

**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 Policy and Steering Committee on Ways and Means

BILL: CS/SB 1920

INTRODUCER: Education Pre-K Committee and Senator Wise

SUBJECT: Florida Endowment for Vocational Rehabilitation

DATE: April 15, 2010 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wolfgang	Yeatman	CA	<b>Fav/1 amendment</b>
2.	deMarsh-Mathues	Matthews	ED	<b>Fav/CS</b>
3.	Bryant	Coburn	WPSC	<b>Favorable</b>
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:**

The bill removes the State Board of Administration’s (SBA) requirement to invest and reinvest moneys in the endowment fund of the Florida Endowment for Vocational Rehabilitation. The bill also removes the requirement for transmitting moneys in the endowment fund for deposit in the foundation’s operating account. The bill removes the threshold in law for the endowment fund principal.

The bill provides for remitting the following to the Department of Revenue (DOR) for deposit in the endowment fund:

- Two percent of the remainder of all civil penalties received by a county court pursuant to Chapter 318, F.S.; and
- Sixty percent of the additional fine related to assisting mobility-impaired persons.

Additionally, 40 percent must be distributed pursuant to s. 318.21(1) and (2), F.S.

Finally, the bill requires that all funds currently held by the SBA for investment for the endowment fund be returned to the endowment fund within a reasonable time.

This bill substantially amends section 413.615 of the Florida Statutes.

## II. Present Situation:

### Federal law

The federal Rehabilitation Services Administration (RSA) provides leadership and fiscal resources to assist state and other agencies to provide vocational rehabilitation (VR), independent living, and other services to individuals with disabilities.<sup>1</sup> To be eligible to participate in the federal VR program and other rehabilitation services, states must submit to the RSA a state plan for VR services to be administered by a designated state agency.<sup>2</sup> In Florida, the Department of Education (DOE) is the designated state agency.<sup>3</sup>

### Florida Endowment for Vocational Rehabilitation

Created by the Florida Legislature in 1990,<sup>4</sup> the Florida Endowment for Vocational Rehabilitation, parent organization of The Able Trust, is a non-profit public/private partnership with a goal of assisting Floridians with disabilities in achieving employment.<sup>5</sup> The Trust receives its funding from a perpetual endowment, grants, gifts, and support from the public and corporate sectors. The Trust supports non-profit vocational rehabilitation programs throughout Florida with fund-raising, grant-making and public awareness of disability issues. The Able Trust supports a diversity of projects, including on-the-job coaching, supported employment, job skills-training, job development, employer outreach, Americans with Disabilities Act<sup>6</sup> facility compliance, skills evaluation and programs leading to employment. The positive impact of The Able Trust's grant awards has been felt by non-profit agencies serving people with various disabilities, community colleges and individuals with documented disabilities.<sup>7</sup>

The endowment must be a direct support organization that operates under contract with the DOE's Division of Vocational Rehabilitation.<sup>8</sup>

### Civil Penalties for Traffic Infractions

Civil penalties imposed under ch. 318, F.S., for traffic infractions are collected by the clerk of the court and distributed pursuant to s. 318.21, F.S. Section 318.21(1) and (2), F.S., specifies that the following amounts of all civil penalties imposed under ch. 318, F.S., and collected by the clerk of court are to be remitted monthly to the DOR for deposit as follows:

- \$1 from every civil penalty goes to the Child Welfare Training Trust Fund.
- \$1 from every civil penalty goes to the Juvenile Justice Training Trust Fund.

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<sup>1</sup> Office of Special Education and Related Services, U.S. Department of Education. *See* <http://www2.ed.gov/about/offices/list/osers/rsa/index.html>.

<sup>2</sup> 29 U.S.C. § 721.

<sup>3</sup> s. 413.201, F.S.

<sup>4</sup> ch. 90-330, L.O.F., codified as s. 413.615, F.S. *See* <http://www.rehabworks.org/index.cfm?fuseaction=SubMain.About>.

<sup>5</sup> The Florida Endowment Foundation for Vocational Rehabilitation, Inc. *See* [http://sunbiz.org/scripts/cordet.exe?action=DETFIL&inq\\_doc\\_number=N42233&inq\\_came\\_from=NAMFWD&cor\\_web\\_names\\_seq\\_number=0000&names\\_name\\_ind=N&names\\_cor\\_number=&names\\_name\\_seq=&names\\_name\\_ind=&names\\_com\\_p\\_name=FLORIDAENDOWMENTFOUNDATIONFORV&names\\_filing\\_type](http://sunbiz.org/scripts/cordet.exe?action=DETFIL&inq_doc_number=N42233&inq_came_from=NAMFWD&cor_web_names_seq_number=0000&names_name_ind=N&names_cor_number=&names_name_seq=&names_name_ind=&names_com_p_name=FLORIDAENDOWMENTFOUNDATIONFORV&names_filing_type).

<sup>6</sup> 42 U.S.C. § 12101 et seq.

<sup>7</sup> *See* The Able Trust, About the Able Trust, *available at* <http://www.abletrust.org/about/>.

<sup>8</sup> s. 413.615(5), F.S.

- Of the remaining civil penalties:
  - 20.6 percent goes to General Revenue, except that the first \$300,000 shall be deposited into the Grants and Donations Trust Fund in the Justice Administrative Commission;
  - 7.2 percent goes to the Emergency Medical Services Trust Fund;
  - 5.1 percent goes to the Additional Court Cost Clearing Trust Fund;
  - 8.2 percent goes to the Brain and Spinal Cord Injury Rehabilitation Trust Fund;
  - 2 percent goes to the endowment fund of the Florida Endowment Foundation for Vocational Rehabilitation.

