

By the Committee on Fiscal Policy & Resources and
Representative Wallace

1 A bill to be entitled
2 An act relating to trust fund administration;
3 amending s. 18.10, F.S.; providing for deposit
4 by law of earnings on any investment of state
5 money not deposited into the General Revenue
6 Fund; amending s. 18.125, F.S.; revising
7 requirements of state agencies and the judicial
8 branch to make moneys available for investment
9 by the Treasurer; removing a notice
10 requirement; amending s. 215.32, F.S.;
11 specifying certain trust funds for use for
12 day-to-day operations for specified purposes;
13 amending s. 215.3206, F.S.; requiring
14 legislation re-creating a trust fund to include
15 a mechanism to reduce the trust fund to its
16 maximum operating level or to transfer
17 unallocated funds from the trust fund's
18 accounts; amending s. 215.3208, F.S.; revising
19 requirements for legislative review of trust
20 funds; providing for consideration of the types
21 and amounts of revenue going into a trust fund
22 in relation to the appropriated expenditures
23 authorized for the trust fund's programs;
24 providing for adjustment of the trust fund's
25 revenues to match the expenditures authorized
26 for those programs; providing for a maximum
27 operating level for each re-created trust fund;
28 amending s. 216.023, F.S.; requiring
29 legislative budget requests to contain certain
30 summary and other information on trust funds
31 and fees; requiring an annual report by the

1 Executive Office of the Governor and the
2 Comptroller to the Legislature on the operation
3 of certain trust funds; providing effective
4 dates.

5
6 Be It Enacted by the Legislature of the State of Florida:

7
8 Section 1. Subsection (4) of section 18.10, Florida
9 Statutes, is amended to read:

10 18.10 Deposits and investments of state money.--

11 (4) All earnings on any investments made pursuant to
12 this section shall be credited to the General Revenue Fund,
13 except for those that earnings otherwise distributed by law
14 ~~attributable to moneys made available pursuant to s. 18.125(3)~~
15 ~~shall be credited pro rata to the funds from which such moneys~~
16 ~~were made available.~~

17 Section 2. Subsection (3) of section 18.125, Florida
18 Statutes, is amended to read:

19 18.125 Treasurer; powers and duties in the investment
20 of certain funds.--

21 (3)~~(a)~~ It is the duty of each state agency, and of the
22 judicial branch, now or hereafter charged with the
23 administration of the funds referred to in subsection (1) to
24 make such moneys available for investment ~~as fully as is~~
25 ~~consistent with the cash requirements of the particular fund~~
26 and to authorize investment of such moneys by the Treasurer.

27 ~~(b) Monthly, and more often as circumstances require,~~
28 ~~such agency or judicial branch shall notify the Treasurer of~~
29 ~~the amount available for investment; and the moneys shall be~~
30 ~~invested by the Treasurer. Such notification shall include~~
31 ~~the name and number of the fund for which the investments are~~

1 ~~to be made and the life of the investment if the principal sum~~
2 ~~is to be required for meeting obligations. This subsection,~~
3 ~~however, shall not be construed to make available for~~
4 ~~investment any funds other than those referred to in~~
5 ~~subsection (1).~~

6 Section 3. Effective July 1, 2003, paragraph (b) of
7 subsection (1) of section 215.32, Florida Statutes, is amended
8 to read:

9 215.32 State funds; segregation.--

10 (1) All moneys received by the state shall be
11 deposited in the State Treasury unless specifically provided
12 otherwise by law and shall be deposited in and accounted for
13 by the Treasurer and the Department of Banking and Finance
14 within the following funds, which funds are hereby created and
15 established:

16 (b)1. Trust funds.

17 2. For each agency, the following trust funds are to
18 be used for day-to-day operations as follows:

19 a. Operations or Operating Trust Fund, for use as a
20 depository for funds to be used for program operations funded
21 by program revenues.

22 b. Operations and Maintenance Trust Fund, for use as a
23 depository for funds to be used for client services funded by
24 third-party payors.

25 c. Administrative Trust Fund, for use as a depository
26 for funds to be used for management activities that are
27 departmental in nature and funded by indirect cost earnings
28 and assessments against trust funds.

29 d. Grants and Donations Trust Fund, for use as a
30 depository for funds to be used for allowable grant or donor
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1 agreement activities funded by restricted contractual revenue
2 from private and public nonfederal sources.

3 e. Working Capital Trust Fund, for use as a depository
4 for funds to be used as provided by s. 216.272.

5 f. Clearing Funds Trust Fund, for use as a depository
6 for funds collected and to be accounted for pending
7 distribution to lawful recipients.

8 g. Federal Grants Trust Fund, for use as a depository
9 for funds to be used for allowable grant activities funded by
10 restricted program revenues from federal sources.

11 Section 4. Subsection (1) of section 215.3206, Florida
12 Statutes, is amended to read:

13 215.3206 Trust funds; termination or re-creation.--

14 (1) Prior to the regular session of the Legislature
15 immediately preceding the date on which any executive or
16 judicial branch trust fund is scheduled to be terminated,
17 pursuant to the provisions of s. 19(f), Art. III of the State
18 Constitution, or such earlier date as the Legislature may
19 specify, the agency responsible for the administration of the
20 trust fund and the Governor, for executive branch trust funds,
21 or the Chief Justice, for judicial branch trust funds, shall
22 recommend to the President of the Senate and the Speaker of
23 the House of Representatives whether the trust fund should be
24 allowed to terminate or should be re-created. Each
25 recommendation shall be based on a review of the purpose and
26 use of the trust fund and a determination of whether the trust
27 fund will continue to be necessary. A recommendation to
28 re-create the trust fund may include suggested modifications
29 to the purpose, sources of receipts, and allowable
30 expenditures for the trust fund. Recommendations from an
31 agency or the Chief Justice shall be made as a part of the

1 legislative budget request to the Legislature pursuant to s.
2 216.023. Recommendations from the Governor shall be made as
3 part of the recommended budget presented to the Legislature
4 pursuant to s. 216.162. The Legislature shall include in
5 legislation re-creating a trust fund a mechanism to provide
6 for the periodic suspension of fees and taxes flowing into a
7 trust fund until the trust fund no longer exceeds its maximum
8 operating level as directed by law or for the periodic
9 transfer of unallocated funds from the trust fund's accounts.

