

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 5305 PCB HCA 10-04 Child Welfare
SPONSOR(S): Health Care Appropriations Committee and Grimsley
TIED BILLS: **IDEN./SIM. BILLS:** SB 1466

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Health Care Appropriations Committee	8 Y, 2 N	Massengale	Massengale
1)	Full Appropriations Council on Education & Economic Development	11 Y, 6 N	Massengale	Voyles
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The bill creates or amends several statutes to conform to decisions made in the House proposed General Appropriations Act (GAA) for Fiscal Year 2010-11.

The bill creates section 402.7306, Florida Statutes, and requires the Department of Children and Families (DCF), as well as the Departments of Health and Juvenile Justice, and the Agencies for Persons with Disabilities and Health Care Administration, to implement changes to improve efficiency in health and human services contract administration. The bill also amends section 402.7305, Florida Statutes, requiring the Department of Children and Families to limit monitoring of a child-caring or child-placing services provider to only once per year.

The bill amends section 409.1451, Florida Statutes, making payments for independent living transition services subject to specific appropriation and limits the road-to-independence award to \$675 per month. The award shall be issued on the day the eligible student reaches 18 years of age, and payment for a partial month shall be prorated on the basis of a 30-day month. The bill also specifies that funds shall be terminated during the interim between an award and the evaluation for a renewal award if the department determines that the award recipient is no longer enrolled in an educational institution or is no longer a state resident.

The bill repeals section 409.1663 and amends section 409.166, Florida Statutes, to conform to the total elimination of the funding for adoption benefits for qualifying adopting employees of state agencies.

The bill amends section 409.1671, Florida Statutes, and specifies that contracts entered into with community-based care lead agencies must be funded by a grant of general revenue and by applicable other state and federal funding sources. A community-based care lead agency is authorized to carry forward documented unexpended funds from one fiscal year to the next, but must return any unexpended funds that remain at the end of the contract period. Funds carried forward may be retained through any contract renewals and any new procurement as long as the community-based care lead agency is retained by the department. The bill requires the department to enter into a fixed-price contract that provides for a 2-month advance payment at the beginning of each fiscal year and equal monthly payments thereafter.

The House proposed GAA for FY 2010-11 reduces recurring general revenue expenditures by approximately \$2.3 million as a result of the elimination of adoption benefits for qualifying adopting employees of state agencies program and the reduction to community-based care lead agencies for a reduction in administrative monitoring activities.

The effective date of the bill is July 1, 2010.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Administrative Monitoring

State agency procurement contracts typically include oversight mechanisms for contract management and program monitoring. Contract monitors ensure that contractually required services are delivered in accordance with the terms of the contract, approve corrective action plans for non-compliant providers, and withhold payment when services are not delivered or do not meet quality standards.

In November 2008, Children's Home Society of Florida (CHS) surveyed 162 child welfare providers, in an effort to "assess the quantity of external contract monitoring of CHS programs and identify any potential areas of duplication across monitoring by state and designated lead agencies."¹ One-hundred four programs (64 percent) responded to the survey.

According to the responses, between October 1, 2007 and September 30, 2008, these 104 programs were monitored 154 times by state agencies, and 1,369 documents were requested in advance of site monitoring visits. Of the document requests, 488 (36 percent) were requested by other state agencies or other departments within a state agency during the past year. According to the survey, examples of duplicative document requests included:

- Finance and Accounting Procedures;
- Human Resources Policies and Procedures;
- List of Board of Directors and Board Meeting Minutes;
- Financial Audit and Management Letter;
- IRS forms;
- By-laws; and
- Articles of Incorporation.²

According to the survey, professional program staff spends an average of 19 hours to prepare for each site visit, for a total of 3,777 hours, and an average of 60 hours on each site visit.³ The survey also disclosed that, during site visits, reviewers evaluated the same policies and procedures reviewed by other state agencies during the year 130 times. The following are examples of documents that were reviewed multiple times during site visits:

¹ CHS, *Case Study-Contract Monitoring Survey* (December 3, 2008).

