

By Senator Williams

4-650-98

1                                   A bill to be entitled  
2           An act relating to state planning and  
3           budgeting; amending s. 216.011, F.S.; defining  
4           the terms "disincentive" and "incentive" for  
5           purposes of budgeting and state fiscal affairs;  
6           amending s. 216.0166, F.S.; revising guidelines  
7           and requirements for state agencies to submit  
8           performance-based budget requests; providing  
9           for inclusion of incentives and disincentives  
10          in budget documentation; amending s. 216.0172,  
11          F.S.; revising the schedule for submission of  
12          performance-based program budget legislative  
13          budget requests; amending s. 216.0235, F.S.;  
14          requiring additional information to be included  
15          in program budget instructions; amending s.  
16          216.031, F.S.; revising information to be  
17          contained in legislative budget requests;  
18          amending s. 216.163, F.S.; prescribing  
19          additional incentives and disincentives that  
20          may be included in the Governor's recommended  
21          budget; amending s. 186.021, 186.022, F.S.;  
22          revising requirements for state agency  
23          strategic plans; amending s. 121.051, F.S.;  
24          conforming a cross-reference to changes made by  
25          the act; repealing s. 186.031, F.S., relating  
26          to the annual report by the Governor in his  
27          capacity as chief planning and budgeting  
28          officer of the state; providing an effective  
29          date.  
30  
31   Be It Enacted by the Legislature of the State of Florida:

1           Section 1. Subsection (1) of section 216.011, Florida  
2 Statutes, is amended to read:

3           216.011 Definitions.--

4           (1) For the purpose of fiscal affairs of the state,  
5 appropriations acts, legislative budgets, and approved  
6 budgets, each of the following terms has the meaning  
7 indicated:

8           (a) "Annual salary rate" means the salary estimated to  
9 be paid or actually paid a position or positions on an  
10 annualized basis. In calculating salary rate, a vacant  
11 position shall be calculated at the minimum of the pay grade  
12 for that position.

13           (b) "Appropriation" means a legal authorization to  
14 make expenditures for specific purposes within the amounts  
15 authorized in the appropriations act.

16           (c) "Appropriations act" means the authorization of  
17 the Legislature, based upon legislative budgets or based upon  
18 legislative findings of the necessity for an authorization  
19 when no legislative budget is filed, for the expenditure of  
20 amounts of money by an agency, the judicial branch, and the  
21 legislative branch for stated purposes in the performance of  
22 the functions it is authorized by law to perform.

23           (d) "Authorized position" means a position included in  
24 an approved budget. In counting the number of authorized  
25 positions, part-time positions shall be converted to full-time  
26 equivalents.

27           (e) "Budget entity" means a unit or function at the  
28 lowest level to which funds are specifically appropriated in  
29 the appropriations act.

30           (f) "Consultation" means to deliberate and seek advice  
31 in an open and forthright manner with the full committee, a

1 subcommittee thereof, the chair, or the staff as deemed  
2 appropriate by the chair of the respective appropriations  
3 committee.

4 (g) "Continuing appropriation" means an appropriation  
5 automatically renewed without further legislative action,  
6 period after period, until altered or revoked by the  
7 Legislature.

8 (h) "Data processing services" means electronic data  
9 processing services provided by or to state agencies or the  
10 judicial branch, which services include, but are not limited  
11 to, systems design, software development, or time-sharing by  
12 other governmental units or budget entities.

13 (i) "Disbursement" means the payment of an  
14 expenditure.

15 (j) "Disincentive" means a mechanism, as described in  
16 s. 216.163, for deterring agency failure to meet required  
17 performance standards.

18 (k)~~(j)~~ "Established position" means an authorized  
19 position which has been classified in accordance with a  
20 classification and pay plan as provided by law.

21 (l)~~(k)~~ "Expenditure" means the creation or incurring  
22 of a legal obligation to disburse money.

