

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Governmental Oversight and Accountability Committee

BILL: CS/SB 2408

INTRODUCER: Policy and Steering Committee on Ways and Means and Senator Alexander

SUBJECT: Government Financial Information

DATE: March 23, 2010 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hawkins	Coburn	WPSC	Fav/CS
2.	Wilson	Wilson	GO	Favorable
3.			RC	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The Transparency Florida Act, created by chapter 2009-74, Laws of Florida, required the Joint Legislative Auditing Committee to provide a report by March 1, 2010 recommending a schedule of additional information to be added to the Transparency Florida Website. Provisions in this bill incorporate suggested changes in statute provided by the Joint Legislative Auditing Committee's March 1, 2010 report.

This bill amends s.11.45 and 215.985, Florida Statutes.

II. Present Situation:

Chapters 215 and 216, F.S., specify governing principles and organizations involved in the management of the state's financial matters. Chapter 215, F.S., primarily addresses matters pertaining to management, accountability and reporting requirements for funds in the state treasury by the Chief Financial Officer. Chapter 216, F.S., contains the processes by which the state's budget is developed and implemented by Governor's Office, the legislature and state agencies.

Sections 215.90 – 215.96, F.S., govern the establishment and operation of the Florida Financial Management Information System (FFMIS). Section 215.91(8), F.S., requires the FFMIS system, through its functional owner subsystems, to include a data gathering and data distribution facility to support management decision-making by providing access to statewide financial, administrative, planning and program information. The following FFMIS subsystems are established by s. 215.93, F.S.:

Subsystems of the Florida Financial Management Information System (FFMIS)

Subsystem	Functional Owner
Planning and Budgeting System (PBS)	Executive Office of the Governor
Accounting Information Resource Subsystem (FLAIR)	Chief Financial Officer
Cash Management Subsystem (CMS)	Chief Financial Officer
Purchasing Subsystem (SPURS/MFMP)	Department of Management Services
Personnel Information System (COPES/PF)	Department of Management Services
Legislative Appropriations System (LAS/PBS)	Senate and House of Representatives
State Unified Tax System (SUNTAX)	Department of Revenue

Transparency Florida

Chapter 2009 -74, Laws of Florida, established the Transparency Florida Act in section 215.985, Florida Statutes. The website has been developed and state agency information has been included as required by the Act, and can be accessed at: <http://www.transparencyflorida.gov>. The state agency information provided on Transparency Florida is from the various subsystems of the Florida Financial Management Information System.

The Transparency Florida website currently provides a continually updated picture of the state’s operating budget as well as daily expenditures made by state agencies. The data on the website is updated nightly as funds are released to agencies, transferred between budget categories, and payments are written for goods and services.

The Joint Legislative Auditing Committee was required to propose, by March 1, 2010, a schedule for adding additional information to the website for other governmental entities, including community colleges, state universities, local government units and any entities which receive state appropriations.

Municipalities and special districts with less than 10,000 in population are exempt from the Act’s provisions.

The March 1, 2010, report of the Joint Legislative Auditing Committee focused on implementation of financial transparency for school districts. The plan includes three phases.

During the first two phases, documents providing school district financial information that are already available should be made accessible from the Transparency Florida site. Each school district will be required to provide a link to the site. The documents include school district audits and financial-related reports received or compiled by DOE. Most of these are annual reports with

information reported at the district-level. Three DOE reports provide school-level information. The members of the committee recommended the implementation of these phases by December 31 , 2010.

The third phase requires school districts to post documents on their websites, such as those presented to school board members. This phase also requires the school districts to transmit transactional data to the state for display on the website. Due to the potential cost to build the system and the lack of requirements for such a system, the committee members recommend that this phase be delayed at this time. The report also recommended the order in which other entities, such as universities, colleges, and local governments, should be included on the Transparency Florida website.

III. Effect of Proposed Changes:

Section 1 amends 11.45, F.S., to require the Auditor General to report to the President of the Senate, the Speaker of the House, and the Legislative Auditing Committee by July 15 of each year a list of school districts which have failed to comply with Transparency Florida Act requirements.

Section 2 amends 215.985, F.S., by clarifying that the definition of “government entity” includes public school level data; providing that the reporting format developed by the Joint Legislative Auditing Committee is also required for charter schools and charter technical career centers and school districts; establishing an annual report date of November 1, beginning in 2011, for the Joint Legislative Auditing Committee to submit recommendations for providing additional information to include on the Transparency Florida Website; changing the exemption threshold for municipalities and special districts to report from those with a population of 10,000 or fewer to those with revenues of \$10 million or less; providing that the state financial data on Transparency Florida must be maintained for 10 years, and providing that any certified public accountant conducting an audit pursuant to 11.45 or 218.39, F.S., shall report whether the entity being audited is in compliance with the act.

Section 3 provides that this bill shall take effect July 1, 2010.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

There are no fiscal impacts to the state resulting from the provisions in this bill. The March 1, 2010, report from the Joint Legislative Auditing Committee recommended the implementation of the first two phases for incorporating information relating to school district finances. The Department of Education indicated the cost of Phases 1 and 2 could be absorbed within current resources. Additional information will need to be obtained relating to system requirements for providing the school level transactional data before proceeding with Phase 3.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

The CS by Policy and Steering Committee on Ways and Means, March 24, 2010 includes the following major changes:

- Requires the Auditor General to report to the President of the Senate, the Speaker of the House, and the Legislative Auditing Committee by July 15 of each year a list of school districts which have failed to comply with Transparency Florida Act requirements;
- Clarifies that the definition of “government entity” includes public school level data;
- Provides that the reporting format developed by the Joint Legislative Auditing Committee is also required for charter schools and charter technical career centers and school districts;
- Establishes an annual report date of November 1, beginning in 2011, for the Joint Legislative Auditing Committee to submit recommendations for providing additional information to include on the Transparency Florida Website;

- Changes the exemption threshold for municipalities and special districts to report from those with a population of 10,000 or fewer to those with revenues of \$10 million or less;
- Provides that the state financial data on Transparency Florida must be maintained for 10 years, and
- Provides that any certified public accountant conducting an audit pursuant to ss. 11.45 or 218.39, F.S., shall report whether the entity being audited is in compliance with the act.

B. Amendments:

None.

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