

STORAGE NAME: h2377.ga

DATE: April 17, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GENERAL APPROPRIATIONS
ANALYSIS**

BILL #: HB 2377 (PCB GA 00-14)

RELATING TO: The State Budgetary Process

SPONSOR(S): Committee on General Appropriations Representative Pruitt

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

(1) GENERAL APPROPRIATIONS YEAS 14 NAYS 0 YEAS

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I. SUMMARY:

Chapter 216, Florida Statutes, the Planning and Budgeting law, provides guidelines to the Governor, the Judicial Branch and state agencies for developing and submitting legislative budget requests and administering legislative appropriations. Over the years, the statute has been modified to incorporate most of the functions related to the state budgetary process; from consensus estimating conferences to the single audit act. The result is an aggregation of topics that periodically require updating in order to keep abreast of the current budgetary practices of the state.

This bill updates and modernizes portions of the budgeting law. The most significant aspect of this modernization is to permit greater budget flexibility to state agencies and the judicial branch to implement appropriations while continuing to maintain legislative oversight and control of the budget.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

Chapter 216, Florida Statutes, the Planning and Budgeting law, provides guidelines to the Governor, the Judicial Branch and state agencies for developing and submitting legislative budget requests and administering legislative appropriations. Over the years, the statute has been modified to incorporate most of the functions related to the state budgetary process; from consensus estimating conferences to the single audit act. The result is an aggregation of topics that periodically require updating in order to keep abreast of the current budgetary practices of the state.

C. EFFECT OF PROPOSED CHANGES:

This bill updates and modernizes portions of the budgeting law. The most significant aspect of this modernization is to permit greater budget flexibility to state agencies and the judicial branch to implement appropriations while continuing to maintain legislative oversight and control of the budget.

D. SECTION-BY-SECTION ANALYSIS:

Section 1 amends s. 216.011, F.S., to provide definitions for the purpose of fiscal affairs of the state, appropriations acts, legislative budgets, and approved budgets.

Section 2 creates s. 216.013, F.S., to require that agencies develop and implement long-range program plans using an interagency planning process. The program plans are to cover five fiscal years and are to become effective July 1 each year. This section specifies the content of the requests and the framework for the development of legislative budget requests. The plans are to be submitted to the Executive Office of the Governor by August 1 each year for review. This section also provides dates for completion and resubmission of revisions and adjustments.

Section 3 amends s. 216.015, F.S., to delete legislative findings regarding the capital facilities planning and budgeting process relating to 1) the condition of the state's infrastructure; 2) the lack of intergovernmental coordination; and 3) the lack of a mechanism to manage the state's debt structure. This section also requires the Executive Office of the Governor to monitor and evaluate the comprehensive capital facilities planning and budgeting process and to publish an annual report of the progress being made by the state toward meeting the state goals and objectives of the plans.

Section 4 amends s. 216.0152, F.S., to extend the date of submission of the inventory of state facilities from September 1 to September 15 of each year.

Section 5 amends s. 216.0158, F.S., to extend the date of submission of the short-term (5 years) assessment of facility needs by each agency, district court of appeal, and the Marshal of the Supreme Court from September 1 to September 15 of each year. Long-term plans are no longer required. The information required for the second year of the plan will be more generalized rather than detailed as to actual costs.

Section 6 amends s. 216.016, F.S., to require the Executive Office of the Governor to incorporate the finance plan for meeting the state's infrastructure and fixed capital outlay needs into the Governor's recommended budget.

Section 7 amends s. 216.0166, F.S., to change a reference from agency strategic plan to long-range program plan. This section also specifies duties of the judicial branch in regards to performance-based program budget requests.

Section 8 amends s. 216.0172, F.S., to extend the date of submission of a performance-based program budget request by any new agency or portion thereof, excluding the judicial branch, created after September 1, 2000 from September 1 to September 15 of the year following the creation of the agency or portion thereof. The performance-based budget requests for the judicial branch must be submitted by the Chief Justice of the Supreme Court by September 15, 2001.

