

STORAGE NAME: h1233.cfs.doc
DATE: March 27, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
CHILD & FAMILY SECURITY
ANALYSIS**

BILL #: HB 1233
RELATING TO: Child and Adolescent Trust Fund
SPONSOR(S): Representative(s) Bean

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:

- (1) CHILD & FAMILY SECURITY
 - (2) HEALTH & HUMAN SERVICES APPROPRIATIONS
 - (3) FISCAL RESPONSIBILITY COUNCIL
 - (4)
 - (5)
-

I. SUMMARY:

House Bill 1233 creates the Child and Adolescent Mental Health Services Trust Fund under provisions of s. 215.3207, F.S., to be administered by the Department of Children and Family Services for the purpose of implementing part III of ch. 394, F.S. The bill provides for sources of moneys and purposes; provides for future review and termination or re-creation of trust fund. No new sources or funding are identified for this trust fund.

For fiscal year 2000-2001 a total of \$98.9 million dollars is budgeted for children's mental health services from five different sources that include General Revenue and four state and federal trust funds.

According to the department, because this bill does not specify which current funds would be directed into the trust fund, they are unable to provide information as to its effects on associated costs. The department reports the comptroller's office has determined costs to the department for setting up and maintaining the trust fund would be negligible.

Appropriations staff are concerned that co-mingling of funds in the trust fund would make it more difficult to track specific state and federal eligibility and spending requirements for each funding source and would be subject to additional audits.

The effective date of the bill is July 1, 2001

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Section 215.3207, Florida Statutes, provides that a trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for that purpose only. A trust fund must be created by statutory language that specifies at least the name of the fund, the agency responsible for administering the fund, its purpose and sources of moneys to be credited to the trust fund, or specific sources of receipts to be deposited in the fund.

Section 215.3206, F.S., in accordance with s. 19(f)(2), Article III of the State Constitution, requires state trust funds be terminated not more than four years after the effective date of the act authorizing the creation of the trust fund. This section allows the Legislature to review the trust fund and either recreate or terminate the trust fund prior to its scheduled repeal.

Section 215.3208, F.S., requires the Legislature to review all state trust funds at least once every 4 years.

Part III of ch. 394, F.S., delineates the statutory provisions for comprehensive child and adolescent mental health services.

C. EFFECT OF PROPOSED CHANGES:

House Bill 1233 creates the Child and Adolescent Mental Health Services Trust Fund under provisions of s. 215.3207, F.S., to be administered by the Department of Children and Family Services for the purpose of implementing part III of ch. 394, F.S.

D. SECTION-BY-SECTION ANALYSIS:

Section 1.

The bill requires the Comprehensive Child and Adolescent Mental Health Services Trust Fund be created in the State Treasury and administered by the Department of Children and Family Services for the purpose of implementing part III of ch. 394, F.S.

The bill provides that any balance and interest remaining in the trust fund that is not distributed at the end of the fiscal year shall remain in the trust fund and be available for child and

adolescent mental health treatment programs, notwithstanding section 216.301, F.S., and pursuant to s. 216.351, F.S.

Additional funds, including state-appropriated funds, may also be placed in the trust fund. The bill requires that all funds transferred to and retained in the trust fund shall be invested pursuant to s.18.125, F.S., and any interest accruing to the trust fund shall be used for child and adolescent mental health treatment.

Section 2.

The bill requires the fund to be terminated on July 1, 2005 unless terminated sooner or recreated after review, pursuant to section 19(f)(2), Article III of the State Constitution and s. 215.3206, F.S.

Section 3.

Provides an effective date of July 1, 2001

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

According to the Department of Children and Family Services, the comptroller's office has determined that costs to the department for setting up and maintaining the trust fund would be negligible. This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole, or on the private sector. It creates a new state trust fund for transfer of existing general revenue and trust fund appropriations.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

N/A

D. FISCAL COMMENTS:

Current children's mental health funding sources, including existing trust funds for Fiscal Year 2000-2001 are:

General Revenue Fund	\$68,664,998
Alcohol, Drug Abuse and Mental Health Trust Fund	9,382,756
Tobacco Settlement Fund	862,772
Federal Grants Trust Fund	1,948,706
Grants and Donations Trust Fund	<u>8,058,483</u>
TOTAL	\$98,917,715

- General Revenue Fund—funds generated through state revenue taxes.
- Alcohol, Drug Abuse and Mental Health Trust Fund—funds received through an annual federal grant award for community mental health services for adults and children.
- Tobacco Settlement Fund—these funds consist of funds dispersed by non-operating transfer from the Department of Banking and Finance Tobacco Settlement Trust Fund.
- Federal Grants Trust Fund—funds generated through specific federal grants awarded; total amount of \$11,948,706 includes \$10,747,457 for Medicaid match in the Therapeutic Services for Children category.
- Grants and Donations Trust Fund—funds derived from private foundations (e.g. Annie E. Casey)

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill will not reduce the authority of municipalities and counties to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill will not reduce the state tax shared with counties and municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The co-mingling of funds in the trust fund would make it more difficult to track specific state and federal eligibility and spending requirements for each funding source and would be subject to additional audits

STORAGE NAME: h1233.cfs.doc

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PAGE: 5

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON CHILD AND FAMILY SECURITY:

Prepared by:

Staff Director:

Glenn Mitchell

Bob Barrios