

**STORAGE NAME:** h1997.frc.doc  
**DATE:** March 4, 2002

**HOUSE OF REPRESENTATIVES**  
**FISCAL RESPONSIBILITY COUNCIL**  
**ANALYSIS**

**BILL #:** HB 1997 (PCB FRC 02-20)

**RELATING TO:** Workers' Compensation Administration Trust Fund in the Department of Education

**SPONSOR(S):** Fiscal Responsibility Council and Representative Johnson

**TIED BILL(S):**

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

- (1) FISCAL RESPONSIBILITY COUNCIL YEAS 23 NAYS 1
  - (2)
  - (3)
  - (4)
  - (5)
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I. SUMMARY:

This bill creates the Workers' Compensation Administration Trust Fund within the Department of Education. The Workers' Compensation Administration Trust Fund will be used to pay expenses related to the administration of programs for rehabilitation and reemployment of injured workers.

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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:

Currently, the Workers' Compensation Administration Trust Fund is administered by the Division of Workers' Compensation of the Department of Labor and Employment Security pursuant to s. 440.50, F.S. The Trust Fund provides for the payment of all expenses with respect to administration of chapter 440, F.S., including the vocational rehabilitation of injured employees as provided in s. 440.49, F.S., the payments due under s. 440.15(1)(f), F.S., the funding of the fixed administrative expenses of the plan, and the funding of the Bureau of Workers' Compensation Fraud within the Department of Insurance.

Pursuant to s. 440.50, F.S., the Division of Workers' Compensation of the Department of Labor and Employment Security is authorized to transfer an amount not in excess of \$250,000 as a loan to the Special Disability Trust Fund established by s. 440.49(9), F.S. Such loan shall be repaid to the Workers' Compensation Administration Trust Fund in annual payments equal to not less than 10% of moneys received for the Special Disability Trust Fund.

Pursuant to s. 440.50, F.S., the Treasurer is required to deposit moneys paid into the Workers' Compensation Administration Trust Fund into depository banks that the Division of Workers' Compensation of the Department of Labor and Employment Security may designate and is authorized to invest any portion of the said moneys which is not needed for current requirements in the same manner and subject to all the provisions of law with respect to the deposits of state funds by the Treasurer. All interest accruing to the Workers' Compensation Administration Trust Fund is collected by the Treasurer and credited to the Trust Fund.

Also, the Workers' Compensation Administration Trust Fund exists in the Department of Labor and Employment Security. House Bill 1643 would dissolve the Department of Labor and Employment Security and House Bill 1943 (the General Appropriations Bill) reflects the transfer of Workers' Compensation Programs to other entities, which would require the creation of the Workers' Compensation Administration Trust Fund in the receiving entities.

C. EFFECT OF PROPOSED CHANGES:

This bill creates the Workers' Compensation Administration Trust Fund in the Department of Education. The Department of Education Workers' Compensation Administration Trust Fund would

be the source for the payment of all expenses with respect to the administration of programs for the rehabilitation and reemployment of injured workers.

The creation of the Workers' Compensation Trust Fund within the Department of Education is contingent upon the adoption of House Bill 1643 or similar legislation which dissolves the Department of Labor and Employment Security.

D. SECTION-BY-SECTION ANALYSIS:

See "EFFECT OF PROPOSED CHANGES" section of this analysis.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

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:

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.

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V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

Pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the trust fund shall, unless terminated sooner, be terminated on July 1, 2006.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

The creation of the Workers' Compensation Trust Fund within the Department of Education is contingent upon the adoption of House Bill 1643 or similar legislation which dissolves the Department of Labor and Employment Security.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VII. SIGNATURES:

FISCAL RESPONSIBILITY COUNCIL:

Prepared by:

Staff Director:

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