23 (m)~~(l)~~ "Expense" means the usual, ordinary, and  
24 incidental expenditures by an agency or the judicial branch,  
25 including, but not limited to, such items as contractual  
26 services, commodities, and supplies of a consumable nature,  
27 current obligations, and fixed charges, and excluding  
28 expenditures classified as operating capital outlay. Payments  
29 to other funds or local, state, or federal agencies are  
30 included in this budget classification of expenditures.

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1           ~~(n)(m)~~ "Fiscal year of the state" means a period of  
2 time beginning July 1 and ending on the following June 30,  
3 both dates inclusive.

4           ~~(o)(n)~~ "Fixed capital outlay" means real property  
5 (land, buildings, including appurtenances, fixtures and fixed  
6 equipment, structures, etc.), including additions,  
7 replacements, major repairs, and renovations to real property  
8 which materially extend its useful life or materially improve  
9 or change its functional use and including furniture and  
10 equipment necessary to furnish and operate a new or improved  
11 facility, when appropriated by the Legislature in the fixed  
12 capital outlay appropriation category.

13           ~~(p)(o)~~ "Full-time position" means a position  
14 authorized for the entire normally established work period,  
15 daily, weekly, monthly, or annually.

16           ~~(q)(p)~~ "Grants and aids" means contributions to units  
17 of governments or nonprofit organizations to be used for one  
18 or more specified purposes, activities, or facilities. Funds  
19 appropriated under this category may be advanced.

20           ~~(r)~~ "Incentive" means a mechanism, as described in s.  
21 216.163, for motivating agencies to achieve required  
22 performance standards.

23           ~~(s)(q)~~ "Independent judgment" means an evaluation of  
24 actual needs made separately and apart from the legislative  
25 budget request of any other agency or of the judicial branch,  
26 or any assessments by the Governor. Such evaluation shall not  
27 be limited by revenue estimates of the Revenue Estimating  
28 Conference.

29           ~~(t)(r)~~ "Judicial branch" means all officers,  
30 employees, and offices of the Supreme Court, district courts  
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1 of appeal, circuit courts, county courts, and the Judicial  
2 Qualifications Commission.

3 (u)~~(s)~~ "Legislative branch" means the various  
4 officers, committees, and other units of the legislative  
5 branch of state government.

6 (v)~~(t)~~ "Legislative budget" means a request to the  
7 Legislature, filed pursuant to s. 216.023, or supplemental  
8 detailed requests filed with the Legislature, for the amounts  
9 of money such agency or branch believes will be needed in the  
10 performance of the functions that it is authorized, or which  
11 it is requesting authorization by law, to perform.

12 (w)~~(u)~~ "Lump-sum appropriation" means funds  
13 appropriated to accomplish a specific activity or project  
14 which must be transferred to one or more appropriation  
15 categories for expenditure.

16 (x)~~(v)~~ "Operating capital outlay" means equipment,  
17 fixtures, and other tangible personal property of a  
18 nonconsumable and nonexpendable nature, the value or cost of  
19 which is \$500 or more and the normal expected life of which is  
20 1 year or more, and hardback-covered bound books that are  
21 circulated to students or the general public, the value or  
22 cost of which is \$25 or more, and hardback-covered bound  
23 books, the value or cost of which is \$100 or more.

24 (y)~~(w)~~ "Original approved budget" means the approved  
25 plan of operation of an agency or of the judicial branch  
26 consistent with the General Appropriations Act or special  
27 appropriations acts.

28 (z)~~(x)~~ "Other personal services" means the  
29 compensation for services rendered by a person who is not a  
30 regular or full-time employee filling an established position.  
31 This definition includes, but is not limited to, services of

1 temporary employees, student or graduate assistants, persons  
2 on fellowships, part-time academic employees, board members,  
3 and consultants and other services specifically budgeted by  
4 each agency, or by the judicial branch, in this category.

5 1. In distinguishing between payments to be made from  
6 salaries appropriations and other-personal-services  
7 appropriations, those persons filling established positions  
8 shall be paid from salaries appropriations and those persons  
9 performing services for a state agency or for the judicial  
10 branch, but who are not filling established positions, shall  
11 be paid from other-personal-services appropriations.

12 2. It is further intended that those persons paid from  
13 salaries appropriations shall be state officers or employees  
14 and shall be eligible for membership in a state retirement  
15 system and those paid from other-personal-services  
16 appropriations shall not be eligible for such membership.

17 (aa)~~(y)~~ "Part-time position" means a position  
18 authorized for less than the entire normally established work  
19 period, daily, weekly, monthly, or annually.

20 (bb)~~(z)~~ "Pay plan" means a document which formally  
21 describes the philosophy, methods, procedures, and salary  
22 schedule for compensating employees for work performed.

23 (cc)~~(aa)~~ "Perquisites" means those things, or the use  
24 thereof, or services of a kind which confer on the officers or  
25 employees receiving same some benefit that is in the nature of  
26 additional compensation, or which reduces to some extent the  
27 normal personal expenses of the officer or employee receiving  
28 the same, and shall include, but not be limited to, such  
29 things as quarters, subsistence, utilities, laundry services,  
30 medical service, use of state-owned vehicles for other than  
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1 state purposes, servants paid by the state, and other similar  
2 things.

3 (dd)~~(bb)~~ "Position" means the work, consisting of  
4 duties and responsibilities, assigned to be performed by an  
5 officer or employee.

6 (ee)~~(cc)~~ "Position number" means the identification  
7 number assigned to an established position.

8 (ff)~~(dd)~~ "Program component" means an aggregation of  
9 generally related objectives which, because of their special  
10 character, related workload, and interrelated output, can  
11 logically be considered an entity for purposes of  
12 organization, management, accounting, reporting, and  
13 budgeting.

14 (gg)~~(ee)~~ "Proviso" means language that qualifies or  
15 restricts a specific appropriation and which can be logically  
16 and directly related to the specific appropriation.

17 (hh)~~(ff)~~ "Reclassification" means changing an  
18 established position in one class in a series to the next  
19 higher or lower class in the same series or to a class in a  
20 different series which is the result of a natural change in  
21 the duties and responsibilities of the position.

22 (ii)~~(gg)~~ "Revolving fund" means a cash fund maintained  
23 within or outside of the State Treasury and established from  
24 an appropriation, to be used by an agency or the judicial  
25 branch in making authorized expenditures.

26 (jj)~~(hh)~~ "Salary" means the cash compensation for  
27 services rendered for a specific period of time.

28 (kk)~~(ii)~~ "Salary schedule" means an official document  
29 which contains a complete list of classes and their assigned  
30 salary ranges.

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1           ~~(ll)~~(jj) "Special category" means amounts appropriated  
2 for a specific need or classification of expenditures.

3           ~~(mm)~~(kk) "State agency" or "agency" means any  
4 official, officer, commission, board, authority, council,  
5 committee, or department of the executive branch of state  
6 government. For purposes of this chapter and chapter 215,  
7 "state agency" or "agency" includes state attorneys, public  
8 defenders, the Capital Collateral Representative, and the  
9 Justice Administrative Commission.

10           ~~(nn)~~(ll) "State revenue sharing" means statutory or  
11 constitutional distributions to local units of government.

12           ~~(oo)~~(mm) "Title of position," or "class of positions"  
13 means the official name assigned to a position or class of  
14 positions.

15           ~~(pp)~~(nn) "Grants and Aids to Local Governments and  
16 Nonprofit Organizations-Fixed Capital Outlay" means that  
17 appropriation category which includes:

18           1. Grants to local units of governments and nonprofit  
19 organizations for the acquisition of real property (land,  
20 buildings, including appurtenances, fixtures and fixed  
21 equipment, structures, etc.); additions, replacements, major  
22 repairs, and renovations to real property which materially  
23 extend its useful life or materially improve or change its  
24 functional use; and operating capital outlay necessary to  
25 furnish and operate a new or improved facility; and

26           2. Grants to local units of government for their  
27 respective infrastructure and growth management needs related  
28 to local government comprehensive plans.

29  
30 Funds appropriated under this category may be advanced in part  
31 or in whole.



