

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 2358

SPONSOR: Senators Mitchell and Forman

SUBJECT: Military Affairs/ Direct Support Organization

DATE: April 7, 2000 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
2.	_____	_____	<u>FP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

**I. Summary:**

This bill provides for the creation of a direct-support organization for the benefit of the Department of Military Affairs.

This bill creates section 250.115 of the Florida Statutes .

**II. Present Situation:**

The Department of Military Affairs is a state agency composed of the Florida National Guard, which represents the organized militia of the state and whose funding is shared with the federal government. The Governor of Florida is the Commander-in-Chief of the Florida National Guard. The Adjutant General is the agency head of the Department of Military Affairs as well as the Commanding General of the Florida Army and Air National Guard. The Florida National Guard is composed of approximately 13,000 members, most of whom are part-time soldiers or members of the Air National Guard. As of fiscal year 1998-99, the department was authorized 1,504 federal military and civilian employees and 248 full-time state career service employees. The Florida National Guard estimates that its program has about \$210 million in annual economic impact on Florida's economy. Currently, there is no general law addressing the formation of direct-support organizations which operate under the direction of the Adjutant General.

According to a representative from the department, the Florida National Guard Foundation, a non-profit corporation, has functioned in direct support of the department and the Florida National Guard since 1983. One of the primary goals of the foundation is to assist Guard members and their families when a Guard member is given an unusually lengthy assignment.

Current law allows for the creation of community college direct-support organizations. Section 240.331, F.S., provides for local non-profit community college direct-support organizations, authorizes a board of directors, permits use of certain community college resources, and requires

fiscal accountability. Section 240.3315, F.S., provides for a similar statewide community college direct-support organization.

Section 240.3335, F.S., provides for the creation of centers of technology innovation, whose purpose is to provide benefits to the community college system and the state. These centers are designated by the State Board of Community Colleges and are housed in community colleges or other educational facilities.

### III. Effect of Proposed Changes:

**Section 1** creates s. 250.115, F.S., to authorize the formation of a direct-support organization to operate under the direction of the Adjutant General. This provision is patterned after ss. 240.331 and 240.3315, F.S., which provide for community college direct-support organizations.

Subsection (1) defines a “direct support organization” as a Florida non-profit corporation, which is organized and operated to request, receive, spend, and invest funds, to the benefit of the Department of Military Affairs or the Florida National Guard, and to function in accordance with the goals of the department and the National Guard. “Personal services” is defined as full and part-time personnel, as well as payroll processing.

Subsection (2) requires the organization be governed by a board of directors, with Adjutant General, or his or her designee, serving as the president of the board. The Adjutant General is required to appoint up to 15 members to the board, and the board is required to appoint up to an additional 15 members, considering a potential member’s background in community service. The term of office for board members is three years. Board members must be Florida residents with knowledge about the military. The Adjutant General is authorized to remove any member for cause and fill such vacancies.

Subsection (3) allows the Adjutant General to authorize the use of department property and personal services to the organization, subject to restrictions prescribed by rule. In addition, no organization may use these facilities or services if it fails to provide equal employment opportunities. The Adjunct General is authorized to adopt a rule governing the operation of the direct support organization. Department property, facilities, and personal services may also be permitted for use by the direct support organization if they are an equal opportunity employer.

Subsection (4) requires the Adjutant General approve any transaction or agreement between the organization and another direct support organization or center of technology innovation designated under s. 240.3335, F.S.

Subsection (5) requires the organization to submit to the Adjutant General its IRS Application for Recognition of Exemption form and its IRS Return of Organization Exempt from Income Tax form.

Subsection (6) requires the organization produce an annual audit of its financial accounts and submit it to Adjutant General and Auditor General.

**Section 2** provides that the bill will become effective upon becoming a law.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

Fiscal costs are expected to be minimal and any such costs will be absorbed by the Department of Military Affairs.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.