

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 7069	FINAL HOUSE FLOOR ACTION:		
SUBJECT/SHORT TITLE	Trust Funds	113	Y's 0	N's
SPONSOR(S):	Appropriations Committee; Higher Education Appropriations Subcommittee and Ahern	GOVERNOR'S ACTION:	Approved	
COMPANION BILLS:	HB 1145, SB 1398			

SUMMARY ANALYSIS

CS/HB 7069 passed the House on February 21, 2018, and subsequently passed the Senate on March 1, 2018.

The bill re-creates the Florida ABLE Program Trust Fund effective July 1, 2018.

Article III, Section 19(f) of the Florida Constitution requires that state trust funds terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund, unless re-created. This provision requires that trust funds be created or re-created by a three-fifths vote of the membership of each house of the Legislature in a separate bill for the sole purpose of creating or re-creating the trust fund. The Florida ABLE Program Trust Fund was created within the State Board of Administration effective May 21, 2015, and is scheduled to terminate on May 21, 2019.

This bill has no fiscal impact.

The bill was approved by the Governor on March 21, 2018, ch. 2018-79, L.O.F., and will become effective on July 1, 2018.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Article III, Section 19(f) of the Florida Constitution requires that state trust funds terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund, unless re-created. This provision requires that trust fund be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating or re-creating that trust fund. The Florida ABLE Program Trust Fund, created within the State Board of Administration effective May 21, 2015 by Chapter 2015-57, Laws of Florida, in s. 1009.988, F.S., will terminate on May 21, 2019, unless reenacted.

This trust fund is used to carry out the purposes of the Florida ABLE program pursuant to s. 1009.986, F.S. Under the Florida ABLE Program, eligible individuals with disabilities, family members and others may contribute funds to an ABLE savings account without affecting the designated beneficiary's eligibility for state and federal benefits, such as SSI and Medicaid. Those funds may be used for qualified disability expenses relating to the individual's blindness or disability. These expenses include education, housing, transportation, employment support, health, prevention, wellness, financial, and legal expenses, and other expenses authorized through federal regulations.

The Florida ABLE Program currently receives a recurring state appropriation of \$2,166,000 to administer the program. Individuals eligible to participate in the program invest personal funds into savings accounts, which accumulate interest.

The Florida ABLE Program provided the following information. As of 12/29/17:

- Number of accounts: 1,572
- Total Contributions: \$6,974,665
- Total Withdrawals: \$1,073,757
- Average account balance: \$4,010
- 68% of individuals enrolled have either a developmental or intellectual disability
- Average age of account owner: 29

Because this program is relatively new, growth in the number of eligible participants' investing through this program is unknown; however, increased investment participation is highly anticipated. Financial statements for the period ending June 30, 2017 indicate \$3,659,185 in investments held on behalf of participants.¹ From the information in the bulleted list above, as of December 29, 2017, investments nearly doubled from the June 30, 2017 financial statement.

Additionally, in Fiscal Year 2017-2018, \$2,166,000 in recurring general revenue was appropriated to the Department of Education for transfer into the Florida ABLE Program Trust Fund.² Estimated expenditures of the current state appropriation include program costs such as marketing, records administration, service charges, legal and professional, consulting, travel and other miscellaneous expenses.

¹ http://3chhd9rjja71q885b10gi37k.wpengine.netdna-cdn.com/wp-content/uploads/Florida_ABLE_Inc_AuditedStmts_2017.pdf

² Chapter 2017-70, L.O.F., (SB 2500) 2017-2018 General Appropriations Act, Specific Appropriation 69

Effect of Proposed Changes

The bill re-creates the trust fund without modification.

II. 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.

FISCAL COMMENTS:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.