

**STORAGE NAME:** h1955.frc.doc  
**DATE:** February 25, 2002

**HOUSE OF REPRESENTATIVES  
FISCAL RESPONSIBILITY COUNCIL  
ANALYSIS**

**BILL #:** HB 1955 (PCB FRC 02-08)  
**RELATING TO:** Trust Funds  
**SPONSOR(S):** Fiscal Responsibility Council and Representative Ball  
**TIED BILL(S):**

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

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 22 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
- 

**I. SUMMARY:**

THIS DOCUMENT IS NOT INTENDED TO BE USED FOR THE PURPOSE OF CONSTRUING STATUTES, OR TO BE CONSTRUED AS AFFECTING, DEFINING, LIMITING, CONTROLLING, SPECIFYING, CLARIFYING, OR MODIFYING ANY LEGISLATION OR STATUTE.

This bill is the result of a review by the fiscal committees of all state trust funds. Three issues are addressed - the General Revenue service charge, trust fund interest earnings, and trust fund reversions. The 2002-03 General Appropriations Bill includes \$26,344,946 in appropriations that are contingent on the passage of this bill.

**General Revenue Service Charge.** Some trust funds currently pay a statutory service charge to the General Revenue Fund to cover the costs of general government paid from the General Revenue Fund. The service charge may be 3%, 7%, or 7.3%. The service charge is based on receipts to the funds that are of a revenue nature. Roughly half of the trust funds and fund accounts are exempt. The bill broadens the number of trust funds that pay the service charge and increases the service charge for some funds that currently pay. The most common increase is from 7 percent to 7.3 percent. The positive impact to the General Revenue Fund from changes to the service charge contained in this bill is \$2,130,167 for fiscal year 2002-03 and \$2,728,924 for fiscal year 2003-04.

**Trust Fund Interest Earnings.** All money in trust funds is invested by the State Treasurer and earns interest. In 2000-01, interest earnings were \$781 million. Of that, \$294 million was credited to the General Revenue Fund and \$487 million was credited to the individual trust funds whose moneys were invested. The statutory default is that interest accrues to the General Revenue Fund. For interest to accrue to individual trust funds, moneys in the funds must be transferred to the Treasurer's Administrative and Investment Trust Fund. The process of moving trust fund moneys so that interest is credited to the funds and principal is moved back to the trust funds for expenditure consumes resources in every agency. The positive impact to the General Revenue Fund from changes to the trust fund interest process contained in this bill is \$25,450,923 for fiscal year 2002-03 and \$27,764,643 for fiscal year 2003-04.

**Trust Fund Reversions.** When a program receives appropriations from both General Revenue and trust funds, trust funds reversions must be transferred to General Revenue, unless total reversions to General Revenue would exceed appropriations to General Revenue.



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 type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/>            | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

B. PRESENT SITUATION:

**General Revenue Service Charge**

Section 215.20, F.S., provides that a service charge be assessed against all trust fund revenues of an income nature. State accounting records indicate that the service charges collected and deposited in the General Revenue Fund during fiscal year 2000-01 totaled \$361 million.

Section 215.20(1), F.S., provides that a 7 percent service charge be assessed against funds except those listed in s. 215.22, F.S., which includes trust funds with income related to charges by an agency for services provided to another state agency or the Judicial branch, retirement of employee benefit funds; receipts from Medicaid, Medicare, or third-party receipts for client custodial care; trust funds administered by the Departments of Education, Transportation, and Agriculture and Consumer Services; and the Tobacco Settlement Trust Funds, and the Save Our Everglades Trust Fund. In all, s. 215.22, F.S., exempts 14 trust funds, 11 types of receipts to any trust fund, and all trust funds in 3 entire departments.

Subsection (2) requires that certain income derived from agriculture marketing orders and income into the Florida Citrus Advertising Trust Fund be assessed at 3 percent.

Subsection (3) provides for 0.3 percent to be assessed on the income of a list of trust funds found in subsection (4), which includes such funds as the Fuel Tax Collection Trust Fund, the Phosphate Research Trust Fund, the Local Option Fuel Tax Trust Fund, the Division of Florida Land Sales, Condominiums, and Mobile Homes Trust Fund, the Insurance Commissioner's Regulatory Trust Fund, and the Alcoholic Beverage and Tobacco Trust Fund. In all, from the approximately 450 state trust funds, subsection (3) lists 32 trust funds, parts of 2 others, and the trust funds of 2 divisions in specific agencies.

Section 215.24, F.S., provides that those funds that are the recipient of federal contributions or private grants that are received as a result of a state matching effort may be exempted from the assessment of the service charge under authority provided to the Governor.

**Treasurer's Duties Regarding Deposits and Investments of State Money**

Section 18.10, F.S., provides for the duties of the Treasurer to deposit and invest the monies of the state as fully as possible, consistent with the cash requirements of the state. Section 18.10(4), F.S., provides that all earnings made by the Treasurer are to be credited to the General Revenue Fund, except those funds whose moneys are made available pursuant s. 18.125(3), F.S.



Section 18.125, F.S., provides additional authority to the Treasurer to invest all general revenue funds, all trust funds, and all agency funds of each state agency. It directs each agency to make available the money in those funds under its direction to the Treasurer for investment. Subsection (3) provides a process for agencies to transfer trust fund moneys not needed for immediate operations to the Treasurer's Administrative and Investment Trust Fund. The interest earned is transferred to the respective trust funds, not to the General Revenue Fund.<sup>1</sup>

During the 2000-01 fiscal year, interest earned by the State Treasurer, according to records of the State Treasurer, was \$781 million. Of this amount \$294 million was credited to the General Revenue Fund and \$487 million was credited pro rata to trust funds. Administrative assessments in the amount of \$8.5 million were credited pursuant to s. 18.125(4), F.S., to the Treasurer's Administrative and Investment Trust Fund.

### **Trust Fund Reversions**

Section 216.301(1)(c), Florida Statutes, requires the transfer of trust fund reversions to the General Revenue Fund. However, the transfers are required only for those agencies or programs designated by the Executive Office of the Governor or the Chief Justice of the Supreme Court. The Auditor General, in "A Review of the Administration of State Trust Funds," report number 02-147, February 2002, recommended that:

Section 216.301(1)(c), Florida Statutes, be revised to require that, when a program receives funding from both the General Revenue Fund and one or more trust funds, the reversion of the trust fund appropriation balances be required for all of the applicable trust funds. We also recommend that the Legislature specify in the statute those conditions under which a specific trust fund might be exempted from the recommended appropriation reversion requirement. Those conditions might include, for example, the substantiation by the administering agency of the absence of a sufficient cash balance and the existence of contracts or Federal laws prohibiting the transfer of the appropriation balances.

### **1992 Taxation And Budget Reform Commission**

In 1992, the constitutionally required Taxation And Budget Reform Commission placed on the statewide ballot language that, among other things, attempted to limit the use of trust funds in state government. (See Section 19(f) of Article III of the State Constitution.) The Resolution of the Commission was filed with the Secretary of State and provided the Commission's findings and intent. It states, in part:

**TRUST FUNDS:** The Commission found that over 50% of the Approved Budget for fiscal year 1990-91 was from trust funds. Trust funds are defined for the purposes of Florida government as essentially segregated accounts earmarked for receipt of certain revenues. In the last ten years, **the percentage of trust fund appropriations has increased from 48% to 60%** of the state budget and the

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<sup>1</sup> "The State Treasurer invests all moneys not required to meet immediate disbursement needs. The moneys invested include General Revenue Fund moneys and trust fund moneys. The trust fund moneys can be (and are) invested by the State Treasurer whether or not a notice of availability has been provided by the respective state or judicial branch agencies. If a notice to invest is provided pursuant to s. 18.125(3), F.S., the earnings are credited to the applicable trust fund. If a notice is not provided, the earnings derived from state trust fund moneys are deposited, pursuant to s. 18.10(4), F.S., in the General Revenue Fund. Consequently, it appears that the only purpose served by an agency's calculation of the amounts to be made available for investment and the provision of the related notice, is to ensure that the agency's trust funds receive credit for the earnings derived from the amounts invested." Auditor General, Report No. 02-147, February 2002.



percentage of the General Revenue Fund appropriations has decreased from 52% to 38%. However, the Commission found that the General Revenue Fund serves as the primary reporting vehicle for government operations. Thus, the **hundreds of trust funds currently in existence serve only to make reporting the actual revenues and finances of the state virtually impossible.** . . . In order to achieve the goal of clarity in the budget process, when statutes require the adoption of an annual appropriation, **the appropriation should be made from the General Revenue Fund**, rather than from a trust fund. {Emphasis added.}

#### C. EFFECT OF PROPOSED CHANGES:

During the 2001-2002 legislative interim, all trust funds of all state agencies underwent a rigorous review related to:

- 1) The payment, or exemption from payment, of the General Revenue service charge.
- 2) The deposit of interest earnings in the trust funds or in the General Revenue Fund.

