



HJR 1269

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House Joint Resolution

A joint resolution proposing an amendment to Section 19 of Article III and the creation of Section 19 of Article VII of the State Constitution to require that a portion of the increase in net general revenue funds collected each year be deposited into the Budget Stabilization Fund until the Budget Stabilization Fund is at its maximum level, to require that an annual five-year forecast be prepared by the Legislature, and to place conditions on the approval by the Legislature of the issuance of state tax-supported debt.

Be It Resolved by the Legislature of the State of Florida:

That the amendment to Section 19 of Article III and the creation of Section 19 of Article VII of the State Constitution set forth below are agreed to and shall be submitted to the electors of Florida for approval or rejection at the general election to be held in November 2004:

ARTICLE III

LEGISLATURE

SECTION 19. State Budgeting, Planning and Appropriations Processes.--

(a) ANNUAL BUDGETING. Effective July 1, 1994, General law shall prescribe the adoption of annual state budgetary and planning processes and require that detail reflecting the annualized costs of the state budget and reflecting the nonrecurring costs of the budget requests shall accompany state department and agency legislative budget requests, the governor's recommended budget, and appropriation bills. For



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31 purposes of this subsection, the terms department and agency
32 shall include the judicial branch.

33 (b) APPROPRIATION BILLS FORMAT. Separate sections within
34 the general appropriation bill shall be used for each major
35 program area of the state budget; major program areas shall
36 include: education enhancement "lottery" trust fund items;
37 education (all other funds); human services; criminal justice
38 and corrections; natural resources, environment, growth
39 management, and transportation; general government; and judicial
40 branch. Each major program area shall include an itemization of
41 expenditures for: state operations; state capital outlay; aid to
42 local governments and nonprofit organizations operations; aid to
43 local governments and nonprofit organizations capital outlay;
44 federal funds and the associated state matching funds; spending
45 authorizations for operations; and spending authorizations for
46 capital outlay. Additionally, appropriation bills passed by the
47 legislature shall include an itemization of specific
48 appropriations that exceed one million dollars (\$1,000,000.00)
49 in 1992 dollars. For purposes of this subsection, "specific
50 appropriation," "itemization," and "major program area" shall be
51 defined by law. This itemization threshold shall be adjusted by
52 general law every four years to reflect the rate of inflation or
53 deflation as indicated in the Consumer Price Index for All Urban
54 Consumers, U.S. City Average, All Items, or successor reports as
55 reported by the United States Department of Labor, Bureau of
56 Labor Statistics or its successor. Substantive bills containing
57 appropriations shall also be subject to the itemization
58 requirement mandated under this provision and shall be subject
59 to the governor's specific appropriation veto power described in



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60 Article III, Section 8. This subsection shall be effective July
61 1, 1994.

62 (c) APPROPRIATIONS REVIEW PROCESS. Effective July 1,
63 1993, general law shall prescribe requirements for each
64 department and agency of state government to submit a planning
65 document and supporting budget request for review by the
66 appropriations committees of both houses of the legislature. The
67 review shall include a comparison of the major issues in the
68 planning document and budget requests to those major issues
69 included in the governor's recommended budget. For purposes of
70 this subsection, the terms department and agency shall include
71 the judicial branch.

72 (d) SEVENTY-TWO HOUR PUBLIC REVIEW PERIOD. All general
73 appropriation bills shall be furnished to each member of the
74 legislature, each member of the cabinet, the governor, and the
75 chief justice of the supreme court at least seventy-two hours
76 before final passage by either house of the legislature of the
77 bill in the form that will be presented to the governor.

78 (e) FINAL BUDGET REPORT. Effective November 4, 1992,
79 final budget report shall be prepared as prescribed by general
80 law. The final budget report shall be produced no later than the
81 90th day after the beginning of the fiscal year, and copies of
82 the report shall be furnished to each member of the legislature,
83 the head of each department and agency of the state, the auditor
84 general, and the chief justice of the supreme court.

85 (f) TRUST FUNDS.

86 (1) No trust fund of the State of Florida or other public
87 body may be created by law without a three-fifths (3/5) vote of
88 the membership of each house of the legislature in a separate
89 bill for that purpose only.



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90 (2) State trust funds in existence before the effective
91 date of this subsection shall terminate not more than four years
92 after the effective date of this subsection. State trust funds
93 created after the effective date of this subsection shall
94 terminate not more than four years after the effective date of
95 the act authorizing the creation of the trust fund. By law the
96 legislature may set a shorter time period for which any trust
97 fund is authorized.

98 (3) Trust funds required by federal programs or mandates;
99 trust funds established for bond covenants, indentures, or
100 resolutions, whose revenues are legally pledged by the state or
101 public body to meet debt service or other financial requirements
102 of any debt obligations of the state or any public body; the
103 state transportation trust fund; the trust fund containing the
104 net annual proceeds from the Florida Education Lotteries; the
105 Florida retirement trust fund; trust funds for institutions
106 under the management of the Board of Regents, where such trust
107 funds are for auxiliary enterprises and contracts, grants, and
108 donations, as those terms are defined by general law; trust
109 funds that serve as clearing funds or accounts for the chief
110 financial officer or state agencies; trust funds that account
111 for assets held by the state in a trustee capacity as an agent
112 or fiduciary for individuals, private organizations, or other
113 governmental units; and other trust funds authorized by this
114 Constitution, are not subject to the requirements set forth in
115 paragraph (2) of this subsection.

