

By the Committees on Appropriations; Comprehensive Planning; and Senators Atwater, Dawson, Bennett, Geller, Peadar, Fasano, Lee, Clary, Campbell, Saunders, Siplin, Bullard, Klein, Aronberg and Wilson

309-2330-03

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 (e) It is the intent of the Legislature that revenue
23 maximization shall not divert existing funds from state
24 agencies that are currently using local funds to maximize
25 matching federal and state funds to the greatest extent
26 possible.

27 (3) REVENUE MAXIMIZATION PROGRAM.--

28 (a) For purposes of this section, the term "agency"
29 means any state agency or department that is involved in
30 providing health, social, or human services, including, but
31 not limited to, the Agency for Health Care Administration, the

1 Agency for Workforce Innovation, the Department of Children
2 and Family Services, the Department of Elderly Affairs, the
3 Department of Juvenile Justice, and the Florida Board of
4 Education.

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

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

17 (d) Subject to paragraph (f), any federal
18 reimbursement received as a result of the certification of
19 local matching funds must, unless specifically prohibited by
20 federal law and subject to the availability of specific
21 appropriation and release authority, be returned within 30
22 days after receipt by the agency by the most expedient means
23 possible to the local political subdivision providing such
24 funding, and the local political subdivision must be provided
25 an annual accounting of federal reimbursements received by the
26 state or its agencies as a result of the certification of the
27 local political subdivision's matching funds. The receipt by a
28 local political subdivision of such matching funds must not in
29 any way influence or be used as a factor in developing any
30 agency's annual operating budget allocation methodology or
31 formula or any subsequent budget amendment allocations or

1 formulas. If necessary, agreements must be made between an
2 agency and the local political subdivision to accomplish that
3 purpose. Such an agreement may provide that the local
4 political subdivision must: verify the eligibility of the
5 local program or programs and the individuals served thereby
6 to qualify for federal matching funds; shall develop and
7 maintain the financial records necessary for documenting the
8 appropriate use of federal funds; shall comply with all
9 applicable state and federal laws, regulations, and rules that
10 regulate such federal services; and shall reimburse the cost
11 of any disallowance of federal funding previously provided to
12 a local political subdivision resulting from the failure of
13 that local political subdivision to comply with applicable
14 state or federal laws, rules, or regulations.

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

25 (f) Each agency, as applicable, before funds generated
26 under this section are distributed to any local political
27 subdivision, may deduct the actual administrative cost for
28 implementing and monitoring the local match program; however,
29 such administrative costs may not exceed 5 percent of the
30 total federal reimbursement funding to be provided to the
31 local political subdivision under paragraph (d). To the extent

1 that any other provision of state law applies to the
2 certification of local matching funds for a specific program,
3 the provisions of that statute which relate to administrative
4 costs apply in lieu of the provisions of this paragraph. The
5 failure to remit reimbursement to the local political
6 subdivision will result in the payment of interest, in
7 addition to the amount to be reimbursed at a rate pursuant to
8 section 55.03(1), Florida Statutes, on the unpaid amount from
9 the expiration of the 30-day period until payment is received.

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

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

The Committee Substitute adds language stating that revenue maximization shall not divert existing funds from state agencies that are currently matching federal and state funds, to the greatest extent possible.

The Committee Substitute clarifies that federal reimbursement must be returned within 30 days after receipt by the agency, subject to the availability of specific appropriation and release.