

By Senator Klein

43-1239-03

See HB

1                   Senate Joint Resolution No. \_\_\_\_  
2           A joint resolution proposing an amendment to  
3           Section 19 of Article III and the creation of  
4           Section 19 of Article VII of the State  
5           Constitution to require that a portion of the  
6           increase in net general revenue funds collected  
7           each year be deposited into the Budget  
8           Stabilization Fund until the Budget  
9           Stabilization Fund is at its maximum level, to  
10          require that an annual 5-year forecast be  
11          prepared by the Legislature, and to place  
12          conditions on the approval by the Legislature  
13          of the issuance of state tax-supported debt.

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

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17           That the amendment to Section 19 of Article III and the  
18          creation of Section 19 of Article VII of the State  
19          Constitution set forth below are agreed to and shall be  
20          submitted to the electors of this state for approval or  
21          rejection at the next general election or at an earlier  
22          special election specifically authorized by law for that  
23          purpose:

24                                   ARTICLE III

25                                   LEGISLATURE

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

28           (a) ANNUAL BUDGETING. Effective July 1, 1994, General  
29          law shall prescribe the adoption of annual state budgetary and  
30          planning processes and require that detail reflecting the  
31          annualized costs of the state budget and reflecting the

1 nonrecurring costs of the budget requests shall accompany  
2 state department and agency legislative budget requests, the  
3 governor's recommended budget, and appropriation bills. For  
4 purposes of this subsection, the terms department and agency  
5 shall include the judicial branch.

6 (b) APPROPRIATION BILLS FORMAT. Separate sections  
7 within the general appropriation bill shall be used for each  
8 major program area of the state budget; major program areas  
9 shall include: education enhancement "lottery" trust fund  
10 items; education (all other funds); human services; criminal  
11 justice and corrections; natural resources, environment,  
12 growth management, and transportation; general government; and  
13 judicial branch. Each major program area shall include an  
14 itemization of expenditures for: state operations; state  
15 capital outlay; aid to local governments and nonprofit  
16 organizations operations; aid to local governments and  
17 nonprofit organizations capital outlay; federal funds and the  
18 associated state matching funds; spending authorizations for  
19 operations; and spending authorizations for capital outlay.  
20 Additionally, appropriation bills passed by the legislature  
21 shall include an itemization of specific appropriations that  
22 exceed one million dollars (\$1,000,000.00) in 1992 dollars.  
23 For purposes of this subsection, "specific appropriation,"  
24 "itemization," and "major program area" shall be defined by  
25 law. This itemization threshold shall be adjusted by general  
26 law every four years to reflect the rate of inflation or  
27 deflation as indicated in the Consumer Price Index for All  
28 Urban Consumers, U.S. City Average, All Items, or successor  
29 reports as reported by the United States Department of Labor,  
30 Bureau of Labor Statistics or its successor. Substantive bills  
31 containing appropriations shall also be subject to the

1 itemization requirement mandated under this provision and  
2 shall be subject to the governor's specific appropriation veto  
3 power described in Article III, Section 8. This subsection  
4 shall be effective July 1, 1994.

5 (c) APPROPRIATIONS REVIEW PROCESS. Effective July 1,  
6 1993, general law shall prescribe requirements for each  
7 department and agency of state government to submit a planning  
8 document and supporting budget request for review by the  
9 appropriations committees of both houses of the legislature.  
10 The review shall include a comparison of the major issues in  
11 the planning document and budget requests to those major  
12 issues included in the governor's recommended budget. For  
13 purposes of this subsection, the terms department and agency  
14 shall include the judicial branch.

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

21 (e) FINAL BUDGET REPORT. Effective November 4, 1992,  
22 final budget report shall be prepared as prescribed by general  
23 law. The final budget report shall be produced no later than  
24 the 90th day after the beginning of the fiscal year, and  
25 copies of the report shall be furnished to each member of the  
26 legislature, the head of each department and agency of the  
27 state, the auditor general, and the chief justice of the  
28 supreme court.

29 (f) TRUST FUNDS.

30 (1) No trust fund of the State of Florida or other  
31 public body may be created by law without a three-fifths (3/5)

1 | vote of the membership of each house of the legislature in a  
2 | separate bill for that purpose only.

3 |       (2) State trust funds in existence before the  
4 | effective date of this subsection shall terminate not more  
5 | than four years after the effective date of this subsection.  
6 | State trust funds created after the effective date of this  
7 | subsection shall terminate not more than four years after the  
8 | effective date of the act authorizing the creation of the  
9 | trust fund. By law the legislature may set a shorter time  
10 | period for which any trust fund is authorized.