² *Ibid.*

³ *Ibid.*

- Cash Management Policies and Procedures;
- Finance and Accounting Procedures; and
- Administrative Policies.

Proposed Committee Bill Changes

The bill creates section 402.7306, Florida Statutes, and requires the Department of Children and Families (DCF), as well as the Departments of Health and Juvenile Justice, and the Agencies for Persons with Disabilities and Health Care Administration, to implement changes to improve efficiency in health and human services contract administration. The bill includes the following provisions:

- Requires health and human services contracting agencies to limit administrative monitoring to once every three years, if the contracted provider is accredited by one of the following organizations:
 - Joint Commission on the Accreditation of Healthcare Organizations (JCAHO);⁴
 - Commission on Accreditation of Rehabilitation Facilities (CARF);⁵ or
 - Council on Accreditation (COA).⁶

The contracting agency does not, however, forfeit its right to monitor or investigate a provider under specified circumstances. In addition, Medicaid provider agreements are exempted from the requirement.

The bill also:

- Authorizes private-sector development and implementation of a data warehouse for maintaining corporate, fiscal and administrative records related to child welfare provider contracts.
- Requires state agencies that contract with child welfare providers to access records from this database, unless records are outdated or unavailable.
- Provides that the following records, at a minimum, must be included in the database:
 - Articles of incorporation;
 - Bylaws;
 - Governing board and committee minutes;
 - Financial audits;
 - Expenditure reports;
 - Compliance audits;
 - Organizational charts;
 - Staff resumes;
 - Governing board membership information; and
 - Human resource policies and procedures.

The bill also amends section 402.7305, Florida Statutes, requiring the Department of Children and Families to limit monitoring of a child-caring or child-placing services provider to only once per year. The bill also specifies that contract monitoring may not duplicate administrative monitoring that is

⁴ Since its founding in 1951, The Joint Commission has developed the highest standards for quality and safety in the delivery of health care, and evaluating organization performance based on these standards. Accreditation requires an evaluation by The Joint Commission. The evaluation covers compliance with the standards and other requirements and verifies improvement activities.

⁵ Founded in 1966, CARF is an independent, private, not-for-profit organization that promotes quality rehabilitation, substance abuse, and behavioral health services. It does this by establishing standards of quality for organizations to use as guidelines in developing and offering their programs or services to consumers and conducting on-site evaluations to insure that organization practices comply with these standards. CARF standards are developed with input from consumers, rehabilitation professionals, state and national organizations, and funders. Every year the standards are reviewed and new ones are developed to keep pace with changing conditions and current consumer needs. A CARF-accredited organization must demonstrate commitment to continually improving its services.

⁶ COA is an international, independent, not-for-profit, child- and family-service and behavioral healthcare accrediting organization. It was founded in 1977 by the Child Welfare League of America and Family Service America (now the Alliance for Children and Families). Originally known as an accrediting body for family and children's agencies, COA currently accredits 38 different service areas and over 60 types of programs. Among the service areas are substance abuse treatment, adult day care, services for the homeless, foster care, and inter-country adoption.

included in the survey of a child welfare provider conducted by national accreditation organization specified in section 402.7306, Florida Statutes.

Independent Living Services

Federal funds for independent living initiatives were first made available to states in 1985 to assist eligible youth 16 years of age and older to make the transition from foster care to independent living.⁷ A total of \$45 million was authorized for the program across the nation, with state shares based on the number of children/youth in foster care. The U.S. Department of Health and Human Services, Administration for Children, Youth and Families, issued the first set of program instructions to the states in early 1987. Each state was able to determine the nature and scope of their independent living program, but guidelines from the federal government provided recommended specific program components. The recommended list included services such as GED or vocational training, daily living skills, job readiness and employability skills, and assistance obtaining higher education.

