, and who begins receiving
 110 retirement benefits immediately after retirement from state or
 111 state university office or employment. The term also includes
 112 any state officer or state employee who retires under the
 113 Florida Retirement System Investment Plan established under part
 114 II of chapter 121 if he or she:

115 1. Meets the age and service requirements to qualify for
 116 normal retirement as set forth in s. 121.021(29); or

117 2. Has attained the age specified by s. 72(t)(2)(A)(i) of
 118 the Internal Revenue Code and has 6 years of creditable service.

119 (i)~~(h)~~ "State agency" or "agency" means any branch,
 120 department, or agency of state government. "State agency" or
 121 "agency" includes any state university for purposes of this
 122 section only.

123 (j)~~(i)~~ "Seasonal workers" has the same meaning as provided
 124 under 29 C.F.R. s. 500.20(s)(1).

125 (k)~~(j)~~ "State group health insurance plan or plans" or

126 "state plan or plans" mean the state self-insured health
 127 insurance plan or plans offered to state officers and employees,
 128 retired state officers and employees, and surviving spouses of
 129 deceased state officers and employees pursuant to this section.

130 (l)~~(k)~~ "State-contracted HMO" means any health maintenance
 131 organization under contract with the department to participate
 132 in the state group insurance program.

133 (m)~~(l)~~ "State group insurance program" or "programs" means
 134 the package of insurance plans offered to state officers and
 135 employees, retired state officers and employees, and surviving
 136 spouses of deceased state officers and employees pursuant to
 137 this section, including the state group health insurance plan or
 138 plans, health maintenance organization plans, TRICARE
 139 supplemental insurance plans, and other plans required or
 140 authorized by law.

141 (n)~~(m)~~ "State officer" means any constitutional state
 142 officer, any elected state officer paid by state warrant, or any
 143 appointed state officer who is commissioned by the Governor and
 144 who is paid by state warrant.

145 (o)~~(n)~~ "Surviving spouse" means the widow or widower of a
 146 deceased state officer, full-time state employee, part-time
 147 state employee, or retiree if such widow or widower was covered
 148 as a dependent under the state group health insurance plan,~~a~~
 149 TRICARE supplemental insurance plan, or a health maintenance
 150 organization plan established pursuant to this section at the

151 time of the death of the deceased officer, employee, or retiree.
152 "Surviving spouse" also means any widow or widower who is
153 receiving or eligible to receive a monthly state warrant from a
154 state retirement system as the beneficiary of a state officer,
155 full-time state employee, or retiree who died prior to July 1,
156 1979. For the purposes of this section, any such widow or
157 widower shall cease to be a surviving spouse upon his or her
158 remarriage.

159 (p) ~~(e)~~ "TRICARE supplemental insurance plan" means the
160 Department of Defense Health Insurance Program for eligible
161 members of the uniformed services authorized by 10 U.S.C. s.
162 1097.

163 (3) STATE GROUP INSURANCE PROGRAM.—

164 (b) It is the intent of the Legislature to offer a
165 comprehensive package of health insurance and retirement
166 benefits and a personnel system for state employees which are
167 provided in a cost-efficient and prudent manner, and to allow
168 state employees the option to choose benefit plans which best
169 suit their individual needs. ~~Therefore,~~ The state group
170 insurance program ~~is established which~~ may include the state
171 group health insurance plan or plans, health maintenance
172 organization plans, group life insurance plans, TRICARE
173 supplemental insurance plans, group accidental death and
174 dismemberment plans, ~~and~~ group disability insurance plans. —
175 ~~Furthermore, the department is additionally authorized to~~

176 | ~~establish and provide as part of the state group insurance~~
 177 | ~~program any other group insurance plans or coverage choices, and~~
 178 | ~~other benefits authorized by law that are consistent with the~~
 179 | ~~provisions of this section.~~

180 | (f) Except as provided for in subparagraph (h)2., the
 181 | state contribution toward the cost of any plan in the state
 182 | group insurance program shall be uniform with respect to all
 183 | state employees in a state collective bargaining unit
 184 | participating in the same coverage tier in the same plan. This
 185 | section does not prohibit the development of separate benefit
 186 | plans for officers and employees exempt from the career service
 187 | or the development of separate benefit plans for each collective
 188 | bargaining unit. For the 2020 plan year and each plan year
 189 | thereafter, if the state's contribution is more than the premium
 190 | cost of the health plan selected by the employee, subject to
 191 | federal limitation, the employee may elect to have the balance:

- 192 | 1. Credited to the employee's flexible spending account;
- 193 | 2. Credited to the employee's health savings account;
- 194 | 3. Used to purchase additional benefits offered through
 195 | the state group insurance program; or
- 196 | 4. Used to increase the employee's salary.

197 | (h)1. A person eligible to participate in the state group
 198 | insurance program may be authorized by rules adopted by the
 199 | department, in lieu of participating in the state group health
 200 | insurance plan, to exercise an option to elect membership in a

201 health maintenance organization plan which is under contract
 202 with the state in accordance with criteria established by this
 203 section and by said rules. The offer of optional membership in a
 204 health maintenance organization plan permitted by this paragraph
 205 may be limited or conditioned by rule as may be necessary to
 206 meet the requirements of state and federal laws.

207 2. The department shall contract with health maintenance
 208 organizations seeking to participate in the state group
 209 insurance program through a request for proposal or other
 210 procurement process, as developed by the Department of
 211 Management Services and determined to be appropriate.

212 a. The department shall establish a schedule of minimum
 213 benefits for health maintenance organization coverage, and that
 214 schedule shall include: physician services; inpatient and
 215 outpatient hospital services; emergency medical services,
 216 including out-of-area emergency coverage; diagnostic laboratory
 217 and diagnostic and therapeutic radiologic services; mental
 218 health, alcohol, and chemical dependency treatment services
 219 meeting the minimum requirements of state and federal law;
 220 skilled nursing facilities and services; prescription drugs;
 221 age-based and gender-based wellness benefits; and other benefits
 222 as may be required by the department. Additional services may be
 223 provided subject to the contract between the department and the
 224 HMO. As used in this paragraph, the term "age-based and gender-
 225 based wellness benefits" includes aerobic exercise, education in

226 alcohol and substance abuse prevention, blood cholesterol
227 screening, health risk appraisals, blood pressure screening and
228 education, nutrition education, program planning, safety belt
229 education, smoking cessation, stress management, weight
230 management, and women's health education.

231 b. The department may establish uniform deductibles,
232 copayments, coverage tiers, or coinsurance schedules for all
233 participating HMO plans.

234 c. The department may require detailed information from
235 each health maintenance organization participating in the
236 procurement process, including information pertaining to
237 organizational status, experience in providing prepaid health
238 benefits, accessibility of services, financial stability of the
239 plan, quality of management services, accreditation status,
240 quality of medical services, network access and adequacy,
241 performance measurement, ability to meet the department's
242 reporting requirements, and the actuarial basis of the proposed
243 rates and other data determined by the director to be necessary
244 for the evaluation and selection of health maintenance
245 organization plans and negotiation of appropriate rates for
246 these plans. Upon receipt of proposals by health maintenance
247 organization plans and the evaluation of those proposals, the
248 department may enter into negotiations with all of the plans or
249 a subset of the plans, as the department determines appropriate.
250 Nothing shall preclude the department from negotiating regional

251 or statewide contracts with health maintenance organization
 252 plans when this is cost-effective and when the department
 253 determines that the plan offers high value to enrollees.

254 d. The department may limit the number of HMOs that it
 255 contracts with in each service area based on the nature of the
 256 bids the department receives, the number of state employees in
 257 the service area, or any unique geographical characteristics of
 258 the service area. The department shall establish by rule service
 259 areas throughout the state.

260 e. All persons participating in the state group insurance
 261 program may be required to contribute towards a total state
 262 group health premium that may vary depending upon the plan,
 263 coverage level, and coverage tier selected by the enrollee and
 264 the level of state contribution authorized by the Legislature.

265 3. The department is authorized to negotiate and to
 266 contract with specialty psychiatric hospitals for mental health
 267 benefits, on a regional basis, for alcohol, drug abuse, and
 268 mental and nervous disorders. The department may establish,
 269 subject to the approval of the Legislature pursuant to
 270 subsection (5), any such regional plan upon completion of an
 271 actuarial study to determine any impact on plan benefits and
 272 premiums.

273 4. In addition to contracting pursuant to subparagraph 2.,
 274 the department may enter into contract with any HMO to
 275 participate in the state group insurance program which:

276 | a. Serves greater than 5,000 recipients on a prepaid basis
 277 | under the Medicaid program;

278 | b. Does not currently meet the 25-percent non-
 279 | Medicare/non-Medicaid enrollment composition requirement
 280 | established by the Department of Health excluding participants
 281 | enrolled in the state group insurance program;

282 | c. Meets the minimum benefit package and copayments and
 283 | deductibles contained in sub-subparagraphs 2.a. and b.;

284 | d. Is willing to participate in the state group insurance
 285 | program at a cost of premiums that is not greater than 95
 286 | percent of the cost of HMO premiums accepted by the department
 287 | in each service area; and

288 | e. Meets the minimum surplus requirements of s. 641.225.
 289 |

290 | The department is authorized to contract with HMOs that meet the
 291 | requirements of sub-subparagraphs a.-d. prior to the open
 292 | enrollment period for state employees. The department is not
 293 | required to renew the contract with the HMOs as set forth in
 294 | this paragraph more than twice. Thereafter, the HMOs shall be
 295 | eligible to participate in the state group insurance program
 296 | only through the request for proposal or invitation to negotiate
 297 | process described in subparagraph 2.

298 | 5. All enrollees in a state group health insurance plan, a
 299 | TRICARE supplemental insurance plan, or any health maintenance
 300 | organization plan have the option of changing to any other

301 health plan that is offered by the state within any open
302 enrollment period designated by the department. Open enrollment
303 shall be held at least once each calendar year.

304 6. When a contract between a treating provider and the
305 state-contracted health maintenance organization is terminated
306 for any reason other than for cause, each party shall allow any
307 enrollee for whom treatment was active to continue coverage and
308 care when medically necessary, through completion of treatment
309 of a condition for which the enrollee was receiving care at the
310 time of the termination, until the enrollee selects another
311 treating provider, or until the next open enrollment period
312 offered, whichever is longer, but no longer than 6 months after
313 termination of the contract. Each party to the terminated
314 contract shall allow an enrollee who has initiated a course of
315 prenatal care, regardless of the trimester in which care was
316 initiated, to continue care and coverage until completion of
317 postpartum care. This does not prevent a provider from refusing
318 to continue to provide care to an enrollee who is abusive,
319 noncompliant, or in arrears in payments for services provided.
320 For care continued under this subparagraph, the program and the
321 provider shall continue to be bound by the terms of the
322 terminated contract. Changes made within 30 days before
323 termination of a contract are effective only if agreed to by
324 both parties.

325 7. Any HMO participating in the state group insurance

326 program shall submit health care utilization and cost data to
327 the department, in such form and in such manner as the
328 department shall require, as a condition of participating in the
329 program. The department shall enter into negotiations with its
330 contracting HMOs to determine the nature and scope of the data
331 submission and the final requirements, format, penalties
332 associated with noncompliance, and timetables for submission.
333 These determinations shall be adopted by rule.

334 8. The department may establish and direct, with respect
335 to collective bargaining issues, a comprehensive package of
336 insurance benefits that may include supplemental health and life
337 coverage, dental care, long-term care, vision care, and other
338 benefits it determines necessary to enable state employees to
339 select from among benefit options that best suit their
340 individual and family needs. Beginning with the 2018 plan year,
341 the package of benefits may also include products and services
342 described in s. 110.12303.

343 a. Based upon a desired benefit package, the department
344 shall issue a request for proposal or invitation to negotiate
345 for ~~health insurance~~ providers interested in participating in
346 the state group insurance program, and the department shall
347 issue a request for proposal or invitation to negotiate for
348 ~~insurance~~ providers interested in participating in the non-
349 health-related components of the state group insurance program.
350 Upon receipt of all proposals, the department may enter into

351 contract negotiations with ~~insurance~~ providers submitting bids
 352 or negotiate a specially designed benefit package. ~~Insurance~~
 353 Providers offering or providing supplemental coverage as of May
 354 30, 1991, which qualify for pretax benefit treatment pursuant to
 355 s. 125 of the Internal Revenue Code of 1986, with 5,500 or more
 356 state employees currently enrolled may be included by the
 357 department in the supplemental insurance benefit plan
 358 established by the department without participating in a request
 359 for proposal, submitting bids, negotiating contracts, or
 360 negotiating a specially designed benefit package. These
 361 contracts shall provide state employees with the most cost-
 362 effective and comprehensive coverage available; however, except
 363 as provided in subparagraph (f)3., no state or agency funds
 364 shall be contributed toward the cost of any part of the premium
 365 of such supplemental benefit plans. With respect to dental
 366 coverage, the division shall include in any solicitation or
 367 contract for any state group dental program made after July 1,
 368 2001, a comprehensive indemnity dental plan option which offers
 369 enrollees a completely unrestricted choice of dentists. If a
 370 dental plan is endorsed, or in some manner recognized as the
 371 preferred product, such plan shall include a comprehensive
 372 indemnity dental plan option which provides enrollees with a
 373 completely unrestricted choice of dentists.

374 b. Pursuant to the applicable provisions of s. 110.161,
 375 and s. 125 of the Internal Revenue Code of 1986, the department

376 shall enroll in the pretax benefit program those state employees
377 who voluntarily elect coverage in any of the supplemental
378 insurance benefit plans as provided by sub-subparagraph a.

379 c. Nothing herein contained shall be construed to prohibit
380 insurance providers from continuing to provide or offer
381 supplemental benefit coverage to state employees as provided
382 under existing agency plans.

383 (j) For the 2020 plan year and each plan year thereafter,
384 health plans shall be offered in the following benefit levels:

385 1. Platinum level, which shall have an actuarial value of
386 at least 90 percent.

387 2. Gold level, which shall have an actuarial value of at
388 least 80 percent.

389 3. Silver level, which shall have an actuarial value of at
390 least 70 percent.

391 4. Bronze level, which shall have an actuarial value of at
392 least 60 percent ~~Notwithstanding paragraph (f) requiring uniform~~
393 ~~contributions, and for the 2011-2012 fiscal year only, the state~~
394 ~~contribution toward the cost of any plan in the state group~~
395 ~~insurance plan is the difference between the overall premium and~~
396 ~~the employee contribution. This subsection expires June 30,~~
397 ~~2012.~~

398 (k) In consultation with the independent benefits
399 consultant described in s. 110.12304, the department shall
400 develop a plan for implementation of the benefit levels

401 described in paragraph (j). The plan shall be submitted to the
 402 Governor, the President of the Senate, and the Speaker of the
 403 House of Representatives by January 1, 2019, and include
 404 recommendations for:

- 405 1. Employer and employee contribution policies.
- 406 2. Steps necessary for maintaining or improving total
 407 employee compensation levels when the transition is initiated.
- 408 3. An education strategy to inform employees of the
 409 additional choices available in the state group insurance
 410 program.

411
 412 This paragraph expires July 1, 2019.

413 Section 2. Section 110.12303, Florida Statutes, is created
 414 to read:

415 110.12303 State group insurance program; additional
 416 benefits; price transparency program; reporting.—Beginning with
 417 the 2018 plan year:

418 (1) In addition to the comprehensive package of health
 419 insurance and other benefits required or authorized to be
 420 included in the state group insurance program, the package of
 421 benefits may also include products and services offered by:

422 (a) Prepaid limited health service organizations
 423 authorized pursuant to part I of chapter 636.

424 (b) Discount medical plan organizations authorized
 425 pursuant to part II of chapter 636.

426 (c) Prepaid health clinics licensed under part II of
 427 chapter 641.

428 (d) Licensed health care providers, including hospitals
 429 and other health care facilities, health care clinics, and
 430 health professionals, who sell service contracts and
 431 arrangements for a specified amount and type of health services.

432 (e) Provider organizations, including service networks,
 433 group practices, professional associations, and other
 434 incorporated organizations of providers, who sell service
 435 contracts and arrangements for a specified amount and type of
 436 health services.

437 (f) Entities that provide specific health services in
 438 accordance with applicable state law and sell service contracts
 439 and arrangements for a specified amount and type of health
 440 services.

441 (g) Entities that provide health services or treatments
 442 through a bidding process.

443 (h) Entities that provide health services or treatments
 444 through the bundling or aggregating of health services or
 445 treatments.

446 (i) Entities that provide other innovative and cost-
 447 effective health service delivery methods.

448 (2) (a) The department shall contract with at least one
 449 entity that provides comprehensive pricing and inclusive
 450 services for surgery and other medical procedures which may be

451 accessed at the option of the enrollee. The contract shall
 452 require the entity to:

453 1. Have procedures and evidence-based standards to ensure
 454 the inclusion of only high-quality health care providers.

455 2. Provide assistance to the enrollee in accessing and
 456 coordinating care.

457 3. Provide cost savings to the state group insurance
 458 program to be shared with both the state and the enrollee. Cost
 459 savings payable to an enrollee may be:

460 a. Credited to the enrollee's flexible spending account;

461 b. Credited to the enrollee's health savings account;

462 c. Credited to the enrollee's health reimbursement
 463 account; or

464 d. Paid as additional health plan reimbursements not
 465 exceeding the amount of the enrollee's out-of-pocket medical
 466 expenses.

467 4. Provide an educational campaign for enrollees to learn
 468 about the services offered by the entity.

469 (b) On or before January 15 of each year, the department
 470 shall report to the Governor, the President of the Senate, and
 471 the Speaker of the House of Representatives on the participation
 472 level and cost-savings to both the enrollee and the state
 473 resulting from the contract or contracts described in this
 474 subsection.

475 (3) The department shall contract with an entity that

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476 provides enrollees with online information on the cost and
477 quality of health care services and providers, allows an
478 enrollee to shop for health care services and providers, and
479 rewards the enrollee by sharing savings generated by the
480 enrollee's choice of services or providers. The contract shall
481 require the entity to:

482 (a) Establish an Internet-based, consumer-friendly
483 platform that educates and informs enrollees about the price and
484 quality of health care services and providers, including the
485 average amount paid in each county for health care services and
486 providers. The average amounts paid for such services and
487 providers may be expressed for service bundles, which include
488 all products and services associated with a particular treatment
489 or episode of care, or for separate and distinct products and
490 services.

491 (b) Allow enrollees to shop for health care services and
492 providers using the price and quality information provided on
493 the Internet-based platform.

494 (c) Permit a certified bargaining agent of state employees
495 to provide educational materials and counseling to enrollees
496 regarding the Internet-based platform.

