

**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.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: SB 1398

INTRODUCER: Senator Benacquisto

SUBJECT: Florida ABLE Program Trust Fund/State Board of Administration

DATE: February 21, 2018

REVISED: \_\_\_\_\_

|    | ANALYST      | STAFF DIRECTOR | REFERENCE  | ACTION                      |
|----|--------------|----------------|------------|-----------------------------|
| 1. | <u>Sikes</u> | <u>Elwell</u>  | <u>AHE</u> | <b>Recommend: Favorable</b> |
| 2. | <u>Sikes</u> | <u>Hansen</u>  | <u>AP</u>  | <b>Favorable</b>            |

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**I. Summary:**

SB 1398 re-creates, without modification, the Florida ABLE Trust Fund within the State Board of Administration and repeals the scheduled termination of the trust fund.

The bill does not affect state revenues or expenditures.

The bill takes effect July 1, 2018

**II. Present Situation:**

Article III, s. 19(f) of the State Constitution requires the termination of a trust fund within four years of the effective date of the act authorizing the initial creation of the trust fund, unless the trust fund is exempted specifically by the constitution.

The Florida ABLE Trust Fund was created to hold appropriations and moneys acquired from private sources or other governmental sources for the Florida ABLE program. Trust fund assets are maintained, expended, and invested only to carry out the purposes of Florida ABLE program.<sup>1</sup>

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 Supplemental Security Income (SSI) and Medicaid. Those funds may be used for qualified disability expenses relating to the individual's disability. These expenses include education, housing, transportation, employment support, health, prevention, wellness, financial and legal expenses, and other expenses authorized through federal regulations.<sup>2</sup>

Since the Florida ABLE Program launched on July 1, 2016:

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<sup>1</sup> Section 1009.988(2), F.S.

<sup>2</sup> State Board of Administration, 2018 *Agency Bill Analysis for SB 1398* (Jan. 3, 2018)

- 1,572 Floridians have enrolled in the program.
- The average age of a Florida ABLE account beneficiary is 29 years old.
- 68 percent of the individuals enrolled in the program have an intellectual or developmental disability.
- \$6,974,665 in contributions have been made to participant accounts.<sup>3</sup>

The June 30, 2017 audited financial statements recorded a total trust fund balance of \$6,988,300.<sup>4</sup>

The Florida ABLE Trust Fund is scheduled to be terminated on May 21, 2019.

### **III. Effect of Proposed Changes:**

Section 1 re-creates The Florida ABLE Trust Fund within the State Board of Administration without modification.

Section 2 repeals s. 1009.988 (3), F.S., which terminates the trust fund on May 21, 2019.

### **IV. Within the State Board of Education Constitutional Issues:**

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

None.

#### **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:**

None.

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<sup>3</sup> State Board of Administration, 2018 *Agency Bill Analysis for SB 1398* (Jan. 3, 2018)

<sup>4</sup> Florida ABLE, Inc., *Financial Statements Report* (June 30, 2017) at 3

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends section 1009.988 of the Florida Statutes:

**IX. Additional Information:**

**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

**B. Amendments:**

None.