

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: PCB GOAS 11-02 Federal Grants Trust Fund/DOR
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:** SB 1034

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Fox	Topp

I. SUMMARY

This bill re-creates the Federal Grants Trust Fund, FLAIR number 73-2-261, within the Department of Revenue without modification. The trust fund was established to be used for allowable grant activities funded by restricted program revenues. Funds credited to the Federal Grants Trust Fund consist of grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

The Department of Revenue's Federal Grants Trust Fund is utilized primarily by the Child Support Enforcement Program.

Article III, s.19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage

The bill has no fiscal impact.

This bill repeals section 215.197(3), Florida Statutes, which provided for the trust fund's termination on July 1, 2012.

The bill is effective July 1, 2011.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 215.197, Florida Statutes, creates the Federal Grants Trust Fund within the Department of Revenue.

Article III, s.19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The Federal Grants Trust Fund serves as a depository for funds to be used for allowable grant activities funded by restricted program revenues. The Department of Revenue's Federal Grants Trust Fund is utilized primarily by the Child Support Enforcement Program.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Projected Receipts into Federal Grants Trust Fund	\$220,204,842
Fiscal Year 2010-11 Appropriations	\$213,580,917

B. EFFECT OF PROPOSED CHANGES:

This bill re-creates the Federal Grants Trust Fund within the Department of Revenue without modification prior to the scheduled termination date of July 1, 2012.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

IV. COMMENTS

V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES