

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 912
 SPONSOR: Senator Clary
 SUBJECT: Emergency Response Trust Fund
 DATE: January 7, 2002 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Barrett	Hayes	AGG	Favorable
2.	_____	_____	AP	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This legislation creates the Emergency Response Trust Fund within the Department of Military Affairs, effective July 1, 2002.

II. Present Situation:

The Department of Military Affairs is a state agency whose primary mission is to prepare for the activation of the Florida National Guard. When the President calls the Florida National Guard to active duty, the federal government directly pays the costs of activation. Most state activations of the Florida National Guard have been in response to natural disasters, such as hurricanes or wildfires. In those cases, the Federal Emergency Management Agency (FEMA) has eventually fully reimbursed the state for the costs of activation. Any non-reimbursed activation costs have either been absorbed by the department's operating budget or funds have been transferred to the agency by budget amendment, pursuant to Chapter 216, F.S.

Currently, the department uses the Armory Board Trust Fund to handle all receipts and disbursements related to activation. However, the primary purpose of the Armory Board Trust Fund is to receive, spend and account for funds associated with federal / state cooperative agreements executed with the Department of Defense. Commingling FEMA reimbursements and transfers from other agencies with the other revenue sources in the Armory Board Trust Fund has made it difficult for the department to account for activation costs efficiently.

III. Effect of Proposed Changes:

This bill creates the Emergency Response Trust Fund in the Department of Military Affairs, effective July 1, 2002. The revenue sources for this trust fund will be FEMA reimbursements and transfers of state funds when approved by budget amendments processed pursuant to Chapter

216, F.S. The trust fund will be used to pay all operational costs incurred by the Florida National Guard when called to active duty. The bill provides that the trust fund is exempt from the General Revenue surcharge and any balance in the trust fund at the end of the fiscal year shall remain in the trust fund and “carry-forward” for expenditure in subsequent fiscal years.

Pursuant to the provisions of section 19(f)(2) of Florida’s Constitution, the trust fund will be terminated on July 1, 2006, unless terminated sooner. The Legislature will review this trust fund before its scheduled termination.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

To the extent that use of the Emergency Response Trust Fund enables the Department of Military Affairs to streamline processes and reduce paperwork, the department may experience an insignificant cost avoidance.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The recommendations of the General Government Zero-Based Budgeting Subcommittee of the Legislative Budget Commission included creating the “Emergency Response Trust Fund” as one

of its recommendations for the Department of Military Affairs -- the department concurs with the recommendation.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