497 (d) Identify the savings realized to the enrollee and
498 state if the enrollee chooses high-quality, lower-cost health
499 care services or providers, and facilitate a shared savings
500 payment to the enrollee. The amount of shared savings shall be

501 determined by a methodology approved by the department and shall
 502 maximize value-based purchasing by enrollees. The amount payable
 503 to the enrollee may be:

- 504 1. Credited to the enrollee's flexible spending account;
- 505 2. Credited to the enrollee's health savings account;
- 506 3. Credited to the enrollee's health reimbursement
 507 account; or
- 508 4. Paid as additional health plan reimbursements not
 509 exceeding the amount of the enrollee's out-of-pocket medical
 510 expenses.

511 (e) On or before January 1 of 2019, 2020, and 2021, the
 512 department shall report to the Governor, the President of the
 513 Senate, and the Speaker of the House of Representatives on the
 514 participation level, amount paid to enrollees, and cost-savings
 515 to both the enrollees and the state resulting from the
 516 implementation of this subsection.

517 Section 3. Section 110.12304, Florida Statutes, is created
 518 to read:

519 110.12304 Independent benefits consultant.-

520 (1) The department shall competitively procure an
 521 independent benefits consultant.

522 (2) The independent benefits consultant may not:

523 (a) Be owned or controlled by a health maintenance
 524 organization or insurer.

525 (b) Have an ownership interest in a health maintenance

526 organization or insurer.

527 (c) Have a direct or indirect financial interest in a
 528 health maintenance organization or insurer.

529 (3) The independent benefits consultant must have
 530 substantial experience in consultation and design of employee
 531 benefit programs for large employers and public employers,
 532 including experience with plans that qualify as cafeteria plans
 533 under s. 125 of the Internal Revenue Code of 1986.

534 (4) The independent benefits consultant shall:

535 (a) Provide an ongoing assessment of trends in benefits
 536 and employer-sponsored insurance that affect the state group
 537 insurance program.

538 (b) Conduct a comprehensive analysis of the state group
 539 insurance program, including available benefits, coverage
 540 options, and claims experience.

541 (c) Identify and establish appropriate adjustment
 542 procedures necessary to respond to any risk segmentation that
 543 may occur when increased choices are offered to employees.

544 (d) Assist the department with the submission of any
 545 necessary plan revisions for federal review.

546 (e) Assist the department in ensuring compliance with
 547 applicable federal and state regulations.

548 (f) Assist the department in monitoring the adequacy of
 549 funding and reserves for the state self-insured plan.

550 (g) Assist the department in preparing recommendations for

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551 any modifications to the state group insurance program which
552 shall be submitted to the Governor, the President of the Senate,
553 and the Speaker of the House of Representatives by January 1 of
554 each year.

555 Section 4. For the 2018 plan year, the Department of
556 Management Services shall determine and recommend premiums for
557 enrollees that reflect the actual differences in costs to the
558 program for each of the health maintenance organization and the
559 preferred provider organization plan options offered in the
560 state group insurance program for both self-insured and fully
561 insured plans. The premium alternatives for the plan options
562 shall reflect the costs to the program for both medical and
563 prescription drug benefits. By July 1, 2017, the department
564 shall submit the proposed enrollee premium rates for the 2018
565 plan year to the Legislative Budget Commission for review and
566 approval. If the Legislative Budget Commission does not approve
567 the proposed rates, the rates provided in the 2017-2018 General
568 Appropriations Act shall apply. The premium rates for employers
569 shall be the same as those established for the state group
570 insurance program in the General Appropriations Act for the
571 2017-2018 fiscal year.

572 Section 5. (1) For the 2017-2018 fiscal year, the sums of
573 \$151,216 in recurring funds and \$507,546 in nonrecurring funds
574 are appropriated from the State Employees Health Insurance Trust
575 Fund to the Department of Management Services, and two full-time

576 equivalent positions and associated salary rate of 120,000 are
 577 authorized, for the purpose of implementing this act.

578 (2)(a) The recurring funds appropriated in this section
 579 shall be allocated to the following specific appropriation
 580 categories within the Insurance Benefits Administration Program:
 581 \$150,528 in Salaries and Benefits and \$688 in Special Categories
 582 Transfer to Department of Management Services-Human Resources
 583 Purchased per Statewide Contract.

584 (b) The nonrecurring funds appropriated in this section
 585 shall be allocated to the following specific appropriation
 586 categories: \$500,000 in Special Categories Contracted Services
 587 and \$7,546 in Expenses.

588 Section 6. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7021 PCB PIE 17-03 Local Government Ethics Reform
SPONSOR(S): Public Integrity & Ethics Committee, Metz
TIED BILLS: HB 7023 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Public Integrity & Ethics Committee	18 Y, 0 N	Kiner	Rubottom
1) Appropriations Committee		Delaney <i>JND</i>	Leznoff <i>JL</i>
2) Government Accountability Committee			

SUMMARY ANALYSIS

The bill makes numerous changes to Florida's Code of Ethics for Public Officers and Employees (Code) as it relates to local government officers, employees, and lobbyists. Specifically, the bill creates or amends ethics provisions related to the following:

- Requires city commissioners serving municipalities with \$5 million or more in total revenue, and candidates for such offices, to file a full and public disclosure of their financial interests in lieu of the less detailed form of disclosure required under current law;
- Corrects an oversight with respect to the Code's prohibition on conflicting employment or contractual relationships;
- Requires special district governing board members to annually complete four hours of ethics training, a requirement that mirrors the current law applicable to constitutional officers and elected municipal officers;
- Strengthens the law on voting conflicts of interest by requiring local officers that must abstain from voting on a measure due to a voting conflict of interest to disclose the conflict prior to participating in the measure;
- Adds school districts to the list of governmental entities that may withhold salary-related payments for failure to timely file disclosure of financial interests;
- Requires a person who wishes to lobby certain local governmental entities to register as a lobbyist with the Commission on Ethics;
- Expands the duties of the Commission on Ethics to include rendering advisory opinions.

The bill has a projected fiscal impact on the state of approximately \$465,000 in fiscal year 2017-18 to develop a system to track and publish registrations online. However, no additional appropriation is necessary as the Commission on Ethics has sufficient carryforward funds to cover any such costs until revenue from fees begin to be received on October 1, 2018. In addition, there is an indeterminate fiscal impact on local governments and the private sector. See the Fiscal Analysis section for further detail.

The bill has an effective date of July 1, 2017. Section 9 becomes effective October 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

The Code of Ethics for Public Officers and Employees (Code) is set forth in part III, chapter 112, F.S. Foremost among the goals of the Code of Ethics is to promote the public interest and maintain the respect of the people for their government. The Code is also intended to ensure that public officials conduct themselves independently and impartially, not using their offices for private gain other than compensation provided by law.¹ While seeking to protect the integrity of government, the Code also seeks to avoid the creation of unnecessary barriers to public service.²

The Code contains provisions that establish standards for the conduct of elected and appointed officials and government employees related, but not limited to, the following:

- Prohibited actions or conduct – including prohibitions on the solicitation or acceptance of gifts, unauthorized compensation, misuse of public position, disclosure or use of certain information, solicitation or acceptance of honoraria;
- Prohibited employment and business relationships – including prohibitions on dual public employment, doing business with one's agency, as well as conflicting employment or contractual relationships;
- Misuse of public position;
- Anti-nepotism;
- Post-office holding/post-employment restrictions;
- Voting conflicts of interest;
- Ethics training; and
- Financial disclosure.

These Code provisions apply not only to officials and employees of state entities, but also to local government officers and employees.

Full and Public Disclosure of Financial Interests (Sections 1, 5, and 7)

Current Law

The Florida Constitution requires all elected constitutional officers, candidates for such offices, and statewide elected officers, to file a full and public disclosure of their financial interests.³ Other public officers, candidates, and public employees may be required to file a full and public disclosure of their financial interests as determined by law.⁴

Pursuant to the constitution, 'full and public disclosure of financial interests' means the reporting individual must disclose his or her net worth and the value of each asset and liability in excess of \$1,000.⁵ The disclosure must be accompanied with either a sworn statement with this information or a copy of the reporting individual's most recent federal income tax return.⁶

¹ S. 112.311(1), F.S.

² S. 112.311(4), F.S.

³ FLA CONST., art. II, ss. 8(a) and 8(i)(2).

⁴ FLA CONST., art. II, s. 8(a)

⁵ FLA. CONST., art. II, s. 8(i)(1), (2).

⁶ Id.

Pursuant to general law, the Florida Commission on Ethics (Commission) has prescribed by rule FORM 6 to be used to make the required full and public financial disclosure.⁷

According to the Commission, and as articulated on the form, individuals holding the following positions must file FORM 6: governor; lieutenant governor; cabinet members; legislators; state attorneys; public defenders; clerks of circuit courts; sheriffs; tax collectors; property appraisers; supervisors of elections; county commissioners; elected superintendents of schools; district school board members; Jacksonville City Council members (including mayor); compensation claims judges; Duval County superintendent of schools; Florida Housing Finance Corporation Board members; Florida Prepaid College Board members; and each expressway authority, transportation authority (except the Jacksonville Transportation Authority), bridge authority, or toll authority created pursuant to Chapter 348 or 343, F.S., or any other general law.

Reporting individuals are required to file FORM 6 annually with the Commission by July 1. Additionally, candidates for a constitutional office are required to make a full and public disclosure of their financial interests at the time of qualifying.⁸

While elected city commissioners may have similar authority and spending power as county commissioners and other public officers that are required to file FORM 6, state law only requires city commissioners to file FORM 1, which is a less detailed form of financial disclosure.⁹ Elected municipal officers, and candidates for such office, must file this form at the time of qualifying and annually by July 1.

Florida law¹⁰ requires municipalities to annually submit a financial report to the Department of Financial Services. The Department of Financial Services in turn verifies the data and publishes a report on its website showing, among other things, municipal revenues¹¹, expenditures, and long-term debt.¹²

Effect of Proposed Changes

The bill requires all city commissioners serving municipalities with \$5 million or more in total revenue to file the more detailed Form 6 annually, beginning with the 2017 filing year.

The bill also requires a candidate for city commission in a municipality with \$5 million or more in total revenue to file a Form 6 with his or her qualifying papers.

For purposes of these requirements, whether a municipality has \$5 million or more in total revenue will be determined based on the municipality's annual financial report filed with the Department of Financial Services for the fiscal year immediately prior to the year the financial disclosure covers.

Based on data provided by the Department of Financial Services, the number of municipalities that reported \$5 million or more in total revenue were the following:

- FY 2013 (October 1, 2012 – September 30, 2013) – 254
- FY 2014 (October 1, 2013 – September 30, 2014) – 253

⁷ S. 112.3144(5), F.S.

⁸ S. 99.061, F.S.

⁹ S. 112.3145, F.S.

¹⁰ S. 218.32, F.S.

¹¹ According to the Department of Financial Services, For purposes of the annual financial reporting requirement, "revenue" includes Ad Valorem Taxes; Local Option Taxes; Utility Service Taxes; Local Business Taxes, Permits, Fees and Special Assessments; Federal, State and Local Grants; State Revenue Sharing; Service Charges; Court Filing Fees, Fines and Forfeitures; Interest and Dividends; Increase in Fair Value of Investments; Rents and Royalties; Sale of Surplus Materials; Contributions and Donations; Settlements; Other Miscellaneous Revenues."

¹² Id.

- FY 2015 (October 1, 2014 – through September 30, 2015) – 257

Conflicting Employment or Contractual Relationships (Section 2)

Current Law

The Code of Ethics for Public Officers and Employees (Code) prohibits a public officer or agency employee from having an employment or contractual relationship with a business entity or agency that is subject to the regulation of, or is doing business with, his or her agency.¹³ The law further prohibits a public officer or agency employee from having an employment or a contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.¹⁴

However, the Code does contain the exceptions to these prohibitions relating to special taxing districts and drainage districts¹⁵; legislative bodies where regulatory power resides in another agency or is strictly through enactment of laws or ordinances¹⁶; and lawful or required practice in particular profession or occupation¹⁷. The Code also contains several exemptions to these prohibitions relating to appointed advisory board members¹⁸; when business transactions in a county or municipality are transacted under a rotation system¹⁹; business is awarded under a system of sealed, competitive bidding and certain criteria is met²⁰; purchases or sales for legal advertising, utilities service, passage on a common carrier²¹; emergency purchases that must be made to protect public health, safety, or welfare²²; the business entity involved is the only source of supply within the political subdivision and there is full disclosure by the officer or

¹³ S. 112.313(7), F.S.

¹⁴ Id.

¹⁵ “When the agency referred to is that certain kind of special tax district created by general or special law and is limited specifically to constructing, maintaining, managing, and financing improvements in the land area over which the agency has jurisdiction, or when the agency has been organized pursuant to chapter 298, then employment with, or entering into a contractual relationship with, such business entity by a public officer or employee of such agency shall not be prohibited by this subsection or be deemed a conflict *per se*. However, conduct by such officer or employee that is prohibited by, or otherwise frustrates the intent of, this section shall be deemed a conflict of interest in violation of the standards of conduct set forth by this section.” See s. 112.313(7)(a)1., F.S.

¹⁶ “When the agency referred to is a legislative body and the regulatory power over the business entity resides in another agency, or when the regulatory power which the legislative body exercises over the business entity or agency is strictly through the enactment of laws or ordinances, then employment or a contractual relationship with such business entity by a public officer or employee of a legislative body shall not be prohibited by this subsection or be deemed a conflict.” See s. 112.313(7)(a)2., F.S.

¹⁷ “This subsection shall not prohibit a public officer or employee from practicing in a particular profession or occupation when such practice by persons holding such public office or employment is required or permitted by law or ordinance.” See s. 112.313(7)(b), F.S.

¹⁸ “The requirements of subsections (3) and (7) as they pertain to persons serving on advisory boards may be waived in a particular instance by the body which appointed the person to the advisory board, upon a full disclosure of the transaction or relationship to the appointing body prior to the waiver and an affirmative vote in favor of waiver by two-thirds vote of that body. In instances in which appointment to the advisory board is made by an individual, waiver may be effected, after public hearing, by a determination by the appointing person and full disclosure of the transaction or relationship by the appointee to the appointing person.” See 112.313(12), F.S.

¹⁹ “Within a city or county the business is transacted under a rotation system whereby the business transactions are rotated among all qualified suppliers of the goods or services within the city or county.” See 112.313(12)(a), F.S.

²⁰ “The business is awarded under a system of sealed, competitive bidding to the lowest or best bidder and: (1) the official or the official's spouse or child has in no way participated in the determination of the bid specifications or the determination of the lowest or best bidder; (2) the official or the official's spouse or child has in no way used or attempted to use the official's influence to persuade the agency or any personnel thereof to enter such a contract other than by the mere submission of the bid; and (3) the official, prior to or at the time of the submission of the bid, has filed a statement with the Commission on Ethics, if the official is a state officer or employee, or with the supervisor of elections of the county in which the agency has its principal office, if the official is an officer or employee of a political subdivision, disclosing the official's interest, or the interest of the official's spouse or child, and the nature of the intended business.” See 112.313(12)(b), F.S.

²¹ S. 112.313(12)(c), F.S.

²² S. 112.313(12)(d), F.S.

employee²³; when the aggregate of such transactions does not exceed \$500 in a calendar year²⁴; when business transacted is the deposit of agency funds in a bank of which a county, city, or district official is an officer, director, or stockholder, so long as agency records show that the governing body has determined that the member did not favor his or her bank over other qualified banks²⁵; when the public officer or employee purchases in a private capacity goods or services from an entity regulated by, or doing business with, his or her agency, at a price and under terms available to similarly situated members of the general public²⁶, and when elected public officer is employed by a tax exempt organization contracting with his or her agency and officer's employment is not directly or indirectly compensated as a result of such contract or business relationship, the officer has in no way participated in the agency's decision to contract or to enter into the business relationship with his or her employer, whether by participating in discussion at the meeting, by communicating with officers or employees of the agency, or otherwise, and the officer abstains from voting on any matter which may come before the agency involving the officer's employer, publicly states to the assembly the nature of the officer's interest in the matter from which he or she is abstaining, and files the required written memorandum²⁷.

In its annual reports to the Legislature for the past several years, the Commission has recommended the law be amended. Specifically, the Commission has advised that, under the law, a public officer or agency employee may create a fictitious legal entity and subsequently use the entity to enter into an employment or contractual relationship that would be prohibited if the public officer or agency employee acted as an individual.²⁸

Effect of Proposed Changes

The bill provides that if a public officer or employee of an agency holds a material interest in a business entity or is an officer, a director, or a member who manages such an entity, contractual relationships held by the business entity are deemed to be held by the public officer or employee. As such, if a public officer or employee holds a material interest in a business entity other than a publicly traded entity, or is an officer, a director, or a member who manages such an entity, it would be a violation for the business entity to have a contractual relationship that will create a continuing or frequently recurring conflict between his or her private interests and the performance of his or her public duties or that would impede the full and faithful discharge of his or her public duties.

The bill uses the current law definition of 'material interest' which means "direct or indirect ownership of more than five percent of the total assets or capital stock of any business entity. For the purposes of this act, indirect ownership does not include ownership by a spouse or minor child."

Mandatory Annual Ethics Training (Sections 3, 5, 6, and 7)

Current Law

Current Florida law requires 'constitutional officers' and elected municipal officers to annually complete four hours of ethics training that, at a minimum, addresses s. 8, Art. II of the state constitution, the Code of Ethics for Public Officers and Employees (Code), and the Florida law on public records and public meetings.²⁹

²³ S. 112.313(12)(e), F.S.

²⁴ S. 112.313(12)(f), F.S.

²⁵ S. 112.313(12)(g), F.S.

²⁶ S. 112.313(12)(i), (j), F.S.

²⁷ S. 112.313(15), F.S.

²⁸ Florida Commission on Ethics 2017 Legislative Proposals.

²⁹ S. 112.3142, F.S.

Pursuant to the Code, the term 'constitutional officer' includes the following officers: the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.³⁰

Each officer that is subject to the annual ethics training requirement must certify on his or her disclosure of financial interests reporting form that he or she has completed the required training.³¹ However, the Commission does not collect any information on the provider(s) of such training.

Although special district³² governing board members are covered by the Code's provisions, state law does not require these individuals to receive annual ethics training.

Additionally, the Code requires the Commission to adopt rules establishing minimum course content for the portion of an ethics training class which addresses the constitutional ethics provisions and the Code. The Commission's current rule³³ requires course content to include one or more of the following subjects:

- Doing business with one's own agency;
- Conflicting employment or contractual relationships;
- Misuse of position;
- Disclosure or use of certain information;
- Gifts and honoraria, including solicitation and acceptance of gifts, and unauthorized compensation;
- Post-officeholding restrictions;
- Restrictions on the employment of relatives;
- Voting conflicts when the constitutional officer is a member of a collegial body and votes in his or her official capacity;
- Financial disclosure requirements, including the automatic fine and appeal process;
- Commission procedures on ethics complaints and referrals; and
- The importance of and process for obtaining advisory opinions rendered by the Commission.

