

**STORAGE NAME:** H1941.gga.doc  
**DATE:** April 18, 2001

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
GENERAL GOVERNMENT APPROPRIATIONS  
ANALYSIS**

**BILL #:** HB 1941 (PCB GGA 01-40)

**RELATING TO:** Termination of Trust Funds in the Department of Management Services and the Agency for Workforce Innovation

**SPONSOR(S):** General Government Appropriations Committee and Representative Dockery

**TIED BILL(S):**

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

- (1) GENERAL GOVERNMENT APPROPRIATIONS YEAS 13 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

Article III, Section 19 (f) of the State Constitution terminates most trust funds four years after their effective date. Prior to such termination, the Legislature reviews trust funds in order to recreate, terminate, or determine them exempt from automatic termination in accordance with provisions of Article III, Section 19(f) of the State Constitution. This bill terminates seven trust funds within the Department of Management Services and one trust fund within the Agency for Workforce Innovation, all of which have been identified as no longer necessary. This bill also lists twelve trust funds that have been determined to be exempt, renames two trust funds in the Department of Education, one trust fund in the Department of Management Services, and amends various statutes in order to conform with the provisions of the bill.

This bill has no fiscal impact.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |   |                             |   |
|-----------------------------------|---|-----------------------------|---|
| 1. <u>Less Government</u>         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input 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:

Article III, Section 19(f) of the State Constitution, adopted and effective on November 4, 1992, provides that no trust fund may have a life span of more than 4 years and sets forth provisions that exempt certain trust funds from automatic termination.

C. EFFECT OF PROPOSED CHANGES:

This bill terminates seven trust funds within the Department of Management Services, one trust fund within the Agency for Workforce Innovation and exempts twelve trust funds within the Department of Management Services. This bill also renames two trust funds within the Department of Education, one trust fund in the Department of Management Services, and amends various statutes in order to conform with the provisions of this bill.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Lists the seven trust funds to be terminated within the Department of Management Services and one trust fund to be terminated within the Agency for Workforce Innovation, effective July 1, 2001, unless otherwise noted. Provides for the payment of outstanding debts and obligations of the terminated funds and for the removal of the terminated funds from the various state accounting systems. Provides for the disposition of the remaining balance and revenues of each terminated fund. It also provides contingent language based on the creation of the trust funds in separate bills. The terminated trust funds are:

A. Within the Department of Management Service:

1. The Architects Incidental Trust Fund, FLAIR number 72-2-033, from which the remaining balance and revenues shall be transferred to the Facilities Management Trust Fund, FLAIR number 72-2-696.
2. The Bureau of Aircraft Trust Fund, FLAIR number 72-2-066, from which the remaining balance and revenues shall be transferred to the Purchasing and Transportation Support Trust Fund, contingent on that fund's creation in a separate bill.

3. The Communications Working Capital Trust Fund, FLAIR number 72-2-105, from which the remaining balance and revenues shall be transferred to the Technology Enterprise Trust Fund, contingent on that fund's creation in a separate bill.
4. The Motor Vehicle Operating Trust Fund, FLAIR number 72-2-486, from which the remaining balance and revenues shall be transferred to the Purchasing and Transportation Support Trust Fund, contingent on that fund's creation in a separate bill.
5. The State Employee Child Care Revolving Trust Fund, FLAIR number 72-2-670, from which the remaining balance and revenues shall be transferred to the State Personnel System Trust Fund, FLAIR number 72-2-678. This trust fund shall be terminated effective June 30, 2002.
6. The Surplus Property Revolving Trust Fund, FLAIR number 72-2-699, from which the remaining balance and revenues shall be transferred to the Purchasing and Transportation Support Trust Fund, contingent on that fund's creation in a separate bill.
7. The Working Capital Trust Fund, FLAIR number 72-2-699, from which the remaining balance and revenues shall be transferred to the Technology Enterprise Trust Fund, contingent on that fund's creation in a separate bill.

B. Within the Agency for Workforce Innovation:

1. The Revolving Trust Fund, FLAIR number 75-2-600, from which the remaining balance and revenues shall be transferred to the Administrative Trust Fund, contingent on the creation of that fund in the Agency for Workforce Innovation.

Section 2. The Legislature identifies those trust funds that were reviewed this year and that are exempt from the automatic termination provisions of Article III, Section 19(f) of the State Constitution. Specifically the Legislature identifies the following trust funds within the listed agencies:

A. Within the Department of Management Services:

1. The Florida Retirement System Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting the Florida retirement trust fund.
2. The Florida Facilities Pool Clearing Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds established for bond covenants.
3. The Florida Retirement System Preservation Benefits Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting the Florida retirement trust fund.
4. The Institute of Food and Agricultural Sciences Supplemental Retirement Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
5. The Senior Management Service Optional Annuity Program Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account

for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

6. The Optional Retirement Program Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
7. The Police and Firefighters Premium Tax Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
8. The Social Security Contribution Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that serve as clearing funds or accounts for the comptroller or state agencies.
9. The State Employees Life Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
10. The State Employees Health Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
11. The State Employees Disability Insurance Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.
12. The State Employees Savings Bond Trust Fund. This trust fund is exempt under the Article III, Section 19(f)(3) provision exempting trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

Note that the specific exemption for each trust fund is not provided in the bill. The exemptions are listed here only for reference. The exemptions listed are the ones that most clearly apply; for any fund, one or more other exemptions may also apply.

