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1 A bill to be entitled
2 An act relating to water management districts;
3 amending s. 373.503, F.S.; authorizing the Legislature
4 to set the maximum millage rate for each district;
5 removing a provision requiring that the maximum
6 property tax revenue for water management districts
7 revert to the amount authorized for the prior year if
8 the Legislature does not set the amount; removing the
9 maximum revenues for the 2011-2012 fiscal year;
10 creating s. 373.535, F.S.; requiring the Executive
11 Office of the Governor to annually submit a
12 preliminary budget for each water management district
13 to the Legislature for review; providing criteria for
14 legislative review; authorizing the Legislature to set
15 the maximum amount of property tax revenue that may be
16 raised or the maximum millage rate that may be levied
17 to fund specified program areas; providing that the
18 preliminary budget reviewed by the Legislature is the
19 basis for developing each district's tentative budget
20 for the next fiscal year; providing limitations on the
21 authority of a district to fund proposed expenditures
22 for the next fiscal year; amending s. 373.536, F.S.;
23 requiring that budget amendments greater than a
24 certain amount be reviewed and approved by the
25 Executive Office of the Governor, which must notify
26 the Legislative Budget Commission of such approval;
27 requiring a district to provide a description of the
28 budget control mechanisms to the Executive Office of
29 the Governor for approval; providing that, upon

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30 providing notice to the Legislative Budget Commission,
31 a water management district may amend unanticipated
32 funds into its final budget; requiring the Executive
33 Office of the Governor and the Legislative Budget
34 Commission to be notified if a district governing
35 board expends funds for a disaster or emergency;
36 delaying the date that a district must begin providing
37 a monthly financial statement to its governing board;
38 removing obsolete provisions relating to review and
39 approval of the tentative budget of a water management
40 district; providing criteria for the Legislative
41 Budget Commission to use in approving the tentative
42 budget of a district; directing the Chief Financial
43 Officer to withhold state funds from a district that
44 includes disapproved provisions in its tentative
45 budget; revising components to be included in a
46 district's tentative budget; deleting the requirement
47 that the Executive Office of the Governor annually
48 file a report that summarizes its review of the water
49 management districts' tentative budgets and submit the
50 report with the Legislature; amending s. 373.605,
51 F.S.; authorizing the governing board of a water
52 management district to provide group insurance for its
53 employees and the employees of another water
54 management district; providing an effective date.

55
56 Be It Enacted by the Legislature of the State of Florida:

57
58 Section 1. Subsection (4) of section 373.503, Florida

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59 Statutes, is amended to read:

60 373.503 Manner of taxation.—

61 (4)~~(a)~~ To ensure that taxes authorized by this chapter
62 continue to be in proportion to the benefits derived by the
63 parcels of real estate within the districts, the Legislature
64 shall annually review the preliminary budget for each district
65 for the next fiscal year as provided in s. 373.535 ~~and the~~
66 ~~authorized millage rate for each district.~~ Based upon the ~~this~~
67 review, the Legislature may ~~shall~~ set the authorized maximum
68 millage rate or the maximum amount of property tax revenue to be
69 raised by each district in the next fiscal year from the taxes
70 levied. ~~Except as provided in paragraph (b), if the annual~~
71 ~~maximum amount of property tax revenue is not set by the~~
72 ~~Legislature on or before July 1 of each year, the maximum~~
73 ~~property tax revenue that may be raised reverts to the amount~~
74 ~~authorized in the prior year.~~

75 ~~(b) For the 2011-2012 fiscal year, the total ad valorem~~
76 ~~taxes levied may not exceed \$3,946,969 for the Northwest Florida~~
77 ~~Water Management District, \$5,412,674 for the Suwannee River~~
78 ~~Water Management District, \$85,335,619 for the St. Johns Water~~
79 ~~Management District, \$107,766,957 for the Southwest Florida~~
80 ~~Water Management District, and \$284,901,967 for the South~~
81 ~~Florida Water Management District.~~

82 Section 2. Section 373.535, Florida Statutes, is created to
83 read:

84 373.535 Preliminary district budgets.—

85 (1) BUDGET DEVELOPMENT.—

86 (a) By January 15 of each year, the Executive Office of the
87 Governor shall submit a preliminary budget for each water

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88 management district for the next fiscal year for legislative
89 review to the President of the Senate, the Speaker of the House
90 of Representatives, and the chairs of all legislative committees
91 and subcommittees having substantive or fiscal jurisdiction over
92 water management districts, as determined by the President of
93 the Senate or the Speaker of the House of Representatives, as
94 applicable, in the form and manner prescribed in s.

