

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB HCAS 16-01 Trust Funds
SPONSOR(S): Health Care Appropriations Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Health Care Appropriations Subcommittee	12 Y, 0 N	Dobson	Pridgeon

SUMMARY ANALYSIS

Legislative review of trust funds is required at least once every four years pursuant to section 215.3208, Florida Statutes. The schedule for review is included in the legislative budget instructions developed pursuant to the requirements of section 216.023, Florida Statutes. A trust fund analysis indicated two trust funds within the Department of Health (DOH) and the Department of Children and Families (DCF) are no longer needed and could be terminated.

This bill terminates the Operations and Maintenance Trust Fund within the DOH and the Working Capital Trust Fund within the DCF. The bill also eliminates statutory references to the Nursing Student Loan Forgiveness Trust Fund as it existed under the DOH as this trust fund was transferred to the Department of Education through Chapter 2012-184, L.O.F.

The effective date of this bill is July 1, 2016.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Legislative review of trust funds is required at least once every four years pursuant to section 215.3208, Florida Statutes. The schedule for review is included in the legislative budget instructions developed pursuant to the requirements of section 216.023, Florida Statutes. A trust fund analysis indicated two trust funds are no longer needed and could be terminated: The Operations and Maintenance Trust Fund within the DOH and the Working Capital Trust Fund within the DCF.

The Operations and Maintenance Trust Fund, FLAIR number 20-2-531004 was originally created for the purpose of providing health care services to department clients and other uses as deemed appropriate¹. DOH maintains the fund with receipts from third party payers of health care services such as Medicare and Medicaid.² Going forward, the Department will deposit such receipts in the Federal Grants Trust Fund, which has the same repository and appropriating authority as the Operations and Maintenance Trust Fund.³

In 2012, through Chapter 2012-184, L.O.F., the legislature transferred the Nursing Student Loan Forgiveness Trust Fund, FLAIR number 20-2-505003, from DOH to the Department of Education. However, the legislation did not fully remove all references to the trust fund as it existed under DOH administration.⁴

The Working Capital Trust Fund, FLAIR number 60-2-792014 was originally used to pay for data processing center and information technology costs within the department.⁵ During its use, DCF maintained the fund with receipts from data processing sales and indirect recoveries from within the department as well as from external customers.⁶ In Fiscal Year 2013-2014 the DCF began receiving direct recurring appropriations from General Revenue and the Federal Grants Trust Fund to support data center and information technology operations rather than through indirect assessments and recoveries.

Effect of Proposed Changes

The bill terminates the Operations and Maintenance Trust Fund within the DOH. It also eliminates references to the Operations and Maintenance and Nursing Student Loan Forgiveness Trust Funds in s. 20.435, Florida Statutes.

The bill also terminates the Working Capital Trust Fund within the DCF. It eliminates references to the trust fund in ss. 17.61 and 20.195, F.S. and directs the department on terminating the trust fund.

B. SECTION DIRECTORY:

Section 1: Terminates the Working Capital Trust Fund, transferring the remaining balances and revenues to the Federal Grants Trust Fund.

Section 2: Terminates the Operations and Maintenance Trust Fund; transferring remaining balances and revenues to the Federal Grants Trust Fund.

¹ 20.435(5), F.S.

² *Id.*

³ 20.435(2)(a), F.S.

⁴ 20.435(16), F.S.

⁵ 216.272, F.S.

⁶ 215.31, F.S.

Section 3: Removes the Working Capital Trust fund from the list of trust funds that DCF cannot invest as provided in 17.61, F.S.

Section 4: Repeals Subsection (11) of section 20.195, F.S., removing the Working Capital Trust Fund from the list of funds administered by the DCF.

Section 5: Repeals s. 20.435(5), Florida Statutes, removes the Operations and Maintenance Trust Fund and Nursing Student Loan Forgiveness Trust Fund from the list of Funds administered by the DOH.

Section 6: Renumbers statutory references in s. 215.5601.

Section 7: Repeals 392.69, Florida Statutes.

Section 8: Provides effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill requires all remaining balances in, and all revenues of the Working Capital Trust fund to be transferred to the Federal Grants Trust Fund in DCF. The bill also requires all remaining balances in, and all revenues of the Operations and Maintenance Trust Fund to be transferred to the Federal Grants Trust Fund in DOH. There are no remaining balances left in any of the trust funds.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply eliminates existing state trust funds.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not Applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 28, 2016, the Healthcare Appropriations Subcommittee adopted one amendment and reported the bill favorably as amended. The technical amendment updates the FLAIR number of the Operations and Maintenance Trust Fund.

This bill analysis is drafted to the bill as amended by the Health Care Appropriations Subcommittee.