1           ~~(qq)~~~~(oo)~~ "Baseline data" means indicators of a state  
2 agency's current performance level, pursuant to guidelines  
3 established by the Executive Office of the Governor, in  
4 consultation with legislative appropriations and appropriate  
5 substantive committees.

6           ~~(rr)~~~~(pp)~~ "Outcome" means an indicator of the actual  
7 impact or public benefit of a program.

8           ~~(ss)~~~~(qq)~~ "Output" means the actual service or product  
9 delivered by a state agency.

10           ~~(tt)~~~~(rr)~~ "Performance-based program budget" means a  
11 budget that incorporates approved programs and performance  
12 measures.

13           ~~(uu)~~~~(ss)~~ "Performance measure" means a quantitative or  
14 qualitative indicator used to assess state agency performance.

15           ~~(vv)~~~~(tt)~~ "Program" means a set of activities  
16 undertaken in accordance with a plan of action organized to  
17 realize identifiable goals and objectives based on legislative  
18 authorization.

19           ~~(ww)~~~~(uu)~~ "Standard" means the level of performance of  
20 an outcome or output.

21           Section 2. Section 216.0166, Florida Statutes, is  
22 amended to read:

23           216.0166 Submission by state agencies of  
24 performance-based budget requests, programs, and performance  
25 measures.--

26           (1) Prior to November 1 ~~October 15~~ of the fiscal year  
27 prior to in which a state agency is required to submit a  
28 performance-based program budget request pursuant to s.  
29 216.0172, such state agency shall identify and submit to the  
30 Executive Office of the Governor a list of proposed state  
31 agency programs and performance measures. The agency may also

1 provide a list of statutes or rules affecting its performance  
2 which may be addressed as incentives or disincentives for the  
3 performance-based program budget. The list should be  
4 accompanied by recommended legislation to implement the  
5 requested changes for potential incentives.Such  
6 identification shall be conducted after discussion with  
7 legislative appropriations and appropriate substantive  
8 committees and the Office of Program Policy Analysis and  
9 Government Accountability and shall be approved by the  
10 Executive Office of the Governor. ~~State agencies selected by~~  
11 ~~the Governor pursuant to s. 216.0172(1) shall submit such~~  
12 ~~lists prior to May 15, 1994.~~The Executive Office of the  
13 Governor, after discussion with legislative appropriations and  
14 appropriate substantive committees and the Office of Program  
15 Policy Analysis and Government Accountability, shall review  
16 the list of programs and performance measures, may make any  
17 changes or require the agency to resubmit the list, and shall  
18 make a final recommendation of programs and associated  
19 performance measures to the Legislature ~~approve or disapprove~~  
20 ~~a list~~ within 60 ~~30~~ days after ~~of~~ receipt, to be used in the  
21 preparation and submission of the state agency's final  
22 legislative budget request pursuant to s. 216.023(5). After  
23 discussion with legislative appropriations and substantive  
24 committees, the Executive Office of the Governor may also  
25 recommend legislation to implement any or all of the proposed  
26 incentives. Agencies continuing under performance-based  
27 program budgeting may provide as part of their legislative  
28 budget request a list of statutes or rules affecting their  
29 program performance which may be addressed as incentives or  
30 disincentives for the performance-based program budget. ~~The~~  
31

1 ~~Executive Office of the Governor shall provide the approved~~  
2 ~~program list to the Legislature.~~

3 (2) The following documentation shall accompany the  
4 list of proposed programs and measures submitted by the state  
5 agency:

6 (a) The constitutional or statutory direction and  
7 authority for each program.

8 (b) Identification of the customers, clients, and  
9 users of each program.

10 (c) The purpose of each program or the benefit derived  
11 by the customers, clients, and users of the program.

12 (d) Direct and indirect costs of each program.

13 ~~(e) Information on fees collected and the adequacy of~~  
14 ~~those fees in funding each program for which the fees are~~  
15 ~~collected.~~

16 (e)(f) An assessment of whether each program is  
17 conducive to performance-based program budgeting.

18 (f)(g) An assessment of the time needed to develop  
19 meaningful performance measures for each program.

20 (g)(f) Any proposed legislation necessary to implement  
21 the incentives or disincentives requested pursuant to this  
22 subsection.

23 (h)(g) A comparison of the agency's existing budget  
24 structure to the proposed budget structure.

25 (i)(h) A description of the use of performance  
26 measures in agency decisionmaking, agency actions to allocate  
27 funds and manage programs, and the agency strategic plan.

28 ~~(3) The Executive Office of the Governor, after~~  
29 ~~discussion with legislative appropriations committees,~~  
30 ~~appropriate substantive committees, and the Legislative~~  
31 ~~Auditing Committee, shall jointly develop instructions for the~~

1 ~~development of performance measures for each program on the~~  
2 ~~list approved pursuant to this section and shall submit such~~  
3 ~~instructions to the state agencies prior to December 1 of the~~  
4 ~~fiscal year preceding the year in which a state agency is~~  
5 ~~required to submit a performance-based program budget request~~  
6 ~~pursuant to s. 216.0172.~~

7 ~~(4) Prior to June 1, each state agency is required to~~  
8 ~~submit to the executive Office of the Governor performance~~  
9 ~~measures for each program on the approved list required~~  
10 ~~pursuant to subsection (1). State agencies shall also identify~~

11 (j)(i) The outputs produced by each approved program,  
12 the outcomes resulting from each approved program, and  
13 baseline data associated with each performance measure.

14 ~~Performance measures shall be reviewed, after discussion with~~  
15 ~~legislative appropriations and appropriate substantive~~  
16 ~~committees and the Office of Program Policy Analysis and~~  
17 ~~Government Accountability, revised as necessary, and approved~~  
18 ~~or disapproved by the Executive Office of the Governor within~~  
19 ~~30 days of receipt. For those state agencies selected by the~~  
20 ~~Governor pursuant to s. 216.0172(1), performance measures,~~  
21 ~~outputs, outcomes, and baseline data shall be submitted prior~~  
22 ~~to July 1, 1994.~~

23 (3)(5) Notwithstanding the programs, performance  
24 measures, and standards requested in each state agency's final  
25 legislative budget request or the Governor's budget  
26 recommendations, the Legislature shall have final approval of  
27 all programs, performance measures, and standards through the  
28 General Appropriations Act or legislation implementing the  
29 General Appropriations Act. It is the intent that the  
30 Legislature approve programs and performance measures along  
31 with any associated incentives or disincentives and

1 implementing legislation before agency development of a  
2 performance-based program budget legislative budget request.  
3 Unless notice is provided by the Legislature before completion  
4 of the official annual legislative session preceding the  
5 agency's required submittal of a performance-based program  
6 budget legislative budget request pursuant to s. 216.0172, the  
7 agency shall use the programs and performance measures  
8 approved by the Executive Office of the Governor and any  
9 incentives or disincentives that do not require amendments to  
10 the statutes and have been approved by the Executive Office of  
11 the Governor when submitting its legislative budget request.

12 (4)(6) Each state agency in consultation with its  
13 inspector general shall submit documentation to the Executive  
14 Office of the Governor regarding the validity, reliability,  
15 and appropriateness of each performance measure. In addition,  
16 each state agency shall indicate how the performance measure  
17 relates to its strategic plan and how it is used in management  
18 decisionmaking and other agency processes.

19 (5)(7) Annually, no later than 45 days after the  
20 General Appropriations Act becomes law, state agencies may  
21 submit to the Executive Office of the Governor any adjustments  
22 to their performance standards based on the amounts  
23 appropriated for each program by the Legislature. When such  
24 adjustment is made, all performance standards, including any  
25 adjustments made, shall be submitted to and reviewed and  
26 revised as necessary by the Executive Office of the Governor,  
27 and, upon approval, submitted to the Legislature pursuant to  
28 the review and approval process provided in s. 216.177. The  
29 Executive Office of the Governor shall maintain the official  
30 record of adjustments to the performance standards as part of  
31 the agency's approved operating budget.