Section 318.18(3)(f), F.S., imposes an additional fine of up to \$250 for a violation of a traffic regulation to assist mobility-impaired persons<sup>9</sup> results in an injury to the pedestrian or damage to the property of the pedestrian. Section 318.21(5), F.S., requires the additional fine to be distributed as follows:

- 60 percent is remitted to the DOR for deposit in the Florida Endowment Foundation for Vocational Rehabilitation.
- 40 percent is distributed as provided in ss. 318.21(1) and (2), F.S.

### **Endowment Fund**

The SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.<sup>10</sup> The SBA must invest all the funds in the Florida Retirement System Trust Fund and all other funds specifically required by law to be invested by the Board pursuant to ss. 215.44-215.53, F.S., to the fullest extent that is consistent with the cash requirements, trust agreement, and investment objectives of the fund.<sup>11</sup>

Current law charges the SBA with investing and reinvesting moneys in the endowment fund of the Florida Endowment for Vocational Rehabilitation in accordance with the provisions of ss. 215.44-215.53, F.S.<sup>12</sup> Moneys in the fund in excess of the endowment fund principal, or a lesser amount as requested by the foundation, must be annually transmitted to the foundation for deposit in its operating account. The board must use the moneys in the operating account for the following:<sup>13</sup>

- Planning, research, and policy development for issues related to the employment and training of disabled citizens, and publication and dissemination of such information as may serve the statutory objectives;
- Promotion of initiatives for disabled citizens;
- Funding of programs which engage in, contract for, foster, finance, or aid in job training and counseling for disabled citizens or research, education, demonstration, or other related activities;

<sup>9</sup> ss. 316.1301 and 316.1303, F.S.

<sup>10</sup> s. 215.44(1), F.S.

<sup>11</sup> *Id.*

<sup>12</sup> s. 413.615(4), F.S. The fund is a source of revenue to be administered by the foundation as a direct-support organization of the division, in accordance with division rules.

<sup>13</sup> s. 413.615(10), F.S.

- Funding of programs which engage in, contract for, foster, finance, or aid in activities designed to advance better public understanding and appreciation of the field of vocational rehabilitation; and
- Funding of programs, property, or facilities which aid, strengthen, and extend in any proper and useful manner the objectives, work, services, and physical facilities of the division, in accordance with the purposes of this section.

Under current law, the endowment fund principal must be \$1 million for the 2000-2001 fiscal year and must be increased by five percent in each subsequent fiscal year.<sup>14</sup>

For fiscal year 2009, the SBA provided 72 percent of the foundation's total operating revenue, the Department of Transportation provided seven percent, and the Division of VR grant provided ten percent of the total operating revenue.<sup>15</sup> The foundation's budget revenue for fiscal year 2009 was approximately \$3,679,000, a decrease of \$597,800 over the previous year budget.<sup>16</sup>

### III. Effect of Proposed Changes:

The bill would remove the SBA's requirement to invest and reinvest moneys in the foundation's endowment fund. The bill would also remove the requirement for transmitting moneys in the endowment fund in excess of the endowment fund principal, or a lesser amount as requested by the foundation, for deposit in the foundation's operating account. The bill removes the threshold in law for the endowment fund principal.

The bill provides for remitting the following to the DOR for deposit in the endowment fund:

- Two percent of the remainder of all civil penalties received by a county court pursuant to Chapter 318, F.S.; and
- Sixty percent of the additional fine related to assisting mobility-impaired persons.

Additionally, 40 percent must be distributed pursuant to s. 318.21(1) and (2), F.S.

All funds currently held by the SBA for investment and reinvestment for the endowment fund must be returned to the endowment fund. According to the SBA, there is about \$90,000 that will not be available for transfer immediately.<sup>17</sup> The bill would allow for the return of these funds within a reasonable time frame.

### IV. Constitutional Issues:

#### A. Municipality/County Mandates Restrictions:

None.

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<sup>14</sup> s. 413.615(4), F.S.

<sup>15</sup> *Financial Statements and Other Financial Information*, The Florida Endowment Foundation for Vocational Rehabilitation, Inc., d/b/a The Able Trust, Years ended June 30, 2009 and 2008, October 16, 2009, Law, Redd. Crona. and Munroe, P.A., on file with the Senate Education Pre K – 12 Committee. See also *Able Trust 2009 Annual Report*, *The Florida Endowment Foundation for Vocational Rehabilitation, Inc.*, on file with the Senate Education Pre K – 12 Committee.

<sup>16</sup> *Id.*

<sup>17</sup> SBA e-mail correspondence, April 7, 2010, on file with the Senate Education Pre K – 12 Committee.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The SBA currently invests approximately \$1.5 million for the Florida Endowment for Vocational Rehabilitation. The foundation itself, through its own investment program, manages funds several times greater than this amount. The bill allows the board of the foundation to consolidate all of its investments under its own investment committee.

The fiscal impact of terminating the SBA's role in investing and reinvesting the funds for the Florida Endowment for Vocational Rehabilitation is indeterminate.

**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 Education Pre-K – 12 Committee on April 6, 2010:**

The committee substitute provides that all funds currently held by the SBA for investment and reinvestment for the endowment fund must be returned to the endowment fund within a reasonable time.

B. Amendments:

None.

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

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