

By the Committee on General Government Appropriations and
Representative K. Pruitt

1 A bill to be entitled
2 An act relating to state moneys; amending s.
3 216.167, F.S.; requiring the Governor's
4 recommended budget and revenues to include
5 estimates of the Budget Stabilization Fund;
6 amending s. 215.32, F.S.; revising the funds
7 into which all moneys received by the state
8 must be deposited and within which they must be
9 accounted for; specifying the manner of
10 dividing such moneys into such funds;
11 specifying the use and investment of moneys in
12 such funds; repealing ss. 212.081(3) and
13 420.5094, F.S., relating to legislative intent
14 on certain moneys available in excess of
15 general revenue needs that accrue to the
16 Working Capital Fund and relating to the
17 single-family mortgage revenue bond program,
18 and amending ss. 216.221 and 252.37, F.S.,
19 relating to the financing of deficits and
20 emergencies, to conform; amending ss. 265.51
21 and 265.55, F.S.; restricting authority of the
22 Department of State to make agreements to
23 indemnify for certain losses relating to items
24 of artistic or historical value, and of the
25 Comptroller to pay such claims, to specific
26 appropriations for that purpose, to conform;
27 providing an effective date.

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29 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Section 216.167, Florida Statutes, is
2 amended to read:

3 216.167 Governor's recommendations.--The Governor's
4 recommendations shall include a financial schedule which shall
5 provide:

6 (1) The Governor's estimate of the recommended
7 recurring revenues available in the Budget Stabilization Fund,
8 the Working Capital Fund, and the General Revenue Fund.

9 (2) The Governor's estimate of the recommended
10 nonrecurring revenues available in the Budget Stabilization
11 Fund, the Working Capital Fund, and the General Revenue Fund.

12 (3) The Governor's recommended recurring and
13 nonrecurring appropriations from the Budget Stabilization
14 Fund, the Working Capital Fund, and the General Revenue Fund.

15 (4) The Governor's estimates of any interfund loans or
16 temporary obligations of the Budget Stabilization Fund, the
17 Working Capital Fund, or trust funds, which loans or
18 obligations are needed to implement his or her recommended
19 budget.

20 (5)(a) For any recommendation to be funded by a
21 proposed state debt or obligation as defined in s. 216.0442,
22 the documents set forth in s. 216.0442(2) and a 5-year
23 estimate of the program operational costs associated with any
24 proposed fixed capital outlay project to be funded by the
25 proposed state debt or obligation.

26 (b) The Governor's estimates of the debt service and
27 reserve requirements for any recommended new bond issues or
28 reissues and his or her recommended debt service
29 appropriations for all outstanding fixed capital outlay bond
30 issues.

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1 Section 2. Section 215.32, Florida Statutes, is
2 amended to read:

3 215.32 State funds; segregation.--

4 (1) All moneys received by the state shall be
5 deposited in the State Treasury unless specifically provided
6 otherwise by law and shall be deposited in and accounted for
7 by the Treasurer and the Department of Banking and Finance
8 within the following funds, which funds are hereby created and
9 established:

10 (a) General Revenue Fund.

11 (b) Trust funds.

12 (c) Budget Stabilization Fund.

13 (d) ~~(c)~~ Working Capital Fund.

14 (2) The source and use of each of these funds shall be
15 as follows:

16 (a) The General Revenue Fund shall consist of all
17 moneys received by the state from every source whatsoever,
18 except as provided in paragraphs (b), ~~and (c)~~, and (d). Such
19 moneys shall be expended pursuant to General Revenue Fund
20 appropriations acts or transferred as provided in paragraph
21 (c) or paragraph (d). Annually, at least 5 percent of the
22 estimated increase in General Revenue Fund receipts for the
23 upcoming fiscal year over the current year General Revenue
24 Fund effective appropriations shall be appropriated for
25 state-level capital outlay, including infrastructure
26 improvement and general renovation, maintenance, and repairs.

27 (b)1. The trust funds shall consist of moneys received
28 by the state which under law or under trust agreement are
29 segregated for a purpose authorized by law. The state agency
30 or branch of state government receiving or collecting such
31 moneys shall be responsible for their proper expenditure as

1 provided by law. Upon the request of the state agency or
2 branch of state government responsible for the administration
3 of the trust fund, the Comptroller may establish accounts
4 within the trust fund at a level considered ~~deemed~~ necessary
5 for proper accountability. Once an account is established
6 within a trust fund, the Comptroller may ~~shall~~ authorize
7 payment from that account only upon determining that there is
8 sufficient cash and releases at the level of the account.

9 2. In order to maintain a minimum number of trust
10 funds in the State Treasury, each state agency or the judicial
11 branch may consolidate, if permitted under the terms and
12 conditions of their receipt, the trust funds administered by
13 it; provided, however, the agency or judicial branch
14 effectively employs ~~effectively~~ a uniform system of accounts
15 sufficient to preserve the integrity of such trust funds; and
16 provided, further, that consolidation of trust funds is
17 approved by the Administration Commission or the Chief
18 Justice.

