

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: PCB PKAS 11-02 Administrative Trust Fund

SPONSOR(S): PreK-12 Appropriations Committee

TIED BILLS: **IDEN./SIM. BILLS:** SB 1028

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: PreK-12 Appropriations Subcommittee	12 Y, 0 N	Keith	Heflin

I. SUMMARY

This bill re-creates the Administrative Trust Fund, FLAIR number 48-2-021, within the Department of Education without modification. The trust fund serves as a depository for funds to be used for management activities that are department-wide in nature and funded by indirect cost earnings or assessments against trust funds.

This bill has an effective date of July 1, 2011; however, it does not take effect without a three-fifths vote of the membership of each house of the Legislature.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Pursuant to section 19(f), Article III of the State Constitution, a trust fund of the state of Florida or other public body may only be created or recreated by law in a separate bill. This bill creating or recreating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. A state trust fund must generally terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund.

Section 1001.282(1), F.S., creates the Administrative Trust Fund within the Department of Education. The Administrative Trust Fund serves as a depository for funds to be used for management activities that are department-wide in nature and funded by indirect cost earnings or assessments against trust funds.

The Administrative Trust Fund will terminate on July 1, 2012, if no action is taken by the legislature to re-create the fund.

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

The funds located within the Department of Education's Administrative Trust Fund are used for management activities that are department-wide in nature and funded by indirect cost earnings or assessments against trust funds.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Moneys to be credited to the trust fund include indirect cost reimbursements from grantors, administrative assessments against trust funds, interest earnings, and other appropriate administrative fees.

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

Total revenues available for the 2010-2011 fiscal year for this fund are estimated to be \$15,863,636. The current year appropriation is \$12,896,198.

B. EFFECT OF PROPOSED CHANGES:

The bill re-creates the Administrative Trust Fund within the Department of Education without modification.

This bill repeals section 1001.282(4), Florida Statutes, which provides for termination of the trust fund on 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