



The Florida Senate

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Committee on Transportation and Economic Development
Appropriations

TRANSPORTATION DISADVANTAGED TRUST FUND

Statement of the Issue

Beginning July 1, 2011, the Department of Highway Safety and Motor Vehicles (DHSMV) is required by law to transfer from the Highway Safety Operating Trust Fund (HSOTF) the sum of \$5 million annually to the Transportation Disadvantaged Trust Fund (TDTF) in the Department of Transportation (FDOT). The TDTF revenues support the Commission for the Transportation Disadvantaged in fulfilling its statutory purpose and responsibilities to the transportation disadvantaged.

Discussion

Commission for the Transportation Disadvantaged

The Commission for the Transportation Disadvantaged (commission) is established with the purpose of developing the state coordinated transportation services program provided to the transportation disadvantaged and with the goal of providing cost-effective transportation through qualified community transportation coordinators or operators.¹ The commission is administratively housed within the FDOT and consists of seven members appointed by the Governor, five of whom must have experience in operating a business and two of whom must have a disability and use the transportation disadvantaged system. In addition, seven ex officio, nonvoting advisers serve the commission. They include the Secretaries of Transportation, Children & Families, Elder Affairs, Veterans' Affairs, and Agency for Health Care Administration; the directors of the Agency for Workforce Innovation and the Agency for Persons with Disabilities, and a county manager or administrator.

Transportation Disadvantaged Trust Fund Revenue Sources

The TDTF is established under s. 427.0159, F.S. Funds deposited into the trust fund are appropriated by the Legislature to the commission and are used to carry out the responsibilities of the commission including its administrative expenses.

FY 10-11 Transportation Disadvantaged Trust Fund Revenue Sources	
Motor Vehicle Registration Fees	\$21.2
Public Transit Block Grant	\$11.8
Transfer from ACHA	\$65.9
Interest Earnings	\$0.3
Transfer from STTF	\$6.0
Total	\$105.2

The largest funding source contributor of the TDTF is the Agency for Health Care Administration (ACHA), which administers the Medicaid program and will contribute \$65.9 million to TDTF in FY 2010-11.

Motor vehicle registration fees accounts for over \$21 million of the annual revenues distributed to the TDTF. These include a \$1.50 dedicated fee on initial and renewal registrations on certain private use vehicles, \$5.00 from each issuance of a temporary handicapped disabled parking permit, and a \$1.00 voluntary contribution on motor vehicle registrations.

FDOT will transfer \$17.8 million from the State Transportation Trust Fund in FY 10-11 to the TDTF. This includes \$11.8 million, or 15% of the public transit block grant funding, which is required under s. 341.052(5), F.S., to be distributed TDTF for transportation disadvantaged service providers. In addition, \$6 million is transferred annually as

¹ Part 1, ch. 427, F.S.

part of the FDOT Adopted Work Program, public transportation operations funding. According to the commission and FDOT, this transfer was authorized in the FY 02-03 GAA, which increased the commission's budget authority in the TDTF Grants and Aids – Transportation Disadvantaged Category.

Beginning July 2011, the TDTF, by law, will receive a \$5 million recurring transfer from the Department of Highway Safety and Motor Vehicles HSOTF. This transfer will increase the funds available in the TDTF for transportation disadvantaged services.

Transportation Disadvantaged Trust Fund Expenditures

The FY 10-11 GAA provides \$105.5 million for transportation disadvantaged services, all of which is funded from the TDTF. The data below provides actual expenditure data for the commission from the TDTF for FY 05-06 through FY 09-10.

Transportation Disadvantaged Trust Fund Actual Expenditures Fiscal Years 2005-2006 through 2009-2010

Actual Expenditures	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10
Administrative	\$1,458,987	\$1,402,936	\$1,381,015	\$1,270,816	\$1,052,016
Grants & Aids – Transportation Disadvantaged	\$37,550,783	\$39,069,592	\$41,137,974	\$40,328,009	\$36,533,988
Grants & Aids – Transportation Disadvantaged/ Medicaid	\$61,620,439	\$70,223,415	\$70,067,808	\$66,534,741	\$65,031,785
TOTAL EXPENDITURES	\$100,630,209	\$110,695,943	\$112,586,797	\$108,133,566	\$102,617,789

Department of Highway Safety and Motor Vehicles

The DHSMV is responsible for the state's safe driving environment through law enforcement, public education and service, titling and registering motor vehicles and vessels, and licensing drivers. The chart below shows a five year funding history for the department.

