

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Education Pre-K - 12 Appropriations Committee

BILL: SB 1332

INTRODUCER: Senator Wise

SUBJECT: Create - Operating Trust Fund

DATE: February 20, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kuleshova</u>	<u>Hamon</u>	<u>EA</u>	Favorable
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill creates the Operating Trust Fund, FLAIR number 48-2-510, within the Department of Education effective July 1, 2008. This trust fund is established to be used as a depository for funds for program operations funded by program revenues as prescribed by s. 215.32, F.S. Source funds for this trust fund are to be miscellaneous operational receipts including the leasing of available transponder time from the state's satellite transponder resources and fees generated from General Education Development (GED) Testing.

II. Present Situation:

Section 19(f), Art. III of the Florida Constitution requires that the creation of a trust fund pass with a three-fifths vote of the membership in each house and be contained in a separate bill for the sole purpose of creating that trust fund.

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the Florida Constitution, a schedule for review of the trust funds be included in the legislative budget instructions developed pursuant to s. 216.023, F.S. The trust funds in the department are scheduled for review this year.

In order to meet accounting standards established by the Government Accounting Standards Board (GASB), s. 215.32, F.S., was amended to require that agencies, to the extent possible, have standard trust funds for day-to-day operation.

The Department of Education generates incidental revenue for program operations from some activities of the department. These revenues have been historically budgeted in various trust funds within the department.

III. Effect of Proposed Changes:

The Operating Trust Fund is created in order to align agency accounts with the requirements of s. 215.32, F.S. This section specifies standard types of trust funds for day-to-day operations for all state agencies.

This trust fund will allow the agency to deposit fees for program operations including program revenues generated from the leasing of transponder time and the fees generated from GED testing. The department estimates first year revenue for the fund to be approximately \$109,199.

The trust fund will terminate in four years, on July 1, 2012, pursuant to Article III, s. 19(f) (2) unless terminated sooner. Before its scheduled termination, the trust fund will be reviewed as provided in s. 215.3206(1) and (2), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

This bill, creating a new trust fund, must pass by a three-fifths vote of the membership in each house to become law pursuant to s. 19(f) (1), Art. III of the Florida Constitution.

D. Other Constitutional Issues:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Creation of this trust fund provides consistency and conformance with the provisions of s. 215.32, F.S. This legislation has no fiscal impact on state agencies, and local governments as a whole or the private sector.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

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