

By the Committee on Fiscal Policy & Resources and  
Representative Wallace

1                                   A bill to be entitled  
2           An act relating to trust fund administration;  
3           creating s. 215.3201, F.S.; designating certain  
4           trust funds for use for day-to-day operations  
5           for specified purposes; amending s. 215.3208,  
6           F.S., relating to legislative review of trust  
7           funds; providing for consideration of the types  
8           and amounts of revenue going into a trust fund  
9           in relation to the appropriated expenditures  
10          authorized for the trust fund's programs;  
11          providing for adjustment of the trust fund's  
12          revenues to match the expenditures authorized  
13          for those programs; amending s. 216.023, F.S.;  
14          requiring legislative budget requests to  
15          contain an accounting reconciliation report and  
16          certain summary and other information on trust  
17          funds and fees; providing an effective date.

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19 Be It Enacted by the Legislature of the State of Florida:

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21           Section 1.   Section 215.3201, Florida Statutes, is  
22   created to read:

23           215.3201 Trust funds designated for day-to-day  
24   operations.--

25           (1) Each agency or branch of state government for  
26   which any of the following trust funds has been created shall  
27   use that fund, in addition to any purposes otherwise  
28   authorized or required by law, for day-to-day operations as  
29   follows:

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1       (a) Operations or Operating Trust Fund, for use as a  
2 depository for funds to be used for program operations funded  
3 by program revenues.

4       (b) Operations and Maintenance Trust Fund, for use as  
5 a depository for funds to be used for client services funded  
6 by third-party payors.

7       (c) Administrative Trust Fund, for use as a depository  
8 for funds to be used for management activities that are  
9 departmental in nature and funded by indirect cost earnings  
10 and assessments against trust funds.

11       (d) Grants and Donations Trust Fund, for use as a  
12 depository for funds to be used for allowable grant or donor  
13 agreement activities funded by restricted contractual revenue  
14 from private and public nonfederal sources.

15       (e) Working Capital Trust Fund, for use as a  
16 depository for funds to be used for data processing and  
17 information technology purposes as provided in s. 216.272.

18       (f) Funds Clearing Trust Fund, for use as a depository  
19 for funds collected and to be accounted for pending  
20 distribution to lawful recipients.

21       (g) Federal Grants Trust Fund, for use as a depository  
22 for funds to be used for allowable grant activities funded by  
23 restricted program revenues from federal sources.

24       (2) No agency or branch of state government is  
25 required to comply with the purposes set forth in subsection  
26 (1) to the extent that trust funds have not been created in  
27 that agency or branch to allow compliance.

28       Section 2. Subsection (1) of section 215.3208, Florida  
29 Statutes, is amended to read:

30       215.3208 Trust funds; legislative review.--

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1           (1)(a) In order to implement s. 19(f), Art. III of the  
2 State Constitution, for the purpose of reviewing trust funds  
3 prior to their automatic termination pursuant to the  
4 provisions of s. 19(f)(2), Art. III of the State Constitution,  
5 the Legislature shall review all state trust funds at least  
6 once every 4 years. The schedule for such review may be  
7 included in the legislative budget instructions developed  
8 pursuant to the requirements of s. 216.023. The Legislature  
9 shall review trust funds as they are identified by a unique  
10 6-digit code in the Florida Accounting Information Resource  
11 Subsystem at a level composed of the 2-digit organization  
12 level 1, the 1-digit state fund type 2, and the first three  
13 digits of the fund identifier. When a statutorily created  
14 trust fund that was in existence on November 4, 1992, has more  
15 than one 6-digit code, the Legislature may treat it as a  
16 single trust fund for the purposes of this section. The  
17 Legislature may also conduct its review concerning accounts  
18 within such trust funds.

19           (b) The Legislature, in its review, may consider the  
20 types and amounts of revenue flowing through a trust fund in  
21 comparison to the appropriated expenditures for the program or  
22 programs funded by that trust fund. The Legislature may then  
23 determine whether that trust fund:

24           1. Receives sufficient revenues to fund the  
25 appropriated expenditures of the program supported by the  
26 trust fund;

27           2. Receives more revenue than is necessary to fund the  
28 appropriated expenditures of the program supported by the  
29 trust fund; or  
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1           3. Receives less revenue than is necessary to fund the  
2 appropriated expenditures for the program supported by the  
3 trust fund.

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5 The Legislature may adjust the types and amounts of revenues  
6 allocated to that trust fund to reflect the expenditures  
7 associated with operating the identified programs.

8           Section 3. Paragraph (c) of subsection (4) of section  
9 216.023, Florida Statutes, is amended to read:

10           216.023 Legislative budget requests to be furnished to  
11 Legislature by agencies.--

12           (4) The legislative budget request must contain for  
13 each program:

14           (c) Details on trust funds and fees, including the  
15 following:

16           1. An accounting reconciliation report to be completed  
17 by the agency of the executive or judicial branch  
18 administering the trust fund in conjunction with the chief  
19 financial officer. The composition of the report shall be  
20 included in the legislative budget request; however, the  
21 report shall direct the agency to reconcile annual cash flow  
22 on an accrual basis with the annual report pursuant to s.  
23 17.32. Reporting must be conducted on all trust funds  
24 identified pursuant to s. 215.3208(1)(a). The reconciled  
25 report shall include, but is not limited to:

26           a. A comparison between the agency's release and  
27 disbursements of direct revenues, nonoperating revenues, total  
28 revenues, operating disbursements, nonoperating disbursements,  
29 total disbursements, beginning cash balance, and ending cash  
30 balance with those records held by the chief financial  
31 officer. The composition of beginning cash balance and ending

1 cash balance for each fund shall include the amount of moneys  
2 identified as certified forward fixed capital outlay,  
3 certified forward operations, operating expenditures, and  
4 general revenue.

5 b. The total amount of moneys allocated toward  
6 certified forward fixed capital outlay, certified forward  
7 operations, fixed capital outlay, operating expenditures, and  
8 general revenue.

9 2. A narrative describing all revenues flowing into  
10 each trust fund by general funding sources, specific taxes and  
11 fees, and funding sources other than state appropriations.

12 3. Summary information on expenditures made from each  
13 trust fund:

14 a. Pursuant to the General Appropriations Act;

15 b. Under s. 216.292;

16 c. Under s. 216.177(2); and

17 d. By other mechanisms, which shall be listed

18 specifically.

19 4. A narrative describing the circumstances leading to  
20 the certifying forward of a trust fund balance that is greater  
21 than 20 percent of the amount appropriated for the trust fund  
22 by the General Appropriations Act of the last completed fiscal  
23 year.

24 5. Beginning with the submission of the proposed  
25 legislative budget request for fiscal year 2003-2004,  
26 affirmation that trust funds are operated consistent with the  
27 requirements of s. 215.3201.

28 Section 4. This act shall take effect July 1, 2002.

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HOUSE SUMMARY

Designates certain trust funds for use for day-to-day operations for specified purposes. Revises requirements for legislative review of trust funds to provide for consideration of the types and amounts of revenue going into a trust fund in relation to the appropriated expenditures authorized for the trust fund's programs and to provide for adjustment of the trust fund's revenues to match the expenditures authorized for those programs. Requires legislative budget requests to contain an accounting reconciliation report and certain summary and other information on trust funds and fees. See bill for details.