Section 9 amends s. 216.023, F.S., to extend the date of submission of final legislative budget requests, including all supporting forms and schedules required by Chapter 216, by each agency, the judicial branch, and the Division of Administrative Hearings from September 1 to September 15 of each year. This section also deletes requirements to include point-by-point responses to all funding recommendations prepared and submitted by the Director of the Office of Program Policy Analysis and Government Accountability (OPPAGA) in the budget request of the agency affected.

Section 10 amends s. 216.0235, F.S., to extend the date of submission of a final legislative program budget request letter by a state agency, excluding the judicial branch, from September 1 to September 15 of each year. This section also changes a reference from agency performance report to long-range program plan, which is to be submitted by August 1, 2000.

Section 11 amends s. 216.031, F.S., to create a separate section of Chapter 216, s. 216.0312, to be called "Target budget requests" and makes technical changes accordingly. This section also extends the date of submission of a target budget plan by an agency or the judicial branch from September 15 to September 30 of each year.

Section 12 amends s. 216.044, F.S., to direct any state agency or judicial branch entity to work with the Department of Management Services during the budget-development process regarding fixed capital outlay projects to be managed by the department; adds specific duties of the department while deleting previously assigned reporting requirements.

Section 13 amends s. 216.0446, F.S., to create the Technology Review Workgroup within the Legislature to review and make recommendations regarding state agencies' strategic plans regarding information resources management. Recommendations of the Workgroup are to be submitted to the chairs of the legislative appropriations committees. This section also changes a reference from agency strategic plan to long-range program plan.

Section 14 amends s. 216.052, F.S., to change a reference from strategic plan to long-range program plan.

Section 15 amends s. 216.081, F.S., to delete a specific deadline for submission of the estimates of the financial needs of the legislative and judicial branches to the Governor.

Section 16 amends s. 216.131, F.S., to allow, rather than require, the Governor and the Chief Justice of the Supreme Court to provide at least one public hearing on issues contained in agency legislative budget requests before the submission of budget recommendations to the Legislature; participation by agency heads or representatives at such meeting may be required by the Governor or Chief Justice. These hearings may be broadcast via electronic format provided that means for active participation of audience members is furnished.

Section 17 amends s. 216.133, F.S., to provide definitions for the purpose of consensus estimating.

Section 18 amends s. 216.134, F.S., to state that an official estimate of an estimating conference does not exist until a new consensus is reached.

Section 19 amends s. 216.136, F.S., to delete a requirement of the Economic Estimating Conference to evaluate and project the financial condition of the employee health self-insurance plan. The Commissioner of Education is named as a principal of the Education Estimating Conference and the Associate Deputy Commissioner for Educational Management is removed. The professional staff of the Senate and House of Representatives who have forecasting expertise are added as principals to the Occupational Forecasting Conference. The Transportation Estimating Conference is abolished. The Self-Insurance Estimating Conference and the Florida Retirement System Actuarial Assumption Conference are created, the duties are prescribed, and the principals are named.

Section 20 amends s. 216.141, F.S., to remove restrictions on what information may be processed by the planning and budgeting system and to reverse contracting duties, allowing the Legislature to contract with the Executive Office of the Governor to develop the planning and budgeting system and to provide services to the Legislature for the support and use of the legislative appropriations system.

Section 21 amends s. 216.162, F.S., to require the Governor to furnish each senator and representative a copy of his or her recommended balanced budget for the state at least 45 days before the scheduled annual legislative session of every year, rather than each odd numbered year.

Section 22 amends s. 216.163, F.S., to delete certain requirements for the form and content of the Governor's recommended budget.

Section 23 amends s. 216.177, F.S., to remove 1) the requirement that a statement of intent with regards to appropriations be included when an appropriations act is delivered to the Governor by the chairs of the legislative appropriations committees and 2) the provision that allows any member of the House of Representatives or Senate to request of either the President of the Senate, the Speaker of the House, or the respective legislative appropriations chair to advise the Executive Office of the Governor, the Chief Justice of the Supreme Court, or the Administration Commission that an action or a proposed action exceeds delegated authority. This section also amends the notice deadlines for actions to be taken by the Executive Office of the Governor, the Chief Justice of the Supreme Court, or the Administration Commission.