1           ~~(6)~~<sup>(8)</sup> A state agency operating under a  
2 performance-based program budget pursuant to s. 216.0172 shall  
3 not have the authority to amend or establish programs or  
4 performance measures. However, a state agency may propose a  
5 revision to the list of approved programs or performance  
6 measures used in its legislative budget request. Such revision  
7 is subject to review and approval by the Executive Office of  
8 the Governor and the Legislature after consultation with the  
9 Office of Program Policy Analysis and Government  
10 Accountability and shall be submitted to the Executive Office  
11 of the Governor prior to April 15 of the year in which the  
12 state agency intends to incorporate these changes into its  
13 legislative budget request. The Executive Office of the  
14 Governor shall have 30 days to act on the proposed revisions.  
15 Revised performance measures, standards, and baseline data  
16 shall be submitted along with the preliminary legislative  
17 budget request.

18           Section 3. Section 216.0172, Florida Statutes, is  
19 amended to read:

20           216.0172 Schedule for submission of performance-based  
21 program budgets.--In order to implement the provisions of  
22 chapter 94-249, Laws of Florida, state agencies shall submit  
23 performance-based program budget legislative budget requests  
24 ~~budgets~~ for programs approved pursuant to s. 216.0166 to the  
25 Executive Office of the Governor and the Legislature based on  
26 the following schedule:

27           (1) By September 1, 1994, for the 1995-1996 fiscal  
28 year, two state agencies selected by the Governor, subject to  
29 the review and approval process pursuant to s. 216.177.

30           (2) By September 1, 1995, for the 1996-1997 fiscal  
31 year:

- 1 (a) Department of Education (Community Colleges).  
2 (b) Department of Health and Rehabilitative Services  
3 (Alcohol, Drug Abuse, Mental Health).  
4 (c) Department of Labor and Employment Security.  
5 (d) Department of Law Enforcement.  
6 (e) Department of Management Services.  
7 (f) Division of Retirement.  
8 (3) By September 1, 1996, for the 1997-1998 fiscal  
9 year, by the following:  
10 (a) Agency for Health Care Administration.  
11 (b) Department of Education (State University System).  
12 (c) Game and Fresh Water Fish Commission.  
13 (d) Department of Highway Safety and Motor Vehicles.  
14 (e) Department of Revenue.  
15 (f) Department of State.  
16 (g) Department of Transportation.  
17 (4) By September 1, 1997, for the 1998-1999 fiscal  
18 year, by the following:  
19 (a) Department of Banking and Finance.  
20 (b) Department of Corrections.  
21 (c) Department of Education (Public Schools).  
22 (d) Department of Environmental Protection.  
23 (e) Executive Office of the Governor.  
24 (f) Department of Children and Family ~~Health and~~  
25 ~~Rehabilitative~~ Services.  
26 (g) Department of Legal Affairs.  
27 (h) Department of Juvenile Justice.  
28 (5) By September 1, 1998, for the 1999-2000 fiscal  
29 year, by the following:  
30 (a) Department of Agriculture and Consumer Services.  
31 ~~(b) Department of Commerce.~~

- 1           ~~(b)(c)~~ Department of Elderly Affairs.  
2           (c) Department of Education.  
3           ~~(d) Department of the Lottery.~~  
4           ~~(e) Department of Military Affairs.~~  
5           (6) By September 1, 1999, for the 2000-2001 fiscal  
6 year, by the following:  
7           (a) Division of Administrative Hearings.  
8           (b) Department of Business and Professional  
9 Regulation.  
10          (c) Parole and Probation Commission.  
11          (d) Public Service Commission.  
12          (e) Department of Health.  
13          (f) Department of the Lottery.  
14          (g) Department of Military Affairs.  
15          (7) By September 1, 2000, for the 2001-2002 fiscal  
16 year, by the following:  
17          (a) Department of Citrus.  
18          (b) Department of Community Affairs.  
19          (c) Department of Insurance.  
20          (d) Department of Veterans' Affairs.  
21          (e) State attorneys, public defenders, the Justice  
22 Administrative Commission, and capital collateral counsel.  
23          (8) The schedule set forth in subsections (2) through  
24 (7) may be amended by the Legislative Auditing Committee, the  
25 General Appropriations Act, or upon the recommendation of the  
26 Governor, which recommendation is subject to the review and  
27 approval process provided in s. 216.177.  
28          (9) Beginning in fiscal year 1998-1999, all agencies  
29 must complete implementation of performance-based program  
30 budgeting, excluding administrative service functions, within  
31 3 fiscal years after the initial fiscal year provided by the