In a further effort to increase services and strengthen state programs for teens in foster care, Congress passed the Foster Care Independence Act of 1999, which was signed into law as the John H. Chafee Foster Care Independence Program. The Chafee Program made substantial changes in federal efforts targeted toward youth and young adults up to age 21 in the foster care component of the child welfare system. The law significantly improved the ability of states to achieve the national goals of safety, permanence, and well-being for youth and young adults in the child welfare system and required states for the first time to serve youth younger than 16 years of age.⁸

With the passage of the federal law and increased available funding, the 2002 Legislature established a new framework for Florida's independent living transition services to be provided to these older youth by DCF. Federal funding requires a 20 percent state match. Specifically provided for was a continuum of independent living transition services to enable older children who are 13 but not yet 18 years of age and in foster care and young adults who are 18 but not yet 23 years of age who were formerly in foster care to develop the skills necessary for successful transition to adulthood and self-sufficiency.

One of the components of the program is road-to-independence services. It is intended to help eligible students who are former foster children receive the educational and vocational training needed to achieve independence. The amount of the award is based on the living and educational needs of the young adult and may be up to but not exceed the amount of earnings that the student would have been eligible to earn working a 40-hour week federal minimum wage job. The annual amount for Fiscal Year 2008-09 was \$13,620.⁹ This annual amount is funded in part by federal funds at a maximum per year of \$5,000 plus state match of \$1,250. The difference of \$7,370 is also state general revenue or tobacco settlement funds. According to the department, in Fiscal Year 2008-09 the average cost of a road-to-independence stipend was \$737 per month.¹⁰

Section 409.1451, Florida Statutes, specifies that the department shall provide the independent living transition services based on the availability of funds. This appropriation is not a separate appropriation, but is part of the funding in the appropriation for community based care services. The General Appropriations Act for Fiscal Year 2009-10 provided \$35,038,010 for all independent living services: \$9,042,586 in federal funds, \$2,260,647 in state matching funds, and \$23,734,777 in state funds for youth not eligible for federal funds or to be used once all the federal funds have been exhausted. However, the community based care lead agencies project to spend approximately \$48.4 million in the current year using nonrecurring unspent state funds from prior years and redirected funds from foster care services.¹¹

Proposed Committee Bill Changes

The bill amends section 409.1451(5), Florida Statutes, making payments for the road-to-independence stipend subject to specific appropriation and limits the award to \$675 per month. The award shall be

⁷ The Independent Living Program was initially authorized by Public Law 99-272, through the addition of section 477 to Title IV-E of the Social Security Act.

⁸ See P.L. 106-169.

⁹ E-mail from DCF staff, March 8, 2010, on file with Health Care Appropriations Committee.

¹⁰ *Ibid.*

¹¹ E-mail from DCF staff, February 2, 2010, on file with Health Care Appropriations Committee.

issued on the day the eligible student reaches 18 years of age, and payment for a partial month shall be prorated on the basis of a 30-day month. The bill also specifies that funds shall rather than may be terminated during the interim between an award and the evaluation for a renewal award if the department determines that the award recipient is no longer enrolled in an educational institution or is no longer a state resident.

The House proposed General Appropriations Act for Fiscal Year 2010-11 provides \$35 million in a separate specific appropriation for independent living services.

Adoption Benefits for Qualifying Adoptive Employees of State Agencies

Adoption benefits are currently provided for any full-time or part-time employee of the state, a state university or community college, a school district unit or a water management district that is paid from regular salary appropriations who adopts a child whose permanent custody has been awarded to the department or to a Florida-licensed child-placing agency in section 409.1663, Florida Statutes.

- State employees are eligible to receive a monetary benefit of \$10,000 per child, payable in equal monthly installments over a one-year period if they adopt a special needs child.
- State employees are eligible to receive a monetary benefit in the amount of \$5,000 per child, payable in equal monthly installments over a one-year period if they adopt a non-special needs child.

Benefits payable to a part-time employee must be prorated based on the employee's full-time equivalency status at the time of applying for the benefits.

For purposes of this adoption benefit, a special needs child is defined as a child whose permanent custody has been awarded to the department or to a Florida-licensed child-placing agency and who is not likely to be adopted because he or she is:

- Eight years of age or older;
- A person with a developmental disability;
- A person with a physical or emotional handicap;
- Of a minority race or of a racially mixed heritage; or
- A member of a sibling group of any age, provided that two or more members of a sibling group remain together for the purposes of adoption.

