

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: HB 7029 PCB EEIC 07-02 Creating the Federal Grants Trust Fund within the Department of Highway Safety and Motor Vehicles

SPONSOR(S): Economic Expansion & Infrastructure Council and Rep. Cannon

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Economic Expansion & Infrastructure Council	14 Y, 0 N	Fox	Tinker
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

I. SUMMARY

This bill creates the Federal Grants Trust Fund within the Department of Highway Safety and Motor Vehicles (DHSMV). The Federal Grants Trust Fund is established as a depository for allowable grant activities funded by restricted program revenues from federal sources. The proceeds to be credited to the trust fund shall consist of grants and funding from the Federal Government, interest earnings, and cash advances from other trust funds. Funds shall be expended only pursuant to legislative appropriation or an approved amendment to the department's operating budget pursuant to the provisions of chapter 216, Florida Statutes.

Currently, the DHSMV uses the Highway Safety Operating Trust Fund and the Grants and Donations Trust Fund as depositories for all grants and funding from the federal government.

This bill has an effective date of July 1, 2008. The Federal Grants Trust Fund shall, unless terminated sooner, be terminated on July 1, 2012.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Chapters 215 and 216, Florida Statutes

Articles III, Section 19(f) of the Florida Constitution requires the termination of all state trust funds within 4 years of their initial creation, unless exempt by the Constitution or operation of law. The Legislature has placed agency funds on a staggered review cycle to facilitate the review process associated with trust fund termination, modification, or recreation.

Included in the review of the department's existing trust funds is the creation of additional trust funds pursuant to s. 215.32, F.S. The section requires agencies, to the extent possible, to use the following trust funds for their day-to-day operations:

- Operating Trust Fund
- Operations and Maintenance Trust Fund
- Administrative Trust Fund
- Grants and Donations Trust Fund
- Agency Working Capital Trust Fund
- Clearing Funds Trust Fund
- Federal Grants Trust Fund

Currently, the DHSMV uses the Highway Safety Operating Trust Fund and the Grants and Donations Trust Fund as depositories for all grants and funding from the Federal Government.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The Federal Grants Trust Fund is established as a depository for allowable grant activities funded by restricted program revenues from federal sources.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

The proceeds to be credited to the trust fund shall consist of grants and funding from the Federal Government, interest earnings, and cash advances from other trust funds.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Projected Receipts - \$4,916,840.00

Current Year Appropriations – Fund doesn't exist

B. EFFECT OF PROPOSED CHANGES:

This bill creates the Federal Grants Trust Fund within the Department of Highway Safety and Motor Vehicles effective July 1, 2008. The fund is established as a depository for allowable grant activities funded by restricted program revenues from federal sources. The proceeds to be credited to the trust fund shall consist of grants and funding from the Federal Government, interest earnings, and cash advances from other trust funds. Funds shall be expended only pursuant to legislative appropriation or an approved amendment to the department's operating budget pursuant to the provisions of chapter 216, Florida Statutes.

The Federal Grants Trust Fund shall, unless terminated sooner, be terminated July 1, 2012.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

The Department of Highway Safety and Motor Vehicles currently administers federally funded programs from its Highway Safety Operating Trust Fund and the Grants and Donations Trust Fund. By the creation of this fund, these activities would be administered from the newly created Federal Grant Trust Fund. It is not anticipated that there would be a fiscal impact in conducting these activities in the new trust fund versus the current trust funds. It is also not anticipated that there would be an operational impact on the agency in conducting these activities in the new trust fund versus the current trust funds.

IV. COMMENTS

V. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES