

Mega Agencies: The Potential Merging of State Agencies in Florida



By Thornton J. Williams, Williams McMillian P.A.

2011 is already shaping up to be the year of change as Governor Rick Scott's transition teams have recommended to him the need to overhaul state government, by among other things, merging state agencies. This recommendation falls within Scott's pledge to cut down state government, and eliminate rules and laws that are harming the state's economy.

One such instance in the formulation of these new mega agencies is where Governor Scott's health care transition team has called for a change in Florida's health-care governance, merging several health care agencies into a mammoth new agency.

In accordance, there are several Florida lawmakers who also agree with the concept of less state government, and are filing bills this legislative session to disband a handful of state agencies and put them under the umbrella of a single governmental unit.

One such lawmaker is State Representative Janet Adkins, a Fernandina Beach Republican, who filed House Bill 115 on January 3, 2011 to streamline government by disbanding the Department of Children and Families, the Agency for Persons with

Disabilities, the Agency for Health Care Administration and the Department of Health and create a Department of Health and Human Services to consolidate the work. Essentially, under the proposed bill, all of the funds, functions, duties and personnel and property of the above agencies would be transferred to the newly created Department of Health and Human Services by July 1, 2011.

Representative Adkins' reorganization bill would fold most of the state's health and human services programs into one agency with six regional offices across the state headed by directors or other managers. The six regions would be responsible for administering programs in 16 different service areas, from mental health and substance abuse to Medicaid and investigations against health care providers. Senator Steve Oelrich, a

Gainesville, Florida Republican has filed an identical bill on the Senate side (SB 528).

While there are similarities between the above bills and Governor Scott's health care transition team recommendations, one key distinction is that Scott's transition team recommended reorganization and combining of some agencies in December but suggested Department of Children and Families be left to stand on its own as a separate agency.

Similarly, three other high-profile state agencies could be combined under a proposal released by Governor's Scott's transition team that calls for the state Florida Department of Transportation (FDOT), Environmental Protection and Community Affairs to be merged in an effort to refocus discrete components

of the agencies as part of a newly created, more muscular state economic development agency.

Undoubtedly, it would take legislation to combine the agencies, which no one has put forth yet towards such a huge undertaking. In fact, even Scott's own transition team, while recommending a push for consolidation, cautioned that merging these three large state agencies wouldn't necessarily solve all of the government problems such as duplicity in permitting and other oversight functions.

Furthermore, the FDOT is unique among state agencies in that it is a transportation production agency that produces a tangible product, not an oversight organization as the other two agencies being considered for merger. Because FDOT is unique among agencies, it must be looked at differently when determining whether to merge it with other agencies. FDOT operates on a "cash flow" commitment-based budget and is run like a business versus just a governmental agency.

Other unique features of FDOT include: its use of a business plan; its use of financial models and cash forecasts to develop a production plan; it outsources services which are not considered part of its core mission; it utilizes private sector expertise to conduct the vast majority of its business; and it creates and sustains thousands of private sector jobs each and every year.

In summation, whether some form of a mega agency in the health care arena or some other area will result this legislative session remains to be seen. However, I do believe, while some consolidation of service areas or functions among agencies may provide cost savings and efficiencies, consolidation should carefully balance the benefits of merging the state agencies with the effectiveness and efficiencies of each agency on its own. ■

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