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 550
INTRODUCER:	Senator Hays
SUBJECT:	Repealing Budget Provisions/Mobility 2000
DATE:	April 8, 2011 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Eichin	Spalla	TR	**Favorable**
2.	Carey	Meyer, C.	BC	**Pre-meeting**
3.				
4.				
5.				
6.				

I. Summary:

Chapter 216, F.S., 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. This bill repeals requirements related to unit cost data which have been found to be limited in their usefulness as budgeting, policy-making, and accountability tools.

The bill also repeals s. 339.1371 which will have the effect of providing more funding for public transportation and less funding for the County Incentive Grant Program and the Small County Outreach Program.

This bill substantially amends sections 216.013, 216.023, and 489.145, F.S.

This bill repeals s. 339.1371, F.S.

II. Present Situation:

Chapter 216, F.S., 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.

Section 216.023, F.S., requires each agency to include in its legislative budget request the legislatively-approved output and outcome performance and accountability measures and any revisions proposed by the agency. Subsection (4)(b) provides "it is the intent of the Legislature that total accountability measures, including unit-cost data, serve not only as a budgeting tool but also as a policymaking tool and an accountability tool." Accordingly, each state agency and the judicial branch is required to submit a one-page summary of information for the preceding year that must contain:

1. The final budget for the agency and the judicial branch.
2. Total funds from the General Appropriations Act.
3. Adjustments to the General Appropriations Act.
4. The line-item listings of all activities.
5. The number of activity units performed or accomplished.
6. Total expenditures for each activity, including amounts paid to contractors and subordinate entities. Expenditures related to administrative activities not aligned with output measures must consistently be allocated to activities with output measures prior to computing unit costs.
7. The cost per unit for each activity, including the costs allocated to contractors and subordinate entities.
8. The total amount of reversions and pass-through expenditures omitted from unit-cost calculations.

The Legislature is required to reduce an agency's General Appropriations Act allocation by at least 10 percent if the agency does not submit this information.

According to a report[1] prepared by the Office of Program Policy Analysis and Government Accountability, agencies have submitted the information. However, inherent differences in methodologies used by the various agencies in calculating their direct and indirect activity costs, "limit the Legislature's ability to reliably compare the efficiency of similar activities performed by different agencies or to assess changes in agency performance over time."

Mobility 2000 is a transportation funding initiative created during the 2000 Legislative Session in ch. 2000-257, L.O.F., which provided additional funds to the State Transportation Trust Fund (STTF) that allowed the advancement of more than $4 billion in transportation projects over a ten year period and additional funding thereafter. To provide funding for the advancement of projects, the act:

- increased the percentage of the rental car surcharge deposited into the STTF;
- created the Small County Outreach Program and the County Incentive Grant Program within FDOT;
- eliminated certain service charges; and
- appropriated funds from General Revenue to the STTF.

Section 339.1371, F.S., requires the Florida Department of Transportation (department), beginning in Fiscal Year 2000-2001, to allocate funds to implement the Mobility 2000 initiative. The section requires the department to develop a plan to expend these revenues and amend the current tentative work program for the time period 2000-2001 through 2004-2005 prior to adoption to include Mobility 2000 projects. The department was required to submit a budget

[1] *More Uniform Methodology Is Needed for State Agencies' Unit Cost Information*, Report No. 05-35, May 2005 http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0535rpt.pdf (last visited on Feb. 10, 2011)

amendment prior to work program adoption requesting budget authority needed to implement the Mobility 2000 initiative. The section also provides that in Fiscal Year 2001-2002 and each year thereafter, the increase in revenue to the STTF derived from specified sections of ch. 2000-257, L.O.F. must be first used by FDOT to fund the Mobility 2000 initiative. Any remaining funds were to be used to fund the Florida Strategic Intermodal System created pursuant to s. 339.61, F.S. The increased revenues provided for in the section are not subject to s. 206.46(3), F.S., and s. 206.606(2), F.S., which require minimum annual commitments or allocations of STTF funds to public transportation.

III. Effect of Proposed Changes:

Section 1 amends s. 216.023, F.S., to remove legislative intent related to accountability measures, including unit-costs from requirements for submission of legislative budget requests by agencies and the judicial branch.

Section 2 repeals s. 339.1371, F.S., which means certain transportation revenues are now subject to the minimum allocation of STTF revenues to public transportation. This will have the effect of providing more funding for public transportation and less funding to the County Incentive Grant Program and the Small County Outreach Program..

Section 3 amends s. 216.013, F.S., to conform a cross-reference made obsolete by Section 1 of the bill.

Section 4 amends s. 489.145, F.S., to conform a cross-reference made obsolete by Section 1 of the bill.

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:

Section 339.1371(2), F.S., stipulates the increase in revenue to the STTF derived from specified sections of ch. 2000-257, L.O.F. is not subject to the minimum public transportation funding percentages required by s. 206.46(3), F.S., and s. 206.606(2), F.S. The repeal of s. 339.1371, F.S., will result in increased funds for public transportation; however, the Small County Outreach Program and the County Incentive Grant Program will be negatively impacted due to the removal of the exemption from the public transportation requirements. According to FDOT, there will be a negative fiscal impact to these programs of $6 million. Minor revisions to the FDOT work program may be required in outer years to ensure the minimum funding requirements are maintained.

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.