#### **General Revenue Service Charge**

Some trust funds pay a general revenue service charge (assessed only against revenues of an income nature and not against transfers from other funds). The concept for the service charge is that many of the state's functions that support trust funds (the Legislature, for example) are funded with General Revenue.

Nearly half of the state's trust funds and fund accounts do not pay the General Revenue service charge. Those that do may pay 3%, 7%, or 7.3% based on the requirements of ss. 215.20 and 215.22, F.S. These statutes, along with at least 25 others that provide exceptions to the General Revenue service charge, appear to address trust funds individually rather than on an overall policy basis.

For the General Revenue service charge, the trust fund review considered the following:

Is the General Revenue service charge applied fairly and uniformly to all state trust funds?

Are similar trust funds subject to the General Revenue service charge?

Do any statutory or rule provisions, other than ss. 215.20 and 215.22, F.S., control the General Revenue service charge for a particular trust fund?

For trust funds receiving federal moneys, can the negotiated indirect cost allowance be used to pay the General Revenue service charge?

Was the General Revenue service charge assessed against this trust fund's receipts when those receipts passed through another trust fund?

#### **Trust Fund Interest Earnings**

Changes in the way interest is earned on trust fund moneys, not necessary for the cash needs of the state, could result in an increase of hundreds of millions of dollars in recurring General Revenue.



Few trust funds created by the Legislature (and few of the fees set for deposit in trust funds) were ever created with the concept that their revenues would be enhanced by interest earnings. Notable exceptions would be the Florida Hurricane Catastrophe Fund and the Lawton Chiles Endowment Fund.

For trust fund interest earnings, the trust fund review considered the following:

Should interest earned on the money in individual trust funds be deposited to General Revenue or treated as trust fund revenue?

What proportion of the money in the trust fund is typically invested through the Treasurer's Administrative and Investment Trust Fund (with interest accruing to the credit of the trust fund), as opposed to retained in the trust fund (with interest earned accruing to General Revenue)?

Do any statutory or rule provisions refer to interest earned by the trust fund being retained in the fund?

### **Trust Fund Reversions**

The bill requires that, when a program receives appropriations from both General Revenue and trust funds, any reversions at the end of the year from trust funds must be transferred to General Revenue. Exceptions are made when combined General Revenue and trust fund reversions would exceed General Revenue appropriations for the year, or the agency substantiates to the satisfaction of the Governor and the legislative appropriations committees that this is prevented by:

Federal requirements for state match.

Federal requirements for maintenance of effort.

The absence of sufficient cash balance and existence of contracts.

#### **D. SECTION-BY-SECTION ANALYSIS:**

Section 1. Amends s. 215.20, F.S., relating to the General Revenue service charge. This section is substantially reworded. Trust funds included in the current law that are not affected other than being moved within the section are not included below. For the following 90 trust funds in the following agencies, the General Revenue service is charge increased from 7% to 7.3%.

Agency for Health Care Administration:

Florida Organ and Tissue Donor Education and Procurement Trust Fund  
Resident Protection Trust Fund

Department of Banking and Finance:

Administrative Trust Fund  
Anti-Fraud Trust Fund  
Mortgage Brokerage Guaranty Trust Fund  
Regulatory Trust Fund

Department of Business and Professional Regulation:

Administrative Trust Fund  
Division of Florida Land Sales, Condominiums, and Mobile Homes Trust Fund



Department of Children and Families:

- Administrative Trust Fund
- Child Welfare Training Trust Fund
- Children and Adolescents Substance Abuse Trust Fund
- Domestic Violence Trust Fund
- Grants and Donations Trust Fund
- Operations and Maintenance Trust Fund

Department of Elder Affairs:

- Administrative Trust Fund
- Federal Grants Trust Fund
- Grants and Donations Trust Fund
- Operations and Maintenance Trust Fund

Department of Environmental Protection:

- Administrative Trust Fund
- Air Pollution Control Trust Fund
- Environmental Laboratory Trust Fund
- Florida Coastal Protection Trust Fund
- Conservation & Recreation Lands Trust Fund
- Ecosystem Management & Restoration Trust Fund
- Inland Protection Trust
- Forfeited Property Trust Fund
- Grants And Donations Trust Fund
- Internal Improvement Trust
- Land Acquisition Trust Fund
- Minerals Trust Fund
- Florida Permit Fee Trust Fund
- State Park Trust Fund
- Water Quality Assurance Trust Fund
- Working Capital Trust Fund

Fish and Wildlife Conservation Commission:

- Land Acquisition Trust Fund
- Florida Panther Research and Management
- Marine Resources Conservation Trust Fund
- Conservation and Recreation Lands Program Trust Fund

Department of Health:

- Administrative Trust Fund
- Donations Trust Fund
- Florida Drug, Device, and Cosmetic Trust Fund
- Emergency Medical Services Trust Fund
- Epilepsy Services Trust Fund
- Grants and Donations Trust Fund
- Medical Quality Assurance Trust Fund
- Brain and Spinal Cord Injury Program Trust Fund
- Nursing Student Loan Forgiveness Trust Fund
- Planning and Evaluation Trust Fund
- Radiation Protection Trust Fund

Department of Highway Safety and Motor Vehicles:

- DUI Programs Coordination Trust Fund



Department of Management Services:

- Administrative Trust Fund
- Architects Incidental Trust
- Bureau Of Aircraft Trust Fund
- Grants & Donations Trust Fund
- Motor Vehicle Operating Trust Fund
- Public Employees Relations Commission Trust Fund
- State Personnel System Trust Fund
- Supervision Trust Fund
- Working Capital Trust Fund

Division of Administrative Hearings:

- Administrative Trust Fund

Department of Revenue:

- Additional Court Cost Clearing Trust Fund
- Administrative Trust Fund
- Apalachicola Bay Oyster Surcharge Clearing Trust Fund
- Certification Program Trust Fund
- Motor Vehicle Warranty Trust Fund
- Motor Vehicle Rental Surcharge Clearing Trust Fund
- Oil And Gas Tax Trust Fund
- Secondhand Dealer and Secondary Metals Recycler Clearing Trust Fund
- Severance Tax Solid Mineral Trust Fund

Department of Veterans' Affairs:

- Grants and Donations Trust Fund
- Operations and Maintenance Trust Fund
- State Home For Veterans Trust Fund

For the following trust funds in the following agencies, the General Revenue service charge is increased from 0% to 3%.

Department of Agriculture and Consumer Services:

- Administrative Trust Fund
- Agricultural Law Enforcement Trust Fund
- Contracts And Grant Trust Fund
- Agricultural Emergency Trust Fund
- Incidental Trust Fund
- Market Trade Show Trust Fund
- Relocation And Construction Trust Fund
- Florida Saltwater Products Trust Fund
- Viticulture Trust Fund
- Florida Agricultural Promotion Campaign Trust Fund

Fish and Wildlife Conservation Commission

- The Save the Manatee Trust Fund



For the following trust funds in the following agencies, the General Revenue service charge is increased from 0% to 7.3%.

Department of Agriculture and Consumer Services:  
Conservation & Recreation Lands Program Trust Fund

Department of Community Affairs:  
Operating Trust Fund

Justice Administrative Commission:  
Indigent Criminal Defense Trust Fund

Department of Management Services:  
Florida Facilities Pool Working Capital Trust Fund

The following fund is removed from the list of funds subject to the 0.3 percent service charge:  
Speech-Language Pathology and Audiology Trust Fund<sup>2</sup>

Section 2. Amends s. 215.22, F.S., relating to trust funds exempt from the General Revenue service charge. Limits the funds of the Department of Agriculture and Consumer Services that are exempt to the following funds:

Citrus Inspection Trust Fund  
Florida Forever Program Trust Fund  
Florida Preservation 2000 Trust Fund  
Market Improvements Working Capital Trust Fund  
Pest Control Trust Fund  
Plant Industry Trust Fund

Removes the exemption for the following fund within the Justice Administration Commission:  
Indigent Criminal Defense Trust Fund

Requires the Governor to consult with the Legislative Budget Commission before granting additional exemptions.

Section 3. Amends s. 215.24, F.S., to require the Governor to consult with the Legislative Budget Commission before certifying that specific revenues to trust funds are exempt from the service charge.

Section 4. Amends s. 215.32, F.S., to delete language allowing state agencies and the judicial branch to consolidate trust funds. This language seems inconsistent with the requirements of section 19(f) of Article III of the State Constitution related to trust funds.