Effect of Proposed Changes

The bill requires special district governing board members (elected and appointed) and water management district board members to receive annual ethics training which, at a minimum, addresses s. 8, Art. II of the state constitution, the Code of Ethics for Public Officers and Employees (Code), and the Florida law on public records and public meetings.

Beginning January 1, 2018, the bill also requires each officer subject to the annual ethics training requirement to provide the training provider's name on his or her annual financial disclosure form.

³⁰ *Id.*

³¹ SS. 112.3144(1) and 112.3145(4), F.S.

³² Section 189.012(6), F.S., defines a 'special district' as "a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. The term does not include a school district, a community college district, a special improvement district created pursuant to s. 285.17, a municipal service taxing or benefit unit as specified in s. 125.01, or a board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality."

³³ Rule 34-7.025, F.A.C.

Finally, the bill repeals the statutory requirement that the Commission adopt a rule on minimum course content into statute, and instead codifies the Commission's current rule in statute.

Voting Conflicts of Interest (Section 4)

Current Law

Florida law prohibits a county officer, municipal officer, or other local public officer, from voting on any measure that would inure to his or her special private gain or loss; which he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained; or which he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer.³⁴

In such cases, the officer is required, prior to the vote being taken, to publicly state to the assembly the nature of the officer's interest in the matter from which he or she is abstaining and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting.

While the law prohibits the officer from voting on the measure, the officer is not prohibited from participating in the measure and is not explicitly required to disclose his or her conflict prior to his or her participation.

Pursuant to current law, the term 'public officer' includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

Effect of Proposed Changes

The bill requires a county officer, municipal officer, other local public officer, governing board member of a special district or school district, or appointed public officer who must abstain from voting on a measure due to a conflict of interest to disclose the conflict prior to participating on the measure.

Collection Methods for Unpaid Financial Disclosure Fines (Section 8)

Current Law

The Code of Ethics for Public Officers and Employees (Code) authorizes the Commission to withhold wages and seek garnishment in order to collect unpaid financial disclosure fines.³⁵ Prior to referring such a fine to the Department of Financial Services (DFS), the Commission must attempt to determine whether the filer is a current public officer or employee.³⁶ If the person is currently a public officer or employee, the Commission may notify the Chief Financial Officer (CFO) or the governing body of the appropriate county, municipality, or special district of the total amount of the fine owed to the Commission by the individual. After receipt and verification of the notice from the Commission, the CFO or the appropriate governing body is required to begin withholding the lesser of ten percent or the maximum amount allowed under federal law from any salary-related payment. The withheld payments must be remitted to the Commission until the fine is satisfied. Additionally, the CFO or appropriate governing body may retain an amount from each withheld payment to cover administrative costs incurred to comply with these requirements. In the event that the Commission determines the individual owing a fine is no longer a public officer or employee or if the Commission is unable to make such a determination, the Commission must wait for six months after the order becomes final. After that period

³⁴ S. 112.3143, F.S.

³⁵ S. 112.31455, F.S.

³⁶ S. 112.31455(1), F.S.

of time, the Commission may seek garnishment. Additionally, the Commission may refer the unpaid fine to a collection agency.³⁷ The collection agency may utilize any collection methods provided by law. The statute of limitations for an unpaid financial disclosure fine is 20 years.³⁸ Once recovered, previously unpaid financial disclosure fines are deposited into general revenue.

Effect of Proposed Changes

The bill expressly requires school districts to withhold public salary-related payments after receiving notice from the Commission that an employee has an unpaid fine, including a portion to cover any administrative costs incurred by the school district to comply with the requirement.

Lobbying Before Governmental Entities (Sections 9 and 10)

Current Law

Florida law requires a person who wishes to lobby the executive branch to register as a lobbyist with the Commission prior to lobbying.³⁹ Similarly, the Florida Legislature, by rule, requires a lobbyist who wishes to lobby either house of the legislature to register with the Lobbyist Registration Office in the Office of Legislative Services.⁴⁰ In addition to these registration requirements, lobbying firms must file quarterly compensation reports for each quarter in which at least one of their lobbyists were registered to represent a principal.⁴¹

As of February 2017, there were over 1,300 lobbyists registered to lobby the executive branch on behalf of over 3,300 principals, representing over 8,900 total registrations.⁴² As of February 2017, there were over 1,800 lobbyists registered to lobby the legislature on behalf of over 3,600 principals, representing over 10,000 total registrations.⁴³ In total, there were over 150 lobbyists registered to lobby only the executive branch, over 600 registered to lobby only the legislature, and over 1,200 registered to lobby both the executive branch and the legislature.⁴⁴ Currently, the executive branch has 1.5 FTEs to administer registrations, including oath authorization, and compensation reports. The legislature has 2 FTEs to administer registrations and compensation reports.

Each lobbyist registration program has a dedicated trust fund whereby registration fees must be used to administer the program. The executive branch lobbyist registration fee is \$25 per principal, although by statute, the fee may be up to \$40 per principal.⁴⁵ The legislature's annual lobbyist registration fee is \$50 for the first registration and \$20 for each additional registration. If a lobbyist is registering before only one chamber, the annual fee is \$25 for the first registration and \$10 for each additional registration. As of February 2017, the Executive Branch Lobbyist Registration Trust Fund had \$1,135,123 cash on hand, while the Legislative Lobbyist Registration Trust Fund had \$1,379,440 cash on hand.

³⁷ S. 112.31455(3), F.S.

³⁸ S. 112.31455(4), F.S.

³⁹ S. 112.3215, F.S.

⁴⁰ Joint Rule 1.1(1)

⁴¹ SS. 11.045(3)(a)1. and 112.3215(5)(a)1., F.S.

⁴² See statistics on registered lobbyists on the Florida Lobbyist Registration & Compensation website at www.floridalobbyist.gov (last viewed 2/24/2017).

⁴³ Id.

⁴⁴ Id.

⁴⁵ Rule 34-12.200, F.A.C., implementing s. 112.3215(4), F.S.

Executive Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	595,084	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265
Revenues Collected	182,600	201,525	201,025	189,515	194,175	205,025	201,825	230,530	261,830	254,250
Disbursements	145,927	99,333	101,893	120,800	151,668	147,206	151,432	222,400	355,210	216,183
Excess (Deficiency) of Revenue over Disbursements	36,673	102,192	99,132	68,715	42,507	57,819	50,393	8,130	(93,380)	38,067
Ending Cash Balance	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265	1,005,333
Legislative Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	792,074	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775
Revenues Collected	254,137	252,435	256,746	245,680	246,545	260,580	247,845	265,830	278,600	283,355
Disbursements	248,277	211,862	205,650	198,563	189,606	136,959	134,877	225,998	317,905	223,197
Excess (Deficiency) of Revenue over Disbursements	5,860	40,573	51,096	47,117	56,938	123,621	112,968	39,832	(39,305)	60,158
Ending Cash Balance	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775	1,290,933

During the 2016 Organization Session, the Florida House of Representatives adopted its rules for the 2016 – 2018 term. Rule 17.1(h) requires lobbyists to disclose the issues upon which they intend to lobby the House, while Rule 17.1(i) requires disclosure of public entity lobbying contracts. As of February 2017, over 1,100 lobbyists have disclosed over 22,000 issues on behalf of over 2,300 principals, while over 350 public entity lobbying contracts have been submitted by over 70 lobbying firms. The Public Integrity & Ethics Committee has one full-time staff member to assist with issue and contract disclosures.

As of 2014, Florida law requires a lobbyist who wishes to lobby before one of Florida's five water management districts to register as a lobbyist with said district.⁴⁶ The law requires the applicable water management district to make lobbyist registrations available to the public, including on its website if the district maintains one.⁴⁷ To administer the registration process, each water management district is authorized to charge a registration fee of up to \$40 per principal.⁴⁸ The Southwest Florida Water Management District (SFWMD) developed its lobbyist registration system database in-house and administers each of the other four water management district lobbyist registration programs at no charge to the water management district or registered lobbyist(s).

Florida has 67 counties, 400+ municipalities, and over 1,500 special districts. While the Florida Code of Ethics for Public Officers and Employees provides minimum standards of conduct and disclosure for officers and employees covered under the Code, local governments have authority to enact ordinances providing for more stringent standards – provided these ordinances do not conflict with the Code's provisions.⁴⁹ At least 13 counties⁵⁰ have ordinances requiring lobbyists to register, report compensation, or both. An informal staff review uncovered at least 26 municipalities with ordinances requiring lobbyists to register with the municipality prior to lobbying. However, the total number of counties, municipalities, or special districts that require lobbyist registration is unknown.

⁴⁶ S. 112.3261, F.S.

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ S. 112.326, F.S.

⁵⁰ Alachua, Broward, Collier, Duval, Hillsborough, Lake, Lee, Leon, Miami-Dade, Orange, Palm Beach, Pinellas, and St. Lucie counties.

Effect of Proposed Changes

Beginning October 1, 2018, the bill requires a person to electronically register as a lobbyist with the Commission prior to lobbying a 'governmental entity.' Under the bill's provisions, a 'governmental entity,' includes a county, municipality, water management district, school district, hospital district, children's services district, expressway authority, port authority, or special district.⁵¹

The bill also provides definitions for the terms 'lobby,' 'lobbies,' and 'lobbyist.' Pursuant to the bill's provisions, the term 'lobby' or 'lobbies' does not include making application for or seeking approval of an application for a license, permit, or waiver of a regulation so long as the issuance or granting of such application does not require legislative discretion. Among other exclusions, the term 'lobbyist' does not include a person who lobbies to procure a contract which is less than \$20,000 or a contract procured pursuant to s. 287.056, F.S., which is the state purchasing agreement and state term contract procurement statute.

The bill requires the lobbyist to disclose his or her name, email address, business address, the name and business address of each registered principal, and each local governmental entity he or she intends to lobby on behalf of each principal. The bill also requires the lobbyist to disclose the existence of any direct or indirect business association, partnership, or financial relationship with an official or employee of the governmental entity he or she intends to lobby.

To administer the registration program, the bill requires the Commission to establish a registration fee by rule. Pursuant to the bill's provisions, the fee may not exceed \$40 per principal.

If the Commission receives a first complaint against any person, or receives any complaint prior to January 1, 2020, the bill requires the Commission to issue a warning letter directing the person who is the subject of the complaint to the obligations of lobbyists under the local government lobbyist registration provision. The Commission must dismiss the complaint. Outside of these two instances, if the Commission finds a person to have violated the registration requirement, the bill provides for a civil penalty not to exceed \$500 for a first violation. A second or subsequent violation committed within twelve months after a first violation has occurred will subject the lobbyist to a civil penalty between \$1000 or, at the governmental entity's discretion, a one year suspension from lobbying the entity associated with the violation.

By January 1, 2018, the bill requires each local governmental entity that has an ordinance or rule placing more stringent obligations with respect to lobbyist registration, reporting, or other lobbyist conduct to forward the Commission a copy of such ordinance and any associated form that has been designated to facilitate compliance with such ordinance or rule. By January 1, 2019, the bill requires each local governmental entity to conform its registration system, if any, to accommodate regular receipt of lobbyist registration data from the Commission. This data exchange will assist each local governmental entity in retaining whatever more stringent standards it has in place.

Commission on Ethics Advisory Opinions (Section 11)

Current Law

Florida law requires the Commission to render a binding advisory opinion to any public officer, candidate for public office, or public employee, in doubt about the applicability and interpretation of the

⁵¹ Section 189.012(6), F.S., defines a 'special district' as "a unit of local government created for a special purpose, as opposed to a general purpose, which has jurisdiction to operate within a limited geographic boundary and is created by general law, special act, local ordinance, or by rule of the Governor and Cabinet. The term does not include a school district, a community college district, a special improvement district created pursuant to s. 285.17, a municipal service taxing or benefit unit as specified in s. 125.01, or a board which provides electrical service and which is a political subdivision of a municipality or is part of a municipality."

state constitution's ethics provisions or the provisions of the Code of Ethics for Public Officers and Public Employees (Code) to himself or herself in a particular context.⁵²

Since 2010, the Commission has issued the following numbers of advisory opinions:

- CY 2016 – 15 opinions (13 by local officers, employees, or local government attorneys)
- CY 2015 – 15 opinions (12 by local officers, employees, or local government attorneys)
- CY 2014 – 32 opinions (12 by local officers, employees, or local government attorneys)
- CY 2013 – 26 opinions (19 by local officers, employees, or local government attorneys)
- CY 2012 – 23 opinions (15 by local officers, employees, or local government attorneys)
- CY 2011 – 24 opinions (24 by local officers, employees, or local government attorneys)
- CY 2010 – 25 opinions (21 by local officers, employees, or local government attorneys)

Effect of Proposed Changes

The bill expands the Commission's duty to render advisory opinions to include the new provisions and changes to current law made by the bill.

B. SECTION DIRECTORY:

Section 1 amends s. 99.061, F.S., relating to the method of qualifying for nomination or election to federal, state, county, or district office.

Section 2 amends s. 112.313, F.S., relating to standards of conduct for public officers, employees of agencies, and local government attorneys.

Section 3 amends s. 112.3142, F.S., relating to ethics training for specified constitutional officers and elected municipal officers.

Section 4 amends s. 112.3143, F.S., relating to voting conflicts.

Section 5 amends s. 112.3144, F.S., relating to full and public disclosure of financial interests.

Section 6 amends s. 112.3145, F.S., relating to disclosure of financial interests and clients represented before agencies.

Section 7 provides that certain changes made by the act relating to financial disclosure apply to disclosures filed for the 2017 calendar year and all subsequent calendar years.

Section 8 amends s. 112.31455, F.S., relating to collection methods for unpaid automatic fines for failure to timely file disclosure of financial interests.

Section 9 repeals s. 112.3261, F.S., relating to lobbying before certain government entities.

Section 10 creates s. 112.32612, F.S., relating to lobbying before governmental entities.

Section 11 expands the duties of the Commission on Ethics to include rendering advisory opinions.

Section 12 specifies that the act fulfills an important state interest.

Section 13 provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill requires the Commission to establish an annual registration fee, effective October 1, 2018, to administer the local government lobbyist registration system. Pursuant to the bill's provisions, the registration fee may not exceed \$40 per principal. The revenue generated from annual registrations will be used to administer the registration program, including the payment of salaries and other expenses.

2. Expenditures:

The bill requires elected municipal officers serving municipalities with \$5 million or more in total revenue to file FORM 6 in lieu of the currently required FORM 1. The expense to the Commission associated with mailing these individuals FORM 6 instead of FORM 1 is indeterminate, but likely insignificant and can be absorbed by current resources.

The bill requires a lobbyist to register with the Commission prior to lobbying certain local governmental entities, effective October 1, 2018. The Commission is required to make these registrations public on its website. Expenses associated with administering the registration process will not be incurred until fiscal year 2018. However, the Office of Legislative Information Technology Services projects the cost to develop an online system, to track and report such registrations, is approximately \$465,000, the bulk of which will be expended in fiscal year 2017-18. The Commission has sufficient carryforward funds to cover any such expenses until revenues from fees are received.

The bill also requires the Commission to render advisory opinions regarding the Code of Ethics and its application to any public officer, candidate for public office, or public employee as a result of the bill's provisions. The fiscal impact to the Commission of this requirement is indeterminate, but likely insignificant.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

By January 1, 2018, the bill requires each local governmental entity that has an ordinance or rule placing more stringent obligations with respect to lobbyist registration, reporting, or other lobbyist conduct to forward the Commission a copy of such ordinance and any associated form that has been designated to facilitate compliance with such ordinance or rule. By January 1, 2019, the bill requires each local governmental entity to conform its registration system, if any, to accommodate regular receipt of lobbyist registration data from the Commission. This data exchange will assist each local governmental entity in retaining whatever more stringent standards it has in place. The fiscal impact on local governments with respect to these provisions is indeterminate.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill's provisions require a person who wishes to lobby certain local governmental entities to register with the Commission. The bill also requires the Commission to establish an annual lobbyist registration fee, up to \$40 for each principal represented. The extent to which a lobbyist or lobbying firm will pass the registration costs on to principals, some of which may be private sector entities, is unknown, but likely insignificant.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, s. 18 of the State Constitution may apply because the bill requires county and municipal governments with ordinances or rules placing more stringent obligations with respect to lobbyist registration, reporting, or other lobbyist conduct to forward the Commission a copy of such ordinance and any associated form that has been designated to facilitate compliance with such ordinance or rule. By January 1, 2019, the bill requires each local governmental entity to conform its registration system, if any, to accommodate regular receipt of lobbyist registration data from the Commission. An exemption may apply if the bill results in an insignificant fiscal impact to county or municipal governments. In addition, the bill includes legislative findings that the bill fulfills important state interests and the bill applies to all persons similarly situated.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires the Commission to adopt rules to establish procedures to govern the electronic registration of lobbyists, including the adoption of forms and the exchange of information with local governmental entities.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On Tuesday, February 14, 2017, the Public Integrity & Ethics Committee adopted a strike-all amendment to PCB PIE 17-03 and subsequently reported the bill favorably as amended. The strike-all amendment made several revisions to PCB PIE 17-03, including the following:

- Revised the phrases "each candidate for an elected municipal office" and "elected municipal officer" to "each candidate for the governing body of a municipality" and "every member of the governing board of a municipality," respectively, to ensure the provision only captures city commissioners and not other elected municipal officers.
- Revised the phrase "municipality that had \$5 million or more in total revenue as determined by the most recent annual financial report submitted to the Department of Financial Services in accordance with s. 218.32" to "municipality that had \$5 million or more in total revenue as determined by the annual financial report submitted to Department of Financial Services in accordance with s. 218.32 for the fiscal year ending prior to the year the disclosure covers."
- Broaden the scope of the provision requiring elected special district governing board members to complete 4 hours of annual ethics training to also include appointed special district governing board members and water management district board members.
- Revised the provision on providing ethics training information to only require the training provider's name in lieu of requiring the training provider's name and the date the training was completed.

- Removed the provision allowing the general counsel of an agency or entity having an officer subject to the ethics training requirement to provide ethics training provider information on behalf of the officer.
- Revised the provision requiring a lobbyist who wishes to lobby a local governmental entity to register as a lobbyist with the Commission by:
 - Requiring electronic registration;
 - Including all special districts and not just independent special districts in the definition of 'governmental entity'.
 - Providing the term "lobby" or "lobbies" does not include making application for or seeking approval of an application for a license, permit, or waiver of a regulation so long as the issuance or granting of such application does not require legislative discretion.
 - Requiring a lobbyist to provide his or her email address upon registering.
 - Requiring the Commission to make local government lobbyist registration available on the Internet rather than specific the information must be available on the Commission's website.
 - Requiring the Commission to issue a warning letter and dismiss a first complaint or any complaint received before January 1, 2020, for a lobbyist's failure to register.
 - Revising the term "fine" to "civil penalty."
 - Revises the civil penalty for a second or subsequent violation from "not to exceed \$1,000" to "not less than \$200 and not greater than \$1,000."
 - Authorizing, but not requiring, local government entities to impose additional civil penalties for a second or subsequent violation.
 - Authorizing a person who is unsure whether he or she is required to register as a lobbyist to request a binding advisory opinion from the Commission.