Section 3. Renames three trust funds and provides for an effective date.

A. Within the Department of Management Services:

1. The Supervision Trust Fund, FLAIR number 72-2-696, is renamed the Facilities Management Trust Fund.

B. Within the Department of Education, State University System:

1. The State University System Law Enforcement Trust Fund, FLAIR number 49-2-434, is renamed the Law Enforcement Trust Fund.

2. The University of Florida Health Center Incidental Trust Fund, FLAIR number 49-2-381, is renamed the Incidental Trust Fund.

Section 4. Amends subsection (3) of s. 272.161, F.S., to require reserved parking space rental fees to be deposited into the Facilities Management Trust Fund. Relates to the renaming of the Supervision Trust Fund.

Section 5. Amends subsection (2) of s. 284.01, F.S., to require rental value insurance for income loss to be deposited into the Facilities Management Trust Fund. Relates to the renaming of the Supervision Trust Fund.

Section 6. Amends s. 235.2195, F.S., to require that the proceeds available from bond sales shall be deposited in the Lottery Capital Outlay and Debt Service Trust Fund.

Section 7. Amends s. 215.196, F.S., to require the transfer of the total fixed capital outlay management assessment amount into the Facilities Management Trust Fund at the beginning of each fiscal year.

Section 8. Amends s. 287.16, F.S., to require that fees collected for aircraft or motor vehicles shall be deposited in the Purchasing and Transportation Support Trust Fund, contingent upon the creation of the trust fund in a separate bill.

Section 9. Amends s. 287.161, F.S., to require that fees collected for persons traveling in the executive aircraft pool shall be deposited into the Purchasing and Transportation Support Trust Fund. This section is effective contingent on the creation of the Purchasing and Transportation Support Trust Fund in a separate bill.

Section 10. Amends s. 217.07, F.S., requiring the State Treasurer to transfer to the Department of Management Services any federal surplus property funds unexpended in the Purchasing and Transportation Support Trust Fund. The transfer of funds into the Purchasing and Transportation Support Trust Fund is contingent upon the creation of that fund in a separate bill. This section also requires a separate accounting for federal surplus property funds.

Section 11. Amends s. 287.042, F.S., to require fees collected related to joint purchasing agreements to be deposited in the Purchasing and Transportation Support Trust Fund. It provides that each agency that has been appropriated or has existing funds for the purchases described, shall, upon contract award by the Department of Management Services, transfer the portion of the funds into the Department's Purchasing and Transportation Support Trust Fund for payment by the department. This section is effective, contingent on the creation of the Purchasing and Transportation Support Trust Fund in a separate bill.

Section 12. Amends s. 287.1345, F.S., to require the Department of Management Services to impose a surcharge on users of state term contracts in order to fund the operations of the Department as established by law. The amendment also requires fees collected pursuant to this section to be deposited into the Purchasing and Transportation Support Trust Fund. This section is effective, contingent on the creation of the Purchasing and Transportation Support Trust Fund in a separate bill.

Section 13. Amends s. 215.22, F.S., to require that the Technology Enterprise Trust Fund within the Department of Management Services shall be exempt from the deduction required by s. 215.20(1). This section is effective, contingent on the creation of the Technology Enterprise Trust Fund in a separate bill.

Section 14. Amends s. 216.292, F.S., to require that any billed amounts not paid by the user agencies, or by the judicial branch, shall be transferred by the Comptroller from the user agencies to the Technology Enterprise Trust Fund. This section is effective, contingent on the creation of the Technology Enterprise Trust Fund in a separate bill.

Section 15. Repeals subsection (6) of s. 282.20, F.S. This section is effective, contingent on the creation of the Technology Enterprise Trust Fund in a separate bill.

Section 16. Repeals subsection (7) of s. 110.151, F.S., to eliminate references to the State Employee Child Care Revolving Trust Fund.

Section 17. Provides an effective date of July 1, 2001, except as otherwise provided in the act.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

No impact on revenues collected.

2. Expenditures:

Minor savings related to management efficiencies.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This bill reduces the number of trust funds by eliminating trust funds and combining related funds to increase management efficiency.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require municipalities or counties to spend money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of municipalities or counties to raise revenue.

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

This bill does not reduce the percentage of a state tax shared with municipalities or counties.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 4, 2001, the Committee on General Government Appropriations passed one amendment, which included the following four changes:

Providing for the disposition of the fund balance in the Revolving Trust Fund, which is being terminated in the Agency for Workforce Innovation. Also providing contingent language based on the creation of the Administrative Trust Fund in a separate bill.

Renaming the Supervision Trust Fund to the Facilities Management Trust Fund in the Department of Management Services.

Removing section 6, to delete language requiring fees to be deposited into the Supervision Trust Fund.

Adding a subsection in section 8 stating that the deposit of funds into the Purchasing and Transportation Support Trust Fund is contingent upon the creation of that fund in a separate bill.

VII. SIGNATURES:

COMMITTEE ON GENERAL GOVERNMENT APPROPRIATIONS :

Prepared by:

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