

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1812

SPONSOR: Senator Mitchell

SUBJECT: Technology Enterprise Operating Trust Fund

DATE: April 25, 2001                      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Rhea</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	<u>Hendon</u>	<u>Martin</u>	<u>AGG</u>	<u>Favorable/CS</u>
3.	_____	_____	<u>AP</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill creates the Technology Enterprise Operating Trust Fund in the State Technology Office. All current balances of the Communications Working Capital Trust Fund and Working Capital Trust Fund, as well as the current sources and uses of the trust fund, are transferred to the newly created trust fund. The trust fund is scheduled for termination July 1, 2005, in accordance with a requirement of the State Constitution.

This bill substantially amends s. 282.20, F.S. and creates s. 282.23, F.S.

**II. Present Situation:**

Section 19(f), Art. III of the State Constitution states:

No trust fund of the State of Florida or other public body may be created by law without a three-fifths (3/5) vote of the membership of each house of the legislature in a separate bill for that purpose only.

State trust funds must terminate not more than four years after the effective date of the act authorizing the creation of the trust fund. The Legislature is permitted to set a shorter time period for which any trust fund is authorized.<sup>1</sup>

Section 215.3207, F.S., establishes criteria for the creation of trust funds. A trust fund may be created by law only by the Legislature and only if passed by a three-fifths vote of the membership of each house in a separate bill for the purpose only. Except for trust funds being

<sup>1</sup> Section 18 (2), Art. III of the State Constitution.

re-created by the Legislature, each trust fund must be created by statutory language that specifies at least the following:

- The name of the trust fund.
- The agency or branch of state government responsible for administering the trust fund.
- The requirements or purposes that the trust fund is established to meet.
- The sources of moneys to be credited to the trust fund or specific sources of receipts to be deposited in the trust fund.

Under s. 215.3208, F.S., the Legislature must review all state trust funds at least once every four years. The schedule for review is included in the legislative budget instructions. The trust funds are identified by a six-digit code in the Florida Accounting Information Resource Subsystem.

When the Legislature terminates a trust fund, the agency or branch of state government that administers the trust fund shall pay any outstanding debts or obligations of the trust fund as soon as practicable, and the Comptroller must close out and remove the trust fund from the various state accounting systems.

Section 282.20, F.S., provides that the State Technology Office (STO) of the Department of Management Services (DMS) is to operate and manage the Technology Resource Center (TRC). The TRC must:

- Serve the STO and other customers as an information-system utility.
- Cooperate with customers to offer, develop, and support a wide range of services and applications needed by users of the TRC.
- Cooperate with the Florida Legal Resource Center of the Department of Legal Affairs to develop and provide access to repositories of legal information throughout the state.
- Cooperate with the STO to facilitate interdepartmental networking and integration of network services for its customers.
- Assist customers in testing and evaluating new and emerging technologies that could be used to meet the needs of the state.

The STO is authorized to contract with customers to provide any combination of services necessary for agencies to fulfill their responsibilities and to serve their users. Acceptance of any new customer other than a state agency, which is expected to pay during the initial 12 months of use more than five percent of the previous year's revenues of the TRC, is contingent upon approval of the Office of Planning and Budgeting in a manner similar to the budget amendment process in s. 216.181, F.S.

The TRC is authorized to plan, design, establish pilot projects for, and conduct experiments with information technology resources, and may implement enhancements in services when such implementation is cost-effective. Funding for experiments and pilot projects is derived from service revenues and may not exceed 5 percent of the service revenues for the TRC for any single fiscal year. The Chief Information Officer of the STO must approve any experiment, pilot project, plan, or design.

The TRC is authorized to spend the funds in the reserve account of its working capital trust fund for enhancements to center operations or for information technology resources. The Chief Information Officer of the STO must approve any expenditure of reserve account funds. Any funds remaining in the reserve account at the end of the fiscal year may be carried forward and spent as approved by the Chief Information Officer, provided that the approval conforms to any applicable provisions of ch. 216, F.S.

Under s. 216.292(9), F.S., moneys appropriated in the General Appropriations Act for the purpose of paying for services provided by the state communications system in the Department of Management Services must be paid by the user agencies, or the judicial branch, within 45 days after the billing date. Billed amounts not paid by the user agencies, or by the judicial branch, must be transferred by the Comptroller from the user agencies to the Communications Working Capital Trust Fund.

Section 216.272, F.S., provides for the creation of Working Capital Trust Funds for the purpose of providing sufficient funds for the operation of data processing centers, which may include the creation of a reserve account within the Working Capital Trust Fund to pay for future information technology resource acquisitions as appropriated by the Legislature. These funds are created from moneys budgeted for data processing services and equipment by those agencies to be served by the data processing center. Under subsection (2), funds that are allocated must be in an amount sufficient to finance the center's operation. Each agency served by the center must contribute an amount equal to its proportionate share of the cost of operating the data processing center. Agencies utilizing the services of the data processing center must pay the moneys into the appropriate Working Capital Trust Fund on a quarterly basis or such other basis as may be determined by the Executive Office of the Governor.

Under s. 215.20(1), F.S., a service charge of 7 percent, representing the estimated pro rata share of the cost of general government paid from the General Revenue Fund, must be deducted from all income of a revenue nature deposited in all trust funds except those enumerated in s. 215.22, F.S.

Section 215.22(1)(q), F.S., the Communications Working Capital Trust Fund of the Department of Management Services, is exempt from the deduction required by s. 215.20(1), F.S.

Under s. 216.310(1)(a), F.S., any balance of any appropriation, except an appropriation for fixed capital outlay, which is not disbursed but which is expended or contracted to be expended shall, at the end of each fiscal year, be certified by the head of the affected state agency or the judicial or legislative branches, on or before August 1 of each year, to the EOG, showing in detail the obligees to whom obligated and the amounts of such obligations. On or before September 1 of each year, the EOG must review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the affected state agency. A detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balance of such appropriation must be furnished to the Comptroller, the legislative appropriations committees, and the Auditor General. The review must assure that trust funds have been fully maximized. Any such encumbered balance remaining undisbursed on December 31 of the same calendar year in which such certification was made reverts to the fund from which appropriated and must be available for reappropriation by the Legislature.

**III. Effect of Proposed Changes:**

**Section 1.** Amends s. 282.20, F.S., to rename the Working Capital Trust Fund within the Department of Management Services as the Technology Enterprise Operating Trust Fund.

**Section 2.** Amends s. 282.23, F.S. to create the Technology Enterprise Operating Trust Fund. Service charges for the state's telecommunication and data processing services are deposited in the new trust fund to pay operating costs incurred by the State Technology Office. Agencies serviced by the State Technology Office will contribute funding equal to their share of the operations. Any balance in the trust fund at the end of any fiscal year remains in the trust fund and is available for carrying out the purposes of the trust fund. The trust fund is terminated July 1, 2005. Prior to its termination, the trust fund must be reviewed as required in s. 215.3206(1) and (2), F.S.

**Section 3.** This bill will take effect July 1, 2001.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

See Present Situation above.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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