1 schedule set forth in this section, except as specifically  
2 authorized by the Legislature. For any agency that fails to  
3 complete performance-based program budgeting within this time,  
4 the Executive Office of the Governor shall develop programs  
5 and performance measures for the agency's programs after  
6 discussion with legislative appropriations and substantive  
7 committees and the Office of Program Policy Analysis and  
8 Government Accountability.

9           Section 4. Subsection (3) of section 216.0235, Florida  
10 Statutes, is amended to read:

11           216.0235 Performance-based legislative program budget  
12 requests to be furnished by agencies.--

13           (3) The Executive Office of the Governor and the  
14 legislative appropriations committees shall jointly develop  
15 legislative program budget instructions from which each agency  
16 that has an approved program and the judicial branch, pursuant  
17 to ss. 216.0166 and 216.043, shall prepare its legislative  
18 program budget request. The program budget instructions must  
19 be consistent with s. 216.141 and must be transmitted to each  
20 agency and to the judicial branch no later than June 15 of  
21 each year. The budget instructions must also include  
22 instructions for agencies in submitting performance measures  
23 and standards as required by s. 216.0166.In the event that  
24 agreement cannot be reached between the Executive Office of  
25 the Governor and the legislative appropriations committees  
26 regarding legislative program budget instructions, the issue  
27 shall be resolved by the Governor, the President of the  
28 Senate, and the Speaker of the House of Representatives.

29           Section 5. Subsection (11) of section 216.031, Florida  
30 Statutes, is amended to read:

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1           216.031 Budgets for operational expenditures.--A  
2 legislative budget request, reflecting the independent  
3 judgment of the head of the state agency, and of the Chief  
4 Justice of the Supreme Court, with respect to the needs of the  
5 agency and the judicial branch for operational expenditures  
6 during the next fiscal year, shall be submitted by each head  
7 of a state agency and by the Chief Justice of the Supreme  
8 Court and shall contain the following:

9           (11) The baseline data, outcome measures ~~outcomes~~,  
10 output performance ~~performance~~ measures, and standards for current  
11 programs, including justification for those programs in the  
12 format approved pursuant to s. 216.0166.

13  
14 Either chair of a legislative appropriations committee, or the  
15 Executive Office of the Governor for state agencies, may  
16 require the agency or the Chief Justice to address major  
17 issues separate from those outlined in s. 216.023, this  
18 section, and s. 216.043 for inclusion in the requests of the  
19 agency or of the judicial branch. The issues shall be  
20 submitted to the agency no later than July 30 of each year and  
21 shall be displayed in its requests as provided in the budget  
22 instructions. The Executive Office of the Governor may  
23 request an agency, or the chair of the appropriations  
24 committees of the Senate or House of Representatives may  
25 request any agency or the judicial branch, to submit no later  
26 than September 15 of each year a budget plan with respect to  
27 targets established by the Governor or either chair. The  
28 target budget shall require each entity to establish an order  
29 of priorities for its budget issues and may include requests  
30 for multiple options for the budget issues. The target budget  
31 may also require each entity to submit a program budget or a

1 performance-based budget in the format prescribed by the  
2 Executive Office of the Governor or either chair; provided,  
3 however, the target budget format shall be compatible with the  
4 planning and budgeting system requirements set out in s.  
5 216.141. Such a request shall not influence the agencies' or  
6 judicial branch's independent judgment in making legislative  
7 budget requests, as required by law.