1 A bill to be entitled
2 An act relating to local government ethics reform;
3 amending s. 99.061, F.S.; requiring certain candidates
4 for the governing body of a municipality to file a
5 full and public financial disclosure upon qualifying;
6 amending s. 112.313, F.S.; providing that contractual
7 relationships held by business entities are deemed
8 held by public officers or employees in certain
9 situations; amending s. 112.3142, F.S.; requiring
10 certain ethics training for governing board members of
11 special districts and water management districts;
12 authorizing certain continuing education to satisfy
13 the ethics training requirement; deleting a
14 requirement that the Commission on Ethics adopt
15 certain rules relating to ethics training class course
16 content; providing course content requirements;
17 encouraging training providers to seek accreditation;
18 amending s. 112.3143, F.S.; prohibiting governing
19 board members of special districts or school districts
20 from voting in an official capacity on specified
21 matters; prohibiting county, municipal, or other local
22 public officers or governing board members of special
23 districts or school districts from participating in
24 specified matters; amending s. 112.3144, F.S.;
25 requiring certain governing board members of

26 municipalities to file a full and public disclosure of
 27 financial interests; providing disclosure
 28 requirements; amending s. 112.3145, F.S.; providing
 29 disclosure requirements; providing applicability;
 30 amending s. 112.31455, F.S.; applying provisions
 31 relating to collecting unpaid fines for failing to
 32 file such disclosures to school districts; providing
 33 for the future repeal of s. 112.3261, F.S., relating
 34 to registration and reporting for lobbying water
 35 management districts; creating s. 112.32612, F.S.;
 36 providing definitions; requiring lobbyists to register
 37 with the commission before lobbying governmental
 38 entities; providing registration requirements;
 39 providing responsibilities of the commission;
 40 providing civil penalties; authorizing the suspension
 41 of certain lobbyists; providing responsibilities of
 42 the governmental entity; authorizing the commission to
 43 adopt rules; requiring the commission to render
 44 advisory opinions under certain conditions; declaring
 45 that the act fulfills an important state interest;
 46 providing effective dates.

47
 48 Be It Enacted by the Legislature of the State of Florida:

49
 50 Section 1. Subsection (5) of section 99.061, Florida

51 Statutes, is amended to read:

52 99.061 Method of qualifying for nomination or election to
 53 federal, state, county, municipal, or district office.—

54 (5) At the time of qualifying for office, each candidate
 55 for the governing body of a municipality that had \$5 million or
 56 more in total revenue as determined by the annual financial
 57 report submitted to the Department of Financial Services in
 58 accordance with s. 218.32 for the fiscal year ending prior to
 59 the year the disclosure covers or a constitutional office shall
 60 file a full and public disclosure of financial interests
 61 pursuant to s. 8, Art. II of the State Constitution, which must
 62 be verified under oath or affirmation pursuant to s.
 63 92.525(1)(a), and a candidate for any other office, ~~including~~
 64 ~~local elective office,~~ shall file a statement of financial
 65 interests pursuant to s. 112.3145.

66 Section 2. Subsection (7) of section 112.313, Florida
 67 Statutes, is amended to read:

68 112.313 Standards of conduct for public officers,
 69 employees of agencies, and local government attorneys.—

70 (7) CONFLICTING EMPLOYMENT OR CONTRACTUAL RELATIONSHIP.—

71 (a) A ~~No~~ public officer or employee of an agency may not
 72 ~~shall~~ have or hold any employment or contractual relationship
 73 with any business entity or any agency that ~~which~~ is subject to
 74 the regulation of, or is doing business with, an agency of which
 75 he or she is an officer or employee, excluding those

76 organizations and their officers who, when acting in their
77 official capacity, enter into or negotiate a collective
78 bargaining contract with the state or any municipality, county,
79 or other political subdivision of the state; and ~~nor shall~~ an
80 officer or employee of an agency may not have or hold any
81 employment or contractual relationship that will create a
82 continuing or frequently recurring conflict between his or her
83 private interests and the performance of his or her public
84 duties or that would impede the full and faithful discharge of
85 his or her public duties. For purposes of this subsection, if a
86 public officer or employee of an agency holds a material
87 interest in a business entity other than a publicly traded
88 entity, or is an officer, a director, or a member who manages
89 such an entity, any contractual relationship held by the
90 business entity is deemed to be held by the public officer or
91 employee of the agency.

92 1. When the agency referred to is a ~~that certain kind of~~
93 special tax district created by general or special law and is
94 limited specifically to constructing, maintaining, managing, and
95 financing improvements in the land area over which the agency
96 has jurisdiction, or when the agency has been organized pursuant
97 to chapter 298, ~~then~~ employment with, or entering into a
98 contractual relationship with, such a business entity by a
99 public officer or employee of such an agency is ~~shall not be~~
100 prohibited by this subsection or ~~be~~ deemed a conflict per se.

101 | However, conduct by such officer or employee that is prohibited
 102 | by, or otherwise frustrates the intent of, this section must
 103 | ~~shall~~ be deemed a conflict of interest in violation of the
 104 | standards of conduct set forth by this section.

105 | 2. When the agency referred to is a legislative body and
 106 | the regulatory power over the business entity resides in another
 107 | agency, or when the regulatory power that ~~which~~ the legislative
 108 | body exercises over the business entity or agency is strictly
 109 | through the enactment of laws or ordinances, ~~then~~ employment or
 110 | a contractual relationship with such a business entity by a
 111 | public officer or employee of a legislative body is ~~shall~~ not ~~be~~
 112 | prohibited by this subsection or ~~be~~ deemed a conflict.

113 | (b) This subsection does ~~shall~~ not prohibit a public
 114 | officer or employee from practicing in a particular profession
 115 | or occupation when such practice by persons holding such public
 116 | office or employment is required or permitted by law or
 117 | ordinance.

118 | Section 3. Subsection (2) of section 112.3142, Florida
 119 | Statutes, is amended to read:

120 | 112.3142 Ethics training for specified constitutional
 121 | officers, ~~and~~ elected municipal officers, and members of a
 122 | governing board of a special district or water management
 123 | district.-

124 | (2)(a) All constitutional officers must complete 4 hours
 125 | of ethics training each calendar year which addresses, at a

126 minimum, s. 8, Art. II of the State Constitution, the Code of
 127 Ethics for Public Officers and Employees, and the public records
 128 and public meetings laws of this state. ~~This requirement may be~~
 129 ~~satisfied by completion of a continuing legal education class or~~
 130 ~~other continuing professional education class, seminar, or~~
 131 ~~presentation if the required subjects are covered.~~

132 (b) ~~Beginning January 1, 2015,~~ All elected municipal
 133 officers must complete 4 hours of ethics training each calendar
 134 year which addresses, at a minimum, s. 8, Art. II of the State
 135 Constitution, the Code of Ethics for Public Officers and
 136 Employees, and the public records and public meetings laws of
 137 this state. ~~This requirement may be satisfied by completion of a~~
 138 ~~continuing legal education class or other continuing~~
 139 ~~professional education class, seminar, or presentation if the~~
 140 ~~required subjects are covered.~~

141 (c) Beginning January 1, 2018, all members of the
 142 governing board of a special district or water management
 143 district must complete 4 hours of ethics training each calendar
 144 year which addresses, at a minimum, s. 8, Art. II of the State
 145 Constitution, the Code of Ethics for Public Officers and
 146 Employees, and the public records and public meetings laws of
 147 this state.

148 (d) The requirements specified in paragraphs (a), (b), and
 149 (c) may be satisfied by completion of a continuing legal
 150 education class or other continuing professional education

151 class, seminar, or presentation if the required subjects are
 152 covered.

153 (e) ~~The commission shall adopt rules establishing minimum~~
 154 Course content for the portion of an ethics training class which
 155 addresses s. 8, Art. II of the State Constitution and the Code
 156 of Ethics for Public Officers and Employees must include one or
 157 more of the following:

- 158 1. Doing business with one's own agency;
- 159 2. Conflicting employment or contractual relationships;
- 160 3. Misuse of position;
- 161 4. Disclosure or use of certain information;
- 162 5. Gifts and honoraria, including solicitation and
 163 acceptance of gifts, and unauthorized compensation;
- 164 6. Post-officeholding restrictions;
- 165 7. Restrictions on the employment of relatives;
- 166 8. Voting conflicts if the officer is a member of a
 167 collegial body and votes in his or her official capacity;
- 168 9. Financial disclosure requirements, including the
 169 automatic fine and appeal process;
- 170 10. Commission procedures on ethics complaints and
 171 referrals; and
- 172 11. The importance of and process for obtaining advisory
 173 opinions rendered by the commission.

174 (f) Training providers are encouraged to seek
 175 accreditation from any applicable licensing body for courses

176 | offered pursuant to this subsection.

177 | (g) ~~(d)~~ The Legislature intends that a constitutional
 178 | officer, ~~or~~ elected municipal officer, or member of the
 179 | governing board of a special district or water management
 180 | district who is required to complete ethics training pursuant to
 181 | this section receive the required training as close as possible
 182 | to the date that he or she assumes office. A constitutional
 183 | officer, ~~or~~ elected municipal officer, or member of the
 184 | governing board of a special district or water management
 185 | district assuming a new office or new term of office on or
 186 | before March 31 must complete the annual training on or before
 187 | December 31 of the year in which the term of office began. A
 188 | constitutional officer, ~~or~~ elected municipal officer, or member
 189 | of the governing board of a special district or water management
 190 | district assuming a new office or new term of office after March
 191 | 31 is not required to complete ethics training for the calendar
 192 | year in which the term of office began.

193 | Section 4. Subsections (3) and (4) of section 112.3143,
 194 | Florida Statutes, are amended to read:

195 | 112.3143 Voting conflicts.—

196 | (3)(a) A ~~No~~ county, municipal, or other local public
 197 | officer or governing board member of a special district or
 198 | school district may not ~~shall~~ vote in an official capacity upon
 199 | any measure which would inure to his or her special private gain
 200 | or loss; which he or she knows would inure to the special

201 private gain or loss of any principal by whom he or she is
 202 retained or to the parent organization or subsidiary of a
 203 corporate principal by which he or she is retained, other than
 204 an agency as defined in s. 112.312(2); or which he or she knows
 205 would inure to the special private gain or loss of a relative or
 206 business associate of the public officer or board member. Such
 207 public officer or board member shall, prior to the vote being
 208 taken, publicly state to the assembly the nature of the
 209 officer's or member's interest in the matter from which he or
 210 she is abstaining from voting and, within 15 days after the vote
 211 occurs, disclose the nature of his or her interest as a public
 212 record in a memorandum filed with the person responsible for
 213 recording the minutes of the meeting, who shall incorporate the
 214 memorandum in the minutes.

215 (b) However, a commissioner of a community redevelopment
 216 agency created or designated pursuant to s. 163.356 or s.
 217 163.357, or an officer of an independent special tax district
 218 elected on a one-acre, one-vote basis, is not prohibited from
 219 voting, when voting in said capacity.

220 (4) A county, municipal, other local public officer,
 221 governing board member of a special district or school district,
 222 or ~~he~~ appointed public officer, may not ~~shall~~ participate in any
 223 matter which would inure to the officer's or member's special
 224 private gain or loss; which the officer or member knows would
 225 inure to the special private gain or loss of any principal by

226 | whom he or she is retained or to the parent organization or
227 | subsidiary of a corporate principal by which he or she is
228 | retained; or which he or she knows would inure to the special
229 | private gain or loss of a relative or business associate of the
230 | public officer or board member, without first disclosing the
231 | nature of his or her interest in the matter.

232 | (a) Such disclosure, indicating the nature of the
233 | conflict, shall be made in a written memorandum filed with the
234 | person responsible for recording the minutes of the meeting,
235 | prior to the meeting in which consideration of the matter will
236 | take place, and shall be incorporated into the minutes. Any such
237 | memorandum shall become a public record upon filing, shall
238 | immediately be provided to the other members of the agency, and
239 | shall be read publicly at the next meeting held subsequent to
240 | the filing of this written memorandum.

241 | (b) In the event that disclosure has not been made prior
242 | to the meeting or that any conflict is unknown prior to the
243 | meeting, the disclosure shall be made orally at the meeting when
244 | it becomes known that a conflict exists. A written memorandum
245 | disclosing the nature of the conflict shall then be filed within
246 | 15 days after the oral disclosure with the person responsible
247 | for recording the minutes of the meeting and shall be
248 | incorporated into the minutes of the meeting at which the oral
249 | disclosure was made. Any such memorandum shall become a public
250 | record upon filing, shall immediately be provided to the other

251 members of the agency, and shall be read publicly at the next
 252 meeting held subsequent to the filing of this written
 253 memorandum.

254 (c) For purposes of this subsection, the term
 255 "participate" means any attempt to influence the decision by
 256 oral or written communication, whether made by the officer or
 257 member or at the officer's or member's direction.

258 Section 5. Subsections (1) and (2) and paragraph (c) of
 259 subsection (8) of section 112.3144, Florida Statutes, are
 260 amended to read:

261 112.3144 Full and public disclosure of financial
 262 interests.-

263 (1) In addition to officers specified in s. 8, Art. II of
 264 the State Constitution or any other state law, a member of the
 265 governing board of a municipality that had \$5 million or more in
 266 total revenue as determined by the annual financial report
 267 submitted to the Department of Financial Services in accordance
 268 with s. 218.32 for the fiscal year ending prior to the year the
 269 disclosure covers is required to file a full and public
 270 disclosure of financial interests. An officer or a member who is
 271 required by s. 8, Art. II of the State Constitution to file a
 272 full and public disclosure of ~~his or her~~ financial interests for
 273 any calendar or fiscal year shall file that disclosure with the
 274 Florida Commission on Ethics. ~~Additionally, beginning January 1,~~
 275 2015, An officer or a member who is required to complete annual

276 ethics training pursuant to s. 112.3142 must certify on his or
 277 her full and public disclosure of financial interests that he or
 278 she has completed the required training. Additionally, beginning
 279 January 1, 2018, an officer or a member who is required to
 280 complete annual ethics training pursuant to s. 112.3142 must
 281 provide the name of the training provider on his or her full and
 282 public disclosure of financial interests.

283 (2) An officer or a member ~~person~~ who is required,
 284 ~~pursuant to s. 8, Art. II of the State Constitution,~~ to file a
 285 full and public disclosure of financial interests and who has
 286 filed a full and public disclosure of financial interests for
 287 any calendar or fiscal year ~~is shall~~ not be required to file a
 288 statement of financial interests pursuant to s. 112.3145(2) and
 289 (3) for the same year or for any part thereof notwithstanding
 290 any requirement of this part. If an incumbent in an elective
 291 office has filed the full and public disclosure of financial
 292 interests to qualify for election to the same office or if a
 293 candidate for office holds another office subject to the annual
 294 filing requirement, the qualifying officer shall forward an
 295 electronic copy of the full and public disclosure of financial
 296 interests to the commission no later than July 1. The electronic
 297 copy of the full and public disclosure of financial interests
 298 satisfies the annual disclosure requirement of this section. A
 299 candidate who does not qualify until after the annual full and
 300 public disclosure of financial interests has been filed pursuant

301 to this section shall file a copy of his or her disclosure with
 302 the officer before whom he or she qualifies.

303 (8)

304 (c) For purposes of this section, an error or omission is
 305 immaterial, inconsequential, or de minimis if the original
 306 filing provided sufficient information for the public to
 307 identify potential conflicts of interest. However, failure to
 308 certify completion of annual ethics training required under s.
 309 112.3142 or provide the name of the training provider does not
 310 constitute an immaterial, inconsequential, or de minimis error
 311 or omission.

312 Section 6. Subsection (4) and paragraph (c) of subsection
 313 (10) of section 112.3145, Florida Statutes, are amended to read:

314 112.3145 Disclosure of financial interests and clients
 315 represented before agencies.—

316 (4) Beginning January 1, 2015, an officer who is required
 317 to complete annual ethics training pursuant to s. 112.3142 must
 318 certify on his or her statement of financial interests that he
 319 or she has completed the required training. Additionally,
 320 beginning January 1, 2018, an officer or a member who is
 321 required to complete annual ethics training pursuant to s.
 322 112.3142 must provide the name of the training provider on his
 323 or her statement of financial interests.

324 (10)

325 (c) For purposes of this section, an error or omission is

326 immaterial, inconsequential, or de minimis if the original
 327 filing provided sufficient information for the public to
 328 identify potential conflicts of interest. However, failure to
 329 certify completion of annual ethics training required under s.
 330 112.3142 or provide the name of the training provider does not
 331 constitute an immaterial, inconsequential, or de minimis error
 332 or omission.

333 Section 7. The amendments made to ss. 112.3144 and
 334 112.3145, Florida Statutes, by this act apply to disclosures
 335 filed for the 2017 calendar year and all subsequent calendar
 336 years.

337 Section 8. Subsection (1) of section 112.31455, Florida
 338 Statutes, is amended to read:

339 112.31455 Collection methods for unpaid automatic fines
 340 for failure to timely file disclosure of financial interests.-

341 (1) Before referring any unpaid fine accrued pursuant to
 342 s. 112.3144(5) or s. 112.3145(7) to the Department of Financial
 343 Services, the commission shall attempt to determine whether the
 344 individual owing such a fine is a current public officer or
 345 current public employee. If so, the commission may notify the
 346 Chief Financial Officer or the governing body of the appropriate
 347 county, municipality, school district, or special district of
 348 the total amount of any fine owed to the commission by such
 349 individual.

350 (a) After receipt and verification of the notice from the

351 commission, the Chief Financial Officer or the governing body of
352 the county, municipality, school district, or special district
353 shall begin withholding the lesser of 10 percent or the maximum
354 amount allowed under federal law from any salary-related
355 payment. The withheld payments shall be remitted to the
356 commission until the fine is satisfied.

357 (b) The Chief Financial Officer or the governing body of
358 the county, municipality, school district, or special district
359 may retain an amount of each withheld payment, as provided in s.
360 77.0305, to cover the administrative costs incurred under this
361 section.

362 Section 9. Effective October 1, 2018, section 112.3261,
363 Florida Statutes, is repealed.

364 Section 10. Section 112.32612, Florida Statutes, is
365 created to read:

366 112.32612 Lobbying before governmental entities.-

367 (1) As used in this section, the term:

368 (a) "Governmental entity" or "entity" means a water
369 management district created in s. 373.069 and operating under
370 the authority of chapter 373, a hospital district, a children's
371 services district, an expressway authority as the term
372 "authority" is defined in s. 348.0002, a port authority as
373 defined in s. 315.02, a county, a municipality, a school
374 district, or a special district.