Deletes language that delays the transfer of funds into the Working Capital Fund for several months each year.

Section 5. Amends s. 216.301, F.S., to require that, when a program receives appropriations from both General Revenue and trust funds, any reversions at the end of the year from trust funds must be transferred to General Revenue. Exceptions are made when combined General Revenue and

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<sup>2</sup> The Speech-Language Pathology and Audiology Trust Fund was last used in the 1993-94 General Appropriations Act. It is not listed as an active fund in the Comptroller's annual trust fund report. Since the adoption of the 4-year trust fund limitation in section 19(f) of Article III of the State Constitution in 1992, the Speech-Language Pathology and Audiology Trust Fund has never been re-created. Presumably, it has been terminated pursuant to the constitutional requirement.



trust fund reversions would exceed General Revenue appropriations for the year, or the agency substantiates to the satisfaction of the Governor and the legislative appropriations committees that transfer is prevented by federal requirements for state match or maintenance of effort or the absence of sufficient cash balance and existence of contracts.

Section 6. Amends s. 18.125, F.S., to limit the trust funds that can retain interest earned rather than depositing such interest into the General Revenue Fund. For the following 78 trust funds in the following agencies, the provisions of s. 18.125, F.S., requiring the transfer of money back and forth between the trust funds and the Treasurer, and allowing the funds to retain interest earnings, do not apply:

Agency for Health Care Administration:

- Health Care Trust Fund
- Florida Organ and Tissue Donor Education and Procurement Trust Fund
- Resident Protection Trust Fund
- Public Medical Assistance Trust Fund

Department of Children and Families:

- Administrative Trust Fund
- Child Welfare Training Trust Fund
- Children and Adolescents Substance Abuse Trust Fund
- Domestic Violence Trust Fund
- Federal Grants Trust Fund
- Grants and Donations Trust Fund
- Operations and Maintenance Trust Fund

Department of Community Affairs:

- Operating Trust Fund

Department of Corrections:

- Criminal Justice Standards and Training Trust Fund
- Correction Work Program Trust Fund
- Florida Agricultural Exposition Trust Fund
- Grants and Donations Trust Fund
- Operating Trust Fund
- Inmate Welfare Trust Fund
- Sales Of Goods And Services Trust Fund
- Privately Operated Institutions Inmate Welfare Trust Fund

Department of Elder Affairs:

- Administrative Trust Fund
- Grants and Donations Trust Fund
- Operations and Maintenance Trust Fund

Executive Office of the Governor:

- Economic Development Trust Fund
- Economic Development Transportation Trust Fund

Department of Health:

- Administrative Trust Fund
- County Health Department Trust Fund
- Donations Trust Fund
- Drug, Device, and Cosmetic Trust Fund



- Emergency Medical Services Trust Fund
- Epilepsy Services Trust Fund
- Medical Quality Assurance Trust Fund
- Brain and Spinal Cord Injury Trust Fund
- Nursing Student Loan Forgiveness Trust Fund
- Planning and Evaluation Trust Fund
- Radiation Protection Trust Fund

Department of Highway Safety and Motor Vehicles:

- DUI Programs Coordination Trust
- Security Deposits Trust Fund

Justice Administrative Commission:

- Capital Collateral Representative Trust Fund
- Child Support Trust Fund
- Civil RICO Trust Fund
- Consumer Fraud Trust Fund
- Forfeiture and Investigative Support Trust Fund
- Grants and Donations Trust Fund
- Indigent Criminal Defense Trust Fund

Department of Juvenile Justice:

- Administrative Trust Fund
- Grants and Donations Trust Fund
- Juvenile Crime Prevention And Early Intervention Trust Fund
- Juvenile Justice Training Trust Fund
- Social Services Block Grant Trust Fund

Department of Labor and Employment Security

- Administrative Trust Fund

Department of Law Enforcement:

- Criminal Justice Standards and Training Trust Fund
- Forfeiture & Investigative Support Trust Fund
- Grants and Donations Trust Fund
- Operating Trust Fund
- Revolving Trust Fund
- Federal Law Enforcement Trust Fund

Department of Legal Affairs:

- Administrative Trust Fund
- Florida Motor Vehicle Theft
- Consumer Fraud Trust Fund
- Crimes Compensation Trust Fund
- Crime Stoppers Trust Fund
- Florida Crime Prevention Training Institute Revolving Trust Fund
- Grants And Donations Trust Fund
- Legal Services Trust Fund
- Legal Affairs Revolving Trust Fund
- Motor Vehicle Warranty Trust Fund
- Elections Commission Trust Fund
- Revolving Escrow Trust Fund



Florida Public Service Commission:  
Florida Public Service Regulatory Trust Fund

Department of State:  
Grants and Donations Trust Fund  
Records Management Trust Fund

Department of Veterans' Affairs:  
Operations and Maintenance Trust Fund  
State Home For Veterans Trust Fund

State Court System:  
County Article V Trust Fund  
Court Education Trust Fund  
Mediation And Arbitration Trust Fund  
Grants and Donations Trust Fund  
Family Courts Trust Fund

Section 7. Amends s. 14.2015, F.S., to remove references relating to the interest earned by the Economic Development Trust Fund and the Economic Development Transportation Trust Fund within the Executive Office of the Governor.

Section 8. Amends s. 240.4075, F.S., to remove references relating to the interest earned by the Nursing Student Loan Forgiveness Trust Fund within the Department of Health.

Section 9. Amends s. 385.207, F.S., to remove references relating to the interest earned by the Epilepsy Services Trust Fund within the Department of Health.

Section 10. Amends s. 860.158, F.S., to remove references relating to the interest earned by the Florida Motor Vehicle Theft Prevention Trust Fund within the Department of Legal Affairs.

Section 11. Amends s. 938.01, F.S., to remove references relating to the interest earned by the Criminal Justice Standards and Training Trust Fund and the Operating Trust Fund within the Department of Law Enforcement.

Section 12. Provides an effective date of July 1, 2002.

### III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

##### **General Revenue Service Charge**

The Revenue Estimating Conference has reviewed the changes to the General Revenue service charge proposed in this bill. Grouped by fiscal committee, the Conference estimates the following recurring increases in General Revenue, with corresponding decreases in trust funds:



	FY 02-03 (9 months)	FY 03-04 (12 months)
Health and Human Services Appropriations	\$241,534	\$322,045
Criminal Justice Appropriations	\$173,636	\$231,515
General Government Appropriations	\$1,219,899	\$1,515,236
Transportation and Economic Development	\$495,098	\$660,128
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TOTAL	\$2,130,167	\$2,728,924

The fiscal year 2002-03 estimate is about 25 percent less than 2003-04. This is based on the Conference's estimate of a one quarter lag in implementation for 2002-03. (For the Department of Revenue, the Conference estimated only a one month lag.)

### Trust Fund Interest Earnings

The Revenue Estimating Conference has reviewed the changes to the trust fund interest earnings proposed in this bill. Grouped by fiscal committee, the Conference estimates the following recurring increases in General Revenue, with corresponding decreases in trust funds:

	FY 02-03 (11 months)	FY 03-04 (12 months)
Health and Human Services Appropriations	\$17,848,411	\$19,470,994
Criminal Justice Appropriations	\$5,752,662	\$6,275,631
Transportation and Economic Development	\$1,849,850	\$2,018,018
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TOTAL	\$25,450,923	\$27,764,643

The fiscal year 2002-03 estimate is 1/12 less than 2003-04. This is based on the Conference's estimate of a one month lag in implementation.

## 2. Expenditures:

This bill is not designed or expected to change expenditure patterns. Programs that are currently funded would still receive funding, but the percentage of funding from General Revenue could increase. Trust fund supported programs are not expected to be reduced as a result of this bill.

The following amounts in Specific Appropriations in the General Appropriations Bill are contingent on the passage of this bill:

\$18.1 million in Specific Appropriation 349 for lump sum services to developmentally disabled persons.

\$5.9 million in salaries in Specific Appropriation 1170 for the juvenile justice facility at the former G. Pierce Wood Hospital.

\$2,344,946 in Specific Appropriation 3119 for state aide to libraries.

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\$26,334,946 Total



B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

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 money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

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

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

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

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On February 22, 2002, the Fiscal Responsibility Council adopted five amendments. Four made technical changes to conform the bill to the trust fund recommendations of the appropriations committees, which were the basis of the bill, and one added section 5.



**STORAGE NAME:** h1955.frc.doc

**DATE:** February 25, 2002

**PAGE:** 14

VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

Staff Director:

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Richard Herring

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David Coburn