

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the General Government Appropriations Committee

BILL: CS/SB 1628

INTRODUCER: General Government Appropriations Committee and Senator Baker

SUBJECT: Federal Grants Trust Fund/Department of Management Services

DATE: March 3, 2010 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pigott	DeLoach	GA	Fav/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

This bill creates the Federal Grants Trust Fund within the Department of Management Services, effective July 1, 2010. This trust fund is established to be used for allowable grant activities funded by restricted program revenues. Funds that will be credited to the Federal Grants Trust Fund will consist of grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

This bill does not substantially amend, create, or repeal any of the Florida Statutes.

II. Present Situation:

Section 19(f), Art. III of the State Constitution requires that every trust fund be 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 that trust fund. The Constitution also provides that all newly created trust funds terminate not more than four years after the initial creation unless recreated.

Section 215.3208(1), F.S., provides that, in order to implement s. 19(f), Art. III of the State Constitution, a schedule for review of trust funds be included in the legislative budget

instructions developed pursuant to s. 216.023, F.S. The trust funds in the Department of Management Services are scheduled for review this year.

In order to meet accounting standards established by the Government Accounting Standards Board, s. 215.32, F.S., requires that agencies have trust funds for day-to-day operations. One of the required trust funds is a federal grants trust fund. The department currently does not have a federal grants trust fund. The creation of this trust fund complies with s. 215.32, F.S.

Currently, federal funds are deposited into various trust funds within the agency. Pursuant to s. 215.32, F.S., the Federal Grants Trust Fund is to be used as a depository for funds for allowable grant activities funded by restricted program revenues from federal sources.

III. Effect of Proposed Changes:

The creation of this trust fund will allow the department to separately account for funds from grants and funding from the federal government, interest earnings, and cash advances from other trust funds. The department will use this trust fund as a depository for funds to be used for allowable grant activities funded by restricted program revenues from federal sources.

The creation of this trust fund will align department accounts with the requirements of s. 215.32, F.S.

The trust fund will terminate four years after creation, on July 1, 2014, pursuant to s. 19 (f)(2), Art. III of the State Constitution, unless re-created by the Legislature.

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 of each house to become law pursuant to s. 19 (f), Art. III of the State Constitution.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Creation of the Federal Grants Trust Fund within the department will result in improved segregation of funds, accounting records, and ability to analyze the revenues and expenditures of the department.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by General Government Appropriations Committee on March 3, 2009:

This committee substitute clarifies that the effective date of the bill is contingent on a three-fifths vote of the membership of each house of the legislature.

- B. Amendments:

None.