

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB EDAS 15-01 Trust Funds/Termination/Department of Education

SPONSOR(S): Education Appropriations Subcommittee

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

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|---------------|----------------|--|
| Orig. Comm.: Education Appropriations Subcommittee | 13 Y, 0 N | deNagy | Heflin |

SUMMARY ANALYSIS

Legislative review of trust funds is required at least once every four years pursuant to section 215.3208, Florida Statutes. The schedule for review is included in the legislative budget instructions developed pursuant to the requirements of section 216.023, Florida Statutes. A trust fund analysis indicated five trust funds within the Department of Education (DOE) and the Board of Governors (BOG) are no longer needed and could be terminated.

This bill terminates the Building Fee Trust Fund, Replacement Trust Fund, State University System Concurrency Trust Fund, State University System Law Enforcement Trust Fund, and the Uniform Payroll Trust Fund within the Department of Education and the Board of Governors of the State University System.

The effective date of this bill is July 1, 2015.

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 section 215.3208, Florida Statutes. The schedule for review is included in the legislative budget instructions developed pursuant to the requirements of section 216.023, Florida Statutes. A trust fund analysis indicated five trust funds within the Department of Education (DOE) and the Board of Governors (BOG) are no longer needed and could be terminated.

The Building Fee Trust Fund, FLAIR numbers 48-2-064 and 4890-2-064, was originally created as a depository for revenues from the building fee of \$2.32 assessed to each student at a state university. Chapter 2012-134, L.O.F., merged the building fee into the existing capital improvement fee. The capital improvement fee is deposited into the Capital Improvement Fee Trust Fund. The revenues are used to fund projects appropriated by the Legislature. The Building Fee Trust Fund no longer has a revenue source.

The Replacement Trust Fund, FLAIR numbers 48-2-580 and 4890-2-580, was originally used as the facilitator account for the deposit of fire insurance claim proceeds from the Department of Insurance. The funds were subsequently transferred to the universities' Auxiliary Trust funds. Section 1011.4106, F.S., provides that this fund is dissolved with unexpended balances being deposited into each university's local account.

The State University System Concurrency Trust Fund, FLAIR numbers 48-2-682 and 4890-2-682, was originally created for the purpose of funding university offsite improvements required to meet concurrency standards. Chapter 2011-177, L.O.F., repealed the trust fund's statutory authority.

The State University System Law Enforcement Trust Fund, FLAIR numbers 48-2-434 and 4890-2-434, was originally created for the proceeds accrued of liens and forfeited property seized by the State University System police departments. Section 1011.4106, F.S., provides that this fund is dissolved with unexpended balances being deposited into each university's local account.

The Uniform Payroll Trust Fund, FLAIR numbers 48-2-434 and 4890-2-434, was originally used to eliminate separate payroll warrants for an individual employee paid from multiple accounts. Section 1011.4106, F.S., provides that this fund is dissolved with unexpended balances being deposited into each university's local account.

Effect of Proposed Changes

This bill terminates the Building Fee Trust Fund, Replacement Trust Fund, State University System Concurrency Trust Fund, State University System Law Enforcement Trust Fund, and the Uniform Payroll Trust Fund within the Department of Education and the Board of Governors of the State University System. The remaining balances in, and all revenues of, the Building Fee Trust Fund will be transferred to the Capital Improvement Fee Trust Fund. The remaining balances in, and all revenues of, the Replacement Trust Fund will be transferred to each university's local account. The remaining balances in, and all revenues of, the State University System Concurrency Trust Fund, the State University System Law Enforcement Trust Fund, and the Uniform Payroll Trust Fund will be transferred to the General Revenue Fund.

The bill removes references to the State University System Law Enforcement Trust Fund and the Building Fee Trust Fund.

B. SECTION DIRECTORY:

- Section 1. Terminates the Building Fee Trust Fund, Replacement Trust Fund, State University System Concurrency Trust Fund, State University System Law Enforcement Trust Fund, and the Uniform Payroll Trust Fund
- Section 2. Amends s. 932.7055, Florida Statutes, relating to disposition of liens and forfeited property.
- Section 3. Amends s. 1010.86, Florida Statutes, relating to Administration of Capital Improvement and Building Fees Trust Funds.
- Section 4. Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill requires all remaining balances in, and all revenues of, the State University System Concurrency Trust Fund, the State University System Law Enforcement Trust Fund, and the Uniform Payroll Trust Fund to be transferred to the General Revenue Fund. There are no remaining balances left in any of the trust funds.

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:

This legislation has no negative fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply terminates state trust funds.

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: None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES