

By the Committee on Appropriations; and Senator Pruitt

309-2588-04

1 A bill to be entitled
2 An act relating to the management of state
3 financial matters; amending s. 14.2015, F.S.;
4 requiring the Office of Tourism, Trade, and
5 Economic Development and the Florida Commission
6 on Tourism to advise and consult with the
7 Consensus Estimating Conference principals
8 concerning certain duties; amending s. 45.062,
9 F.S.; requiring that certain legislative
10 officers and the Attorney General receive prior
11 notice concerning settlement negotiations and
12 presettlement agreements or orders; specifying
13 that such notice is a condition precedent to an
14 agency's authority to enter into such an
15 agreement; providing certain exceptions;
16 requiring that moneys paid in settlement of a
17 legal action be placed unobligated into the
18 General Revenue Fund or an appropriate trust
19 fund; prohibiting payment outside the State
20 Treasury except in settlement of a personal
21 injury claim; requiring that certain
22 legislative officers and the Attorney General
23 receive prior notice concerning certain
24 settlements involving a state agency or
25 officer; amending s. 110.1245, F.S., relating
26 to a savings sharing program; correcting a
27 reference; amending s. 215.32, F.S.; requiring
28 state agencies to use trust funds for specified
29 purposes, to the extent possible; authorizing
30 an agency to request the creation of a
31 necessary trust fund; revising requirements and

1 uses of the Working Capital Fund; amending s.
2 215.5601, F.S., relating to the Lawton Chiles
3 Endowment Fund; revising provisions governing
4 appropriations to the fund; requiring that
5 certain undisbursed balances be retained in the
6 Biomedical Research Trust Fund; amending ss.
7 215.93 and 215.94, F.S., relating to the
8 Florida Financial Management Information
9 System; revising duties of the Financial
10 Management Information Board and the functional
11 owners of the information subsystems; requiring
12 the Auditor General to provide technical
13 advice; amending s. 215.97, F.S., relating to
14 the Florida Single Audit Act; revising and
15 providing definitions; revising the uniform
16 state audit requirements for state financial
17 assistance that is provided by state agencies
18 to nonstate entities; requiring the Department
19 of Financial Services to adopt rules and
20 perform additional duties with respect to the
21 provision of financial assistance to carry out
22 state projects; specifying duties of
23 coordinating agencies; amending s. 216.011,
24 F.S.; revising definitions applicable to the
25 fiscal affairs of the state; defining the terms
26 "mandatory reserve," "budget reserve,"
27 "activity," and "statutorily authorized
28 entity"; amending s. 216.013, F.S.; revising
29 requirements for the long-range program plans
30 developed by state agencies; providing for
31 submitting such plans on an alternate date

1 under certain circumstances; revising the date
2 for making adjustments; amending s. 216.023,
3 F.S., relating to legislative budget requests;
4 providing alternate dates for submitting such
5 requests under certain circumstances; providing
6 requirements for a request to outsource or
7 privatize agency functions; deleting certain
8 requirements for performance-based program
9 budget requests; amending s. 216.031, F.S.;
10 revising requirements for target budget
11 requests; repealing s. 216.052(2), (3), (8),
12 and (9), F.S., relating to community budget
13 requests and a revolving loan program;
14 repealing s. 216.053(5), F.S., relating to
15 summary information concerning
16 performance-based program budgets; amending s.
17 216.065, F.S.; requiring that a fiscal impact
18 statement provided to the legislative
19 appropriations committees contain information
20 concerning subsequent fiscal years; amending s.
21 216.081, F.S.; providing data requirements for
22 the Governor's recommended budget under certain
23 circumstances; repealing s. 216.136(7) and (8),
24 F.S., relating to the Child Welfare System
25 Estimating Conference and the Juvenile Justice
26 Estimating Conference; amending s. 216.162,
27 F.S.; revising the date for the Governor to
28 submit the recommended budget for the state;
29 amending s. 216.167, F.S.; deleting references
30 to the Working Capital Fund to conform to
31 changes made by the act; amending s. 216.168,

1 F.S.; deleting provisions exempting the
2 Governor from a requirement to submit amended
3 recommendations; amending s. 216.177, F.S.;
4 revising requirements for a request for
5 additional information concerning the
6 legislative intent of appropriations acts and
7 for notifying the Legislature of actions taken
8 under ch. 216, F.S., and funds expended in
9 settlement of agency litigation; amending s.
10 216.181, F.S.; requiring approval of certain
11 amendments to an approved operating budget by
12 the Legislative Budget Commission; clarifying
13 provisions with respect to the notice required
14 for the transfer of lump-sum appropriations;
15 revising requirements for determining salary
16 rates; authorizing the Legislative Budget
17 Commission to approve salary rates; deleting
18 certain notice requirements; requiring that the
19 legislative appropriations committees approve
20 certain nonoperating budgets; deleting certain
21 notice requirements; deleting a provision
22 authorizing the advancement of specified funds
23 appropriated to the Department of Children and
24 Family Services and the Department of Health;
25 repealing ss. 216.1825 and 216.183, F.S.,
26 relating to the use of zero-based budgeting
27 principles and performance-based program
28 budgets; amending s. 216.192, F.S.; deleting
29 provisions authorizing the legislative
30 appropriations committees to provide advice
31 regarding the release of funds; authorizing the

1 Executive Office of the Governor and the Chief
2 Justice to place appropriations in mandatory
3 reserve or budget reserve; amending s. 216.195,
4 F.S.; deleting certain notice and review
5 requirements for the impoundment of funds;
6 amending s. 216.221, F.S.; authorizing the
7 Legislature to direct the use of any state
8 funds in an appropriations act; revising
9 requirements for adjusting budgets in order to
10 avoid or eliminate a deficit; revising
11 procedures for certifying a budget deficit;
12 revising requirements for the Governor and the
13 Chief Justice in developing plans of action;
14 requiring that the Legislative Budget
15 Commission implement certain reductions in
16 appropriations; revising requirements for
17 resolving deficits; requiring that certain
18 actions to resolve a deficit be approved by the
19 Legislative Budget Commission; amending s.
20 216.231, F.S., relating to the release of
21 classified appropriations; conforming
22 provisions to changes made by the act; amending
23 s. 216.235, F.S., relating to the Innovation
24 Investment Program; correcting references;
25 limiting the funding of certain proposals under
26 the program; amending s. 216.241, F.S.;
27 requiring that the initiation or commencement
28 of new programs be approved by the Legislative
29 Budget Commission; deleting certain notice
30 requirements; limiting certain other actions
31 and budget adjustments by a state agency or the

1 judicial branch without the approval of the
2 Legislature or the Legislative Budget
3 Commission; amending s. 216.251, F.S.;
4 correcting a reference; revising requirements
5 for establishing certain salaries; amending s.
6 216.262, F.S.; requiring the Legislative Budget
7 Commission to approve certain increases in the
8 number of positions; deleting provisions
9 authorizing an agency to retain salary dollars
10 under certain circumstances; amending s.
11 216.292, F.S.; revising provisions limiting the
12 transferability of appropriations; prohibiting
13 spending fixed capital outlay for other
14 purposes; prohibiting transferring
15 appropriations except as otherwise provided by
16 law; providing certain exceptions; amending s.
17 216.301, F.S.; revising requirements for
18 continuing unexpended balances of
19 appropriations for fixed capital outlay;
20 requiring approval by the Executive Office of
21 the Governor; authorizing the President of the
22 Senate and the Speaker of the House of
23 Representatives to provide for the retention of
24 certain balances from legislative budget
25 entities; amending s. 216.341, F.S.; exempting
26 certain positions within the Department of
27 Health from limitations on the number of
28 authorized positions; repealing s. 218.60(3),
29 F.S., relating to estimates made by the revenue
30 estimating conference and provided to local
31 governments; amending ss. 252.37 and 265.55,

1 F.S.; deleting certain references to the
2 Working Capital Fund to conform to changes made
3 by the act; amending s. 255.25001, F.S.;
4 changing competitive bidding to competitive
5 solicitation; amending s. 255.2501, F.S.;
6 providing criteria for leasing space financed
7 by local government obligations; repealing s.
8 288.1234, F.S., relating to the Olympic Games
9 Guaranty Account within the Economic
10 Development Trust Fund; amending s. 320.20,
11 F.S.; providing duties of the Chief Financial
12 Officer with respect to the deposit of certain
13 trust fund moneys based on anticipated annual
14 revenues; amending s. 339.135, F.S.; revising
15 requirements for the tentative work programs
16 submitted by state agencies; requiring that the
17 Legislative Budget Commission approve certain
18 extensions of spending authority; revising
19 requirements for amending certain work
20 programs; amending s. 381.0303, F.S.;
21 authorizing the Department of Health to obtain
22 reimbursement for special needs shelters from
23 unappropriated moneys in the General Revenue
24 Fund; repealing s. 393.22(1), F.S., relating to
25 a prohibition on transferring certain funds
26 appropriated for developmental services
27 programs; amending s. 409.906, F.S.; deleting
28 provisions authorizing the Department of
29 Children and Family Services to transfer
30 certain funds in excess of the amount specified
31 in the General Appropriations Act; repealing s.

1 409.912(11)(b), F.S., relating to the transfer
2 of certain funds from the Department of Elderly
3 Affairs to the Agency for Health Care
4 Administration; amending ss. 468.392 and
5 475.484, F.S.; deleting provisions exempting
6 funds in the Auctioneer Recovery Fund and the
7 Real Estate Recovery Fund from limitations
8 imposed by an appropriation act; amending s.
9 921.001, F.S.; requiring the Legislature to
10 make certain determinations with respect to
11 legislation that affects the prison population;
12 amending s. 1009.536, F.S.; deleting duties of
13 the Workforce Estimating Conference with
14 respect to certain career education programs;
15 providing effective dates.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Subsection (8) of section 14.2015, Florida
20 Statutes, is amended to read:

21 14.2015 Office of Tourism, Trade, and Economic
22 Development; creation; powers and duties.--

23 (8) The Office of Tourism, Trade, and Economic
24 Development shall ensure that the contract between the Florida
25 Commission on Tourism and the commission's direct-support
26 organization contains a provision to provide the data on the
27 visitor counts and visitor profiles used in revenue
28 estimating, employing the same methodology used in fiscal year
29 1995-1996 by the Department of Commerce. The Office of
30 Tourism, Trade, and Economic Development and the Florida
31 Commission on Tourism must advise and consult ~~reach agreement~~

1 with the Consensus Estimating Conference principals before
2 making any changes in methodology used or information
3 gathered.

4 Section 2. Section 45.062, Florida Statutes, is
5 amended to read:

6 45.062 Settlements, conditions, or orders when an
7 agency of the executive branch is a party.--

8 (1) In any civil action in which a state executive
9 branch agency or officer is a party in state or federal court,
10 the officer, agent, official, or attorney who represents or is
11 acting on behalf of such agency or officer may not settle such
12 action, consent to any condition, or agree to any order in
13 connection therewith, if the settlement, condition, or order
14 requires the expenditure of or the obligation to expend any
15 state funds or other state resources, the refund or future
16 loss of state revenues exceeding \$10 million, or the
17 establishment of any new program, unless:

18 (a) The expenditure is provided for by an existing
19 appropriation or program established by law; ~~and~~

20 (b) At the time settlement negotiations are begun in
21 earnest, written notification is given to the President of the
22 Senate, the Speaker of the House of Representatives, the
23 Senate and House minority leaders, the chairs of the
24 appropriations committees of the Legislature, and the Attorney
25 General; and

26 (c) ~~(b)~~ Prior written notification is given at least
27 within 5 business days before ~~of~~ the date the settlement or
28 presettlement agreement or order is to be made final to the
29 President of the Senate, the Speaker of the House of
30 Representatives, the Senate and House minority leaders, the
31 chairs of the appropriations committees of the Legislature,

1 and the Attorney General. Such notification is a condition
2 precedent to the agency's authority to enter into the
3 settlement or presettlement agreement and shall be subject to
4 the review and objection procedures of s. 216.177. Such
5 notification shall specify how the agency involved will
6 address the costs in future years within the limits of current
7 appropriations.

8 1. The Division of Risk Management need not give the
9 notification required by this paragraph when settling any
10 claim covered by the state self-insurance program for an
11 amount less than \$100,000.

12 2. The notification specified in this paragraph is not
13 required if the only settlement obligation of the state
14 resulting from the claim is to pay court costs in an amount
15 less than \$10,000.

16 (2) The state executive branch agency or officer shall
17 negotiate a closure date as soon as possible for the civil
18 action.

19 (3) The state executive branch agency or officer may
20 not pledge any current or future action of another branch of
21 state government as a condition for settling the civil action.

22 (4) Any settlement that commits the state to spending
23 in excess of current appropriations or to policy changes
24 inconsistent with current state law shall be contingent upon
25 and subject to legislative appropriation or statutory
26 amendment. The state agency or officer may agree to use all
27 efforts to procure legislative funding or statutory amendment.

28 (5) When a state agency or officer settles an action
29 or legal claim in which the state asserted a right to recover
30 money, all moneys paid to the state by a party in full or
31 partial exchange for a release of the state's claim shall be

1 placed unobligated into the General Revenue Fund or the
2 appropriate trust fund. A settlement may not authorize or
3 ratify any payment outside the State Treasury, other than to a
4 person, as defined in s. 1.01, suffering an injury arising out
5 of the transaction or course of conduct giving rise to the
6 settled claim. This subsection does not limit the right of a
7 private party to settle a claim independent of the settlement
8 by a public party.

9 ~~(6)(5)~~ State executive branch agencies and officers
10 shall report to each substantive and fiscal committee of the
11 Legislature having jurisdiction over the reporting agency on
12 all potential settlements that may commit the state to:

- 13 (a) Spend in excess of current appropriations; or
14 (b) Make policy changes inconsistent with current
15 state law.

16
17 The state executive branch agency or officer shall provide
18 periodic updates to the appropriate legislative committees on
19 these issues during the settlement process.

20 (7) In any civil action in which a state executive
21 branch agency or officer is a party in state or federal court,
22 the officer, agent, official, or attorney who represents or is
23 acting on behalf of such agency or officer may not settle such
24 action if the settlement requires the other party to commit
25 funds to a particular purpose as a condition of the
26 settlement, unless at least 5 business days before the date
27 the settlement agreement is to be made final written notice is
28 given to the President of the Senate, the Speaker of the House
29 of Representatives, the Senate and House minority leaders, the
30 chairs of the appropriations committees of the Legislature,
31 and the Attorney General. Such notification is a condition

1 precedent to the agency's authority to enter into the
2 settlement and is subject to the review and objection
3 procedures of s. 216.177.

4 Section 3. Paragraph (b) of subsection (1) of section
5 110.1245, Florida Statutes, is amended to read:

6 110.1245 Savings sharing program; bonus payments;
7 other awards.--

8 (1)

9 (b) Each agency head shall recommend employees
10 individually or by group to be awarded an amount of money,
11 which amount shall be directly related to the cost savings
12 realized. Each proposed award and amount of money must be
13 approved by the Legislative Budget ~~Budgeting~~ Commission.

14 Section 4. Section 215.32, Florida Statutes, is
15 amended to read:

16 215.32 State funds; segregation.--

17 (1) All moneys received by the state shall be
18 deposited in the State Treasury unless specifically provided
19 otherwise by law and shall be deposited in and accounted for
20 by the Chief Financial Officer within the following funds,
21 which funds are hereby created and established:

22 (a) General Revenue Fund.

23 (b) Trust funds.

24 1. In addition to other funds created by law, for each
25 agency, the following trust funds should be used as described
26 in this subparagraph for day-to-day operations:

27 a. Operations or operating trust fund, for use as a
28 depository for funds to be used for program operations funded
29 by program revenues, with the exception of administrative
30 activities if the operations or operating trust fund is a
31 proprietary fund.

1 b. Operations and maintenance trust fund, for use as a
2 depository for client services funded by third-party payors.

3 c. Administrative trust fund, for use as a depository
4 for funds to be used for management activities that are
5 departmental in nature and funded by indirect cost earnings
6 and assessments against trust funds. Proprietary funds are
7 excluded from the requirement of using an administrative trust
8 fund.

9 d. Grants and donations trust fund, for use as a
10 depository for funds to be used for allowable grant or donor
11 agreement activities funded by restricted contractual revenue
12 from private and public nonfederal sources.

13 e. Agency working capital trust fund, for use as a
14 depository for funds to be used pursuant to s. 216.272.

15 f. Clearing funds trust fund, for use as a depository
16 for funds to account for collections pending distribution to
17 lawful recipients.

18 g. Federal grant trust fund, for use as a depository
19 for funds to be used for allowable grant activities funded by
20 restricted program revenues from federal sources.

21 2. To the extent possible, each agency must adjust its
22 internal accounting to use existing trust funds consistent
23 with the requirements of subparagraph 1. If an agency does not
24 have trust funds listed in subparagraph 1. and cannot make
25 such adjustment, the agency must recommend the creation of the
26 necessary trust funds to the Legislature no later than the
27 next scheduled review of the agency's trust funds pursuant to
28 s. 215.3206.

29 ~~(c) Working Capital Fund.~~

30 ~~(c)(d) Budget Stabilization Fund.~~

31

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

3 (a) The General Revenue Fund shall consist of all
4 moneys received by the state from every source whatsoever,
5 except as provided in paragraphs (b) and (c). Such moneys
6 shall be expended pursuant to General Revenue Fund
7 appropriations acts or transferred as provided in paragraph
8 (c). Annually, at least 5 percent of the estimated increase
9 in General Revenue Fund receipts for the upcoming fiscal year
10 over the current year General Revenue Fund effective
11 appropriations shall be appropriated for state-level capital
12 outlay, including infrastructure improvement and general
13 renovation, maintenance, and repairs.

14 (b)1. The trust funds shall consist of moneys received
15 by the state which under law or under trust agreement are
16 segregated for a purpose authorized by law. The state agency
17 or branch of state government receiving or collecting such
18 moneys shall be responsible for their proper expenditure as
19 provided by law. Upon the request of the state agency or
20 branch of state government responsible for the administration
21 of the trust fund, the Chief Financial Officer may establish
22 accounts within the trust fund at a level considered necessary
23 for proper accountability. Once an account is established
24 within a trust fund, the Chief Financial Officer may authorize
25 payment from that account only upon determining that there is
26 sufficient cash and releases at the level of the account.

27 2. In order to maintain a minimum number of trust
28 funds in the State Treasury, each state agency or the judicial
29 branch may consolidate, if permitted under the terms and
30 conditions of their receipt, the trust funds administered by
31 it; provided, however, the agency or judicial branch employs

1 effectively a uniform system of accounts sufficient to
2 preserve the integrity of such trust funds; and provided,
3 further, that consolidation of trust funds is approved by the
4 Governor or the Chief Justice.

5 3. All such moneys are hereby appropriated to be
6 expended in accordance with the law or trust agreement under
7 which they were received, subject always to the provisions of
8 chapter 216 relating to the appropriation of funds and to the
9 applicable laws relating to the deposit or expenditure of
10 moneys in the State Treasury.

11 4.a. Notwithstanding any provision of law restricting
12 the use of trust funds to specific purposes, unappropriated
13 cash balances from selected trust funds may be authorized by
14 the Legislature for transfer to the Budget Stabilization Fund
15 and General Revenue ~~Working Capital~~ Fund in the General
16 Appropriations Act.

17 b. This subparagraph does not apply to trust funds
18 required by federal programs or mandates; trust funds
19 established for bond covenants, indentures, or resolutions
20 whose revenues are legally pledged by the state or public body
21 to meet debt service or other financial requirements of any
22 debt obligations of the state or any public body; the State
23 Transportation Trust Fund; the trust fund containing the net
24 annual proceeds from the Florida Education Lotteries; the
25 Florida Retirement System Trust Fund; trust funds under the
26 management of the State Board of Education ~~Board of Regents~~,
27 where such trust funds are for auxiliary enterprises,
28 self-insurance, and contracts, grants, and donations, as those
29 terms are defined by general law; trust funds that serve as
30 clearing funds or accounts for the Chief Financial Officer or
31 state agencies; trust funds that account for assets held by

1 the state in a trustee capacity as an agent or fiduciary for
2 individuals, private organizations, or other governmental
3 units; and other trust funds authorized by the State
4 Constitution.

5 (c)1. The Budget Stabilization Fund shall consist of
6 amounts equal to at least 5 percent of net revenue collections
7 for the General Revenue Fund during the last completed fiscal
8 year. The Budget Stabilization Fund's principal balance shall
9 not exceed an amount equal to 10 percent of the last completed
10 fiscal year's net revenue collections for the General Revenue
11 Fund. As used in this paragraph, the term "last completed
12 fiscal year" means the most recently completed fiscal year
13 prior to the regular legislative session at which the
14 Legislature considers the General Appropriations Act for the
15 year in which the transfer to the Budget Stabilization Fund
16 must be made under this paragraph.