375 (b) "Lobbies," "Lobby," or "Lobbying" means seeking, on

376 behalf of another person, to influence a governmental entity
 377 with respect to a decision of the entity in an area of policy or
 378 procurement or an attempt to obtain the goodwill of an official
 379 or employee of a governmental entity. The term does not include
 380 making application for or seeking approval of an application for
 381 a license, permit, or waiver of a regulation so long as the
 382 issuance or granting of such application does not require
 383 legislative discretion.

384 (c) "Lobbyist" means a person who is employed and receives
 385 payment, or who contracts for economic consideration, for the
 386 purpose of lobbying, or a person who is principally employed for
 387 governmental affairs by another person or governmental entity to
 388 lobby on behalf of such person or governmental entity. The term
 389 does not include a person who:

390 1. Represents a client in a judicial proceeding or in a
 391 formal administrative proceeding before a governmental entity.

392 2. Is an employee of an agency or of a legislative or
 393 judicial branch entity acting in the normal course of his or her
 394 duties.

395 3. Is a confidential informant who is providing, or wishes
 396 to provide, confidential information to be used for law
 397 enforcement purposes.

398 4. Lobbies to procure a contract which is less than
 399 \$20,000 or a contract pursuant s. 287.056.

400 (d) "Principal" has the same meaning as in s. 112.3215.

401 (2) Beginning October 1, 2018, a person may not lobby a
402 governmental entity until such person has electronically
403 registered as a lobbyist with the commission in the local
404 government lobbyist registration system. Such initial
405 registration shall be due upon being retained to lobby and may
406 be renewed thereafter on a calendar-year basis. After initial
407 registration, the lobbyist shall provide a statement signed by
408 the principal or the principal's representative stating that he
409 or she is authorized to represent the principal and designating
410 the principal's main type of business pursuant to a
411 classification system approved by the commission. Any changes to
412 the information required by this subsection must be disclosed
413 within 15 days by the lobbyist updating his or her registration.
414 A person required to register as a lobbyist under this
415 subsection must register through the electronic system and
416 disclose in his or her registration:

- 417 (a) Name, email address, and business address.
418 (b) Name and business address of each principal.
419 (c) Name of each governmental entity lobbied or intended
420 to be lobbied on behalf of the principal.
421 (d) Any direct or indirect business association,
422 partnership, or financial relationship with an official or
423 employee of a governmental entity lobbied or intended to be
424 lobbied on behalf of the principal.

425 (3) The annual lobbyist registration fee shall be

426 established by the commission by rule and may not exceed \$40 for
427 each principal represented.

428 (4) The commission shall publish a lobbyist directory of
429 all lobbyist registrations on its website.

430 (5) A lobbyist shall promptly provide a written statement
431 to the commission canceling the designation of a principal in
432 his or her registration upon termination of such representation.
433 The commission may cancel a lobbyist's designation of a
434 principal upon the principal's notification that the lobbyist is
435 no longer authorized to represent the principal.

436 (6) A governmental entity must ascertain whether a
437 lobbyist has registered pursuant to this section. A governmental
438 entity may not knowingly authorize an unregistered lobbyist to
439 lobby the entity.

440 (7) (a) Upon a first complaint to the commission alleging a
441 violation of subsection (2) against a lobbyist, or upon any
442 complaint against a lobbyist received before January 1, 2020,
443 the commission shall, within 30 days after receipt of the
444 complaint, issue a warning letter to the lobbyist directing him
445 or her to consult the obligations of lobbyists under this
446 section and then dismiss the complaint.

447 (b) On or after January 1, 2020, notwithstanding the civil
448 penalties in s. 112.317, a lobbyist found by the commission to
449 have violated subsection (2) is subject to:

450 1. For a first violation, a civil penalty not to exceed

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451 \$500.

452 2. For a second or subsequent violation committed within
453 12 months after the commission determines that a first violation
454 has been committed, a civil penalty of at least \$200 but not
455 more than \$1000 or a 1-year suspension from lobbying any
456 governmental entity associated with the violation. A
457 governmental entity may impose additional civil penalties not to
458 exceed \$500 per violation, and, notwithstanding paragraph (c),
459 may suspend the lobbyist from lobbying on its behalf for up to 2
460 years.

461 (c) The civil penalties and suspensions provided in this
462 subsection shall be applied on a per principal basis with
463 suspensions affecting only those principals for whom
464 unregistered lobbying occurred.

465 (8) By January 1, 2018, a governmental entity's governing
466 body, or the entity's designee, shall notify the commission of
467 any ordinance or rule that imposes additional or more stringent
468 obligations with respect to lobbyist registration, reporting, or
469 other conduct, and shall forward to the commission a copy of any
470 associated form that has been established to facilitate
471 compliance with such ordinance or rule. Beginning January 1,
472 2019, a governmental entity shall conform its registration
473 system, if any, to accommodate regular digital distribution of
474 registration data from the commission so that initial
475 registration of a lobbyist pursuant to subsection (2) is

476 accomplished without having to supply the lobbyist and principal
 477 information to more than one registration system. The commission
 478 shall cooperate to the extent reasonably practicable to assure
 479 such coordination of information.

480 (9) The commission may adopt rules to establish procedures
 481 to govern the local government lobbyist registration system,
 482 including the adoption of forms, exchange of information with
 483 local governmental entities, and establishment of an annual
 484 lobbyist registration fee.

485 (10) A person, when in doubt about the applicability and
 486 interpretation of this section, may submit in writing to the
 487 commission the facts of the situation with a request for an
 488 advisory opinion to establish a standard of duty. An advisory
 489 opinion shall be rendered by the commission and, until amended
 490 or revoked, is binding on the conduct of the person who sought
 491 the opinion, unless material facts were omitted or misstated in
 492 the request.

493 Section 11. As provided in s. 112.322(3), Florida
 494 Statutes, the Commission on Ethics shall render advisory
 495 opinions to any public officer, candidate for public office, or
 496 public employee regarding the application of part III of chapter
 497 112, Florida Statutes, including sections 1 through 9 of this
 498 act.

499 Section 12. The Legislature finds that a proper and
 500 legitimate state purpose is served when mechanisms are

501 established to secure and sustain the public's trust in public
502 officers. Therefore, the Legislature determines and declares
503 that this act fulfills an important state interest.

504 Section 13. Except as otherwise expressly provided in this
505 act, this act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7023 PCB PIE 17-04 Trust Funds/Creation/Local Government Lobbyist Registration Trust Fund
SPONSOR(S): Public Integrity & Ethics Committee, Yarborough
TIED BILLS: HB 7021 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Public Integrity & Ethics Committee	18 Y, 0 N	Kiner	Rubottom
1) Appropriations Committee		Delaney <i>Jno</i>	Leznoff <i>[Signature]</i>
2) Government Accountability Committee			

SUMMARY ANALYSIS

The bill creates the Local Government Lobbyist Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to administer the Local Government Lobbyist Registration System, with annual registration fees collected to fund the administration of the program, including the payment of salaries and expenses.

Pursuant to the Florida Constitution, the trust fund shall be terminated on July 1, 2021, unless terminated sooner. Prior to its termination, the trust fund must be reviewed as provided in s. 215.3206(1) and (2), F.S.

This bill has no fiscal impact.

The bill becomes effective on the same date as HB 7021, relating to Local Government Ethics Reform, or similar legislation, is adopted in the same legislative session or an extension thereof and becomes law.

A bill proposing to create a trust fund must be passed by three-fifths of the membership of each house of the Legislature.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Trust Fund Creation and Termination

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) of the Florida Constitution requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized. However, Article III, s. 19(f)(3) of the Florida Constitution provides various exceptions to the four-year termination requirement for various types of trust funds. Among the exceptions are trust funds that serve as clearing funds or accounts for the chief financial officer or state agencies, and trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

State Lobbyist Registration Systems

Florida law requires a person who wishes to lobby the executive branch to register as a lobbyist with the Commission on Ethics.¹ Similarly, the Florida Legislature, by rule, requires a lobbyist who wishes to lobby either house of the legislature to register with the Lobbyist Registration Office in the Office of Legislative Services.² In addition to these registration requirements, lobbying firms must file quarterly compensation reports for each quarter in which at least one of their lobbyists were registered to represent a principal.³

As of February 2017, there were over 1,300 lobbyists registered to lobby the executive branch on behalf of over 3,300 principals, representing over 8,900 total registrations.⁴ As of February 2017, there were over 1,800 lobbyists registered to lobby the legislature on behalf of over 3,600 principals, representing over 10,000 total registrations.⁵ In total, there were over 150 lobbyists registered to lobby only the executive branch, over 600 registered to lobby only the legislature, and over 1,200 registered to lobby both the executive branch and the legislature.⁶ Currently, the executive branch has 1.5 FTEs to administer registrations, including oath authorization, and compensation reports. The legislature has 2 FTEs to administer registrations and compensation reports.

Each lobbyist registration program has a dedicated trust fund whereby registration fees must be used to administer the program. The executive branch lobbyist registration fee is \$25 per principal, although by statute, the fee may be up to \$40 per principal.⁷ The legislature's annual lobbyist registration fee is \$50 for the first registration and \$20 for each additional registration. If a lobbyist is registering before only one chamber, the annual fee is \$25 for the first registration and \$10 for each additional registration. As of February 2017, the Executive Branch Lobbyist Registration Trust Fund had

¹ S. 112.3215, F.S.

² Joint Rule 1.1(1)

³ SS. 11.045(3)(a)1. and 112.3215(5)(a)1., F.S.

⁴ See statistics on registered lobbyists on the Florida Lobbyist Registration & Compensation website at www.floridalobbyist.gov (last viewed 2/24/2017).

⁵ Id.

⁶ Id.

⁷ Rule 34-12.200, F.A.C., implementing s. 112.3215(4), F.S.

\$1,135,123 cash on hand, while the Legislative Lobbyist Registration Trust Fund had \$1,379,440 cash on hand.

Executive Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	595,084	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265
Revenues Collected	182,600	201,525	201,025	189,515	194,175	205,025	201,825	230,530	261,830	254,250
Disbursements	145,927	99,333	101,893	120,800	151,668	147,206	151,432	222,400	355,210	216,183
Excess (Deficiency) of Revenue over Disbursements	36,673	102,192	99,132	68,715	42,507	57,819	50,393	8,130	(93,380)	38,067
Ending Cash Balance	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265	1,005,333
Legislative Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	792,074	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775
Revenues Collected	254,137	252,435	256,746	245,680	246,545	260,580	247,845	265,830	278,600	283,355
Disbursements	248,277	211,862	205,650	198,563	189,606	136,959	134,877	225,998	317,905	223,197
Excess (Deficiency) of Revenue over Disbursements	5,860	40,573	51,096	47,117	56,938	123,621	112,968	39,832	(39,305)	60,158
Ending Cash Balance	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775	1,290,933

Effect of Proposed Changes

The bill creates the Local Government Lobbyist Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to fund the administration of the local government lobbyist registration program, including the payment of salaries and other expenses.

The bill requires the trust fund to be reviewed as provided in s. 215.3206 (1) and (2), F.S. These provisions of law would require the Commission on Ethics to review the trust fund and recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.

B. SECTION DIRECTORY:

Section 1 creates s. 112.32613, F.S., relating to the creation of the Local Government Lobbyist Registration Trust Fund.

Section 2 provides an effective date.

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:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized. However, Article III, s. 19(f)(3) of the Florida Constitution provides various exceptions to the four-year termination requirement for various types of trust funds. Among the exceptions are trust funds that serve as clearing funds or accounts for the chief financial officer or state agencies, and trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Before its scheduled termination, the bill requires the Local Government Lobbyist Registration Trust Fund to be reviewed as provided in s. 215.3206(1) and (2), F.S. However, such review may not be necessary.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to trust funds; creating s. 112.32613,
 3 F.S.; creating the Local Government Lobbyist
 4 Registration Trust Fund within the Commission on
 5 Ethics; providing for the purpose of the trust fund
 6 and sources of funds; providing for the future
 7 legislative review and termination or re-creation of
 8 the trust fund; providing a contingent effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

11
 12 Section 1. Section 112.32613, Florida Statutes, is created
 13 to read:

14 112.32613 Local Government Lobbyist Registration Trust
 15 Fund.—

16 (1) The Local Government Lobbyist Registration Trust Fund
 17 is created within the Commission on Ethics to fund any office,
 18 including the payment of salaries and other expenses,
 19 established to administer the local government lobbyist
 20 registration system in s. 112.32612. The trust fund is not
 21 subject to any service charges under chapter 215. Annual
 22 lobbyist registration fees collected pursuant to s. 112.32612
 23 shall be deposited into the trust fund.

24 (2) In accordance with s. 19(f)(2), Art. III of the State
 25 Constitution, the trust fund shall, unless terminated sooner, be

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26 terminated on July 1, 2021. Before its scheduled termination,
27 the trust fund shall be reviewed as provided in s. 215.3206(1)
28 and (2).

29 Section 2. This act shall take effect on the same date
30 that HB 7021 or similar legislation takes effect, if such
31 legislation is adopted in the same legislative session or an
32 extension thereof and becomes a law, and only if this act is
33 enacted by a three-fifths vote of the membership of each house
34 of the Legislature.

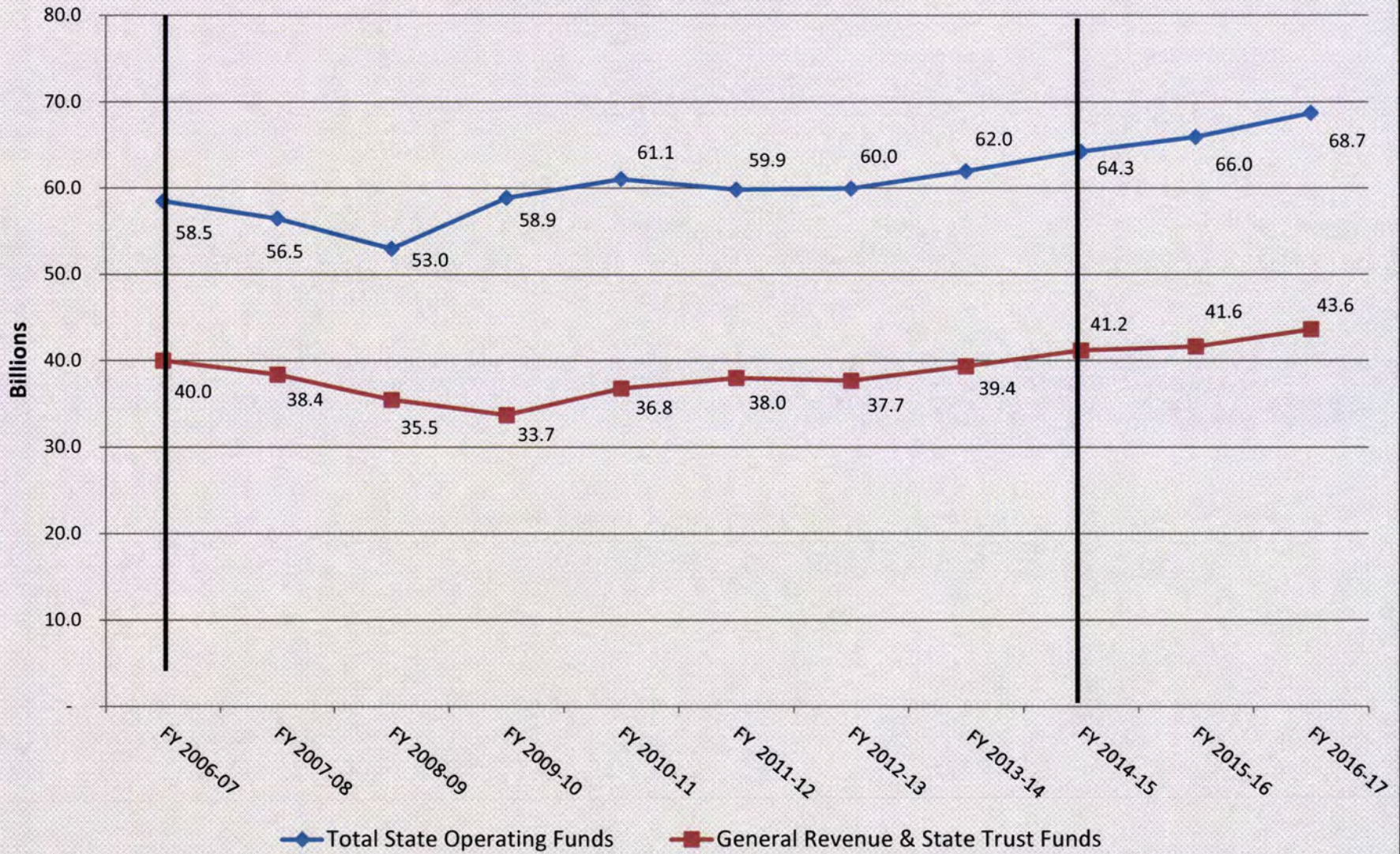
**Presentation on Higher
Education Funding & DSOs**