19 3. All such moneys are hereby appropriated to be
20 expended in accordance with the law or trust agreement under
21 which they were received, subject always to the provisions of
22 chapter 216 relating to the appropriation of funds and to the
23 applicable laws relating to the deposit or expenditure of
24 moneys in the State Treasury.

25 4.a. Notwithstanding any provision of law restricting
26 the use of trust funds to specific purposes, unappropriated
27 cash balances from selected trust funds may be authorized by
28 the Legislature for transfer to the Budget Stabilization
29 ~~Working Capital~~ Fund in the General Appropriations Act.

30 b. ~~The provisions of~~ This subparagraph does ~~shall~~ not
31 apply to trust funds required by federal programs or mandates;

1 trust funds established for bond covenants, indentures, or
2 resolutions whose revenues are legally pledged by the state or
3 public body to meet debt service or other financial
4 requirements of any debt obligations of the state or any
5 public body; the State Transportation Trust Fund; the trust
6 fund containing the net annual proceeds from the Florida
7 Education Lotteries; the Florida Retirement Trust Fund; trust
8 funds under the management of the Board of Regents, ~~if where~~
9 such trust funds are for auxiliary enterprises,
10 self-insurance, and contracts, grants, and donations, as those
11 terms are defined by general law; trust funds that serve as
12 clearing funds or accounts for the Comptroller or state
13 agencies; trust funds that account for assets held by the
14 state in a trustee capacity as an agent or fiduciary for
15 individuals, private organizations, or other governmental
16 units; and other trust funds authorized by the State
17 Constitution.

18 (c)1. The Budget Stabilization Fund, except as
19 otherwise provided in this paragraph, shall consist of amounts
20 equal to the following percentages of net revenue collections
21 for the General Revenue Fund during the last completed fiscal
22 year: 1 percent in 1994-1995, 2 percent in 1995-1996, 3
23 percent in 1996-1997, 4 percent in 1997-1998, and 5 percent in
24 1998-1999. Thereafter, the Budget Stabilization Fund shall
25 consist of amounts equal to 5 percent of net revenue
26 collections for the General Revenue Fund during the last
27 completed fiscal year. The term "last completed fiscal year"
28 means the most recently completed fiscal year prior to the
29 regular legislative session at which the Legislature considers
30 the General Appropriations Act for the year in which the

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1 transfer to the Budget Stabilization Fund must be made under
2 this paragraph.

3 2. By September 1 of each year, the Governor shall
4 authorize the Comptroller to transfer, and the Comptroller
5 shall transfer, from the General Revenue Fund to the Budget
6 Stabilization Fund the amount of money needed for the balance
7 of that fund to equal the amount specified in subparagraph 1.,
8 less any amounts expended and not restored. The moneys needed
9 for this transfer may be appropriated by the Legislature from
10 any funds.

11 3. Unless otherwise provided in this subparagraph, an
12 expenditure from the Budget Stabilization Fund must be
13 restored pursuant to a restoration schedule that provides for
14 making five equal annual transfers from the General Revenue
15 Fund, beginning in the fiscal year following that in which the
16 expenditure was made. For any particular Budget Stabilization
17 Fund expenditure, the Legislature by law may establish a
18 different restoration schedule; and such change may be made at
19 any time during the restoration period. Moneys are hereby
20 appropriated for transfers pursuant to this subparagraph.

21 4. The Budget Stabilization Fund and the Working
22 Capital Fund may be used as revolving funds for transfers as
23 provided by s. 215.18. If the Comptroller determines that such
24 moneys are not needed for such transfers, the moneys may be
25 temporarily invested as provided in s. 18.125; however, any
26 interest earned must be deposited in the General Revenue Fund.

27 (d) The Working Capital Fund shall consist of moneys
28 in the General Revenue Fund which are in excess of the amount
29 needed to meet appropriations from the General Revenue Fund
30 and transfers to the Budget Stabilization Fund for the current
31 fiscal year. Each year, no later than the publishing date of

1 the annual financial statements for the State of Florida by
2 the Comptroller under s. 216.102, funds shall be transferred
3 between the Working Capital Fund and the General Revenue Fund
4 to establish the balance of the Working Capital Fund for that
5 fiscal year at the amount determined pursuant to this
6 paragraph.~~The amount of moneys in the General Revenue Fund~~
7 ~~shall be determined at the beginning of the fiscal year based~~
8 ~~on the Revenue Estimating Conference's estimate of funds~~
9 ~~available. This amount shall be adjusted upon determination~~
10 ~~of the previous year's appropriations which remain unspent~~
11 ~~after certifications are completed pursuant to s. 216.301.~~

12 2. ~~The Working Capital Fund shall consist of an~~
13 ~~amount, not more than 10 percent of the amount of net revenue~~
14 ~~of the General Revenue Fund for the preceding fiscal year,~~
15 ~~which accrues from moneys in the General Revenue Fund which~~
16 ~~are in excess of the amount needed to meet the General Revenue~~
17 ~~Fund appropriations acts. The Legislature shall have as a goal~~
18 ~~that the Working Capital Fund for fiscal year 1994-1995 have~~
19 ~~not less than 2 percent of the amount of net revenue of the~~
20 ~~General Revenue Fund for the preceding fiscal year, that the~~
21 ~~Working Capital Fund for fiscal year 1995-1996 have not less~~
22 ~~than 3 percent of the amount of net revenue of the General~~
23 ~~Revenue Fund for the preceding fiscal year, that the Working~~
24 ~~Capital Fund for fiscal year 1996-1997 have not less than 4~~
25 ~~percent of the amount of net revenue of the General Revenue~~
26 ~~Fund for the preceding fiscal year, and that the Working~~
27 ~~Capital Fund for fiscal year 1997-1998 and each fiscal year~~
28 ~~thereafter have not less than 5 percent of the amount of net~~
29 ~~revenue of the General Revenue Fund for the preceding fiscal~~
30 ~~year. By September 15 of each year, the Executive Office of~~
31 ~~the Governor shall transfer the excess funds that are in the~~

1 ~~General Revenue Fund to the Working Capital Fund. Whenever the~~
2 ~~Governor determines that revenue collections in the General~~
3 ~~Revenue Fund will be insufficient to meet General Revenue Fund~~
4 ~~appropriations, he or she shall certify the amount of the~~
5 ~~deficit and transfer up to the amount specified in the General~~
6 ~~Appropriations Act from the Working Capital Fund to the~~
7 ~~General Revenue Fund pursuant to s. 216.221. When not required~~
8 ~~to meet General Revenue Fund appropriations, such moneys shall~~
9 ~~be used as a revolving fund for transfers as provided by s.~~
10 ~~215.18; and when the Comptroller determines that such moneys~~
11 ~~are not needed for either type of transfer, they may be~~
12 ~~temporarily invested as provided in s. 18.125.~~

13 ~~3. The provisions of subparagraph 1. notwithstanding,~~
14 ~~the Comptroller shall pay from the Working Capital Fund such~~
15 ~~claims as are authorized pursuant to s. 265.55.~~

16 Section 3. Subsection (3) of section 212.081, Florida
17 Statutes, as amended by section 27 of chapter 96-397, Laws of
18 Florida, and section 420.5094, Florida Statutes, are hereby
19 repealed.

20 Section 4. Subsections (2), (5), and (7) of section
21 216.221, Florida Statutes, are amended to read:

22 216.221 Appropriations as maximum appropriations;
23 adjustment of budgets to avoid or eliminate deficits.--

24 (2) The Legislature shall annually provide direction
25 in the General Appropriations Act regarding use of the Budget
26 Stabilization Working Capital Fund to offset General Revenue
27 Fund deficits.

28 (5)(a) If, in the opinion of the Governor, after
29 consultation with the Revenue Estimating Conference, a deficit
30 will occur in the General Revenue Fund, he or she shall so
31 certify to the commission and to the Chief Justice of the

1 Supreme Court. No more than 30 days after certifying that a
2 deficit will occur in the General Revenue Fund, the Governor
3 shall develop for the executive branch, and the Chief Justice
4 of the Supreme Court shall develop for the judicial branch,
5 and provide to the commission and to the Legislature plans of
6 action to eliminate the deficit.

7 (b) In developing a plan of action to prevent deficits
8 in accordance with subsection (7), the Governor and Chief
9 Justice shall, to the extent possible, preserve legislative
10 policy and intent, and, absent any specific direction to the
11 contrary in the General Appropriations Act, the Governor and
12 Chief Justice shall comply with the following guidelines for
13 reductions in the approved operating budgets of the executive
14 branch and the judicial branch:

15 1. Entire statewide programs previously established by
16 the Legislature should not be eliminated.

17 2. Education budgets should not be reduced more than
18 provided for in s. 215.16(2).

19 3. The use of nonrecurring funds to solve recurring
20 deficits should be minimized.

21 4. Newly created programs that are not fully
22 implemented and programs with critical audits should receive
23 first consideration for reductions.

24 5. No agencies or branches of government receiving
25 appropriations should be exempt from reductions.

26 6. When reductions in positions are required, the
27 focus should be initially on vacant positions.

28 7. Any reductions applied to all agencies and branches
29 should be uniformly applied.

30 8. Reductions that would cause substantial losses of
31 federal funds should be minimized.

1 9. To the greatest extent possible, across-the-board,
2 prorated reductions should be considered.

3 10. Reductions to statewide programs should occur only
4 after review of programs that provide only local benefits.

5 11. Reductions in administrative and support functions
6 should be considered before reductions in direct-support
7 services.

8 12. Maximum reductions should be considered in budgets
9 for expenses including travel and in budgets for equipment
10 replacement, outside consultants, and contracts.

11 13. Reductions in salaries for elected state officials
12 should be considered.

13 14. Reductions that adversely affect the public
14 health, safety, and welfare should be minimized.

15 15. The Budget Stabilization ~~Working Capital~~ Fund
16 should not be reduced to a level that would impair the
17 financial stability of this state.

18 16. Reductions in programs that are traditionally
19 funded by the private sector and that may be assumed by
20 private enterprise should be considered.

21 17. Reductions in programs that are duplicated among
22 state agencies or branches of government should be considered.

23 (7) Deficits in the General Revenue Fund that do not
24 meet the amounts specified by subsection (6) shall be resolved
25 by the commission for the executive branch and the Chief
26 Justice of the Supreme Court for the judicial branch. The
27 commission and Chief Justice shall implement any directions
28 provided in the General Appropriations Act related to
29 eliminating deficits and to reducing ~~reduce~~ agency and
30 judicial branch budgets, including the use of those
31 legislative appropriations voluntarily placed in reserve. In

1 addition, the commission shall implement any directions in the
2 General Appropriations Act relating to the resolution of use
3 ~~of the Working Capital Fund~~ in deficit situations. When
4 reducing state agency or judicial branch budgets, the
5 commission or the Chief Justice, respectively, shall use the
6 guidelines prescribed in subsection (5). The Executive Office
7 of the Governor for the commission, and the Chief Justice for
8 the judicial branch, shall implement the deficit reduction
9 plans through amendments to the approved operating budgets in
10 accordance with s. 216.181.

11 Section 5. Subsections (1) and (2) of section 252.37,
12 Florida Statutes, are amended to read:

13 252.37 Financing.--

14 (1) ~~It is the intent of~~ The Legislature intends and
15 declares it declared to be the policy of the state that funds
16 to be prepared for and meet emergencies shall always be
17 available.

18 (2) It is the legislative intent that ~~the~~ first
19 recourse ~~shall~~ be made to funds regularly appropriated to
20 state and local agencies. If the Governor finds that the
21 demands placed upon these funds in coping with a particular
22 disaster are unreasonably great, she or he may make funds
23 available by transferring and expending moneys appropriated
24 for other purposes or by transferring and expending moneys out
25 of any unappropriated surplus funds or from the Budget
26 Stabilization Fund.

27 Section 6. Section 265.51, Florida Statutes, is
28 amended to read:

29 265.51 Authority of Department of State to
30 indemnify.--The Department of State may, within the limits of
31 specific appropriations made for the purpose, is authorized to

1 make agreements to indemnify against loss or damage such items
2 as may be eligible in accordance with ~~the provisions of~~ ss.
3 265.51-265.56, and on such terms and conditions as the
4 department may prescribe, by rule, in order to achieve the
5 purposes of ss. 265.51-265.56 and, consistent with such
6 purposes, in order to protect the financial interest of this
7 state.

8 Section 7. Section 265.55, Florida Statutes, is
9 amended to read:

10 265.55 Claims.--

11 (1) The Division of Risk Management of the Department
12 of Insurance may prescribe rules providing for prompt
13 adjustment of valid claims for losses which are covered by an
14 indemnity agreement made pursuant to ~~the provisions of~~ ss.
15 265.51-265.56, including rules providing for the employment of
16 consultants and for the arbitration of issues relating to the
17 dollar value of damages involving less than total loss or
18 destruction of such covered objects.

19 (2) In the case of a claim of loss with respect to an
20 item which is covered by an agreement made pursuant to ~~the~~
21 ~~provisions of~~ ss. 265.51-265.56, the division shall certify
22 the validity of the claim and authorize payment of the amount
23 of the loss, less any deductible portion, to the indemnitee.

24 (3) The authorization for payment delineated in
25 subsection (2) shall be forwarded to the Comptroller. The
26 Comptroller shall take appropriate action to execute
27 authorized payment of the claim from a specific appropriation
28 for that purpose ~~the Working Capital Fund, as defined in s.~~
29 ~~215.32.~~

30 Section 8. This act shall take effect upon becoming a
31 law.

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HOUSE SUMMARY

Requires the Governor's recommended budget and revenues to include estimates of the Budget Stabilization Fund. Revises the funds into which all moneys received by the state must be deposited and within which they must be accounted for, specifies the manner of dividing such moneys into such funds, and specifies the use and investment of moneys in such funds. Repeals and amends various provisions of law to conform. See bill for details.