95 373.536(5) (d). Each preliminary budget must also include:

96 1. A section that clearly identifies and provides
97 justification for each proposed expenditure listed in s.
98 373.536(5) (d)4.e.-f. and identifies the source of funds for each
99 proposed expenditure.

100 2. A section identifying the justification for proposed
101 expenditures by core mission area of responsibility and the
102 source of funds needed for activities related to water supply,
103 including alternative water supply and water resource
104 development projects identified in the district's regional water
105 supply plans, water quality, flood protection and floodplain
106 management, and natural systems.

107 3. A section reviewing the adopted and proposed budget
108 allocations by program area and the performance metrics for the
109 prior year.

110 4. An analysis of each preliminary budget to determine the
111 adequacy of fiscal resources available to the district and the
112 adequacy of proposed district expenditures related to the core
113 mission areas of responsibility for water supply, including
114 alternative water supply and water resource development projects
115 identified in the district's regional water supply plans, water
116 quality, flood protection and floodplain management, and natural

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117 systems. The analysis must be based on the particular needs
118 within each district for core mission areas of responsibility.
119 The water supply analysis must specifically include a
120 determination of the adequacy of each district's fiscal
121 resources provided in the district's preliminary budget to
122 achieve appropriate progress toward meeting the districtwide 20-
123 year projected water supply demands, including funding for
124 alternative water supply development and conservation projects.

125 (b) By February 15 of each year, the President of the
126 Senate and the Speaker of the House of Representatives may
127 submit any comments regarding the preliminary budget to the
128 districts, and provide a copy of the comments to the Executive
129 Office of the Governor. Each district shall respond to such
130 comments in writing by the following March 1 to the President of
131 the Senate, the Speaker of the House of Representatives, and the
132 Executive Office of the Governor.

133 (2) LEGISLATIVE REVIEW AND APPROVAL.-

134 (a) The Legislature shall annually review each portion of
135 the preliminary budget for each district for those items listed
136 in s. 373.536(5)(d)4.e.-f. specific to outreach, management, and
137 administration program areas. After such review, the Legislature
138 may set a maximum amount of property tax revenue that may be
139 raised or the maximum millage rate that may be levied to fund
140 these program areas. The revenue limit or millage rate
141 authorized for these program areas may not exceed 20 percent of
142 a district's total preliminary budget. If the Legislature does
143 not take any action to set a maximum amount of property tax
144 revenue that may be raised or set a maximum millage rate that
145 may be levied, the preliminary budget is deemed approved.

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146 (b) If applicable, the preliminary budget for each district
147 must specify that the district's first obligation for payment is
148 the debt service on bonds and certificates of participation.

149 (c) The Legislature may also review any other portion of
150 each district's preliminary budget. If the Legislature does not
151 take any action pursuant to this review, those other portions of
152 the preliminary budget are deemed approved.

153 (3) FUNDING AUTHORITY GRANTED.—

154 (a) Each district shall use the preliminary budget as
155 reviewed, and as may be amended, by the Legislature pursuant to
156 this section and s. 373.503 as the basis for developing the
157 tentative budget for the next fiscal year as provided in s.
158 373.536(5).

159 (b) The Legislature's action or approval pursuant to
160 subsection (2) or the action by the Governor or Legislative
161 Budget Commission pursuant to s. 373.536(4) and (5) constitutes
162 the only authority for a district to fund proposed expenditures
163 for the next fiscal year. A district may not include in its
164 tentative budget or expend any funds from any source for its
165 programs and activities during the next fiscal year without such
166 authorization.