Higher Education Funding & Direct Support Organizations

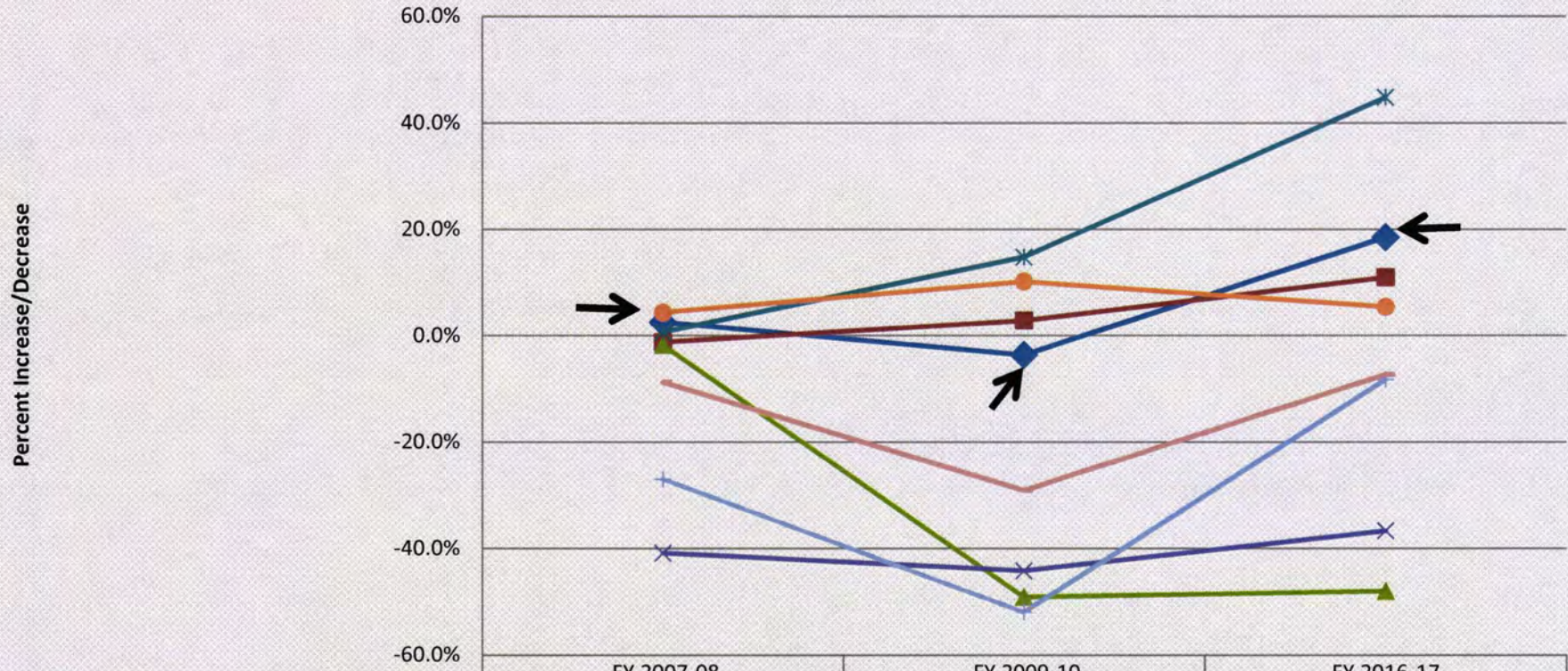


**House Appropriations Committee
Representative Trujillo, Chair
March 8, 2017**

State Operating Budget History

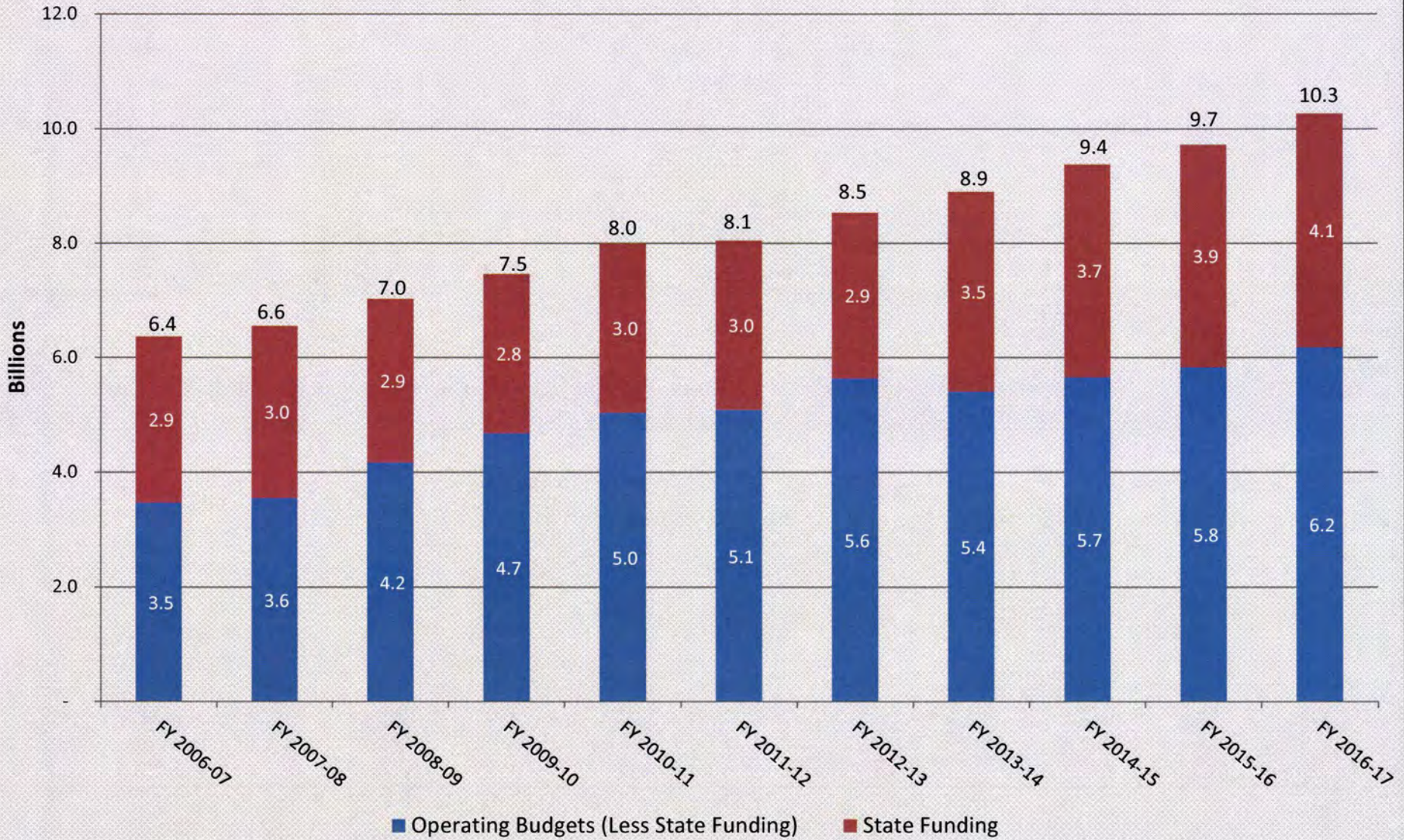


Budget Areas Before, During, and After Recession

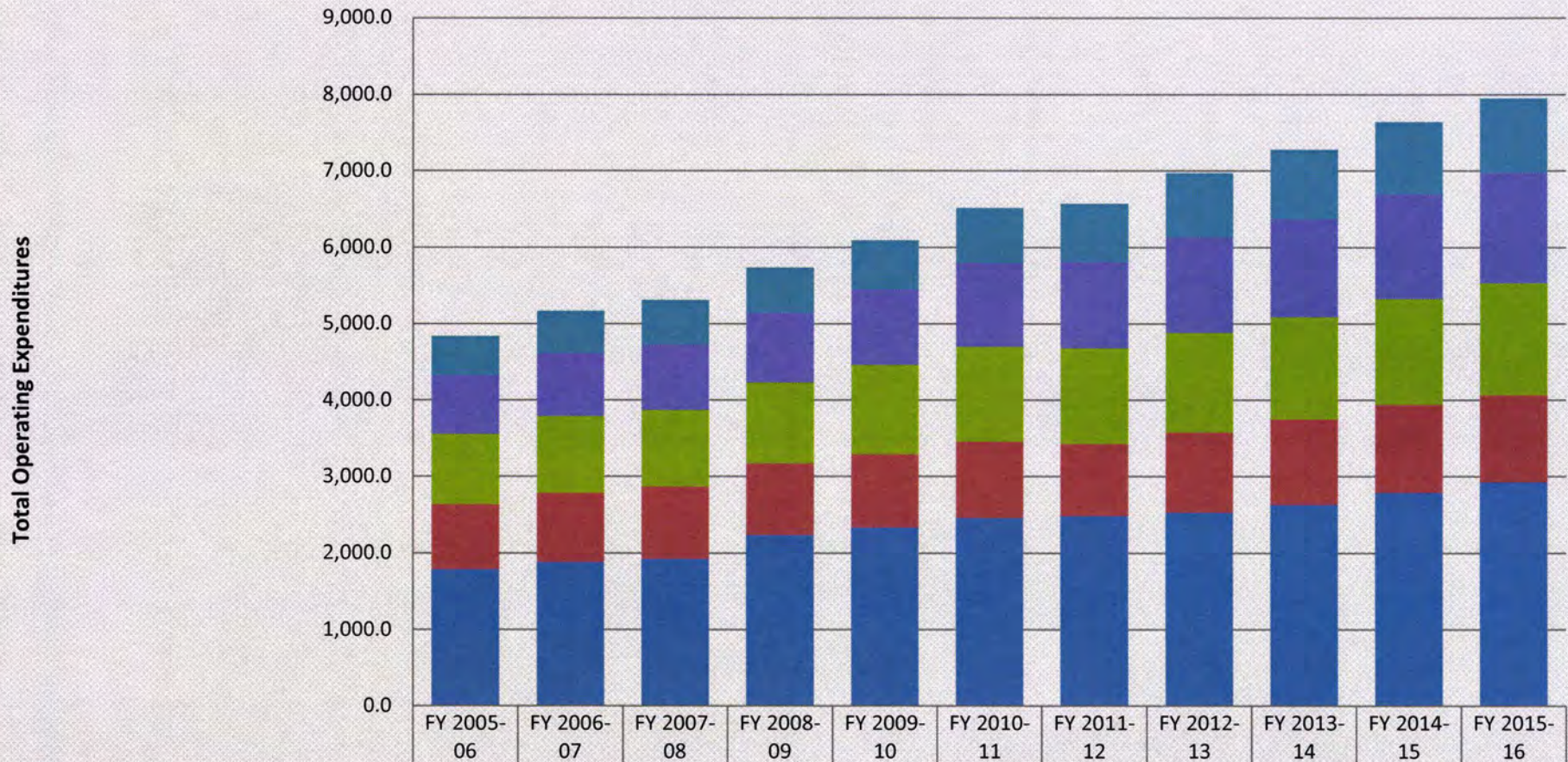


	FY 2007-08	FY 2009-10	FY 2016-17
Higher Education	2.6%	-3.6%	18.5%
PreK-12 Education	-1.2%	2.9%	11.0%
Full Appropriations	-1.8%	-49.1%	-48.0%
Government Operations	-40.8%	-44.1%	-36.7%
Health Care	0.7%	14.8%	44.8%
Justice	4.4%	10.2%	5.4%
Agriculture and Natural Resources	-27.0%	-51.9%	-8.3%
Transportation & Economic Development	-8.8%	-29.1%	-7.3%

SUS State Funding and SUS Operating Budgets Compared

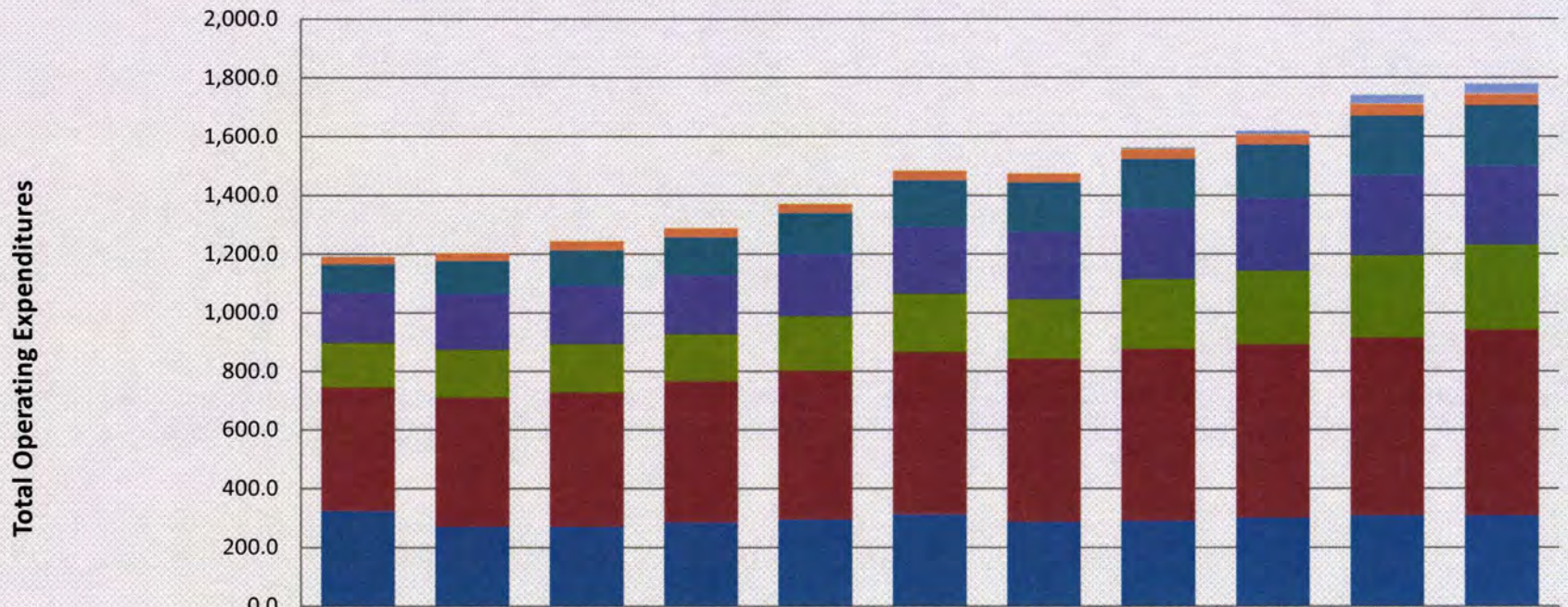


10 Years Actual Expenditures - Larger Universities (dollars in millions)



FLORIDA INTERNATIONAL UNIVERSITY	519.3	558.3	587.6	600.2	649.1	725.4	764.3	842.3	913.5	949.1	974.1
UNIVERSITY OF CENTRAL FLORIDA	773.1	824.5	860.8	911.0	986.6	1,097.7	1,129.5	1,254.1	1,285.4	1,370.9	1,450.3
UNIVERSITY OF SOUTH FLORIDA	912.7	1,000.2	995.7	1,057.5	1,169.0	1,237.7	1,252.8	1,302.2	1,339.2	1,382.0	1,459.0
FLORIDA STATE UNIVERSITY	850.3	902.7	944.2	935.4	955.6	998.0	942.3	1,047.6	1,116.1	1,154.9	1,143.9
UNIVERSITY OF FLORIDA	1,787.4	1,881.8	1,924.8	2,235.7	2,334.8	2,459.6	2,485.3	2,529.6	2,631.1	2,788.8	2,925.2

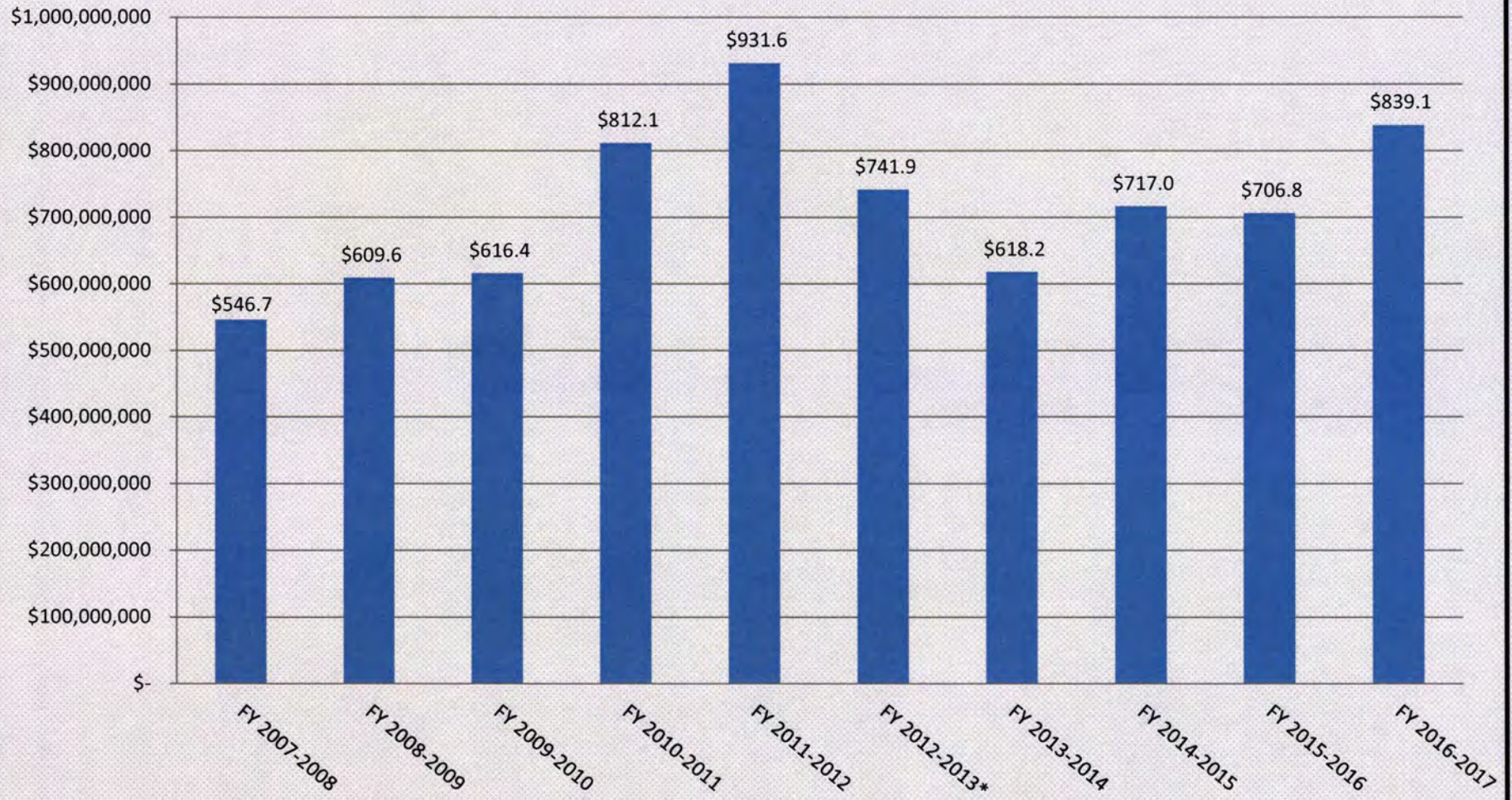
10 Years Actual Expenditures - Smaller Universities (dollars in millions)