8 Section 6. Subsection (4) of section 216.163, Florida  
9 Statutes, is amended to read:

10 216.163 Governor's recommended budget; form and  
11 content; declaration of collective bargaining impasses.--

12 (4) The Executive Office of the Governor shall review  
13 the evaluation report required by s. 216.031(10) and the  
14 findings of the Office of Program Policy Analysis and  
15 Government Accountability, to the extent they are available,  
16 request any reports or additional analyses as necessary, and  
17 submit a recommendation pursuant to paragraph (2)(g) which may  
18 include a recommendation regarding incentives or disincentives  
19 for agency performance. Incentives or disincentives may apply  
20 to all or part of a state agency.

21 (a) Incentives may include, but are not limited to:

22 1. Additional flexibility in budget management, such  
23 as, but not limited to, the use of lump sums or special  
24 categories, consolidation of budget entities and program  
25 components, consolidation of appropriation categories, and  
26 increased agency transfer authority between appropriation  
27 categories or budget entities.

28 2. Additional flexibility in salary rate and position  
29 management.

30 3. Retention of up to 50 percent of all unexpended and  
31 unencumbered balances of appropriations, excluding special

1 categories and grants and aids, which may be used for  
2 nonrecurring purposes including, but not limited to, lump-sum  
3 bonuses, employee training, or productivity enhancements,  
4 including technology and other improvements.

5 4. Additional funds to be used for, but not limited  
6 to, lump-sum bonuses, employee training, or productivity  
7 enhancements, including technology and other improvements.

8 5. Additional funds to be released to an agency  
9 quarterly or incrementally contingent upon the accomplishment  
10 of units of output or outcome specified in the General  
11 Appropriations Act.

12 (b) Disincentives may include, but are not limited to:

13 1. Mandatory quarterly reports to the Executive Office  
14 of the Governor and the Legislature on the agency's progress  
15 in meeting performance standards.

16 2. Mandatory quarterly appearances before the  
17 Legislature, the Governor, or the Governor and Cabinet to  
18 report on the agency's progress in meeting performance  
19 standards.

20 3. Elimination or restructuring of the program, which  
21 may include, but not be limited to transfer of the program or  
22 outsourcing all or a portion of the program.

23 4. Reduction of total positions for a program.

24 5. Restriction on or reduction of the spending  
25 authority provided in s. 216.292(2)(c).

26 6. Reduction of managerial salaries.

27 7. Reduction of funds to an agency quarterly or  
28 incrementally contingent upon the accomplishment of or failure  
29 to accomplish units of output or outcome specified in the  
30 General Appropriations Act.

31

1           Section 7. Subsection (2) of section 186.022, Florida  
2 Statutes, is amended to read:

3           186.022 State agency strategic plans; preparation,  
4 form, and review.--

5           (2) Each agency strategic plan must be in a form and  
6 manner prescribed in written instructions prepared by the  
7 Executive Office of the Governor after consultation with the  
8 President of the Senate and the Speaker of the House of  
9 Representatives. Each agency strategic plan must identify the  
10 specific legislative authority necessary to implement the  
11 provisions of the plan. An agency may only implement those  
12 portions of its strategic plan that are consistent with  
13 existing statutory or constitutional authority and for which  
14 funding, if needed, is available consistent with the  
15 provisions of chapter 216. An agency's budget request  
16 prescribed in s. 216.023(1) shall identify the financial  
17 resources necessary to further the provisions of the agency's  
18 strategic plan. State agency program performance measures, as  
19 defined in s. 216.011, and requested by the agency pursuant to  
20 s. 216.0166(1) and 216.0172 must be consistent with the  
21 objectives in the draft agency strategic plan and shall  
22 represent 1-year implementation efforts necessary to meet the  
23 5-year agency strategic plan objectives. State agency  
24 strategic plans shall be amended by the agency, as necessary,  
25 to ensure consistency with the legislative actions prior to  
26 the effective date of the agency strategic plan.

27           Section 8. Subsection (5) of section 186.021, Florida  
28 Statutes, is repealed.

29           Section 9. Subsection (8) of section 121.051, Florida  
30 Statutes, is amended to read:

31           121.051 Participation in the system.--

