

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; providing for
6 development and implementation of a consistent
7 trust fund titling and coding plan; requiring
8 maintenance of a web-accessible catalog of
9 state trust funds and providing requirements
10 thereof; amending s. 215.3208, F.S.; requiring
11 consideration of the fiscal analysis and
12 related recommendations for a trust fund in the
13 legislative review of the trust fund; providing
14 for adjustment of a trust fund's revenues to
15 match the expenditures authorized for its
16 programs; creating s. 215.3209, F.S.; providing
17 for fiscal analysis of trust funds in
18 conjunction with their scheduled review prior
19 to termination; providing requirements of such
20 an analysis; requiring submission of such
21 analyses to the Governor and Legislature;
22 providing for recommendations for maximum trust
23 fund unencumbered balance levels and
24 appropriate service fees; providing for
25 abatement of receipts to a trust fund under
26 certain circumstances; amending s. 216.023,
27 F.S.; requiring legislative budget requests to
28 contain an accounting reconciliation report and
29 certain summary and other information on trust
30 funds and fees; providing an effective date.
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1 Be It Enacted by the Legislature of the State of Florida:

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3 Section 1. Section 215.3201, Florida Statutes, is
4 created to read:

5 215.3201 Trust funds designated for day-to-day
6 operations.--

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

12 (a) Operations or Operating Trust Fund, for use as a
13 depository for funds to be used for program operations funded
14 by program revenues.

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

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

22 (d) Grants and Donations Trust Fund, for use as a
23 depository for funds to be used for allowable grant or donor
24 agreement activities funded by restricted revenue from private
25 and public nonfederal sources.

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

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

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

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

8 (3) The Executive Office of the Governor, in
9 consultation with the Chief Financial Officer, shall develop
10 within the state's chart of accounts a consistent fund titling
11 and coding plan for existing and newly created trust funds.
12 At least every 4 years, the Executive Office of the Governor
13 and the Chief Financial Officer shall revise the plan as
14 needed. The plan shall be developed for use beginning with
15 the 2003-2004 fiscal year. To the extent possible, existing
16 trust funds shall be converted to the new plan for the
17 2003-2004 fiscal year. In all cases, trust funds shall be
18 converted to the new plan during the trust fund reviews
19 specified in s. 215.3209 that are initiated subsequent to the
20 2003-2004 fiscal year.

21 (4) Beginning with the 2003-2004 fiscal year, the
22 Chief Financial Officer shall maintain a web-accessible
23 catalog of state trust funds, which shall include, but not be
24 limited to, the following information for each fund:

25 (a) The law authorizing the trust fund.

26 (b) The primary purpose of the trust fund.

27 (c) The agency or agencies administering the trust
28 fund.

29 (d) The authorized types or sources of revenues for
30 the trust fund.

31 (e) The authorized uses of the trust fund's resources.

1 (f) Any minimum or maximum balance established by law
2 for the trust fund.

3 (g) The total average annual revenues and operating
4 transfers in the trust fund for each year over the most recent
5 5 fiscal years.

6 (h) The total average annual expenditures and
7 operating transfers out of the trust fund for each year over
8 the most recent 5 fiscal years.

9 (i) The unreserved fund equity as of the end of each
10 of the last 5 fiscal years.

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

13 215.3208 Trust funds; legislative review.--

14 (1)(a) In order to implement s. 19(f), Art. III of the
15 State Constitution, for the purpose of reviewing trust funds
16 prior to their automatic termination pursuant to the
17 provisions of s. 19(f)(2), Art. III of the State Constitution,
18 the Legislature shall review all state trust funds at least
19 once every 4 years. The schedule for such review may be
20 included in the legislative budget instructions developed
21 pursuant to the requirements of s. 216.023. The Legislature
22 shall review trust funds as they are identified by a unique
23 6-digit code in the Florida Accounting Information Resource
24 Subsystem at a level composed of the 2-digit organization
25 level 1, the 1-digit state fund type 2, and the first three
26 digits of the fund identifier. When a statutorily created
27 trust fund that was in existence on November 4, 1992, has more
28 than one 6-digit code, the Legislature may treat it as a
29 single trust fund for the purposes of this section. The
30 Legislature may also conduct its review concerning accounts
31 within such trust funds.

1 (b) The Legislature, in its review of each trust fund,
2 shall consider the fiscal analysis prepared in accordance with
3 s. 215.3209 and the recommendations of the Joint Legislative
4 Auditing Committee made pursuant to s. 215.3209.

5 (c) The Legislature may adjust the types and amounts
6 of revenues allocated to a trust fund to reflect the
7 expenditures associated with operating the programs the trust
8 fund supports.

9 Section 3. Section 215.3209, Florida Statutes, is
10 created to read:

11 215.3209 Trust funds; fiscal analysis.--

12 (1) Each trust fund being reviewed pursuant to s.
13 215.3208 shall be subject to a fiscal analysis in the year of
14 its review for termination or re-creation as provided in this
15 section.

16 (2) Before July 1 of each year, the Legislative
17 Auditing Committee shall establish a timetable sufficient to
18 allow complete review of the 4-year history, plus a summary of
19 the previous reviews pursuant to this subsection, of trust
20 fund activities for those trust funds scheduled for review
21 during the next legislative session and shall coordinate its
22 analyses with the legislative fiscal committees, the Auditor
23 General, and the Office of Program Policy Analysis and
24 Government Accountability. Lead analysts shall be determined
25 by July 15, and the fiscal analysis of each trust fund subject
26 to review shall be completed by December 1. A copy of the
27 fiscal analysis for each trust fund shall be submitted to the
28 President of the Senate and the Speaker of the House of
29 Representatives.

30 (3) Each fiscal analysis of a trust fund shall
31 include, at a minimum, the following:

1 (a) Receipts and disbursements, both operating and
2 nonoperating, for the trust fund, including detail at the
3 level maintained by the central accounting component of the
4 Florida Accounting Information Resource Subsystem.

5 (b) A comparison of the legislative appropriations
6 made from the trust fund with actual receipts, disbursements,
7 and cash balances.

8 (4) In the fiscal analysis of each trust fund:

9 (a) The lead analyst, in consultation with the Office
10 of Economic and Demographic Research, shall:

11 1. Make a projection of the receipts into and
12 disbursements from the trust fund over the next 4 fiscal
13 years.

14 2. Review all factors affecting receipts into the
15 trust fund, including, but not limited to, demographic and
16 economic factors and all taxes, fees, penalties, fines, and
17 transfers. This shall include a projection of units of
18 service provided and rates of assessment.

19 3. Review all factors affecting disbursements from the
20 trust fund, including all transfers and payments.

21 (b) The lead analyst shall provide:

22 1. An analysis of the impact of terminating the trust
23 fund and having its functions maintained in another trust fund
24 or terminating the trust fund and funding the programs it
25 supports in some other manner.

26 2. A summary of any findings and recommendations
27 related to the trust fund included in audits or reviews
28 completed by the Auditor General or the Office of Program
29 Policy Analysis and Government Accountability during the
30 previous 4 fiscal years and any changes made as a result of
31 those audits.

1 (5) Based on each trust fund's fiscal analysis, the
2 Legislative Auditing Committee shall recommend to the
3 Legislature that the trust fund be re-created, combined with
4 another trust fund, continued as exempt, or terminated.

5 (6) If the trust fund is recommended for termination,
6 the recommendation shall provide for the distribution of
7 moneys in the trust fund and for changes to the law that
8 provided for the segregation of money into the trust fund.

9 (7)(a) If the trust fund is recommended for
10 re-creation, the Legislative Auditing Committee shall also
11 recommend a maximum trust fund unencumbered balance for the
12 next 4 fiscal years. With respect to a recommendation for a
13 maximum trust fund unencumbered balance:

14 1. The allowable growth of a trust fund's unencumbered
15 balance may not exceed the average annual rate of growth over
16 the 4 prior fiscal years and an adjustment rate established by
17 the Legislature.

18 2. A trust fund shall be not be subject to a maximum
19 trust fund unencumbered balance if its unencumbered balance is
20 used to meet bond covenants, fiduciary responsibilities,
21 federal or grants requirements, or similar restrictions.

22 3. A recommendation for a maximum trust fund
23 unencumbered balance shall include a recommendation for the
24 abatement of receipts to the trust fund if that balance is
25 exceeded during the 4-year period and a recommendation of the
26 appropriate balance, below the trust fund's maximum
27 unencumbered balance, which must be reached before the
28 abatement is removed.

29 4. Each agency administering a trust fund is
30 prohibited from seeking a budget amendment that increases
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1 expenditures or transfers as a method of reducing the trust
2 fund below its authorized maximum unencumbered balance level.

3 (b) If the trust fund is recommended for re-creation,
4 the Legislative Auditing Committee shall also recommend, as
5 appropriate, changes to the source of the receipts and rates
6 of assessment and uses of the trust fund, based on the fiscal
7 analysis, to ensure a minimal trust fund balance.

8 (8) If the trust fund is recommended for continuation
9 as exempt from automatic termination pursuant to s. 19(f)(3),
10 Art. III of the State Constitution, the Legislative Auditing
11 Committee shall also recommend changes, as appropriate, to the
12 trust fund that will make it more efficient whether or not
13 such changes affect its exempt status.

14 (9) The Legislative Auditing Committee shall also
15 recommend an appropriate service charge to be deducted from
16 each trust fund in accordance with rates established in s.
17 215.20.

18 Section 4. Paragraph (c) of subsection (4) of section
19 216.023, Florida Statutes, is amended to read:

20 216.023 Legislative budget requests to be furnished to
21 Legislature by agencies.--

22 (4) The legislative budget request must contain for
23 each program:

24 (c) Details on trust funds and fees, including the
25 following:

26 1. An accounting reconciliation report to be completed
27 by the agency of the executive or judicial branch
28 administering the trust fund in conjunction with the chief
29 financial officer. The composition of the report shall be
30 included in the legislative budget request; however, the
31 report shall direct the agency to reconcile annual cash flow

1 on an accrual basis with those records held by the Chief
2 Financial Officer. Reporting must be conducted on all trust
3 funds identified pursuant to s. 215.3208(1)(a). The
4 reconciled report shall include, but is not limited to:
5 a. A comparison between the agency's release and
6 disbursements of direct revenues, nonoperating revenues, total
7 revenues, operating disbursements, nonoperating disbursements,
8 total disbursements, beginning cash balance, and ending cash
9 balance with those records held by the chief financial
10 officer. The composition of beginning cash balance and ending
11 cash balance for each fund shall include the amount of moneys
12 identified as certified forward fixed capital outlay,
13 certified forward operations, operating disbursements, and
14 general revenue.
15 b. The total amount of moneys allocated toward
16 certified forward fixed capital outlay, certified forward
17 operations, fixed capital outlay, operating expenditures, and
18 general revenue.
19 2. A narrative describing all revenues flowing into
20 each trust fund by general funding sources, specific taxes and
21 fees, and funding sources other than state appropriations.
22 3. Summary information on expenditures made from each
23 trust fund regardless of the statutory authority.
24 4. A narrative describing the circumstances leading to
25 the certifying forward of a trust fund balance that is greater
26 than 20 percent of the amount appropriated for the trust fund
27 by the General Appropriations Act of the last completed fiscal
28 year.
29 5. Beginning with the submission of the proposed
30 legislative budget request for fiscal year 2003-2004,
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1 affirmation that trust funds are operated consistent with the
2 requirements of s. 215.3201.

3 Section 5. This act shall take effect July 1, 2002.
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