

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1142  
 SPONSOR: Senator Constantine  
 SUBJECT: Emergency Telephone System  
 DATE: March 22, 2001      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	<u>Cooper</u>	<u>Yeatman</u>	<u>CA</u>	<u>Favorable</u>
3.	_____	_____	<u>AGG</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

This bill transfers control over the Florida Emergency Telephone Act and the Wireless Emergency Communications Act from the Department of Management Services to the Office of State Technology. The bill also implements recommendations of the Auditor General relating to investment of E911 fees and the deadline for submission of an annual budget request by the Wireless E911 Board to the Legislature.

This bill amends the following sections of the Florida Statutes: ss. 365.171, 365.172, 365.173, and 365.174.

**II. Present Situation:**

The 2000 Legislature amended the organizational structure of the Department of Management Services (DMS) to transform its internal Technology Program into a separate state technology office. That office was given semi-autonomous status with its director appointed by the Governor. Since its creation it has endeavored to assimilate the separate technology operations of the 14 agencies reporting solely to the Governor. Agency heads have entered into contractual agreements in which their technology operations are subject to review by this new office although their positions and funding remain within their budget authority.

**Auditor General Report #01-103**

In January 2000, the Auditor General issued an audit of the Wireless Emergency Telephone System Fund. (Auditor General Report #01-103) The following findings and recommendations were made in the report.

Finding No. 3

Section 365.173(1), F.S., requires that all revenues derived from the E911 fee be paid into the State Treasury and requires that such moneys must be accounted for in the Wireless Emergency Telephone System Fund, a fund created in the DMS as an insured, interest-bearing account. E911 revenues are deposited into the State Treasury where such moneys are, as instructed by the DMS, placed in the State Treasury Investment Pool. The State Treasury keeps these moneys fully invested to maximize interest earnings. Investments included in the Pool are protected through collateralization or other contractual agreements. As of June 30, 2000, E911 investments in the State Treasury Investment Pool totaled \$13.9 million.

The requirement that a fund be created in the DMS as an insured, interest-bearing account conflicts with the requirement that E911 fees be paid into the State Treasury, given that the State Treasury is responsible for investing these funds pursuant to s. 18.10, F.S.

The Auditor General recommended that s. 365.173, F.S., be amended to authorized E911 funds be invested in the State Treasury Investment Pool.

Finding No. 5

Chapter 2000-371, L.O.F., amended s. 216.023(1), F.S., and required that State agencies submit their budget request to the Governor and the Legislature no later than September 15. However, s. 365.173(2)(b), F.S., which required the board to submit its budget request to the Legislature by September 1, was not amended.

The Auditor General recommended that s. 365.173(2)(b), F.S., be amended to require the board to submit its budget request to the Legislature by September 15, rather than September 1.

**III. Effect of Proposed Changes:**

**Sections 1, 2, 3, and 4** of the bill amends sections 365.171, 365.172, 365.173 and 365.174, respectively, to substitute the term “office”, “director” or “State Technology Office in place of “department”, “secretary,” or “Department of Management Services,” as the context indicates, to reflect the transfer of authority over the Florida Emergency Telephone Act and the Wireless Emergency communications Act from the Department of Management Services to the State Technology Office.

**Section 3** amends s. 365.173, F.S., to transfer investment of revenues derived from the emergency “911” fee from an interest bearing account held by the Department of Management Services to the State Treasurer pursuant to s. 18.125, F.S.

This section also changes the deadline, from September 1 to September 15, for the Wireless 911 Board to submit to the Legislature its legislative budget request for funds to be allocated to providers of wireless services to reimburse them for the actual costs incurred to provide 911 or E911 service.

These changes implement the recommendations of the Auditor General in Report No. 01-103.

**Section 5** provides that the act will take effect upon becoming a law.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

The bill transfers investment management over an existing trust account from one agency to another.

## D. Other Constitutional Issues:

The bill provides for a nomenclature change in s. 365.174, F.S., as it relates to proprietary confidential business information. It neither creates a new exemption nor expands an existing one in such a manner as to be affected by Art. I, s. 24, State Constitution.

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

## A. Tax/Fee Issues:

None.

## B. Private Sector Impact:

None.

## C. Government Sector Impact:

The bill transfers control over an interest-bearing account from the Department of Management Services to the State Treasurer. Sections 18.10 and 18.125, F.S., gives the State Treasurer the authority to invest state agency funds in a variety of financial instruments for various time periods. An annual assessment of .12 percent of all funds is imposed. That assessment rises to .2 percent for funds maintained in a separate account. Assessment proceeds are deposited in the Treasurer's Administrative and Investment Trust Fund. There is no practical change effected by the bill as the State Treasurer currently administers \$13.9 million in funds on behalf of the department.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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