Section 24 amends s. 216.178, F.S., to change a deadline that certain information must be released to the members of the Legislature and the public, moving it from 48 hours to 72 hours before it is to be voted on by the Senate or the House of Representatives, and to delete a requirement that the Governor include a cost statement for new debt or obligation contained in the General Appropriations Act.

Section 25 amends s. 216.179, F.S., to prohibit state agencies from reinstating vetoed appropriations by administrative means.

Section 26 amends s. 216.181, F.S., to 1) require the Technology Review Workgroup to review certain budget amendments related to information resource management projects; 2) delete the requirement that the salary rate of the Division of Administrative Hearings be specified in the General Appropriations Act; 3) permit salary rate to be controlled by department or agency as opposed to budget entity; 4) insure that no salary rate or personnel action taken as result of the flexibilities provided therein result in increased costs to the state in subsequent years; 5) defines "non-operating budgets"; and deletes budget flexibility language provided to the Departments of Children and Family Services, Health, Law Enforcement and Transportation for Fiscal Year 1999-2000.

Section 27 amends s. 216.183, F.S., to require that the development and amendment of the chart of accounts for state agencies and the judicial branch for which a performance-based program budget has been appropriated must be in consultation with the chairs of the legislative appropriations committees.

Section 28 amends s. 216.192, F.S., to increase the percent of the original approved operating budget of each agency and the judicial branch that may be released until annual plans for quarterly releases for all appropriations have been developed, approved, and furnished to the Comptroller from 20 percent to up to 25 percent.

Section 29 amends s. 216.195, F.S., to provide a definition for the term "impoundment".

Section 30 amends s. 216.212, F.S., to require the Executive Office of the Governor to review, rather than approve, all state agency's Federal Government requests or budgets before submitting them to the proper federal authority. This section also deletes a requirement of the Office of the Comptroller and the Executive Office of the Governor in reference to ensuring the compatibility of the Florida Accounting Information Resource Subsystem and the Federal Aid Tracking System.

Section 31 creates s. 216.216, F.S., to direct the deposit, appropriation, and expenditure of court settlement funds negotiated by the state.

Section 32 amends s. 216.221, F.S., to allow, rather than require, the Legislature to annually provide direction in the General Appropriations Act regarding the use of the Budget Stabilization Fund and Working Capital Fund to offset General Revenue deficits.

Section 33 amends s. 216.251, F.S., to delete a reference to the classification and pay plan approved by the Legislative Auditing Committee in reference to providing the salary information for positions within the Legislature that are not indicated in the appropriations acts.

Section 34 amends s. 216.262, F.S., to delete a reference to permissible perquisites and to provide a definition for the term "perquisites".

Section 35 amends s. 216. 271, F.S., to provide a definition for the term "revolving fund".

Section 36 amends s. 216.292, F.S., to provide additional budget flexibility to agencies within amounts appropriated.

Section 37 amends s. 216.301, F.S., to extend the date of the review and approval of undisbursed balances of state agencies and the judicial and legislative branches by the Executive Office of the Governor from September 1 to September 15.

Section 38 amends s. 120.65, F.S., to delete a provision relating to the automatic approval of a request for action if the Executive Office of the Governor fails to respond within 21 days of receiving it in writing.

Section 39 amends s. 121.031, F.S., to delete a reference to the Florida Retirement System Actuarial Assumption Conference thereby conforming to Section 19.

Section 40 amends s. 186.002, F.S., to change a reference from agency strategic plan to long-range program plan and from activities to programs.

Section 41 repeals s. 186.003(7), F.S., which defines state agency strategic plan.

Section 42 amends s. 186.006, F.S., to change a reference from state-agency functional plans to long-range program plans.

Section 43 amends s. 186.007, F.S., to change a reference from state-agency strategic plans to long-range program plans.

Section 44 amends s. 186.021, F.S., to change a reference from agency strategic plan to long-range program plan. This section requires each state agency to develop a long-range program plan on an annual basis to be used to implement the state's goals and objectives consistent with general law and the General Appropriations Act.

