

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB TED 10-04 Trust Funds/Federal Grants Trust Fund/DOS

SPONSOR(S): Transportation & Economic Development Appropriations Committee

TIED BILLS: **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Transportation & Economic Development Appropriations Committee	14 Y, 0 N	Lolley	Creamer
1)	_____	_____	_____	_____
2)	_____	_____	_____	_____
3)	_____	_____	_____	_____
4)	_____	_____	_____	_____
5)	_____	_____	_____	_____

SUMMARY ANALYSIS

Proposed Committee Bill TED 10-04 creates the Federal Grants Trust Fund within the Department of State. The Federal Grants Trust Fund is established as a depository for allowable grant activities funded by restricted program revenues from federal sources. Funds shall be expended only pursuant to legislative appropriation or an approved amendment to the department's operating budget pursuant to the provisions of chapter 216, Florida Statutes.

The trust fund is scheduled to terminate on July 1, 2014.

The bill has an effective date of July 1, 2010, provided that the act is enacted by a three-fifths vote of the membership of each house of the Legislature.

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:

Current Situation

Article III, Section 19(f) of the Florida Constitution requires the termination of all state trust funds within 4 years of their initial creation, unless exempt by the Constitution or operation of law. The Legislature has placed agency funds on a staggered review cycle to facilitate the review process associated with trust fund termination, modification, or recreation. Included in the review of the department's existing trust funds is the creation of additional trust funds pursuant to s. 215.32, F.S. The section requires agencies, to the extent possible, to use the following trust funds for their day-to-day operations:

Operating Trust Fund
Operations and Maintenance Trust Fund
Administrative Trust Fund
Grants and Donations Trust Fund
Agency Working Capital Trust Fund
Clearing Funds Trust Fund
Federal Grant Trust Fund

Currently, the department uses the Operating Trust Fund, the Grants and Donations Trust Fund, the Library Services Trust Fund, and the Fine Arts Trust Fund as depositories for all grants and funding from the federal government.

Effect of Proposed Changes

This bill creates the Federal Grants Trust Fund within the Department of State effective July 1, 2010. The fund is established as a depository for allowable grant activities funded by restricted program revenues from federal sources. Funds shall be expended only pursuant to legislative appropriation or an approved amendment to the department's operating budget pursuant to the provisions of chapter 216, F.S. The trust fund is scheduled to terminate on July 1, 2014.

B. SECTION DIRECTORY:

- Section 1 Creates the Federal Grants Trust Fund within the Department of State; provides for the purpose of the trust fund and sources of funds; provides for future review and termination or re-creation of the trust fund.
- Section 2 Provides an effective date with required vote by the membership.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
None.
2. Expenditures:
None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
None.
2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:
None.
2. Other:
Trust funds Restrictions:

Article III, section 19(f)(1), of the Florida Constitution, provides no trust fund of the state or other public body may be created without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES