

STORAGE NAME: h4387s1a.ed

DATE: April 2, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
EDUCATION APPROPRIATIONS
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 4387

RELATING TO: Trust Funds

SPONSOR(S): Committee on Children and Family Empowerment and Representative Chestnut

COMPANION BILL(S): None

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) Children and Family Empowerment YEAS 6 NAYS 3
- (2) EDUCATION APPROPRIATIONS YEAS 10 NAYS 6
- (3)
- (4)
- (5)

I. SUMMARY:

CS/HB 4387 creates in the Department of Education (DOE) the Children First School Readiness Trust Fund to be administered by the Florida Partnership for Children First, Inc. Funds are to be credited to the trust fund as provided in s. 411.01, F.S., to be used for the purposes of funding the Florida Partnership for Children First, Inc.

Estimated revenues for this trust, if the combined funds of school readiness for FY 98/99 were placed in the Children First School Readiness Trust Fund, would be \$668 million.

HB 4387 is contingent on HB 683 or similar legislation creating the Florida Partnership for Children First, Inc., being adopted in the same legislative session or an extension thereof.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Article III, section 19(f)(1), of the State Constitution requires each state trust fund to be created by “a three-fifths vote of the membership of each house of the legislature in a separate bill for that purpose only.”

House Bill 683 creates the “Children First Act” in ch. 411, F.S., to establish a new governance framework for the administration and operation of the subsidized child care program and the prekindergarten early intervention program.

The “Children First Act” creates the following administrative structure:

- Children’s First Governing Board. The board is charged with setting statewide direction and establishing programmatic, administrative, and fiscal policies.
- The Florida Partnership for Children First, Inc., as a nonprofit corporation with statewide responsibilities for implementing policies developed by the governing board, monitoring progress toward achievement of goals, setting standards, approving Children First plans, and facilitating the implementation of the local plans.
- The Children First Coalitions (in each county or county combination). The coalitions are private nonprofit organizations or a partnership of nonprofit organizations, and individuals with demonstrated interest and leadership. The coalitions are the brokers for readiness programs in the community.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 4387 creates, in the Department of Education (DOE), the Children First School Readiness Trust Fund to be administered by the Florida Partnership for Children First, Inc. Funds are to be credited to the trust fund as provided in s. 411.01, to be used for the purposes of funding the Florida Partnership for Children First, Inc.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

No.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

No.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

No.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

No.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

- (3) Are private alternatives permitted?

N/A

- (4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

s. 411.015, F.S.

E. SECTION-BY-SECTION RESEARCH:

Section 1

House Bill 4387 creates in the Department of Education (DOE) the Children First School Readiness Trust Fund to be administered by the Florida Partnership for Children First, Inc. Funds are to be credited to the trust fund as provided in s. 411.01, F.S., to be used for the purposes of funding the Florida Partnership for Children First, Inc.

Provides that any balance in the trust fund at the end of any fiscal year must remain in the trust fund at the end of the year and be available for carrying out the purposes of the trust fund.

As required by the provisions of s. 19(f)(2), Art. III of the State Constitution, the Children First School Readiness Trust Fund shall, unless terminated sooner, be terminated on July 1, 2002. Prior to its scheduled termination, the trust fund must be reviewed as provided in s. 215.3206(1) and (2), F.S.

Section 2

Provides that the act shall take effect July 1, 1998, if House Bill 638 or similar legislation creating the Florida Partnership for Children First, Inc., is adopted in the same legislative session or an extension thereof.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

4. Total Revenues and Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None

2. Recurring Effects:

None

3. Long Run Effects Other Than Normal Growth:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

None

2. Direct Private Sector Benefits:

None

3. Effects on Competition, Private Enterprise and Employment Markets:

None

D. FISCAL COMMENTS:

The Health and Human Services Appropriations Bill, HB 4203, for FY 98-99 includes funding for child care in the Department of Children and Families. Funding of \$206 million is provided for wages childcare and \$212 million is provided for working poor childcare. These funds, as well as funding for other health and human services programs which affect school readiness, could potentially be placed in the Children First School Readiness Trust Fund.

The Education Appropriations Bill, HB 4201, for FY 1998-99 includes funding for the following services for children ages 0 to 5 that could potentially be placed in the Children First School Readiness Trust Fund.

Prekindergarten Early Intervention Program	\$100,629,828
Florida First Start Program	\$3,000,000
Migrant 3 and 4 Year Old(s) Program	\$3,295,172
Pre-School Handicapped	\$124,912,517
Children of Teen Parents	\$18,563,329
Total	\$250,400,846

Estimated revenues for this trust, if the combine funds of school readiness programs (prekindergarten, other programs and subsidized child care) for FY 98/99 were placed in the Children First School Readiness Trust Fund, would be \$668 million.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to expend funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce revenue raising authority.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

None

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Amendment 1 provides that the Children First School Readiness Trust Fund be created in the Department of Education (DOE), to be administered by the Florida Partnership for Children First, Inc. The original bill provided that the trust fund be administered by the DOE.

VII. SIGNATURES:

COMMITTEE ON CHILDREN AND FAMILY EMPOWERMENT:

Prepared by:

Legislative Research Director:

Bob Barrios

Bob Barrios

AS REVISED BY THE COMMITTEE ON EDUCATION APPROPRIATIONS:

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