167 Section 3. Subsections (4), (5), and (6) of section
168 373.536, Florida Statutes, are amended to read:

169 373.536 District budget and hearing thereon.—

170 (4) BUDGET CONTROLS; FINANCIAL INFORMATION.—

171 (a) The final adopted budget for the district ~~is~~ will
172 ~~thereupon be~~ the operating and fiscal guide for the district for
173 the ensuing year; however, transfers of funds may be made within
174 the budget by action of the governing board at a public meeting

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175 of the governing board. Budget amendments greater than \$1
176 million must be reviewed and approved by the Executive Office of
177 the Governor. The office shall provide notice of approval to the
178 Legislative Budget Commission.

179 (b) The district shall control its budget, at a minimum, by
180 funds and shall submit ~~provide~~ to the Executive Office of the
181 Governor a description of its budget control mechanisms for
182 approval.

183 (c) If ~~Should~~ the district receives ~~receive~~ unanticipated
184 funds after the adoption of the final budget, the final budget
185 may be amended, following review and approval by the Executive
186 Office of the Governor, by including such funds, if so long as
187 notice of intention to amend is provided to the Legislative
188 Budget Commission and is published in the Notice of the
189 governing board meeting at which the amendment will be
190 considered, pursuant to s. 120.525. The notice must ~~shall~~ set
191 forth a summary of the proposed amendment.

192 (d) ~~However,~~ In the event of a disaster or of an emergency
193 arising to prevent or avert the same, the governing board is
194 ~~shall not be~~ limited by the budget but may expend ~~shall have~~
195 ~~authority to apply such funds as may be~~ available for the
196 disaster or emergency therefor or as may be procured for such
197 purpose. In such an event, the governing board shall notify the
198 Executive Office of the Governor and the Legislative Budget
199 Commission as soon as practical, but within 30 days after the
200 governing board's action.

201 (e) ~~(d)~~ By September 1, 2012 ~~2011~~, each ~~water management~~
202 district shall provide a monthly financial statement in the form
203 and manner prescribed by the Department of Financial Services to

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204 the district's ~~its~~ governing board and make such monthly
205 financial statement available for public access on its website.

206 (5) TENTATIVE BUDGET CONTENTS AND SUBMISSION; REVIEW AND
207 APPROVAL.—

208 (a) The Executive Office of the Governor may approve or ~~and~~
209 ~~the Legislative Budget Commission are authorized to~~ disapprove,
210 in whole or in part, the budget of each ~~water management~~
211 district. ~~The Executive Office of the Governor shall analyze~~
212 ~~each budget as to the adequacy of fiscal resources available to~~
213 ~~the district and the adequacy of district expenditures related~~
214 ~~to water supply, including water resource development projects~~
215 ~~identified in the district's regional water supply plans; water~~
216 ~~quality; flood protection and floodplain management; and natural~~
217 ~~systems. This analysis shall be based on the particular needs~~
218 ~~within each water management district in those four areas of~~
219 ~~responsibility and shall be provided to the Legislative Budget~~
220 ~~Commission.~~

221 (b) The Executive Office of the Governor, the Legislative
222 Budget Commission, and the ~~water management~~ districts shall
223 develop a process to facilitate review and communication
224 regarding the tentative budgets of districts ~~water management~~
225 ~~district budgets~~, as necessary. If the commission determines
226 that a district's tentative budget has been significantly
227 modified from a preliminary budget reviewed by the Legislature
228 pursuant to s. 373.535, the commission may review, and may
229 disapprove, any part of the tentative budget. Unless otherwise
230 authorized by the Legislature in the preliminary budget review
231 conducted pursuant to s. 373.535, a district budget proposal
232 that includes any of the following requires prior approval by

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233 the commission:

234 1. Except for land exchanges, any single purchase of land
235 in excess of \$10 million.

236 2. Any cumulative purchase of land during a single fiscal
237 year in excess of \$50 million.

238 3. Any issuance of debt on or after July 1, 2012.

239 4. Program expenditures as described in sub-subparagraphs
240 (d)4.e.-f. in excess of 20 percent of a district's total annual
241 budget.

242

243 Written disapproval of any provision in the tentative budget
244 must be received by the district at least 5 business days before
245 ~~prior to~~ the final district budget adoption hearing conducted
246 under s. 200.065(2) (d). If written disapproval ~~of any portion of~~
247 ~~the budget~~ is not received at least 5 business days before ~~prior~~
248 ~~to~~ the final budget adoption hearing, the governing board may
249 proceed with final adoption. Any provision rejected by the
250 Executive Office of the Governor or the Legislative Budget
251 Commission may shall not be included in a district's final
252 budget and may not be acted upon through any other means without
253 the prior approval of the entity rejecting the provision. Upon
254 the written request of the Governor or the commission, the Chief
255 Financial Officer shall withhold state funds from a district
256 that fails to comply with these requirements.

257 (c) Each ~~water management~~ district shall, by August 1 of
258 each year, submit for review a tentative budget to the Governor,
259 the President of the Senate, the Speaker of the House of
260 Representatives, the Legislative Budget Commission, the
261 secretary of the department, and the governing body of each

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262 county in which the district has jurisdiction or derives any
263 funds for the operations of the district. The tentative budget
264 must be posted on the ~~water management~~ district's official
265 website at least 2 days before budget hearings held pursuant to
266 s. 200.065 or other law.

267 (d) The tentative budget must be based on the preliminary
268 budget as reviewed, and as may be amended, by the Legislature
269 pursuant to ss. 373.503 and 373.535, and must set forth the
270 proposed expenditures of the district, to which may be added an
271 amount to be held as reserve. The tentative budget must include,
272 but is not limited to, the following information for the
273 preceding fiscal year and the current fiscal year, and the
274 proposed amounts for the upcoming fiscal year, in a standard
275 format prescribed by the Executive Office of the Governor, in
276 consultation with the Legislature:

277 1. The estimated amount of funds remaining at the beginning
278 of the fiscal year which have been obligated for the payment of
279 outstanding commitments not yet completed.

280 2. The estimated amount of unobligated funds or net cash
281 balance on hand at the beginning of the fiscal year, an
282 accounting of the source, balance, and projected future use of
283 the unobligated funds, and the estimated amount of funds to be
284 raised by district taxes or received from other sources to meet
285 the requirements of the district.

286 3. The millage rates and the percentage increase above the
287 rolled-back rate, together with a summary of the reasons the
288 increase is required, and the percentage increase in taxable
289 value resulting from new construction within the district.

290 4. The salaries and benefits, expenses, operating capital

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291 outlay, number of authorized positions, and other personal
292 services for the following program areas of the district:
293 a. Water resource planning and monitoring;
294 b. Land acquisition, restoration, and public works;
295 c. Operation and maintenance of works and lands;
296 d. Regulation;
297 e. Outreach for which the information provided must contain
298 a full description and accounting of expenditures for water
299 resources education; public information and public relations,
300 including public service announcements and advertising in any
301 media; and lobbying activities related to local, regional, state
302 and federal governmental affairs, whether incurred by district
303 staff or through contractual services; and
304 f. Management and administration.

305
306 In addition to the program areas reported by all water
307 management districts, the South Florida Water Management
308 District shall include in its budget document separate sections
309 on all costs associated with the Everglades Construction Project
310 and the Comprehensive Everglades Restoration Plan.

311 5. The total estimated amount in the district budget for
312 each area of responsibility listed in subparagraph 4. and for
313 water resource, water supply, and alternative water supply
314 development projects identified in the district's regional water
315 supply plans.

316 6. A description of each new, expanded, reduced, or
317 eliminated program.

318 7. The funding sources, including, but not limited to, ad
319 valorem taxes, Surface Water Improvement and Management Program

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320 funds, other state funds, federal funds, and user fees and
321 permit fees for each program area.

322 ~~(e) The Executive Office of the Governor shall annually, on~~
323 ~~or before December 15, file with the Legislature a report that~~
324 ~~summarizes its review of the water management districts'~~
325 ~~tentative budgets and displays the adopted budget allocations by~~
326 ~~program area. The report must identify the districts that are~~
327 ~~not in compliance with the reporting requirements of this~~
328 ~~section. State funds shall be withheld from a water management~~
329 ~~district that fails to comply with these reporting requirements.~~

330 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
331 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

332 (a) Each district must, by the date specified for each
333 item, furnish copies of the following documents to the Governor,
334 the President of the Senate, the Speaker of the House of
335 Representatives, the chairs of all legislative committees and
336 subcommittees having substantive or fiscal jurisdiction over the
337 districts, as determined by the President of the Senate or the
338 Speaker of the House of Representatives as applicable, the
339 secretary of the department, and the governing board of each
340 county in which the district has jurisdiction or derives any
341 funds for the operations of the district:

342 1. The adopted budget, to be furnished within 10 days after
343 its adoption.

344 2. A financial audit of its accounts and records, to be
345 furnished within 10 days after its acceptance by the governing
346 board. The audit must be conducted in accordance with ~~the~~
347 ~~provisions of~~ s. 11.45 and the rules adopted thereunder. In
348 addition to the entities named above, the district must provide

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349 a copy of the audit to the Auditor General within 10 days after
350 its acceptance by the governing board.

351 3. A 5-year capital improvements plan, to be included in
352 the consolidated annual report required by s. 373.036(7). The
353 plan must include expected sources of revenue for planned
354 improvements and must be prepared in a manner comparable to the
355 fixed capital outlay format set forth in s. 216.043.

356 4. A 5-year water resource development work program to be
357 furnished within 30 days after the adoption of the final budget.
358 The program must describe the district's implementation strategy
359 and funding plan for the water resource, water supply, and
360 alternative water supply development components ~~component~~ of
361 each approved regional water supply plan developed or revised
362 under s. 373.709. The work program must address all the elements
363 of the water resource, water supply, and alternative water
364 supply development components ~~component~~ in the district's
365 approved regional water supply plans and must identify ~~which~~
366 projects in the work program which will provide water;; explain
367 how each water resource, water supply, and alternative water
368 supply development project will produce additional water
369 available for consumptive uses;; estimate the quantity of water
370 to be produced by each project;; and provide an assessment of
371 the contribution of the district's regional water supply plans
372 in providing sufficient water needed to timely meet the water
373 supply needs of existing and future reasonable-beneficial uses
374 for a 1-in-10-year drought event.

375 (b) Within 30 days after its submittal, the department
376 shall review the proposed work program and submit its findings,
377 questions, and comments to the district. The review must include

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378 a written evaluation of the program's consistency with the
379 furtherance of the district's approved regional water supply
380 plans, and the adequacy of proposed expenditures. As part of the
381 review, the department shall give interested parties the
382 opportunity to provide written comments on each district's
383 proposed work program. Within 45 days after receipt of the
384 department's evaluation, the governing board shall state in
385 writing to the department which of the changes recommended in
386 the evaluation it will incorporate into its work program
387 submitted as part of the March 1 consolidated annual report
388 required by s. 373.036(7) or specify the reasons for not
389 incorporating the changes. The department shall include the
390 district's responses in a final evaluation report and ~~shall~~
391 submit a copy of the report to the Governor, the President of
392 the Senate, and the Speaker of the House of Representatives.

393 (c)~~(b)~~ If any entity listed in paragraph (a) provides
394 written comments to the district regarding any document
395 furnished under this subsection, the district must respond to
396 the comments in writing and furnish copies of the comments and
397 written responses to the other entities.

398 (d)~~(e)~~ The final adopted budget must be posted on the water
399 management district's official website within 30 days after
400 adoption.

401 Section 4. Section 373.605, Florida Statutes, is amended to
402 read:

403 373.605 Group insurance for water management districts.—

404 ~~(1)~~ The governing board of a ~~any~~ water management district
405 ~~may is hereby authorized and empowered to~~ provide group
406 insurance for its employees, or its employees and the employees

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407 of another water management district, in the same manner and
408 with the same provisions and limitations authorized for other
409 public employees under ~~by~~ ss. 112.08, 112.09, 112.10, 112.11,
410 and 112.14.

411 ~~(2) Any and all insurance agreements in effect as of~~
412 ~~October 1, 1974, which conform to the provisions of this section~~
413 ~~are hereby ratified.~~

414 Section 5. This act shall take effect July 1, 2012.