An employee of the state who adopts a special-needs child must apply to his or her agency head to obtain the monetary benefit. Any employee of the state who has a child placed in the custody of the employee for adoption, and who continues to reside in the same household as the child placed for adoption, must be granted parental leave in accordance with the personnel policies and procedures of the respective state agency employer.

The payment of a lump-sum benefit for adopting a child is subject to a specific appropriation. The current year appropriation is \$1,835,957 in general revenue funds.

However, this adoption benefits program does not affect the right of any state employee who adopts a special-needs child to receive subsidies for expenses related to the adoption of a special needs child under section 409.166, Florida Statutes, or any other statute that provides financial incentives for the adoption of children.

Proposed Committee Bill Changes

The bill repeals section 409.1663 and amends section 409.166, Florida Statutes, to conform to the total elimination of the funding in the House proposed Fiscal Year 2010-11 General Appropriations Act.

Outsourcing Foster Care and Related Services

In 2006, the Legislature created a three-year pilot project that allowed DCF to transfer fiscal, administrative, and program monitoring responsibilities for two community-based care lead agencies¹² to independent, non-governmental, third-party entities under contract with the department.¹³ The legislation required the outsourced monitoring to be conducted in a manner jointly agreed to by the lead agencies and the department, and the selection of the third-party entities was exempted from the competitive bidding process.¹⁴

The legislation required the department to enter into contracts with the designated community-based care lead agencies and mandated that the following provisions, *inter alia*, be included in the contracts:

- Contracts are fixed price, funded in 36 equal monthly installments and with an advance two-month payment;
- Contracts are funded by a grant of general revenue and by applicable federal funding sources;
- Lead agencies are responsible for documenting federal earnings, and undocumented earnings must be returned to the department; and
- Lead agencies' annual contract amounts may be increased by excess federal earnings.¹⁵

The legislation also authorized the department to implement these contract provisions with other community-based care lead agencies. The current contract between the department and the lead agencies is an advance, fixed-price, fixed payment contract comprising federal funds and a grant of state funds. Advance payments are equal to one-twelfth of the current fiscal year contract value or, if the contract value is increased during the year, the advance is equal to the fiscal year contract amount not yet paid, divided by the remaining months to be paid.

Chapter 2006-30, L.O.F., also made the following expenditures permissible, not just for the pilot sites, but for all community-based care lead agencies:

- Staff cellular phone allowances;
- Contracts requiring deferred payments and maintenance agreements;
- Security deposits for office leases;
- Related professional membership dues and license fees;
- Food and refreshment;
- Promotional materials; and
- Costs associated with fundraising personnel.

Prior to the passage of this legislation, these expenditures were prohibited in accordance with the Reference Guide for State Expenditures published by the Department of Financial Services.¹⁶

Chapter 2006-30, Laws of Florida, required the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the Office of the Auditor General (Auditor General) to evaluate the pilot program and provide interim as well as final reports.¹⁷

¹² ChildNet, Inc. in Broward County and Our Kids of Miami-Dade/Monroe, Inc.

¹³ Chapter 2006-30, s. 2, L.O.F.

¹⁴ *Id.* To implement the pilot project, the department contracted with Abel and Associates, a certified public accounting firm, to conduct fiscal, administrative and federal funds monitoring. The department also contracted with Chapin Hall to conduct program monitoring through quality assurance reviews and to develop new performance measures. Chapin Hall is a child welfare research and demonstration institute of the University of Chicago. Administrators of the pilot lead agencies recommended Chapin Hall due to its national reputation in child welfare research.

¹⁵ Currently, pursuant to s. 409.1671(8), F.S., all documented federal funds earned for the current fiscal year by the department and community-based agencies which exceed the amount appropriated by the Legislature shall be distributed *pro rata* to all entities that contributed to the excess earnings and shall be used only in the service district in which they were earned. Additional state funds appropriated by the Legislature for community-based agencies or made available pursuant to the budgetary amendment process shall be transferred to the community-based agencies. The department shall amend a community-based agency's contract to permit expenditure of the funds.

