

**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 Budget Committee

BILL: SB 2096 (SPB 7090)

INTRODUCER: Budget Committee

SUBJECT: State Financial Information

DATE: April 1, 2011

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Hawkins	Meyer, C.		<b>SPB 7090 Favorable</b>
2.				
3.				
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5.				
6.				

**I. Summary:**

This bill makes changes to the Transparency Florida Act, created by chapter 2009-74, Laws of Florida. Provisions in this bill incorporate suggested changes in statute provided by the Joint Legislative Auditing Committee’s March 1, 2010 report. In addition to those changes, additional data will be required to be posted to the Transparency Florida Website relating to state contracts management and water management district expenditures. The bill also shifts design and management of the website from the Joint Legislative Auditing Committee to the Department of Financial Services.

This bill amends sections 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)**

<b>Subsystem</b>	<b>Functional Owner</b>
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, F.S.. 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 and water management 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;
- Requiring transition of the website to the Department of Financial Services by July 1, 2012;
- Providing that the reporting format developed by the Department of Financial Services is also required for charter schools and charter technical career centers and school districts;
- Establishing an annual report date of November 1, beginning in 2012, for the Department of Financial Services 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;
- 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;
- Requiring that certain data for management and oversight of state contracts be maintained on the Transparency Florida Website;
- Requiring that water management districts post, by September 1, 2011, monthly financial data that is currently provided to its governing board;
- Requiring that effective July 1, 2012 that water management district’s fiscal year be July 1 to June 30; and
- Requiring that effective July 1, 2012 that each water management district maintain consistent financial information and that beginning July 1, 2013, each district submit monthly detailed financial reports to the Department of Financial Services in a manner adopted by the Chief Financial Officer.

**Section 3** provides that this bill shall take effect upon becoming law.

**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. Costs may be incurred by each water management district to make its financial information consistent across districts and to provide it to the Chief Financial Officer in the manner required. The establishment of a state contract management system that makes accurate contract information available to state employees and members of the public will improve oversight of state contracts.

**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.)

None.

B. Amendments:

None.

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

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