10 Section 5. Subsection (1) of section 215.3208, Florida
11 Statutes, is amended to read:

12 215.3208 Trust funds; legislative review.--

13 (1)(a) In order to implement s. 19(f), Art. III of the
14 State Constitution, for the purpose of reviewing trust funds
15 prior to their automatic termination pursuant to the
16 provisions of s. 19(f)(2), Art. III of the State Constitution,
17 the Legislature shall review all state trust funds at least
18 once every 4 years. The schedule for such review may be
19 included in the legislative budget instructions developed
20 pursuant to the requirements of s. 216.023. The Legislature
21 shall review trust funds as they are identified by a unique
22 6-digit code in the Florida Accounting Information Resource
23 Subsystem at a level composed of the 2-digit organization
24 level 1, the 1-digit state fund type 2, and the first three
25 digits of the fund identifier. When a statutorily created
26 trust fund that was in existence on November 4, 1992, has more
27 than one 6-digit code, the Legislature may treat it as a
28 single trust fund for the purposes of this section. The
29 Legislature may also conduct its review concerning accounts
30 within such trust funds.

1 (b)1. The Legislature, in its review, may consider the
2 types and amounts of revenue flowing through a trust fund in
3 comparison to the appropriated expenditures for the program or
4 programs funded by that trust fund. The Legislature may then
5 determine whether that trust fund:

6 a. Receives sufficient revenues to fund the
7 appropriated expenditures of the program supported by the
8 trust fund;

9 b. Receives more revenue than is necessary to fund the
10 appropriated expenditures of the program supported by the
11 trust fund; or

12 c. Receives less revenue than is necessary to fund the
13 appropriated expenditures for the program supported by the
14 trust fund.

15
16 The Legislature may adjust the types and amounts of revenues
17 allocated to that trust fund to reflect the expenditures
18 associated with operating the identified programs.

19 2. The Legislature shall establish for each re-created
20 trust fund a maximum operating level that is no more than 20
21 percent above the average trust fund balance for the previous
22 2 years, except as otherwise provided by law.

23 Section 6. Paragraph (c) of subsection (4) of section
24 216.023, Florida Statutes, is amended to read:

25 216.023 Legislative budget requests to be furnished to
26 Legislature by agencies.--

27 (4) The legislative budget request must contain for
28 each program:

29 (c) Details on trust funds and fees, including the
30 following:-

1 1. With regard to each trust fund operated by an
2 agency of the executive or judicial branch, summary
3 information on expenditures made:

4 a. Pursuant to the General Appropriations Act;
5 b. Under s. 216.292;
6 c. Under s. 216.177(2); and
7 d. By other mechanisms, which shall be listed
8 specifically.

9 2. Summary information on revenues flowing into each
10 trust fund by general funding sources, specific taxes and
11 fees, and funding sources other than state appropriations.

12 3. A narrative describing the circumstances leading to
13 the certifying forward of a trust fund balance that is greater
14 than 50 percent of the amount appropriated for the trust fund
15 by the General Appropriations Act of the last completed fiscal
16 year.

17 4.a. Beginning with the submission of the legislative
18 budget request for fiscal year 2004-2005, affirmation that
19 trust funds are operated in accordance with the requirements
20 of s. 215.32(1)(b).

21 b. Beginning in fiscal year 2004-2005 and each year
22 thereafter, the Executive Office of the Governor and the
23 Comptroller shall submit a report, no later than the date by
24 which the Governor's recommended budget is to be submitted to
25 the Legislature, to the President of the Senate, the Speaker
26 of the House of Representatives, and each of the chairs of the
27 legislative appropriations committees, which identifies those
28 trust funds that are not operated in accordance with the
29 requirements of s. 215.32(1)(b).

30 Section 7. Except as otherwise provided herein, this
31 act shall take effect July 1, 2001.

HOUSE SUMMARY

Revises various provisions of law relating to trust fund administration. Provides for deposit by law of earnings on any investment of state money not deposited into the General Revenue Fund. Revises requirements of state agencies and the judicial branch to make moneys available for investment by the Treasurer. Removes a notice requirement. Specifies certain trust funds for use for day-to-day operations for specified purposes. Requires legislation re-creating a trust fund to include a mechanism to reduce the trust fund to its maximum operating level or to transfer unallocated funds from the trust fund's accounts. Revises requirements for legislative review of trust funds. Provides for consideration of the types and amounts of revenue going into a trust fund in relation to the appropriated expenditures authorized for the trust fund's programs. Provides for adjustment of the trust fund's revenues to match the expenditures authorized for those programs. Provides for a maximum operating level for each re-created trust fund. Requires legislative budget requests to contain certain summary and other information on trust funds and fees. Requires an annual report by the Executive Office of the Governor and the Comptroller to the Legislature on the operation of certain trust funds. See bill for details.