¹⁶ Department of Financial Services, Division of Accounting and Auditing, Bureau of Auditing, *Reference Guide for State Expenditures*, available at http://www.fldfs.com/aadir/reference_guide/reference_guide.htm#d (last visited April 8, 2009). See also, <http://www.dcf.state.fl.us/cbc/> (follow link "CBC Fiscal Attachments" to "CBC Expenditure Guidelines") (last visited April 8, 2009), in which the department provided direction to CBC lead agencies regarding the permissibility of these expenditures.

¹⁷ OPPAGA, *CBC Pilot Project Implementation Delayed But Proceeding; Other Initiatives Implemented, Report No. 07-03* (January 2007); OPPAGA, *Outsourced Oversight for Community-Based Care Produced Benefits But Substantive Challenges, Report No. 09-09* (February 2009). Auditor General, Department Of Children And Family Services, *Community-Based Care Pilot Program, Fiscal And Administrative Monitoring, Operational Audit, Report*

Auditor General Reports

In its reports, the Auditor General found that the fiscal and administrative monitoring approach authorized under the pilot program “continued to meet the requirements of the [d]epartment and the lead agencies.”¹⁸ The Auditor General recommended that if the department elected to continue to contract for fiscal and administrative monitoring, the selection should be “accomplished using competitive means.”¹⁹

OPPAGA Reports

OPPAGA evaluated the outsourcing of programmatic oversight. In its interim report (January 2007), OPPAGA noted that the department had implemented the pilot project, but only after some delays. In addition, although stakeholders identified several benefits of the project, OPPAGA reported that the project still faced significant challenges.²⁰

In its final report (February 2009), OPPAGA noted that although, overall, the pilot project has helped the department and lead agencies improve their quality assurance, quality improvement, and performance measurement systems, outsourcing oversight has also created several challenges for the department.

The report noted the following disadvantages of outsourcing programmatic oversight:

- Weakens the relationship between the department and its contracted agents;
- Reduces the department’s control over the timing, scope and quality of oversight;
- Limits the department’s flexibility to respond quickly to problems; and
- Increases state costs.²¹

As to the increase in cost to the state, OPPAGA noted,

The department incurred additional costs of approximately \$525,000 per year to contract with Chapin Hall.²² The department funded this contract using federal dollars that could have been used to provide services to children. [footnote omitted] *DCF administrators indicate that the department has the capacity to absorb the quality assurance activities for the two pilot sites within existing resources.* [emphasis added] . . . If the pilot project is not continued into Fiscal Year 2009-10, the recurring federal funds supporting the pilot project could be redirected back into services to offset funding reductions resulting from the state’s budget crisis.

The report also noted that there is a limited market of entities that can perform child welfare program monitoring, making competitive bidding difficult. OPPAGA recommended that the Legislature not continue the pilot project beyond FY 2008-09 and not expand outsourced oversight statewide. OPPAGA further recommended,

If the pilot project is not continued, we recommend that the department maintain the quality assurance system improvements and assist the lead agencies in managing and improving their performance through the data analyses. It should also implement its revised quality assurance system for the pilot lead agencies when the pilot project ends in July 2009.

No. 2008-072 (January 2008); Auditor General, *Department Of Children And Family Services, Community-Based Care Pilot Program, Fiscal And Administrative Monitoring, Operational Audit, Report No.2009-095* (January 2009).

¹⁸ Auditor General, *Department Of Children And Family Services, Community-Based Care Pilot Program, Fiscal And Administrative Monitoring, Operational Audit, Report No.2009-095* (January 2009).

¹⁹ *Ibid.*

²⁰ OPPAGA, *CBC Pilot Project Implementation Delayed But Proceeding; Other Initiatives Implemented, Report No. 07-03* (January 2007).

