

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCB GOAS 11-04 Employee Refund Clearing and State Treasury Escrow Trust Funds/DFS

**SPONSOR(S):** Government Operations Appropriations Subcommittee

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1030

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

### SUMMARY ANALYSIS

This bill provides for the termination of the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund within the Department of Financial Services.

The State Treasury Escrow Trust Fund was originally used to hold escrow monies related to the transactions of state agencies and provided an account for assets held by the state in a trustee capacity as agent or fiduciary. Currently, the Treasury Cash Deposit Trust Fund is being utilized to provide this service. The department has not used this trust fund in recent years.

The Employee Refund Clearing Trust Fund was originally used as a clearing account for the deposit of salary overpayment refunds received from state employees until the funds could be transferred back to the fund of its original purpose. The need for the Employee Refund Clearing Trust Fund was eliminated more than ten years ago as a result of the implementation of new processes for salary refunds. State agencies currently utilize the Bureau of State Payroll on-line system for processing salary refunds.

The trust funds proposed for termination do not have a cash balance or any outstanding debts and obligations.

The bill has no fiscal impact.

The bill is effective July 1, 2011.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

Legislative review of trust funds is required at least once every four years pursuant to s. 215.3208, F.S., and s. 19(f), Article III of the State Constitution. The schedule for the review is included in the legislative budget instructions developed pursuant to the requirements of s. 216.023, F.S. An analysis of the trust funds indicated the need for two trust funds for the Department of Financial Services to be terminated.

The State Treasury Escrow Trust Fund, FLAIR number 43-2-194, was originally used to hold escrow monies related to the transactions of state agencies. The trust fund provided accounts for assets held by the state in a trustee capacity as agent or fiduciary, thereby eliminating the need for costly private escrow accounts. Currently, the Treasury Cash Deposit Trust Fund is being utilized to provide this service. The department has not used this trust fund in recent years.

The Employee Refund Clearing Trust Fund, FLAIR number 43-2-194, was originally used as a clearing account for the deposit of salary overpayment refunds received from state employees until these funds could be transferred back to the fund of its original disbursement. The need for the Employee Refund Clearing Trust Fund was eliminated more than ten years ago as a result of the implementation of new processes for salary refunds. State agencies currently utilize the Bureau of State Payroll on-line system for processing salary refunds.

Both the State Treasury Escrow Trust Fund and the Employee Clearing Trust Fund are currently inactive, and the department has requested termination of these trust funds.

##### **Effect of Proposed Changes**

This bill terminates the State Treasury Escrow Trust Fund and the Employee Clearing Trust Fund within the Department of Financial Services.

#### B. SECTION DIRECTORY:

Section 1. Terminates the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund within the Department of Financial Services.

Section 2. Provides an effective date of July 1, 2011.

### 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:

None

**B. RULE-MAKING AUTHORITY:**

None

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**