Fund Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Revenue	\$ 141,481,141	\$ 131,751,951	\$ 106,031,374	\$ -	\$ 15,000,000
Highway Safety Operating Trust	\$ 272,267,454	\$ 271,586,304	\$ 272,009,113	\$ 378,239,861	\$ 362,025,699
Other Trust	\$ 33,564,835	\$ 33,969,532	\$ 35,033,513	\$ 15,064,764	\$ 14,296,517
Total Appropriation (GAA)	\$ 447,313,430	\$ 437,307,787	\$ 413,074,000	\$ 393,304,625	\$ 391,322,216

Historically, DHSMV's primary fund source has been trust funds, with the primary exception being the Florida Highway Patrol (FHP) which received General Revenue Funds. However, with the recent decline in general revenue collections, a series of budget reductions over the last two fiscal years have eliminated all recurring general revenue funds from the DHSMV operating budget. New revenues from fee increases authorized in ch. 2009-71, L.O.F., associated with driver record sales, driver licensing issuance, suspension and reinstatements, and annual vehicle registrations were projected to be a sufficient amount to fully fund the operations of DHSMV and to transfer \$5 million to the TDTF beginning in FY 2011-12. The post-session Revenue Impact Conference on ch. 2009-71, L.O.F., projected new revenues distributed to the HSOTF to be \$115.1 million in FY 09-10 and \$136 million in FY 10-11.

Highway Safety Operating Trust Fund Revenues

The Highway Safety License and Fees Revenue Estimating Conference was established and organized in July 2009. The conference has met regularly since that time, and all subsequent conferences have adjusted the HSOTF revenue forecasts downward, with the August 2010 forecast being \$352.2 for FY 10-11.

**Highway Safety License and Fees Revenue Estimating Conference for the
Highway Safety Operating Trust Fund Revenue Forecast (millions)**

Conference Meeting Date	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
Actual	\$226.4				
May 2009 Post Session (ch. 2009-71, L.O.F.)		\$361.2	\$385.4	\$379.1	\$378.7
July 2009		\$360.5	\$384.8	\$378.5	\$378.1
November 2009		\$351.7	\$375.4	\$370.5	\$370.1
February 2009		\$324.1	\$350.2	\$358.9	\$371.1
August 2010		\$328.7	\$352.2	\$355.7	\$363.1

Other revenues contribute to the HSOTF that are not included in the official revenue forecast; these include pass-through revenues based on actual expenditures, such as the FDOT transfer for FHP Troop K which patrols the Florida Turnpike. The FHP also provides other services through contractual agreements with the FDOT such as work zone speed control. Federal and state grant receipts are also considered pass-through revenues as they are received as cost reimbursements based on DHSMV expenditures relating to grant deliverables. In FY 10-11, the DHSMV estimates pass through revenues in the trust fund to be \$39.6 million.

The chart below examines the projected revenues and expenditures of the HSOTF for FY 10-11 through FY 13-14. The data assumes a beginning cash balance of \$16.9 million in FY 10-11 as reported by DHSMV. Total estimated expenditures and recurring expenditures includes the \$5 million transfer to the TDTF.

Highway Safety Operating Trust Fund Projected Revenues and Expenditures FY 10-11 through FY 13-14

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Beginning Balance	\$ 16,942,078	\$ 18,613,998	\$ 5,897,928	\$ (10,142)
Estimated Revenues				
Revenues (Revenue Estimating Conf Forecast)	\$ 352,200,000	\$ 355,700,000	\$ 363,100,000	\$ 369,400,000
Other Revenues (DHSMV Forecast)	\$ 39,673,619	\$ 32,962,293	\$ 32,962,293	\$ 32,962,293
Total Revenues	\$ 408,815,697	\$ 407,276,291	\$ 401,960,221	\$ 402,352,151
Estimated Operating Expenditures (GAA)	\$ 362,025,699	\$ 367,922,363	\$ 367,922,363	\$ 367,922,363
Transfer to Transportation Disadvantaged Trust Fund		\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Non Operating Expenditures (Estimated GR Service Charge)	\$ 28,176,000	\$ 28,456,000	\$ 29,048,000	\$ 29,552,000
Total Estimated Expenditures	\$ 390,201,699	\$ 401,378,363	\$ 401,970,363	\$ 402,474,363
Ending Balance	\$ 18,613,998	\$ 5,897,928	\$ (10,142)	\$ (122,212)

Recurring Revenues vs. Recurring Expenditures

	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Recurring Revenues	\$ 391,873,619	\$ 388,662,293	\$ 396,062,293	\$ 402,362,293
Recurring Expenditures	\$ 390,201,699	\$ 401,378,363	\$ 401,970,363	\$ 402,474,363
Revenues Over (Under) Expenditures	\$ 1,671,920	\$ (12,716,070)	\$ (5,908,070)	\$ (112,070)

The second part of this chart excludes the nonrecurring cash balances and shows the relationship of recurring revenues to recurring expenditures projections over the next four fiscal years. These projections are based solely on current year estimated expenditures and a recurring base budget thereafter. There are no assumptions for growth or future reductions to the department's operating budget.