116 (4) All cash balances and income of any trust funds
117 abolished under this subsection shall be deposited into the
118 general revenue fund.



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119 (5) The provisions of this subsection shall be effective
120 November 4, 1992.

121 (g) BUDGET STABILIZATION FUND. Beginning with the 1994-
122 1995 fiscal year, at least 1% of an amount equal to the last
123 completed fiscal year's net revenue collections for the general
124 revenue fund shall be retained in a budget stabilization fund.
125 The budget stabilization fund shall be increased to at least 2%
126 of said amount for the 1995-1996 fiscal year, at least 3% of
127 said amount for the 1996-1997 fiscal year, at least 4% of said
128 amount for the 1997-1998 fiscal year, and at least 5% of said
129 amount for the 1998-1999 fiscal year. Subject to the provisions
130 of this subsection, the budget stabilization fund shall be
131 maintained at an amount equal to at least 5% of the last
132 completed fiscal year's net revenue collections for the general
133 revenue fund. The budget stabilization fund's principal balance
134 shall not exceed an amount equal to 10% of the last completed
135 fiscal year's net revenue collections for the general revenue
136 fund. In any fiscal year in which net revenue collections for
137 the general revenue fund exceed net revenue collections for the
138 general revenue fund collected during the previous fiscal year,
139 25% of this excess amount shall be deposited into the budget
140 stabilization fund until the budget stabilization fund reaches
141 the maximum balance allowed pursuant to this section. The
142 legislature shall provide criteria for withdrawing funds from
143 the budget stabilization fund in a separate bill for that
144 purpose only and only for the purpose of covering revenue
145 shortfalls of the general revenue fund or for the purpose of
146 providing funding for an emergency, as defined by general law.
147 General law shall provide for the restoration of this fund. The



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148 budget stabilization fund shall be comprised of funds not
 149 otherwise obligated or committed for any purpose.

150 (h) STATE PLANNING DOCUMENT AND DEPARTMENT AND AGENCY
 151 PLANNING DOCUMENT PROCESSES. The governor shall recommend to
 152 the legislature biennially any revisions to the state planning
 153 document, as defined by law. General law shall require a
 154 biennial review and revision of the state planning document,
 155 shall require the governor to report to the legislature on the
 156 progress in achieving the state planning document's goals, and
 157 shall require all departments and agencies of state government
 158 to develop planning documents consistent with the state planning
 159 document. The state planning document and department and agency
 160 planning documents shall remain subject to review and revision
 161 by the legislature. The department and agency planning documents
 162 shall include a prioritized listing of planned expenditures for
 163 review and possible reduction in the event of revenue
 164 shortfalls, as defined by general law. To ensure productivity
 165 and efficiency in the executive, legislative, and judicial
 166 branches, a quality management and accountability program shall
 167 be implemented by general law. For the purposes of this
 168 subsection, the terms department and agency shall include the
 169 judicial branch. This subsection shall be effective July 1,
 170 1993.

171 (i) ANNUAL FORECAST. Effective July 1, 2005, the
 172 legislature shall prepare, as prescribed by general law, a five-
 173 year forecast of state revenue collections, expenditures, and
 174 projected needs and future commitments of the state. This
 175 forecast shall include documentation of any planned issuance of
 176 debt or projections of the need for issuing debt to address
 177 future needs of the state.



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ARTICLE VII

FINANCE AND TAXATION

SECTION 19. State debt; limitation.--The legislature may authorize the issuance of additional state tax-supported debt only when such authorization would not cause the ratio of debt service to revenue available to pay debt service on tax-supported debt to exceed 6 percent. If the 6-percent ratio will be exceeded, the authorization of such debt must be accompanied by a legislative statement of determination that such authorization and issuance is in the best interest of the state and should be implemented. The legislature may not authorize the issuance of additional state tax-supported debt if such authorization would cause the ratio of debt service to revenue available to pay debt service to exceed 7 percent, except upon a vote of three-fourths of the membership of each house of the legislature.

BE IT FURTHER RESOLVED that the title and substance of the amendment proposed herein shall appear on the ballot as follows:

PRESERVING FLORIDA'S FISCAL INTEGRITY

Proposes an amendment to Section 19 of Article III and the creation of Section 19 of Article VII of the State Constitution to provide that one-fourth of the annual increase in net general revenue funds collected by the state must be placed in the Budget Stabilization Fund until the fund balance equals 10 percent of the previous year's net general revenue fund collections, to reduce the amount of general revenue funds available to the Legislature for appropriation for other purposes, and to place a presumptive limit on the percentage of state tax revenues that may be pledged to pay for debt service; requires a specific determination by the Legislature when



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208 approving the issuance of state tax-supported debt which will
209 approach the limit that the issuance is in the best interest of
210 the state; requires a vote of three-fourths of the membership of
211 each house of the Legislature to approve the issuance of state
212 tax-supported debt above the presumptive limit; and requires
213 that the Legislature prepare an annual five-year forecast of
214 revenue collections, expenditures, and needs, including a
215 projection of additional debt requirements.