17 2. By September 15 of each year, the Governor shall
18 authorize the Chief Financial Officer to transfer, and the
19 Chief Financial Officer shall transfer pursuant to
20 appropriations made by law, to the Budget Stabilization Fund
21 the amount of money needed for the balance of that fund to
22 equal the amount specified in subparagraph 1., less any
23 amounts expended and not restored. The moneys needed for this
24 transfer may be appropriated by the Legislature from any
25 funds.

26 3. Unless otherwise provided in this subparagraph, an
27 expenditure from the Budget Stabilization Fund must be
28 restored pursuant to a restoration schedule that provides for
29 making five equal annual transfers from the General Revenue
30 Fund, beginning in the third fiscal year following that in
31 which the expenditure was made. For any Budget Stabilization

1 Fund expenditure, the Legislature may establish by law a
2 different restoration schedule and such change may be made at
3 any time during the restoration period. Moneys are hereby
4 appropriated for transfers pursuant to this subparagraph.

5 4. The Budget Stabilization Fund ~~and the Working~~
6 ~~Capital Fund~~ may be used as a revolving fund ~~funds~~ for
7 transfers as provided in s. 215.18 ~~s. 17.61~~; however, any
8 interest earned must be deposited in the General Revenue Fund.

9 5. The Chief Financial Officer and the Department of
10 Management Services shall transfer funds to water management
11 districts to pay eligible water management district employees
12 for all benefits due under s. 373.6065, as long as funds
13 remain available for the program described under s. 100.152.

14 ~~(d) The Working Capital Fund shall consist of moneys~~
15 ~~in the General Revenue Fund which are in excess of the amount~~
16 ~~needed to meet General Revenue Fund appropriations for the~~
17 ~~current fiscal year. Each year, no later than the publishing~~
18 ~~date of the annual financial statements for the state by the~~
19 ~~Chief Financial Officer under s. 216.102, funds shall be~~
20 ~~transferred between the Working Capital Fund and the General~~
21 ~~Revenue Fund to establish the balance of the Working Capital~~
22 ~~Fund for that fiscal year at the amount determined pursuant to~~
23 ~~this paragraph.~~

24 Section 5. Subsection (5) of section 215.5601, Florida
25 Statutes, is amended to read:

26 215.5601 Lawton Chiles Endowment Fund.--

27 (5) AVAILABILITY OF FUNDS; USES.--

28 (a) Funds from the endowment which are available for
29 legislative appropriation shall be transferred by the board to
30 the Department of Financial Services Tobacco Settlement

31

1 Clearing Trust Fund, created in s. 17.41, and disbursed in
2 accordance with the legislative appropriation.

3 1. Appropriations by the Legislature to the Department
4 of Health from endowment earnings from the principal set aside
5 for biomedical research shall be from a category called the
6 James and Esther King Biomedical Research Program and shall be
7 deposited into the Biomedical Research Trust Fund in the
8 Department of Health established in s. 20.435.

9 2. Appropriations by the Legislature to the Department
10 of Children and Family Services, the Department of Health, or
11 the Department of Elderly Affairs from endowment earnings for
12 health and human services programs ~~shall be from a category~~
13 ~~called the Lawton Chiles Endowment Fund Programs~~ and shall be
14 deposited into each department's respective Tobacco Settlement
15 Trust Fund as appropriated.

16 (b) In order to ensure that the expenditure of funds
17 earned from the Lawton Chiles Endowment Fund will be used for
18 the purposes intended by the Legislature, the Legislature
19 shall establish line item categories for the state agencies
20 describing the designated use of the appropriated funds as
21 provided in the General Appropriations Act.

22 (c) The secretaries of the state agencies shall
23 conduct meetings to discuss priorities for endowment funding
24 for health and human services programs for children and elders
25 before submitting their legislative budget requests to the
26 Executive Office of the Governor and the Legislature. The
27 purpose of the meetings is to gain consensus for priority
28 requests and recommended endowment funding levels for those
29 priority requests. No later than September 1 of each year, the
30 secretaries of the state agencies shall also submit their
31

1 consensus priority requests to the Lawton Chiles Endowment
2 Fund Advisory Council created in subsection (6).

