

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 s. 212.081(3), F.S.,
13 relating to legislative intent on certain
14 moneys available in excess of general revenue
15 needs that accrue to the Working Capital Fund,
16 and amending ss. 216.221 and 252.37, F.S.,
17 relating to the financing of deficits and
18 emergencies, to conform; amending ss. 265.51
19 and 265.55, F.S.; restricting authority of the
20 Department of State to make agreements to
21 indemnify for certain losses relating to items
22 of artistic or historical value, and of the
23 Comptroller to pay such claims, to specific
24 appropriations for that purpose, to conform;
25 providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Section 216.167, Florida Statutes, is
30 amended to read:

31

1 216.167 Governor's recommendations.--The Governor's
2 recommendations shall include a financial schedule which shall
3 provide:

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

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

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

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

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

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

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

31 215.32 State funds; segregation.--

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

7 (a) General Revenue Fund.

8 (b) Trust funds.

9 (c) Budget Stabilization Fund.

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

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

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

24 (b)1. The trust funds shall consist of moneys received
25 by the state which under law or under trust agreement are
26 segregated for a purpose authorized by law. The state agency
27 or branch of state government receiving or collecting such
28 moneys shall be responsible for their proper expenditure as
29 provided by law. Upon the request of the state agency or
30 branch of state government responsible for the administration
31 of the trust fund, the Comptroller may establish accounts

1 within the trust fund at a level considered ~~deemed~~ necessary
2 for proper accountability. Once an account is established
3 within a trust fund, the Comptroller may ~~shall~~ authorize
4 payment from that account only upon determining that there is
5 sufficient cash and releases at the level of the account.

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

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

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

27 b. ~~The provisions of This subparagraph~~ does ~~shall~~ not
28 apply to trust funds required by federal programs or mandates;
29 trust funds established for bond covenants, indentures, or
30 resolutions whose revenues are legally pledged by the state or
31 public body to meet debt service or other financial

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

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

30 2. By September 1 of each year, the Governor shall
 31 authorize the Comptroller to transfer, and the Comptroller

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

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

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

23 (d) The Working Capital Fund shall consist of moneys
 24 in the General Revenue Fund which are in excess of the amount
 25 needed to meet appropriations from the General Revenue Fund
 26 and transfers to the Budget Stabilization Fund for the current
 27 fiscal year. Each year, no later than the publishing date of
 28 the annual financial statements for the State of Florida by
 29 the Comptroller under s. 216.102, funds shall be transferred
 30 between the Working Capital Fund and the General Revenue Fund
 31 to establish the balance of the Working Capital Fund for that

1 fiscal year at the amount determined pursuant to this
 2 paragraph.~~The amount of moneys in the General Revenue Fund~~
 3 ~~shall be determined at the beginning of the fiscal year based~~
 4 ~~on the Revenue Estimating Conference's estimate of funds~~
 5 ~~available. This amount shall be adjusted upon determination~~
 6 ~~of the previous year's appropriations which remain unspent~~
 7 ~~after certifications are completed pursuant to s. 216.301.~~

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

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

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

12 Section 3. Subsection (3) of section 212.081, Florida
13 Statutes, is repealed.

14 Section 4. Subsections (2), (5), and (7) of section
15 216.221, Florida Statutes, are amended to read:

16 216.221 Appropriations as maximum appropriations;
17 adjustment of budgets to avoid or eliminate deficits.--

18 (2) The Legislature shall annually provide direction
19 in the General Appropriations Act regarding use of the Budget
20 Stabilization Working Capital Fund to offset General Revenue
21 Fund deficits.

22 (5)(a) If, in the opinion of the Governor, after
23 consultation with the Revenue Estimating Conference, a deficit
24 will occur in the General Revenue Fund, he or she shall so
25 certify to the commission and to the Chief Justice of the
26 Supreme Court. No more than 30 days after certifying that a
27 deficit will occur in the General Revenue Fund, the Governor
28 shall develop for the executive branch, and the Chief Justice
29 of the Supreme Court shall develop for the judicial branch,
30 and provide to the commission and to the Legislature plans of
31 action to eliminate the deficit.

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

9 1. Entire statewide programs previously established by
10 the Legislature should not be eliminated.

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

13 3. The use of nonrecurring funds to solve recurring
14 deficits should be minimized.

15 4. Newly created programs that are not fully
16 implemented and programs with critical audits should receive
17 first consideration for reductions.

18 5. No agencies or branches of government receiving
19 appropriations should be exempt from reductions.

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

22 7. Any reductions applied to all agencies and branches
23 should be uniformly applied.

24 8. Reductions that would cause substantial losses of
25 federal funds should be minimized.

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

28 10. Reductions to statewide programs should occur only
29 after review of programs that provide only local benefits.
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1 11. Reductions in administrative and support functions
2 should be considered before reductions in direct-support
3 services.

4 12. Maximum reductions should be considered in budgets
5 for expenses including travel and in budgets for equipment
6 replacement, outside consultants, and contracts.

7 13. Reductions in salaries for elected state officials
8 should be considered.

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

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

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

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

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

1 commission or the Chief Justice, respectively, shall use the
2 guidelines prescribed in subsection (5). The Executive Office
3 of the Governor for the commission, and the Chief Justice for
4 the judicial branch, shall implement the deficit reduction
5 plans through amendments to the approved operating budgets in
6 accordance with s. 216.181.

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

9 252.37 Financing.--

10 (1) ~~It is the intent of~~ The Legislature intends and
11 declares it declared to be the policy of the state that funds
12 to be prepared for and meet emergencies shall always be
13 available.

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

23 Section 6. Section 265.51, Florida Statutes, is
24 amended to read:

25 265.51 Authority of Department of State to
26 indemnify.--The Department of State may, within the limits of
27 specific appropriations made for the purpose, is authorized to
28 make agreements to indemnify against loss or damage such items
29 as may be eligible in accordance with ~~the provisions of~~ ss.
30 265.51-265.56, and on such terms and conditions as the
31 department may prescribe, by rule, in order to achieve the

1 purposes of ss. 265.51-265.56 and, consistent with such
2 purposes, in order to protect the financial interest of this
3 state.

4 Section 7. Section 265.55, Florida Statutes, is
5 amended to read:

6 265.55 Claims.--

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

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

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

26 Section 8. This act shall take effect upon becoming a
27 law.