

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1869 (PCB AP 04-23) Services Provided by the Division of Administrative Hearings
SPONSOR(S): Appropriations; Brummer
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Appropriations</u>	<u>32 Y, 0 N</u>	<u>Belcher</u>	<u>Baker</u>
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 1869 requires that certain entities reimburse the Division of Administrative Hearings (DOAH) for administrative law judge services and travel expenses, and directs those entities to contract with DOAH to set contract rates for services and provisions for reimbursement of administrative law judge travel and video teleconferencing expenses attributable to hearings conducted on their behalf. The bill also requires the division to set rates based on a total cost-recovery methodology.

The bill codifies in statutes the current practice of providing the services of administrative law judges to certain entities on a full-cost recovery methodology. This practice is currently authorized annually as proviso language in the General Appropriations Act. This bill will eliminate the need for this proviso language.

The division is reimbursed approximately \$500,000 annually by these entities.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|------------------------------|-----------------------------|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. EFFECT OF PROPOSED CHANGES:

Prior to 1990, the Division of Administrative Hearings was appropriated a lump sum each year for its operating budget. Beginning July 1, 1990, the Legislature appropriated separate amounts for DOAH services to agencies whose budgets are established by the General Appropriations Act. Proviso directed that those agencies in turn would transfer the appropriation to DOAH as reimbursement for services on an hourly-rate basis. This procedure was upheld in 1994.¹

The bill codifies in statute a procedure for reimbursement through contract for agencies that utilize DOAH services but are not funded through the GAA. The agencies include: water management districts, regional planning councils, school districts, community colleges, state universities, the Division of Community Colleges, the State Board of Education, the Florida School for the Deaf and the Blind, and the Commission for Independent Education.

The bill requires that these entities reimburse the Division of Administrative Hearings for administrative law judge services at a contracted rate based on a total-cost-recovery methodology, as well as for travel and video conferencing expenses attributable to hearings held on their behalf. The entities are directed to contract with DOAH to establish a contract rate for services and provisions for reimbursement of travel and video conferencing expenses.

This practice is authorized annually in proviso language contained in the General Appropriations Act. The bill would eliminate the need for proviso language.

C. SECTION DIRECTORY:

Section 1. Adds new subsection (11) to s. 120.65, Florida Statutes, requiring certain entities to reimburse DOAH for administrative law judge services, travel, and video conferencing expenses and to contract with DOAH to establish rates and provisions for reimbursement.

Section 2. Provides an effective date of July 1, 2004.

¹ Division of Administrative Hearings v. School Board of Collier County, 634 S. 2d 1127 (Fla. 1st DCA 1994). School boards challenged legislature's enactment of budgetary system for funding hourly use of DOAH's services on single-subject grounds. 1st DCA held that the statute changing the method of funding for DOAH from a lump sum appropriation to DOAH to that of separate amounts to user agencies to be transferred to DOAH as reimbursement on a set hourly-basis sum was within the authority of the legislature and did not violate constitutional single-subject or appropriations mandates.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Reimbursements to DOAH are approximately \$500,000 annually for hearing hours and other related expenses.

2. Expenditures:

Costs to provide services are approximately \$500,000 annually from the trust fund.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues: None.

2. Expenditures: The entities listed in the bill reimburse DOAH for administrative law judge services and other related expenses. See "FISCAL COMMENTS"

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

This reimbursement practice is authorized annually in proviso language contained in the General Appropriations Act. The bill would eliminate the need for proviso language. These entities reimburse DOAH approximately \$500,000 annually for administrative hearing hours and other related expenses.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

None

B. RULE-MAKING AUTHORITY:

None required.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES