

The Florida Senate
PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

Prepared By: Higher Education Appropriations Committee

BILL: CS/SB 1328

INTRODUCER: Higher Education Appropriations Committee & Senator Lynn

SUBJECT: Terminating/Modifying Specific Trust Funds within the Board of Governors

DATE: February 13, 2007 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kuleshova</u>	<u>Hamon</u>	<u>HI</u>	<u>Fav/CS</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

Section 215.3206, F.S., which implements Article III, s. 19(f) of the Florida Constitution, requires review of agency trust funds every four years. CS/SB 1328, which reflects the results of this review for the Florida Board of Governors (BOG) of the State University System, terminates eighteen trust funds and modifies nine trust funds.

This bill amends s. 1011.94, F.S., to remove reference to the Major Gifts Trust Fund, leaving the program unchanged.

The Committee Substitute specifies that Public Education Capital Outlay (PECO) funds from a terminated fund be returned to the original PECO source, and that a trust fund, originally planned to be terminated, now be retained due to an outstanding bond issue.

II. Present Situation:

The Major Gifts Trust Fund has been used administratively to assist individual Universities seeking private matching funds to support instruction and research. The trust fund received revenue transfers from General Revenue Fund and lottery appropriations. This fund is no longer needed in the budget process since double budgeting has been discontinued. Currently, the trust fund has no cash balance.

Over the last few years, the local revenue for universities has moved out of the state treasury and has moved to local private accounts (this process has been referred to as “devolution”). The

following trust funds are no longer needed because of the devolution of the university system from the state treasury:

The Contracts, Grants, and Donations Trust Fund has been used to facilitate the deposit and disbursement of funding for university research and training grants (both public and private funds). Currently, the trust fund has no cash balance.

The Engineering Industrial Experiment Station Trust Fund has been used for receipt and deposit of federal, local, and private funds received by Engineering Industrial Experiment Station for research activities. Currently, the trust fund has no cash balance.

The UF Agricultural Experiment Station Federal Grant Trust Fund has been used for deposit of federal funds received for Agricultural Research Centers pursuant to the Hatch and McIntire-Stennis Acts. Currently, the trust fund has no cash balance.

The UF Experiment Station Incidental Trust Fund has been used for segregation of funds generated through sales of goods such as livestock, poultry, meat, dairy, and other agronomic products at the various research and education centers throughout the state. Currently, the trust fund has no cash balance.

The UF Extension Service Federal Grant Trust Fund has been used for deposit of federal funds received for Agricultural Extension Centers pursuant to the Smith-Lever Act. Currently, the trust fund has no cash balance.

The UF Extension Service Incidental Trust Fund has been used for segregation of funds generated through sales of goods and instructional training services such as Extension publications, seminars, short courses, and seminars by the Cooperative Extension Service throughout the state. Currently, the trust fund has no cash balance.

The Auxiliary General Trust Fund has been used as a system-wide facilitator account for university auxiliary trust funds containing revenue from self-supporting activities such as university bookstores, food service operations, student centers and data center operations. Currently, the trust fund has no cash balance.

The UF Health Science Center Incidental Trust Fund has been used for deposits from Shands Hospital, UF Dental Clinics, various internal entities, and the Impaired Drivers and Speeders Trust Fund for spinal cord research. Currently, the trust fund has no cash balance.

The UF Health Sciences Center Operations and Maintenance Trust Fund has been used as a repository of revenues generated through sales of goods and services to the general public, agencies of the state, agencies of other states, university departments, and researchers by the Veterinary Hospital. Currently, the trust fund has no cash balance.

The Sponsored Research Trust Fund has been used to receive and disburse funds from federal, local, and private sources at various universities for sponsored research activities such as training, research, and contractual services. Currently, the trust fund has no cash balance.

The IFAS Relocation and Construction Trust Fund, FLAIR number 48-2-395 has been used for fiscal activity related to the sale and acquisition of fixed assets such as land and buildings to facilitate the relocation and consolidation of IFAS Research and Education Centers. Currently, the trust fund has no cash balance.

The IFAS Relocation and Construction Trust Fund, FLAIR number 49-2-395 has been used for fiscal activity related to the sale and acquisition of fixed assets such as land and buildings to facilitate the relocation and consolidation of IFAS Research and Education Centers. Currently, the trust fund has no cash balance.

The State University System Construction Trust Fund has been used to deposit PECO funds received from Florida Department of Education. Currently, the trust fund has approximately \$4.6 million.

The Developmental Research School Trust Fund, used to deposit Florida Education Finance Program (FEFP) and PECO funds to operate the Developmental Research Schools. Currently, the trust fund has no cash balance.

The following trust funds are no longer needed because of coding simplification in the state accounting system (FLAIR) – these trust funds are maintained in FLAIR accounts in the “48” code series:

The Capital Improvement Fee Trust Fund, used to account for the collection of the Capital Improvement Fee assessment of \$2.44/credit hour per semester paid by students as well as interest earnings on investments and bond proceeds.

The State University System Concurrency Trust Fund, used to provide funding for State University System offsite improvements required to meet concurrency standards. The current source of revenue of the trust fund is interest earnings.

The Educational Enhancement Trust Fund, used for deposit of lottery proceeds for appropriation to education entities.

III. Effect of Proposed Changes:

This bill terminates the following trust funds within the Board of Governors:

- Contracts, Grants, and Donations Trust Fund, FLAIR number 49-2-153
- Engineering Industrial Experiment Station Trust Fund, FLAIR number 49-2-186
- UF Agricultural Experiment Station Federal Grant Trust Fund, FLAIR number 49-2-207
- UF Agricultural Experiment Station Incidental Trust Fund, FLAIR number 49-2-210
- UF Agricultural Extension Service Federal Grant Trust Fund, FLAIR number 49-2-216
- UF Agricultural Extension Services Incidental Trust Fund, FLAIR number 49-2-219
- Auxiliary Trust Fund, FLAIR number 49-2-330
- UF Health Center Incidental Trust Fund, FLAIR number 49-2-381
- UF Health Center Operations and Maintenance Trust Fund, FLAIR number 49-2-424

- Sponsored Research Trust Fund, FLAIR number 49-2-655
- IFAS Relocation and Construction Trust Fund, FLAIR number 48-2-395
- IFAS Relocation and Construction Trust Fund, FLAIR number 49-2-395
- State University System Construction Trust Fund, FLAIR number 49-2-137, with balances to be transferred to the Public Education and Capital Outlay and Debt Services Trust Fund, FLAIR number 48-2-555
- Developmental Research School trust Fund, FLAIR number 49-2-999
- Capital Improvement Fee Trust Fund, FLAIR number 49-2-071
- State University System Concurrency Trust Fund, FLAIR number 49-2-686
- Educational Enhancement Trust Fund, FLAIR number 49-2-178
- Major Gifts Trust Fund, FLAIR number 49-2-483

This bill modifies the following trust funds due to the coding simplification in FLAIR:

- Uniform Payroll Trust Fund, from FLAIR number 49-2-766 to 48-2-766
- Ancillary Facilities Construction Trust Fund, from FLAIR number 49-2-026 to 48-2-026
- Law Enforcement Trust Fund, from FLAIR number 49-2-434 to 48-2-434
- Phosphate Research Trust Fund, from FLAIR number 49-2-530 to 48-2-530
- Replacement Trust Fund, from FLAIR number 49-2-580 to 48-2-580
- Capital Facilities Matching Trust Fund, from FLAIR number 49-2-070 to 48-2-070
- Student and Other Fees Trust Fund, from FLAIR number 49-2-164 to 48-2-164
- Operations and Maintenance Trust Fund, from FLAIR number 49-2-516 to 48-2-516
- Building Fee Trust Fund, from FLAIR number 49-2-064 to 48-2-064

This bill re-designates s. 1011.94, F.S., as the “University Major Gifts Program”, removing references to the Major Gifts Trust Fund. There are no changes in the Major Gifts Program.

The Committee Substitute specifies that PECO funds from a terminated fund be returned to the original PECO source, and that a trust fund, originally planned to be terminated, now be retained due to an outstanding bond issue.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The termination or renaming of the specific trust funds will not affect state operations. These changes will help resolve some duplicate coding in the FLAIR system and remove some incompatibility issues with the state's automated budget system.

This legislation has no fiscal impact on state agencies and local governments as a whole or the private sector.

VI. Technical Deficiencies:

None

VII. Related Issues:

None.

VIII. Summary of Amendments:

None.

This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