11 |       (3) Trust funds required by federal programs or  
12 | mandates; trust funds established for bond covenants,  
13 | indentures, or resolutions, whose revenues are legally pledged  
14 | by the state or public body to meet debt service or other  
15 | financial requirements of any debt obligations of the state or  
16 | any public body; the state transportation trust fund; the  
17 | trust fund containing the net annual proceeds from the Florida  
18 | Education Lotteries; the Florida retirement trust fund; trust  
19 | funds for institutions under the management of the Board of  
20 | Regents, where such trust funds are for auxiliary enterprises  
21 | and contracts, grants, and donations, as those terms are  
22 | defined by general law; trust funds that serve as clearing  
23 | funds or accounts for the chief financial officer or state  
24 | agencies; trust funds that account for assets held by the  
25 | state in a trustee capacity as an agent or fiduciary for  
26 | individuals, private organizations, or other governmental  
27 | units; and other trust funds authorized by this Constitution,  
28 | are not subject to the requirements set forth in paragraph (2)  
29 | of this subsection.

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

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

6           (g) BUDGET STABILIZATION FUND. Beginning with the  
7 1994-1995 fiscal year, at least 1% of an amount equal to the  
8 last completed fiscal year's net revenue collections for the  
9 general revenue fund shall be retained in a budget  
10 stabilization fund. The budget stabilization fund shall be  
11 increased to at least 2% of said amount for the 1995-1996  
12 fiscal year, at least 3% of said amount for the 1996-1997  
13 fiscal year, at least 4% of said amount for the 1997-1998  
14 fiscal year, and at least 5% of said amount for the 1998-1999  
15 fiscal year. Subject to the provisions of this subsection, the  
16 budget stabilization fund shall be maintained at an amount  
17 equal to at least 5% of the last completed fiscal year's net  
18 revenue collections for the general revenue fund. The budget  
19 stabilization fund's principal balance shall not exceed an  
20 amount equal to 10% of the last completed fiscal year's net  
21 revenue collections for the general revenue fund. In any  
22 fiscal year in which net revenue collections for the general  
23 revenue fund exceed net revenue collections for the general  
24 revenue fund collected during the previous fiscal year, 25% of  
25 this excess amount shall be deposited into the budget  
26 stabilization fund until the budget stabilization fund reaches  
27 the maximum balance allowed pursuant to this section.The  
28 legislature shall provide criteria for withdrawing funds from  
29 the budget stabilization fund in a separate bill for that  
30 purpose only and only for the purpose of covering revenue  
31 shortfalls of the general revenue fund or for the purpose of

1 providing funding for an emergency, as defined by general law.  
2 General law shall provide for the restoration of this fund.  
3 The budget stabilization fund shall be comprised of funds not  
4 otherwise obligated or committed for any purpose.

5 (h) STATE PLANNING DOCUMENT AND DEPARTMENT AND AGENCY  
6 PLANNING DOCUMENT PROCESSES. The governor shall recommend to  
7 the legislature biennially any revisions to the state planning  
8 document, as defined by law. General law shall require a  
9 biennial review and revision of the state planning document,  
10 shall require the governor to report to the legislature on the  
11 progress in achieving the state planning document's goals, and  
12 shall require all departments and agencies of state government  
13 to develop planning documents consistent with the state  
14 planning document. The state planning document and department  
15 and agency planning documents shall remain subject to review  
16 and revision by the legislature. The department and agency  
17 planning documents shall include a prioritized listing of  
18 planned expenditures for review and possible reduction in the  
19 event of revenue shortfalls, as defined by general law. To  
20 ensure productivity and efficiency in the executive,  
21 legislative, and judicial branches, a quality management and  
22 accountability program shall be implemented by general law.  
23 For the purposes of this subsection, the terms department and  
24 agency shall include the judicial branch. This subsection  
25 shall be effective July 1, 1993.

26 (i) ANNUAL FORECAST. Effective July 1, 2005, the  
27 legislature shall prepare, as prescribed by general law, a  
28 five-year forecast of state revenue collections, expenditures,  
29 and projected needs and future commitments of the state. This  
30 forecast shall include documentation of any planned issuance

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1 of debt or projections of the need for issuing debt to address  
2 future needs of the state.

3 ARTICLE VII

4 FINANCE AND TAXATION

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

19 BE IT FURTHER RESOLVED that the following statement be  
20 placed on the ballot:

21 CONSTITUTIONAL AMENDMENT

22 ARTICLE III, SECTION 19

23 ARTICLE VII, SECTION 19

24 PRESERVING FLORIDA'S FISCAL INTEGRITY.--Proposes an  
25 amendment to Section 19 of Article III and the creation of  
26 Section 19 of Article VII of the State Constitution to provide  
27 that one-fourth of the annual increase in net general revenue  
28 funds collected by the state must be placed in the Budget  
29 Stabilization Fund until the fund balance equals 10 percent of  
30 the previous year's net general revenue fund collections, to  
31 reduce the amount of general revenue funds available to the

1 Legislature for appropriation for other purposes, and to place  
2 a presumptive limit on the percentage of state tax revenues  
3 that may be pledged to pay for debt service; requires a  
4 specific determination by the Legislature when approving the  
5 issuance of state tax-supported debt which will approach the  
6 limit that the issuance is in the best interest of the state;  
7 requires a vote of three-fourths of the membership of each  
8 house of the Legislature to approve the issuance of state  
9 tax-supported debt above the presumptive limit; and requires  
10 that the Legislature prepare an annual 5-year forecast of  
11 revenue collections, expenditures, and needs, including a  
12 projection of additional debt requirements.

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