

**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.)

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: HB 5201

INTRODUCER: State Administration Budget Subcommittee and Representative V. Lopez

SUBJECT: State Financial Accounting

DATE: April 16, 2025

REVISED: 4/17/25

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ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Hunter	Sadberry	AP	<b>Fav/1 amendment</b>

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**Please see Section IX. for Additional Information:**

AMENDMENTS - Significant amendments were recommended

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**I. Summary:**

HB 5201 deletes statutory references to the state's current accounting and financial management system known as the Florida Accounting Information Resource (FLAIR) that is set to retire in Fiscal Year 2026-2027. The bill conforms statutes in accordance with the new Planning and Ledger Management (PALM) system that will replace FLAIR.

**II. Present Situation:**

**State Automated Management Accounting Subsystem**

In 1980, the Florida Legislature enacted the Florida Fiscal Accounting Management Information System Act.<sup>1</sup> This act standardized the financial management and accounting practices for the state and was meant to provide well timed date for statewide financial statements. The State Automated Management Accounting Subsystem (SAMAS) was developed from 1983-1986 and agencies began implementing SAMAS to manage their financial accounting.<sup>2</sup>

**Florida Accounting Information Resource Subsystem**

In 1997, SAMAS was renamed as the Florida Accounting Information Resource Subsystem (FLAIR).<sup>3</sup> FLAIR is a mainframe computer-based ledger accounting system utilized by the state

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<sup>1</sup>Chapter 80-45, Laws of Fla.

<sup>2</sup> Florida Auditor General, *Florida Accounting Information Resource Subsystem (FLAIR)*, [flauditor.gov/pages/pdf\\_files/2016-032.pdf](https://flauditor.gov/pages/pdf_files/2016-032.pdf) (last visited Mar. 17, 2025).

<sup>3</sup>Chapter 97-286, Laws of Fla.

to process financial transactions and record accurate data.<sup>4</sup> The Department of Financial Services (DFS) operates and maintains the FLAIR system and is the functional owner of FLAIR<sup>5</sup>. The Division of Information Systems operates the Chief Financial Officer's Data Center that maintains FLAIR. FLAIR is also used to create the state's Annual Comprehensive Financial Report pursuant to s. 216.102(3), F.S. All state agencies' payroll, expense processing, retirement, reemployment compensation, and public assistance are processed and tracked through FLAIR.

### **Florida Planning and Ledger Management**

In October 2013, the DFS procured a study of FLAIR to obtain a recommendation to either replace or enhance FLAIR. The FLAIR Study was delivered to the DFS in March 2014, and the DFS reviewed and published the FLAIR Study in April 2014. Based on the analysis completed in the FLAIR Study, the consultant recommended that the state replace FLAIR and the DFS' Cash Management System (CMS) with a commercial off-the-shelf Enterprise Resource Planning (ERP) solution. The CMS allows state agencies to deposit funds directly into the treasury bank account across hundreds of bank locations and receive interest on account balances and operate small disbursement accounts with no service charges.

In 2014, the DFS created the Florida Planning, Accounting, and Ledger Management (Florida PALM) project to replace FLAIR and the cash management and accounting management components of the CMS with a cloud-hosted enterprise resource planning financial management solution designed to modernize the state's financial management processes and system. Beginning with the CMS implementation (CMS Wave) in July 2021, this multi-year project was designed to transition FLAIR and CMS functions, as well as additional functionality. The CMS Wave transitioned the functions related to the management of bank cash, participant invested cash, and treasury investments from the CMS to Florida PALM.

The Florida PALM project has a current go-live date of July 2026 with a contingency to move the go-live date to January 2027 at the discretion of the project's executive steering committee.

### **Charts of Account**

The CFO maintains the charts of account for state agencies. Charts of account is a compilation of uniform data codes that are used for reporting governmental assets, liabilities, equities, revenues, and expenditures to the CFO.<sup>6</sup> Chapter 2011-44, L.O.F., required the CFO to include entities that were previously not included in the charts of account, such as educational entities and higher education institutions, to establish uniform reporting requirements. The CFO was required to conduct workshops with affected governmental entities to gather reporting requirements, and to issue proposed charts of account by July 1, 2013. Comments to the proposed accounts were to be received by November 1, 2013. By January 15, 2014, the CFO submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives a final report recommending uniform charts of account meeting the specified conditions. The Legislature did not adopt the recommendations.

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<sup>4</sup>Department of Financial Services, *Florida Accounting Resource (FLAIR)*, <https://flair.dbf.state.fl.us/> (last visited Mar. 17, 2025).

<sup>5</sup>Section 215.94(2), F.S.

<sup>6</sup> Section 215.89(2)(a), F.S.

## **Public Records**

Article I, s. 24(a) of the State Constitution, sets forth the state's public policy regarding access to government records. This section guarantees every person the right to inspect or copy any public record of the legislative, executive, and judicial branches of government. The Legislature, however, may provide by general law for the exemption of records from the requirements of Article I, s. 24(a) of the State Constitution.<sup>7</sup> The general law must state with specificity the public necessity justifying the exemption<sup>8</sup> and must be no broader than necessary to accomplish its purpose.<sup>9</sup>

As functional owners of the state accounting system, the DFS is responsible for the security of all data records existing within and transferred from their information subsystems.<sup>10</sup> Each agency is responsible for the accuracy of the information entered into the accounting subsystem. Currently, the DFS is subject to public records requests as the functional owner of the state accounting system.

### **III. Effect of Proposed Changes:**

**Sections 1, 2, 3, 7, 8, 9, 10, 11, and 12** delete statutory references to Florida's current accounting system known as the Florida Accounting Information Resource (FLAIR) and replace it with a reference to the Financial Management subsystem.

**Section 4** clarifies that if interest is incurred on an invoice owed by the state, but the original appropriation is no longer available or has been depleted, the agency may pay the interest with a similar appropriation category.

**Section 5** removes obsolete requirements of the Chief Financial Officer (CFO) to accept comments from specific parties regarding proposed charts of account and directs the CFO to provide various parties a report recommending a uniform chart of accounts. These requirements of the CFO have been accomplished and are no longer needed in statute.

**Section 6** specifies that a public records request or subpoena for a document or accounting record must be made to the entity that the document or accounting record was recorded.

**Section 13** provides that the bill takes effect July 1, 2025.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

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<sup>7</sup>Article I, s. 24, Fla. Const.

<sup>8</sup>This portion of a public record exemption is commonly referred to as a "public necessity statement."

<sup>9</sup>Article I, s. 24, Fla. Const.

<sup>10</sup>Section 215.93(5), F.S.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

None.

**E. Other Constitutional Issues:**

None.

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

None.

**B. Private Sector Impact:**

None.

**C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 17.11, 17.13, 110.113, 215.422, 215.89, 215.93, 215.94, 215.985, 216.102, 216.141, 1001.281, and 1001.282.

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

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

None.

B. Amendments:

**Barcode 116496 by Appropriations on April 17, 2025:**

This amendment deletes everything and does not insert additional language.

(WITH TITLE AMENDMENT)

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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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