²¹ OPPAGA, *Outsourced Oversight for Community-Based Care Produced Benefits But Substantive Challenges, Report No. 09-09* (February 2009).

²² Chapin Hall is a child welfare research and demonstration institute of the University of Chicago, chosen by the department and the pilot sites to conduct program monitoring as authorized by chapter 2006-30, L.O.F.

OPPAGA also reviewed the revised funding and payment methods, which were incorporated into all lead agency contracts by October 2006. The report identified the following benefits of the new system:

- Change from cost-reimbursement to fixed-price contracts results in predictable cash-flow;
- Fixed price payment requires less detailed invoices, resulting in simplified administrative processes; and
- Allowing lead agencies to delay reconciling unspent general revenue funds until the end of the contract term allows them to create a cash reserve fund to hedge against increased caseloads, to provide incentives or to develop new services.

OPPAGA recommended close monitoring of general revenue utilization by the lead agencies, in an effort to guard against “lead agency financial problems.”

The legislation was scheduled for repeal on July 1, 2009. However, the pilot was extended for one more year in chapter 2009-82, Laws of Florida, the Fiscal Year 2009-10 Implementing Bill to the General Appropriations Act.

Proposed Committee Bill Changes

The bill amends section 409.1671, Florida Statutes, and specifies that contracts entered into with community-based care lead agencies must be funded by a grant of general revenue and by applicable other state and federal funding sources. A community-based care lead agency is authorized to carry forward documented unexpended funds from one fiscal year to the next, but must return any unexpended funds that remain at the end of the contract period. Funds carried forward may be retained through any contract renewals and any new procurement as long as the community-based care lead agency is retained by the department.²³

The bill permits the department to increase community-based care lead agency contracts by excess federal funds earned in accordance with the authority and requirements in section 216.181(11), Florida Statutes. The bill requires the department to enter into a fixed-price contract that provides for a 2-month advance payment at the beginning of each fiscal year and equal monthly payments thereafter.

The bill also permits the department to outsource programmatic, administrative or fiscal monitoring oversight of community-based care lead agencies.

The bill also authorizes community-based agencies to continue to use funding received through contracts for the following expenditures:

- Staff cellular telephone allowances;
- Contracts requiring deferred payments and maintenance agreements;
- Security deposits for office leases;
- Agency but not personal professional membership dues;
- Promotional materials not related to fundraising;
- Grant writing services; and
- Food and refreshments for clients in the care of the agency and to foster parents, adoptive parents and caseworkers during training sessions.

B. SECTION DIRECTORY:

Section 1. Creates s. 402.7306, F.S., relating to administrative monitoring for child welfare providers.

Section 2. Amends s. 402.7305, F.S., relating to Department of Children and Family Services procurement of contractual services.

Section 3. Amends s. 409.1451, F.S., relating to independent living transition services.

²³ Section 216.301(1), F.S., requires that all general revenue funds appropriated but not disbursed by September 30 of each fiscal year are to revert to the state and be available for legislative re-appropriation.

Section 4. Repeals s. 409.1663, relating to adoption benefits for qualifying adoptive employees of state agencies.

Section 5. Amends s.409.1671, F.S., relating to outsourcing of foster care and related services.

Section 6. Amends s. 409.166, F.S., conforming a reference made by the act.

Section 7. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The House proposed General Appropriations Act (GAA) for Fiscal Year 2010-11 reduces funding to community-based care lead agencies by \$500,000 in recurring general revenue funds as a result of a reduction in administrative monitoring activities, and provides a separate recurring \$35 million specific appropriation for independent living transition services.

The House proposed GAA also eliminates the \$1.8 million appropriation in recurring general revenue funds for state employees' adoption incentives awards.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Former foster children receiving road-to-independence stipends may receive less of a monthly stipend if the stipend previously exceeded \$675 per month. Child welfare providers will experience less administrative monitoring.

Although all child welfare providers are not required to input data in to the warehouse that maintains corporate, fiscal and administrative records, any providers wanting to access the database that are not a member of the Florida Coalition for Children would be assessed a nominal fee, approximately \$50 per month.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES