

By the Committee on Comprehensive Planning; and Senators Atwater, Dawson, Bennett and Geller

316-1925-03

1 A bill to be entitled
2 An act relating to local government funding;
3 creating the "Local Funding Revenue
4 Maximization Act"; providing legislative
5 intent; defining the term "agency" for purposes
6 of the act; providing requirements for state
7 agencies that provide health services, social
8 services, or human services; providing
9 requirements for the use of certain public
10 revenues as local matching funds and for the
11 uses of federal reimbursements received as a
12 result of the certification of local matching
13 funds; providing for agreements between
14 agencies and local political subdivisions;
15 requiring agencies and local political
16 subdivisions to cooperate in modifying state
17 plans and in seeking and implementing any
18 necessary federal waivers; providing for
19 administrative costs; providing for interest on
20 certain unpaid funds; requiring agencies to
21 submit annual reports to the Governor and to
22 legislative leaders; providing an effective
23 date.

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

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27 Section 1. Local Funding Revenue Maximization Act;
28 legislative intent; revenue maximization program.--

29 (1) SHORT TITLE.--This section may be cited as the
30 "Local Funding Revenue Maximization Act."

31 (2) LEGISLATIVE INTENT.--

1 (a) The Legislature recognizes that state funds do not
2 fully utilize federal funding matching opportunities for
3 health and human services needs. It is the intent of the
4 Legislature to authorize the use of certified local funding
5 for federal matching programs to the fullest extent possible
6 to maximize federal funding of local preventive services and
7 local child development programs in this state. To that end,
8 the Legislature expects that state agencies will take a
9 proactive approach in implementing this legislative priority.
10 It is the further intent of the Legislature that this act
11 shall be revenue-neutral with respect to state funds.

12 (b) It is the intent of the Legislature that revenue
13 maximization opportunities using certified local funding shall
14 occur only after available state funds have been utilized to
15 generate matching federal funding for the state.

16 (c) It is the intent of the Legislature that
17 participation in revenue maximization is to be voluntary for
18 local political subdivisions.

19 (d) It is the intent of the Legislature that certified
20 local funding for federal matching programs not supplant or
21 replace state funds.

22 (3) REVENUE MAXIMIZATION PROGRAM.--

23 (a) For purposes of this section, the term "agency"
24 means any state agency or department that is involved in
25 providing health, social, or human services, including, but
26 not limited to, the Agency for Health Care Administration, the
27 Agency for Workforce Innovation, the Department of Children
28 and Family Services, the Department of Elderly Affairs, the
29 Department of Juvenile Justice, and the Florida Board of
30 Education.

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1 (b) Each agency shall establish programs and
2 mechanisms designed to maximize the use of local funding for
3 federal programs in accordance with this section.

4 (c) The use of local matching funds under this section
5 must be limited to public revenue funds of local political
6 subdivisions, including, but not limited to, counties,
7 municipalities, and special districts. To the extent permitted
8 by federal law, funds donated to such local political
9 subdivisions by private entities, such as, but not limited to,
10 the United Way, community foundations or other foundations,
11 and businesses, or by individuals are considered to be public
12 revenue funds available for matching federal funding.

13 (d) Subject to paragraph (f), any federal
14 reimbursement received as a result of the certification of
15 local matching funds must, unless specifically prohibited by
16 federal law, be returned within 30 days after receipt by the
17 agency by the most expedient means possible to the local
18 political subdivision providing such funding, and the local
19 political subdivision must be provided an annual accounting of
20 federal reimbursements received by the state or its agencies
21 as a result of the certification of the local political
22 subdivision's matching funds. The receipt by a local political
23 subdivision of such matching funds must not in any way
24 influence or be used as a factor in developing any agency's
25 annual operating budget allocation methodology or formula or
26 any subsequent budget amendment allocations or formulas. If
27 necessary, agreements must be made between an agency and the
28 local political subdivision to accomplish that purpose. Such
29 an agreement may provide that the local political subdivision
30 must: verify the eligibility of the local program or programs
31 and the individuals served thereby to qualify for federal

1 matching funds; shall develop and maintain the financial
2 records necessary for documenting the appropriate use of
3 federal funds; shall comply with all applicable state and
4 federal laws, regulations, and rules that regulate such
5 federal services; and shall reimburse the cost of any
6 disallowance of federal funding previously provided to a local
7 political subdivision resulting from the failure of that local
8 political subdivision to comply with applicable state or
9 federal laws, rules, or regulations.

10 (e) Each agency, as applicable, shall work with local
11 political subdivisions to modify any state plans and to seek
12 and implement any federal waivers necessary to implement this
13 section. If such modifications or waivers require the approval
14 of the Legislature, the agency, as applicable, shall draft
15 such legislation and present it to the President of the Senate
16 and the Speaker of the House of Representatives and to the
17 respective committee chairs of the Senate and the House of
18 Representatives by January 1, 2004, and, as applicable,
19 annually thereafter.

20 (f) Each agency, as applicable, before funds generated
21 under this section are distributed to any local political
22 subdivision, may deduct the actual administrative cost for
23 implementing and monitoring the local match program; however,
24 such administrative costs may not exceed 5 percent of the
25 total federal reimbursement funding to be provided to the
26 local political subdivision under paragraph (d). To the extent
27 that any other provision of state law applies to the
28 certification of local matching funds for a specific program,
29 the provisions of that statute which relate to administrative
30 costs apply in lieu of the provisions of this paragraph. The
31 failure to remit reimbursement to the local political

1 subdivision will result in the payment of interest, in
2 addition to the amount to be reimbursed at a rate pursuant to
3 section 55.03(1), Florida Statutes, on the unpaid amount from
4 the expiration of the 30-day period until payment is received.

5 (g) Each agency, respectively, shall annually submit
6 to the Governor, the President of the Senate, and the Speaker
7 of the House of Representatives, no later than January 1, a
8 report that documents the specific activities undertaken
9 during the previous fiscal year under this section. The report
10 must include, but is not limited to, a statement of the total
11 amount of federal matching funds generated by local matching
12 funds under this section, reported by federal funding source;
13 the total amount of block grant funds expended during the
14 previous fiscal year, reported by federal funding source; the
15 total amount for federal matching fund programs, including,
16 but not limited to, Temporary Assistance for Needy Families
17 and Child Care and Development Fund, of unobligated funds and
18 unliquidated funds, both as of the close of the previous
19 federal fiscal year; the amount of unliquidated funds that is
20 in danger of being returned to the Federal Government at the
21 end of the current federal fiscal year; and a detailed plan
22 and timeline for spending any unobligated and unliquidated
23 funds by the end of the current federal fiscal year.

24 Section 2. This act shall take effect July 1, 2003.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 1454

The Committee Substitute adds the words "or department" to the definition of "agency" for purposes of the local funding maximization act. Also, the committee substitute provides that the agency shall return any federal reimbursement, received as the result of the certification of local matching funds, to the local political subdivision within 30 days after receipt by the most expedient means possible. Finally, the Committee Substitute provides that a local political subdivision will receive interest on any unpaid amount at a rate pursuant to s.55.03(1), F.S., from the expiration of the 30-day period until payment is received.