

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: 28-A

SPONSOR: Senator Lynn

SUBJECT: Educational Enhancement Trust Fund

DATE: May 13, 2003

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fontaine/Blizzard</u>	<u>Coburn</u>	<u>AP</u>	<u>Favorable</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Senate Bill 28-A increases the percentage of gross revenue from the sale of on-line lottery tickets and other lottery revenues deposited to the Educational Enhancement Trust Fund from 38 percent to 39 percent. The Lottery Estimating Conference estimates an additional \$16.7 million will be deposited to the Educational Enhancement Trust Fund during the 2003-04 Fiscal Year.

This bill substantially amends ss. 24.121 and 1010.70, Florida Statutes.

II. Present Situation:

The Educational Enhancement Trust Fund was created to serve as a conduit for Lottery revenues appropriated for enhancing public education. Current law prescribes at least 38 percent of gross revenue collected from the sale of on-line lottery tickets be deposited to this trust fund. At least 50 percent of gross revenues from the sale of on-line lottery tickets is used for prizes. Remaining collections may be used for administrative purposes. At fiscal year's end, any unencumbered balance in the Administrative Trust Fund is transferred to the Educational Enhancement Trust Fund.

Deposits to the Educational Enhancement Trust Fund are also generated from instant lottery ticket sales and other earned revenue. The Educational Enhancement Trust Fund is administered by the Department of Education.

Transfers from the Department of Lottery to the Educational Enhancement Trust Fund have increased incrementally since the Lottery's creation in 1988. In Fiscal Year 2002-03, the Department of Lottery transferred \$965.1 million to the Educational Enhancement Trust Fund.

III. Effect of Proposed Changes:

Senate Bill 28-A requires the Department of Lottery to deposit at least 39 percent of gross revenue collected from on-line lottery tickets to the Educational Enhancement Trust Fund. Based on sales projections from the February 2003 Lottery Revenue Estimating Conference, it is estimated that transfers to the Educational Enhancement Trust Fund will increase by \$16.7 million for Fiscal Year 2003-04. Deposits to the Administrative Trust Fund will decrease by \$16.7 million.

Additionally, this bill modifies s. 1010.70, Florida Statutes, to clarify revenue sources available to the Educational Enhancement Trust Fund.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Educational Enhancement Trust Fund will realize an increase in revenue available for public education enhancement. The February 2003 Lottery Revenue Estimating Conference estimates an additional \$16.7 million deposit into the trust fund. As a result, deposits to the Administrative Trust Fund will decrease by \$16.7 million.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

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