Total Operating Expenditures

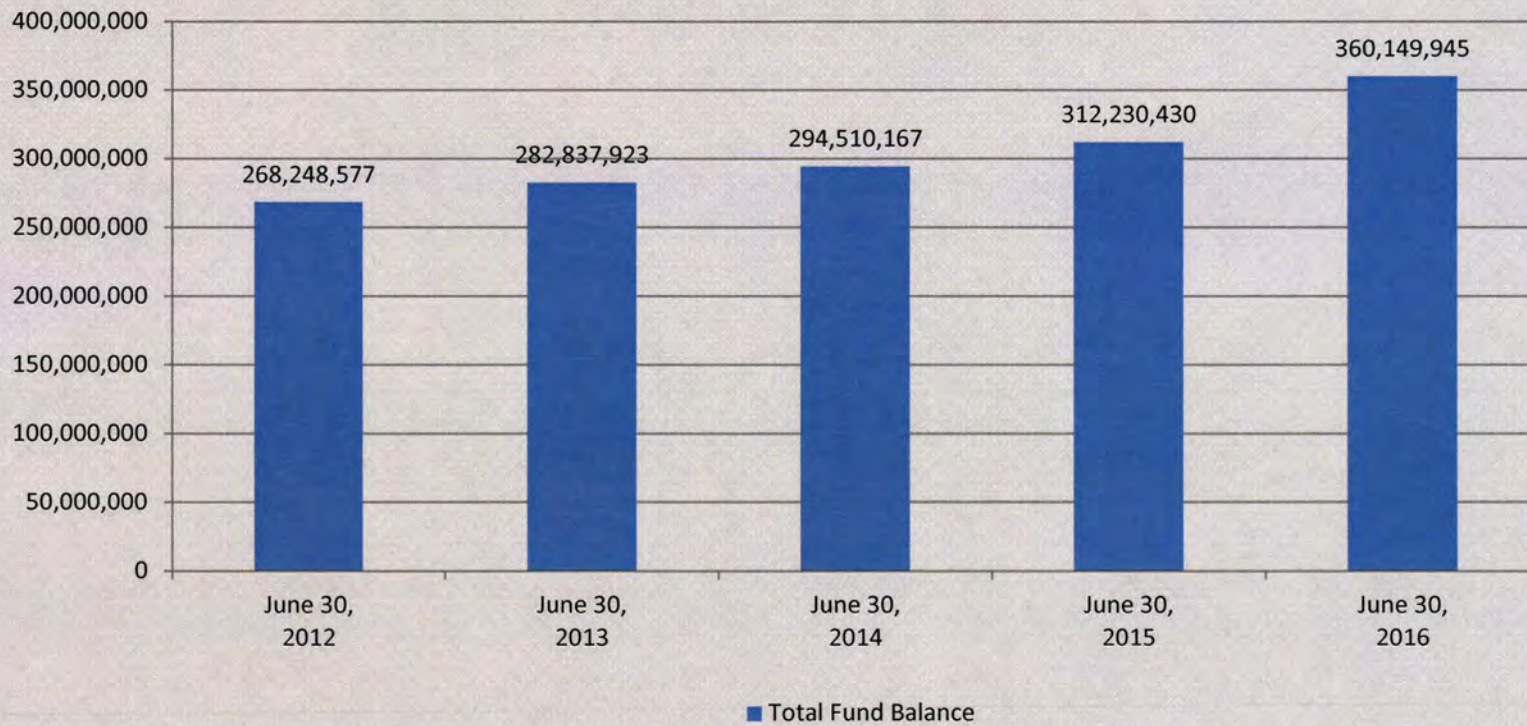
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
FLORIDA POLYTECHNIC UNIVERSITY							0.0	4.9	13.5	31.2	34.0
NEW COLLEGE OF FLORIDA	26.0	26.7	31.5	31.1	31.6	33.3	32.1	33.9	34.9	40.1	38.9
FLORIDA GULF COAST UNIVERSITY	97.8	114.4	122.0	131.3	139.5	157.6	169.0	170.9	181.0	204.3	206.5
UNIVERSITY OF NORTH FLORIDA	171.4	189.6	198.4	199.7	212.3	229.6	229.8	239.3	249.4	272.0	268.1
UNIVERSITY OF WEST FLORIDA	151.1	161.7	165.3	159.5	185.4	197.5	201.3	236.0	247.9	279.1	288.2
FLORIDA ATLANTIC UNIVERSITY	420.3	439.7	455.9	481.2	507.3	553.3	556.0	587.3	591.3	605.5	634.8
FLORIDA A&M UNIVERSITY	325.2	271.8	271.5	285.8	295.4	312.9	287.4	290.4	302.1	310.1	308.5

SUS Fund Balance History (excluding 5% reserve, State appropriations only)

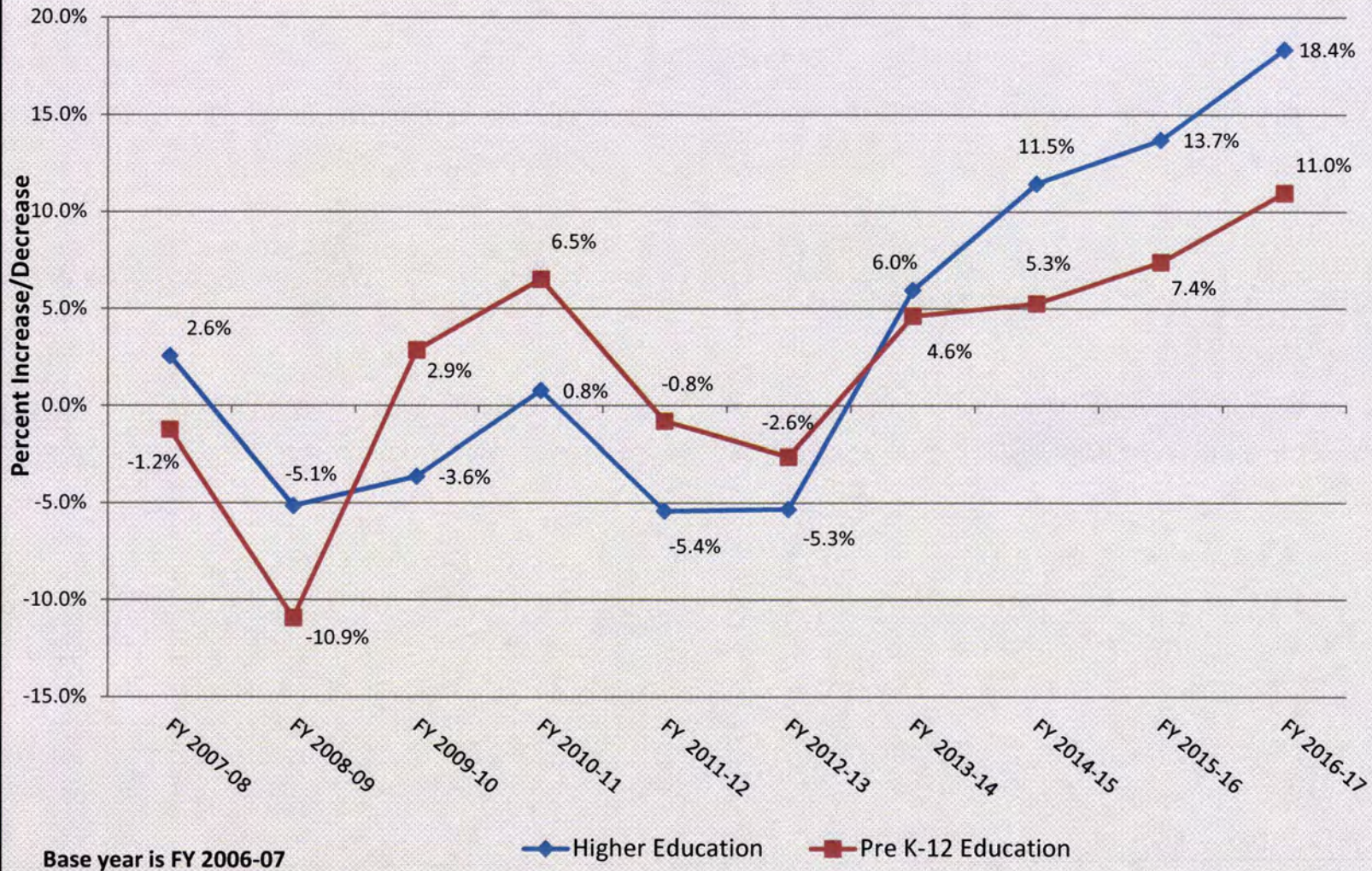


*Nonrecurring base reduction of \$300,000,000 in FY 2012-13.

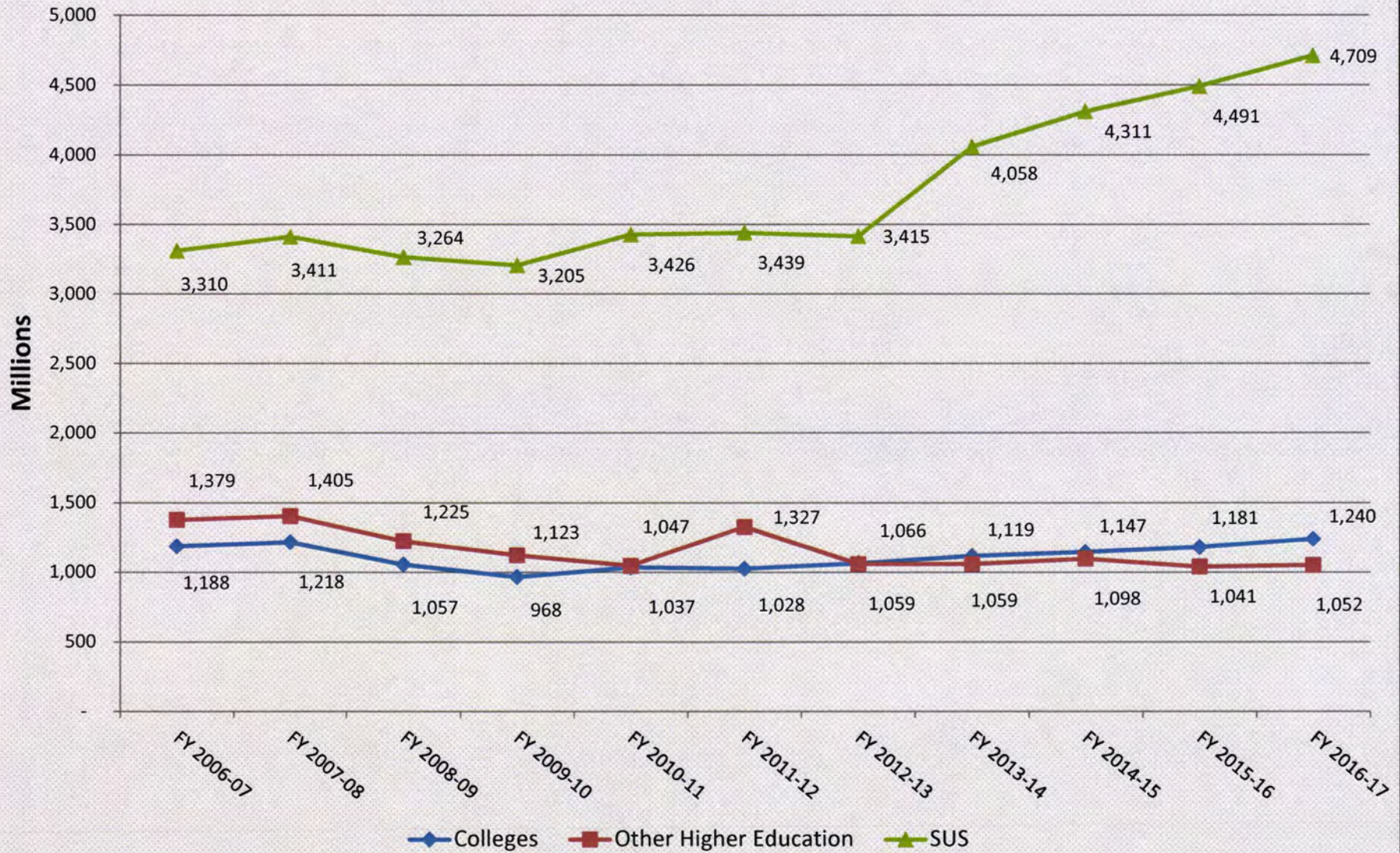
Florida College System Fund Balance (less 5% and encumbrances)