Section 45 amends s. 186.022, F.S., to change a reference from agency strategic plan to information resource strategic plan. This section requires the Geographic Information Board, the Financial Management Information Board, the Criminal and Juvenile Justice Information Systems Council, and the Health Information Systems Council to develop and submit an information resource strategic plan to the Executive Office of the Governor which shall be reviewed and commented on within 30 days of submission.

Section 46 amends s. 186.502, F.S., to change a reference from functional planning to long-range program planning.

Section 47 amends s. 186.901, F.S., to require the Office of Economic and Demographic Research to provide the Executive Office of the Governor with population estimates of local governmental units and municipal annexations or consolidations.

Section 48 amends s. 215.22, F.S., to exempt each Tobacco Settlement Trust Fund administered by a state agency from the deduction required by s. 215.20(1).

Section 49 amends s. 252.37, F.S., to allow the Governor to process a budget amendment, in accordance with s. 216.177, F.S., to transfer moneys following the expiration or termination of a state of emergency.

Section 50 amends s. 11.45, F.S., to change a reference from agency strategic plan to long-range program plan.

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Section 51 amends s. 14.27, F.S., to change a reference from state agency functional plan to long-range program plan.

Section 52 amends s. 20.19, F.S., to change a reference from 5-year strategic plan to long-range program plan.

Section 53 amends s. 20.316, F.S., to change a reference from agency strategic plan to long-range program plan.

Section 54 amends s. 23.22, F.S., to delete a reference to the Innovation Investment Program.

Section 55 amends s. 27.345, F.S., to conform a reference based on a change made to s. 216.181, F.S.

Section 56 amends s. 27.3451, F.S., to conform a reference based on a change made to s. 216.181, F.S.

Section 57 amends s. 110.1239, F.S., to conform a reference based on a change made to s. 216.136, F.S., and to correct a reference to the Self-Insurance Estimating Conference.

Section 58 amends s. 121.021, F.S., to conform a reference based on a change made to s. 216.011, F.S., and to adjust the definition of the term "regularly established position" to include benefits as a means of compensation.

Section 59 amends s. 121.051, F.S., to conform a reference based on a change made to s. 216.011, F.S.

Section 60 amends s. 145.021, F.S., to delete a reference to the determination of population of local governments by the Executive Office of the Governor.

Section 61 amends s. 187.201, F.S., to change a reference from functional plan to long-range program plan.

Section 62 amends s. 215.196, F.S., to delete a reference to the statement of intent defined in s. 216.177, F.S.

Section 63 amends s. 215.3206, F.S., to delete an expired date reference.

Section 64 amends s. 215.3208, F.S., to delete an expired schedule of termination of trust funds in various agencies. This language is replaced with the requirement that all state trust funds be reviewed at least once every four years, a schedule for which may be included in the legislative budget instructions.

Section 65 amends s. 215.44, F.S., to conform the definition of "state agency" to that provided in s. 216.011, F.S.

Section 66 amends s. 215.95, F.S., to require the Financial Management Information Board to approve an information resource strategic plan by June 1 of each year.

Section 67 amends s. 215.96, F.S., to assign the coordinating council, assisted by the design and coordination staff, the responsibility of developing the information resource strategic plan of the Florida Financial Management Information System.

Section 68 amends s. 229.053, F.S., to extend the date of submission of estimates of expenditure requirements for the State Board of Education, the Commissioner of Education, and all of the boards, institutions, agencies, and services under the general supervision of the State Board of Education from September 1 to September 15.

Section 69 amends s. 239.305, F.S., to change references from agency functional plan to long-range program plan.

Section 70 amends s. 240.209, F.S., to delete a reference to s. 216.181(7), F.S.

Section 71 amends s. 240.2601, F.S., to extend the date of submission of a list of projects of the Board of Regents which meet all eligibility requirements to participate in the Alec P. Courtelis Capital Facilities Matching Trust Funds and a budget request which includes the recommended schedule necessary to compete each project from September 1 to September 15.

Section 72 amends s. 240.324, F.S., to change a reference from agency strategic plan to long-range program plan.

Section 73 amends s. 240.383, F.S., to extend the date of submission of a list of projects of the Division of Community Colleges which meet all eligibility requirements to participate in the State Community College System Facility Enhancement Challenge Grant Program and a budget request which includes the recommended schedule necessary to complete each project from September 1 to September 15.

Section 74 amends s. 282.404, F.S., to require the Geographic Information Board to develop and approve an information resource strategic plan by June 1 of each year.

Section 75 amends s. 286.30, F.S., to change a reference from agency strategic plan to long-range program plan.

Section 76 amends s. 288.7091, F.S., to conform a reference based on a change made to s. 216.136, F.S.

Section 77 amends s. 339.135, F.S., to delete a reference to the Transportation Estimating Conference and replaces it with the most recent estimating conference estimate of revenues.

Section 78 amends s. 339.155, F.S., to change a reference from agency strategic plan to long-range program plan and to correct references from 186.022, F.S., to s. 216.013, F.S.

Section 79 amends s. 339.175, F.S., to change a reference from agency strategic plan to long-range program plan.

Section 80 amends s. 365.173, F.S., to extend the date of submission of a legislative budget request of the 911 Wireless Board for funds to be allocated to providers during the ensuing fiscal year from September 1 to September 15.

Section 81 amends s. 376.15, F.S., to conform a reference based on a change made to s. 216.181, F.S.

Section 82 amends s. 381.90, F.S., to require the Health Information Systems Council to develop and approve an information resource strategic plan by June 1 of each year.

Section 83 amends s. 413.011, F.S., to change a reference from strategic plan to long-range program plan.

Section 84 amends s. 413.405, F.S., to change a reference from strategic plan to long-range program plan.

Section 85 amends s. 420.0003, F.S., to change a reference from agency strategic plan to long-range program plan and to correct a reference from ss. 186.021 and 186.022, F.S., to 216.013, F.S.

Section 86 amends s. 420.511, F.S. to change a reference from agency strategic plan to long-range program plan and to correct a references from chapter 186, F.S., to s. 186.021, F.S., and from ss. 186.021 and 186.022, F.S., to 216.013, F.S .

Section 87 amends s. 420.6075, F.S., to change a reference from agency functional plan to long-range program plan.

Section 88 amends s. 494.0017, F.S., to change a reference from s. 216.331, F.S., to s. 215.965, F.S.

Section 89 amends s. 624.307, F.S., to delete a reference to the salaries of actuaries.

Section 90 amends s. 943.08, F.S., to require the Criminal and Juvenile Justice Information Systems Council to develop and approve an information resource strategic plan.

Section 91 amends s. 946.002, F.S., to change a reference from strategic plan to long-range program plan.

Section 92 transfers and renumbers s. 216.331, F.S., as s. 215.965, F.S.

Section 93 transfers and renumbers s. 216.3505, F.S., as s. 215.966, F.S.

Section 94 repeals various sections of Chapter 216.

Section 95 provides an effective date.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require municipalities or counties to spend money.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of municipalities or counties to raise revenue.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with municipalities or counties.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

On April 6, 2000, the House General Appropriations Committee adopted six amendments that affected the bill in the following ways:

- Specifies the duties of the judicial branch in regards to performance-based program budget requests.
- Excludes the judicial branch from those new agencies that must submit a performance-based program budget request.
- Includes the judicial branch in the definition of "state agency" and "agency" for the purposes of implementing Article III, Section 19(h).
- Defines "long-range program plan" and requires state agencies to develop such plans according to specific guidelines.

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- Deletes references to state agency strategic plans and amends applicable sections to conform.
- Requires that information resource strategic plans be submitted by the Geographic Information Board, the Financial Management Information Board, the Criminal and Juvenile Justice Information Systems Council, and the Health Information Systems Council.

VII. SIGNATURES:

COMMITTEE ON GENERAL APPROPRIATIONS:

Prepared by:

Staff Director:

Mike Peters

David K. Coburn