

**STORAGE NAME:** h4277.ltc

**DATE:** March 29, 1998

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
ELDER AFFAIRS & LONG TERM CARE  
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 4277

**RELATING TO:** Florida Employment Long-term Care Plan Trust Fund

**SPONSOR(S):** Representative Peaden

**COMPANION BILL(S):** S2344(I)

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

- (1) ELDER AFFAIRS & LONG TERM CARE
  - (2) GOVERNMENTAL OPERATIONS
  - (3) HEALTH & HUMAN SERVICES APPROPRIATIONS
  - (4)
  - (5)
- 

I. SUMMARY:

Article III, section 19(f)(1), of the state constitution requires each state trust fund to be created by a separate bill for that purpose only. This bill creates the Florida Employee Long-term-Care Trust Fund in the Department of Elder Affairs. The bill is a companion to HB 4283.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

N/A

B. EFFECT OF PROPOSED CHANGES:

HB 4277 creates the Florida Employee Long-term-Care Trust Fund to be administered by the Department of Elder Affairs or by an entity under contract with the department to provide professional administrative services. The fund is for a self-funded voluntary plan to provide long-term-care for public employees and their families. The trust fund shall consist of all moneys contributed by or on behalf of participants in the plan, any property or securities and earnings on such property or securities acquired through the use of moneys in the fund, interest earned on moneys in the fund, and any other moneys appropriated by the legislature. Such moneys are not part of the State Treasury and shall not be commingled with the General Revenue of the state. The department shall expend moneys subject to conditions in the plan. The department may contract with the State Board of Administration to invest moneys in the fund. The trust fund is exempt from deductions required by s. 215.20(1). This act shall take effect upon becoming law, if HB 4283 or similar legislation is adopted in the same legislative session or an extension thereof.

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?

Yes. The Department of Elder Affairs would administer this trust fund.

(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?

Yes. The fund is created as a nonlapping, self-funded trust fund.

4. Individual Freedom:

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

Yes. The self-funded trust fund will be used to support the long-term-care needs of plan participants.

- 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:**

Creates section 430.802 and amends section 215.20(1).

**E. SECTION-BY-SECTION RESEARCH:**

Section 1. Creates s. 430.802, F.S., the Florida Employee Long-term-Care Plan Trust Fund. It specifies sources of moneys contributed to the fund and authorizes the Department of Elder Affairs to expend such moneys and administer the trust funds. It authorizes the department to contract with the State Board of Administration to invest moneys in the trust fund.

Section 2. Exempts the Florida Employee Long-term-Care Plan Trust Fund from deductions required by s.215.20(1).

Section 3. Sets an effective date upon becoming law if HB 4283 or similar legislation is adopted in the same legislative session.

**III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:**

**A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:**

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

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

N/A

D. FISCAL COMMENTS:

The Department of Elder Affairs projects no fiscal impact on the department or its constituencies.

**STORAGE NAME:** h4277.ltc

**DATE:** March 29, 1998

**PAGE 7**

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

V. COMMENTS:

N/A

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON ELDER AFFAIRS & LONG TERM CARE:

Prepared by:

Legislative Research Director:

---

Melanie Meyer

---

Tom Batchelor, Ph.D.