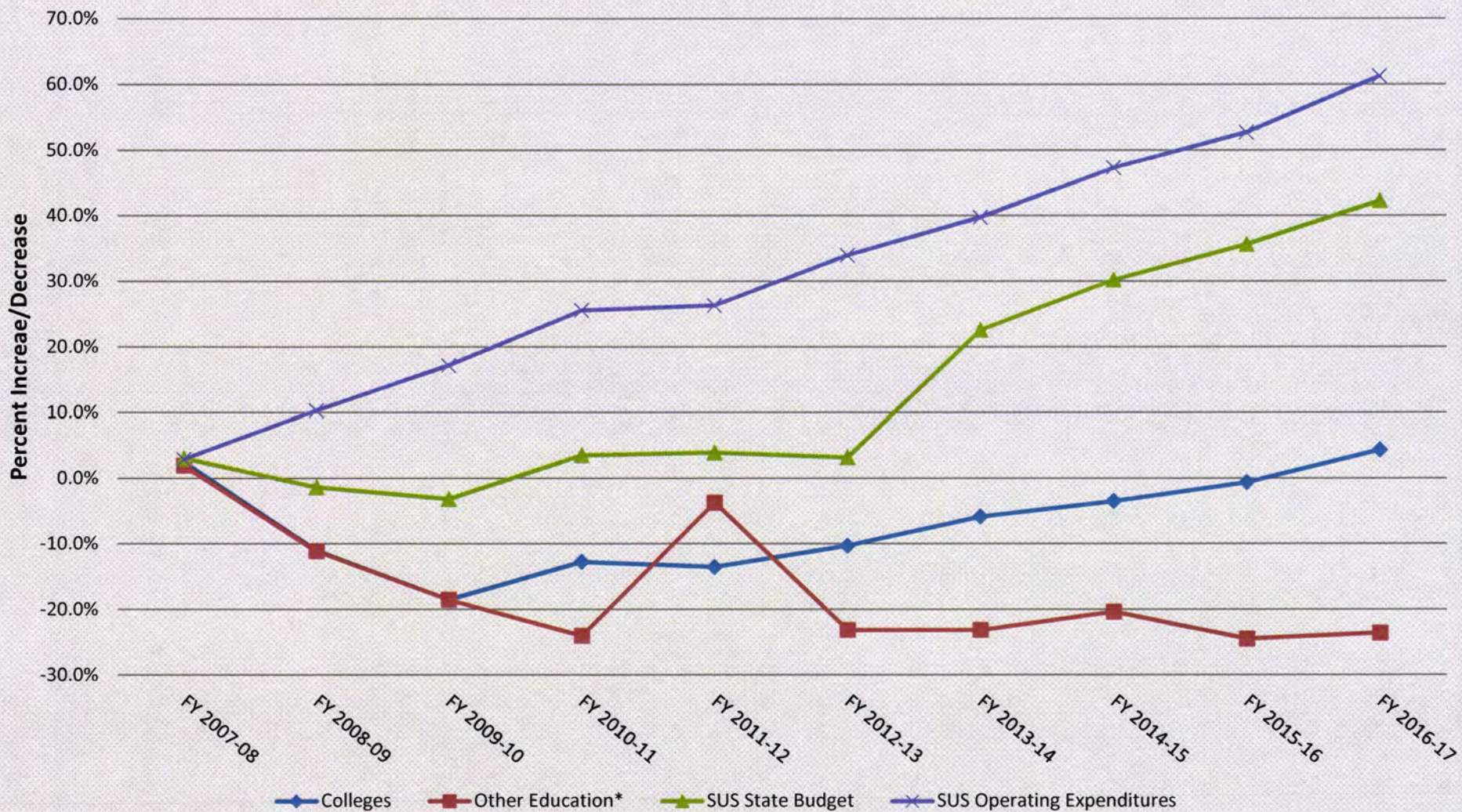
Cumulative Growth in Education Budgets



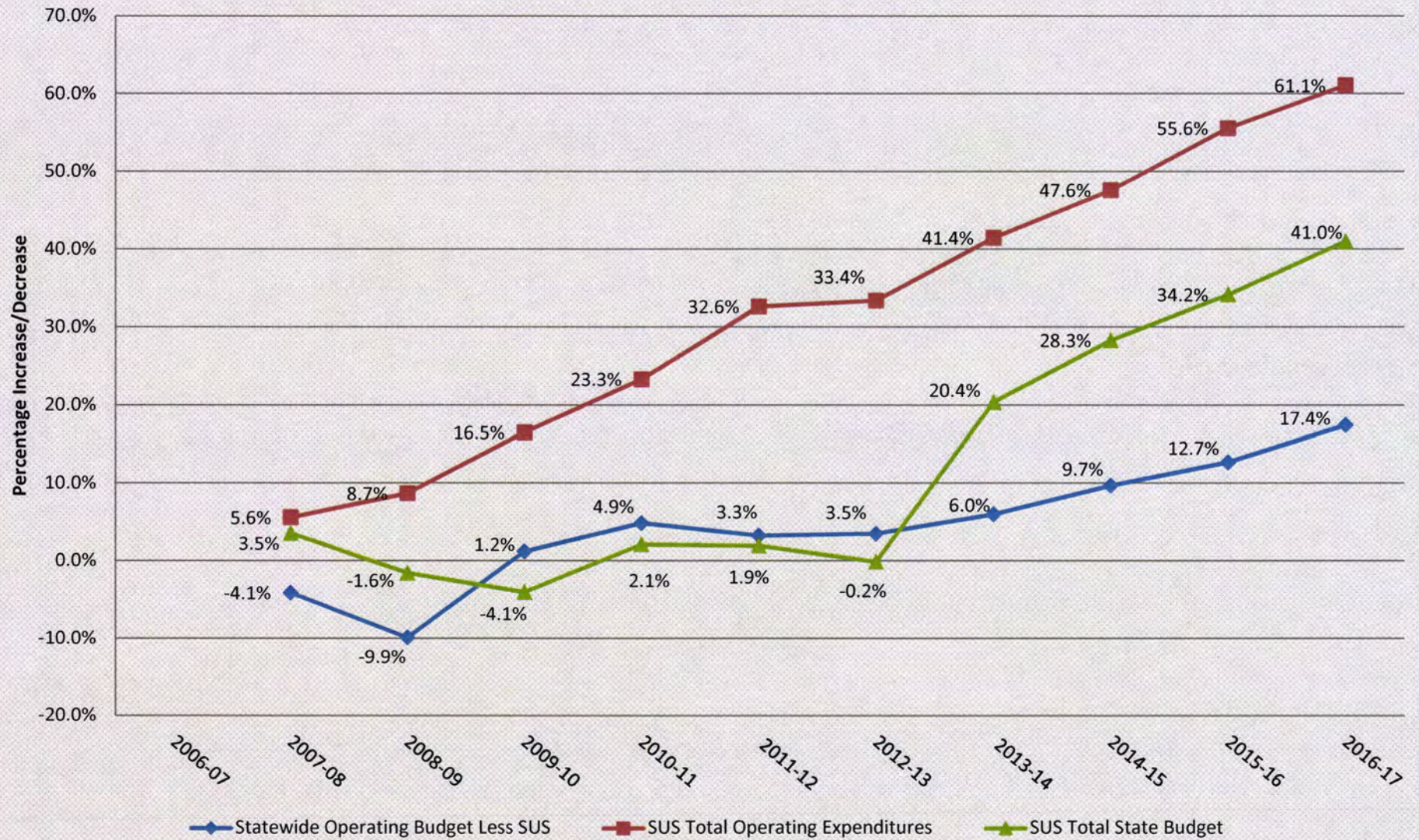
Higher Education State Funding History



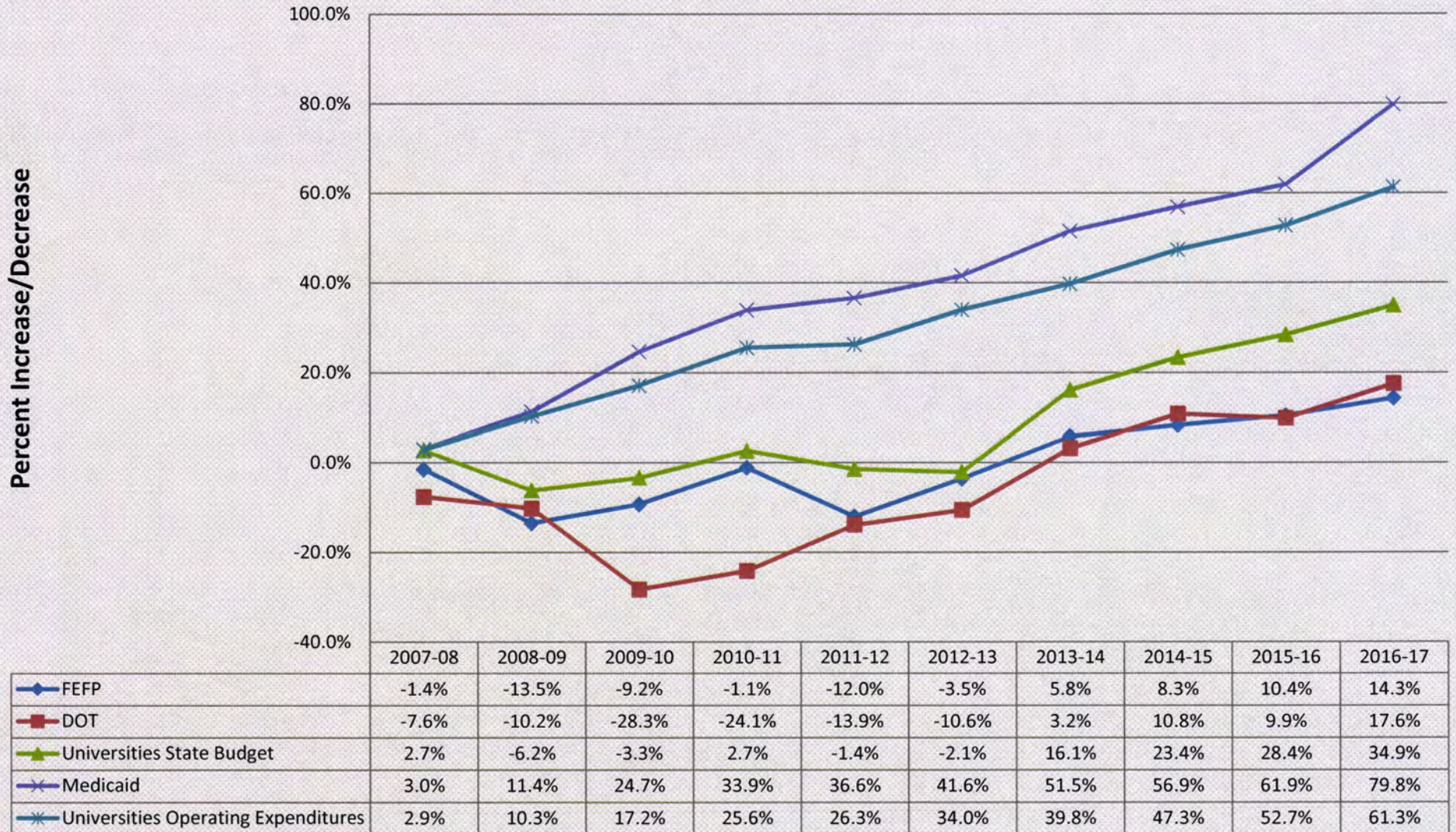
Higher Education State Funding & Operating Expenditures By Growth History



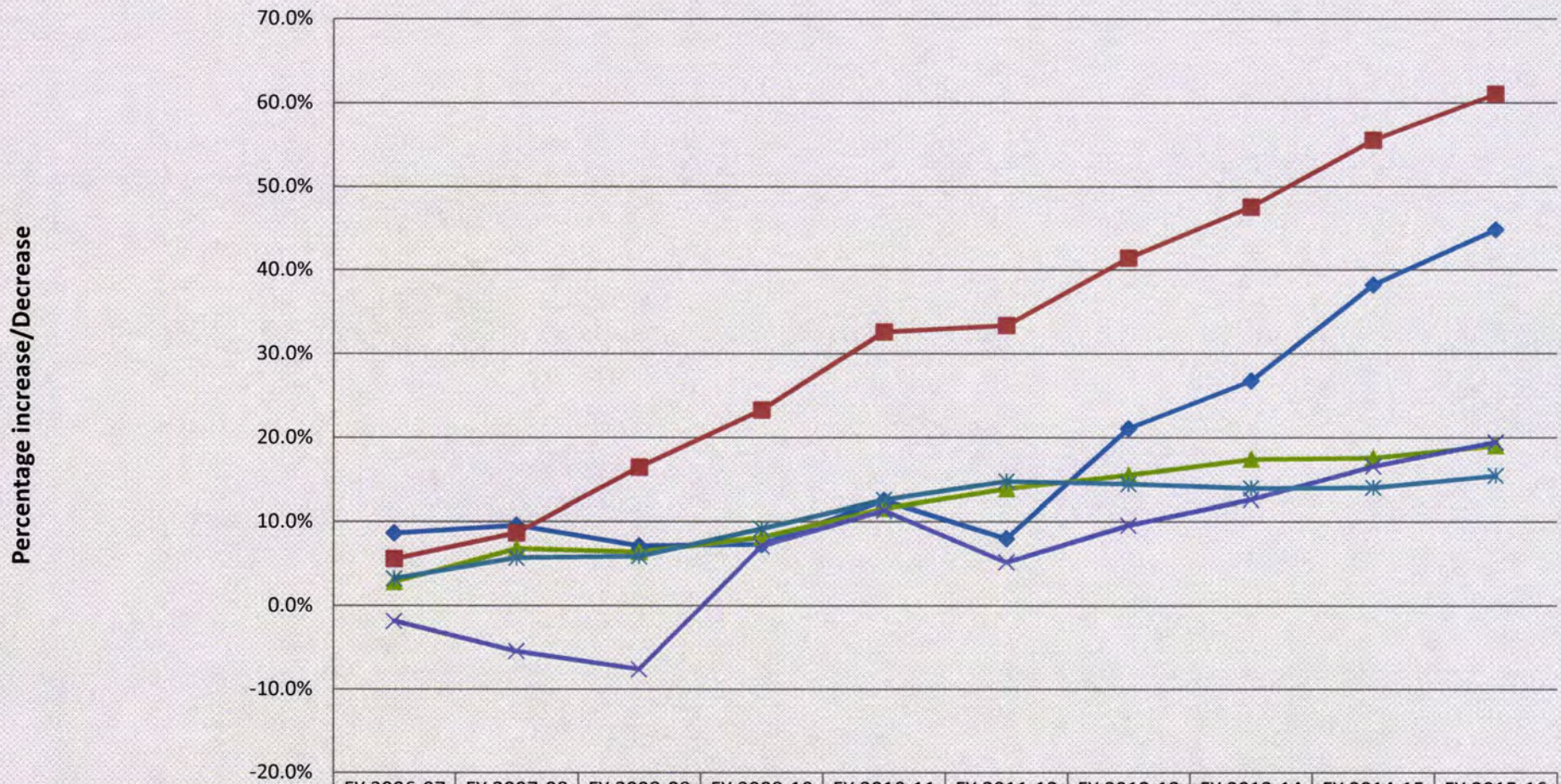
SUS Budgets and University Expenditures Compared to State Budget



Cumulative Growth Comparison



Cumulative Change - Expenditures, CPI, State Revenues, and Students



	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
SUS State	8.7%	9.6%	7.2%	7.3%	12.5%	8.0%	21.1%	26.8%	38.2%	44.8%
SUS Operating Expenditures	5.6%	8.7%	16.5%	23.3%	32.6%	33.4%	41.4%	47.6%	55.6%	61.1%
CPI	2.8%	6.8%	6.4%	8.2%	11.6%	13.9%	15.5%	17.4%	17.6%	19.1%
Total State Revenues	-1.9%	-5.5%	-7.6%	7.1%	11.3%	5.2%	9.6%	12.6%	16.6%	19.4%
Total SUS Students	3.2%	5.7%	5.9%	9.2%	12.6%	14.8%	14.5%	14.0%	14.0%	15.4%

University Foundation FY 2015-16	Total Revenues	Total Expenditures
New College Foundation, Inc.	\$4,893,872	\$3,330,753
University of Central Florida Foundation, Inc.	\$56,534,560	\$42,675,563
University of North Florida Foundation, Inc.	\$10,957,448	\$10,838,345
Florida Polytechnic University Foundation, Inc.	\$4,434,647	\$3,624,141
Florida State University Foundation, Inc.	\$104,241,345	\$59,745,913
USF Foundation	\$48,416,909	\$63,448,862
Florida International University, Inc.	\$37,173,538	\$35,993,603
University of Florida Foundation, Inc.	\$155,164,935	\$150,522,034
Florida Agricultural & Mechanical University Foundation, Inc.	\$4,847,531	\$13,801,859
Florida Gulf Coast University Foundation, Inc.	\$18,432,324	\$12,777,690
Florida Atlantic University Foundation, Inc.	\$22,968,285	\$23,421,642
University of West Florida Foundation, Inc.	\$22,321,017	\$17,934,995
Total	\$490,386,411	\$438,115,400

College Foundation – FY 2015-16	Total Revenues	Total Expenditures
Broward College Foundation	\$3,679,967	\$7,277,597
Chipola College	\$854,121	\$1,441,343
College of Central Florida	\$2,838,366	\$3,742,318
Daytona State College	\$1,916,644	\$1,866,364
Eastern Florida State College Foundation	\$914,871	\$1,101,394
Florida Gateway College	\$483,712	\$1,143,645
Florida Gulf Coast State College	\$523,019	\$836,166
Florida Keys Community College	\$636,992	\$489,304
Florida SouthWestern State College Foundation	\$1,915,401	\$2,736,744
Florida State College at Jacksonville	\$8,175,070	\$8,895,175
Hillsborough Community College Foundation	\$7,235,988	\$5,536,276
Indian River State College	\$3,525,931	\$4,283,170
Lake Sumter State College	\$1,740,884	\$2,075,045
Miami Dade College Foundation	\$16,203,518	\$15,878,513
North Florida Community College	\$386,194	\$455,235
Northwest Florida State College	\$663,843	\$3,097,916
Palm Beach State College	\$3,800,066	\$3,425,117
Pasco Hernando State College Foundation, Inc.	\$1,193,822	\$2,302,593
Pensacola State College	\$1,936,678	\$1,883,014
Polk State College	\$6,971,715	\$3,185,051
Santa Fe College Foundation	\$5,961,591	\$1,335,297
Seminole State College of Florida Foundation	\$7,941,879	\$2,892,097
South Florida State College Foundation	\$1,372,711	\$669,282
St. Johns River State College Foundation	\$1,145,263	\$525,549
St. Petersburg College Foundation, Inc.	\$691,480	\$4,331,248
State College of Florida - Manatee-Sarasota	\$805,174	\$2,216,476
Tallahassee Community College	\$2,064,972	\$2,120,156
Valencia College	\$2,338,744	\$4,554,129
Total	\$87,918,615	\$90,296,215

University Foundation FY 2015-16	Lobbying Costs
New College Foundation, Inc.	\$83,056
University of Central Florida Foundation, Inc.	\$160,124
University of North Florida Foundation, Inc.	\$66,000
Florida Polytechnic University Foundation, Inc.	\$297,946
Florida State University Foundation, Inc.	\$37,497
USF Foundation	\$448,000
Florida International University, Inc.	\$334,874
University of Florida Foundation, Inc.	\$310,000
Florida Agricultural and Mechanical University Foundation, Inc.	\$132,270
Florida Gulf Coast University Foundation, Inc.	\$115,693
Florida Atlantic University Foundation, Inc.	\$167,500
University of West Florida Foundation, Inc.	\$65,000
University Total	\$2,217,960

College Foundation FY 2015-16	Lobbying Costs
Broward College Foundation	\$200,000
Chipola College	-
College of Central Florida	\$48,000
Daytona State College	\$ 50,000
Eastern Florida State College Foundation	\$111,000
Florida Gateway	-
Florida Gulf Coast State College	-
Florida Keys Community College	\$32,270
Florida SouthWestern State College Foundation	\$52,680
Florida State College of Jacksonville	\$51,057
Hillsborough Community College Foundation	\$48,333
Indian River State College	-
Lake Sumter State College	-
Miami-Dade College	-
North Florida Community College	-
Northwest Florida State College	-
Palm Beach State College	\$15,000
Pasco Hernando State College Foundation, Inc.	\$14,267
Pensacola State College	\$62,766
Polk State College	\$10,000
Santa Fe College Foundation	\$63,485
Seminole State College of Florida Foundation	\$140,290
South Florida State College Foundation	-
St. Johns River State College Foundation	-
St. Petersburg College Foundation, Inc.	-
State College of Florida - Manatee-Sarasota	\$62,563
Tallahassee Community College	\$60,000
Valencia College	-
Total	\$1,021,711

University Foundation FY 2015-16	Travel Total	In State	Out of State	International	Staff Travel	% Staff Travel of Total
New College Foundation, Inc.	\$53,566	\$26,626	\$13,168	\$13,772	\$13,658	25%
University of Central Florida Foundation, Inc.	\$663,749	\$215,078	\$298,549	\$150,121	\$147,041	22%
University of North Florida Foundation, Inc.	\$180,416	\$54,219	\$96,346	\$29,851	\$10,427	6%
Florida Polytechnic University Foundation, Inc.	\$2,191	\$366	\$1,825			
Florida State University Foundation, Inc.	\$3,101,873	\$1,526,740	\$1,051,418	\$529,628	\$579,514	19%
USF Foundation	\$853,800	\$299,395	\$352,756	\$292,502	\$26,729	3%
Florida International University, Inc.	\$343,301	\$116,930	\$128,580	\$97,791	\$64,123	19%
University of Florida Foundation, Inc.	\$6,655,846	\$1,730,180	\$3,405,241	\$1,520,425	\$1,236,615	19%
Florida Agricultural and Mechanical University Foundation, Inc.	\$607,271	\$368,052	\$126,477	\$109,354		
Florida Gulf Coast University Foundation, Inc.	\$396,334	\$132,363	\$232,824	\$28,637	\$13,927	4%
Florida Atlantic University Foundation, Inc.	\$454,439	\$100,505	\$161,477	\$192,457	\$32,151	7%
University of West Florida Foundation, Inc.	\$112,955	\$42,502	\$55,014	\$15,439	\$10,152	9%
Total	\$13,425,741	\$4,612,956	\$5,923,675	\$2,979,977	\$2,134,337	

College Foundation	Travel Total	In-State	Out of State	International
Broward College Foundation	\$22,365	\$13,930	\$8,434	-
Chipola College	\$19,384	-	\$19,384	-
College of Central Florida	\$17,522	\$5,745	\$11,777	-
Daytona State College	\$25	\$25	-	-
Eastern Florida State College Foundation	\$1,828	\$1,828	-	-
Florida Gateway	-	-	-	-
Florida Gulf Coast State College	\$14,478	\$10,152	\$4,326	-
Florida Keys Community College	\$1,705	\$1,705	-	-
Florida SouthWestern State College Foundation	\$289	\$289	-	-
Florida State College of Jacksonville	\$1,143	\$1,143	-	-
Hillsborough Community College Foundation	\$24,023	\$18,164	\$5,859	-
Indian River State College	\$2,523	\$2,523	-	-
Lake Sumter State College	-	-	-	-
Miami-Dade College	\$21,465	\$5,292	\$13,781	\$2,392
North Florida Community College	-	-	-	-
Northwest Florida State College	\$5	\$ 5	-	-
Palm Beach State College	\$12,806	\$2,016	\$10,790	-
Pasco Hernando State College Foundation, Inc.	\$35,931	\$20,790	\$10,400	\$4,741
Pensacola State College	\$18,517	\$9,010	\$9,507	-
Polk State College	\$4,170	\$ 4,170	-	-
Santa Fe College Foundation	\$19,502	-	\$6,689	\$12,813
Seminole State College of Florida Foundation	\$3,286	\$689	\$2,597	-
South Florida State College Foundation	\$9,544	\$7,398	\$2,146	-
St. Johns River State College Foundation	-	-	-	-
St. Petersburg College Foundation, Inc.	\$4,661	\$882	\$3,779	-
State College of Florida - Manatee-Sarasota	\$5,498	\$3,880	-	\$1,618
Tallahassee Community College	\$13,330	\$10,856	\$1,889	\$586
Valencia College	\$15,650	-	\$12,438	\$3,212
Total	\$269,650	\$120,492	\$123,796	\$25,362

University Foundation FY 2015-16	Transferred/ Provided by University
New College Foundation, Inc.	
University of Central Florida Foundation, Inc.	\$10,130,148
University of North Florida Foundation, Inc.	
Florida Polytechnic University Foundation, Inc.	
Florida State University Foundation, Inc.	\$7,346,942
USF Foundation	\$9,650,121
Florida International University, Inc.	\$6,997,249
University of Florida Foundation, Inc.	\$11,752,369
Florida Agricultural & Mechanical University Foundation, Inc.	
Florida Gulf Coast University Foundation, Inc.	
Florida Atlantic University Foundation, Inc.	\$4,250,975
University of West Florida Foundation, Inc.	\$773,000
Total	\$50,900,804

College Foundation FY 2015-16	Transferred/Provided by College
Broward College Foundation	\$1,119,874
Chipola College	\$159,546
College of Central Florida	\$369,239
Daytona State College	\$379,291
Eastern Florida State College Foundation	
Florida Gateway College	\$173,512
Florida Gulf Coast State College	
Florida Keys Community College	
Florida SouthWestern State College Foundation	\$562,334
Florida State College at Jacksonville	\$555,874
Hillsborough Community College Foundation	\$570,712
Indian River State College	
Lake Sumter State College	\$283,841
Miami Dade College Foundation	
North Florida Community College	\$189,391
Northwest Florida State College	\$210,448
Palm Beach State College	\$476,237
Pasco Hernando State College Foundation, Inc.	\$334,785
Pensacola State College	\$581,196
Polk State College	\$615,076
Santa Fe College Foundation	\$0
Seminole State College of Florida Foundation	\$654,803
South Florida State College Foundation	
St. Johns River State College Foundation	\$225,912
St. Petersburg College Foundation, Inc.	\$692,808
State College of Florida - Manatee-Sarasota	\$374,124
Tallahassee Community College	\$668,781
Valencia College	\$669,113
Total	\$9,866,896