3 (d) Subject to legislative appropriations, state
4 agencies shall use distributions from the endowment to enhance
5 or support increases in clients served or to meet increases in
6 program costs in health and human services program areas.
7 Funds distributed from the endowment may not be used to
8 supplant existing revenues.

9 (e) Notwithstanding s. 216.301 and pursuant to s.
10 216.351, all unencumbered balances of appropriations as of
11 June 30 or undisbursed balances as of December 31 shall revert
12 to the endowment's principal, except that ~~unencumbered or~~
13 ~~undisbursed balances appropriated for biomedical research~~
14 shall be retained in the Biomedical Research Trust Fund and
15 the Department of Health may enter into a trust agreement with
16 the State Board of Administration for the investment of cash
17 balances outside the State Treasury ~~revert to the principal in~~
18 ~~the separately reserved and accounted-for portion of the~~
19 ~~endowment established for biomedical research activities.~~

20 ~~(f) When advised by the Revenue Estimating Conference~~
21 ~~that a deficit will occur with respect to the appropriations~~
22 ~~from the tobacco settlement trust funds of the state agencies~~
23 ~~in any fiscal year, the Governor shall develop a plan of~~
24 ~~action to eliminate the deficit. Before implementing the plan~~
25 ~~of action, the Governor must comply with s. 216.177(2). In~~
26 ~~developing the plan of action, the Governor shall, to the~~
27 ~~extent possible, preserve legislative policy and intent, and,~~
28 ~~absent any specific directions to the contrary in the General~~
29 ~~Appropriations Act, any reductions in appropriations from the~~
30 ~~tobacco settlement trust funds of the state agencies for a~~
31 ~~fiscal year shall be prorated among the specific~~

1 ~~appropriations made from all tobacco settlement trust funds of~~
2 ~~the state agencies for that year.~~

3 Section 6. Subsection (3) of section 215.93, Florida
4 Statutes, is amended to read:

5 215.93 Florida Financial Management Information
6 System.--

7 (3) The Florida Financial Management Information
8 System shall include financial management data and utilize the
9 chart of accounts approved by the Chief Financial Officer.
10 Common financial management data shall include, but not be
11 limited to, data codes, titles, and definitions used by one or
12 more of the functional owner subsystems. The Florida
13 Financial Management Information System shall utilize common
14 financial management data codes. The council shall recommend
15 and the board shall adopt policies regarding the approval and
16 publication of the financial management data. The Chief
17 Financial Officer shall adopt policies regarding the approval
18 and publication of the chart of accounts. The Chief Financial
19 Officer's chart of accounts shall be consistent with the
20 common financial management data codes established by the
21 coordinating council. Further, all systems not a part of the
22 Florida Financial Management Information System which provide
23 information to the system shall use the common data codes from
24 the Florida Financial Management Information System and the
25 Chief Financial Officer's chart of accounts. Data codes that
26 cannot be supplied by the Florida Financial Management
27 Information System and the Chief Financial Officer's chart of
28 accounts and that are required for use by the information
29 subsystems shall be approved by the board upon recommendation
30 of the coordinating council. ~~However, board approval shall not~~
31

1 ~~be required for those data codes specified by the Auditor~~
2 ~~General under the provisions of s. 215.94(6)(c).~~

3 Section 7. Subsection (6) of section 215.94, Florida
4 Statutes, is amended to read:

5 215.94 Designation, duties, and responsibilities of
6 functional owners.--

7 (6)(a) Consistent with the provisions of s. 215.86,
8 the respective functional owner of each information subsystem
9 shall be responsible for ensuring ~~The Auditor General shall be~~
10 ~~advised by the functional owner of each information subsystem~~
11 ~~as to the date that the development or significant~~
12 ~~modification of its functional system specifications is to~~
13 ~~begin.~~

14 ~~(b) Upon such notification, the Auditor General shall~~
15 ~~participate with each functional owner to the extent necessary~~
16 ~~to provide assurance that:~~

17 1. The accounting information produced by the
18 information subsystem adheres to generally accepted accounting
19 principles.

20 2. The information subsystem contains the necessary
21 controls to maintain its integrity, within acceptable limits
22 and at an acceptable cost.

23 3. The information subsystem is auditable.

24 ~~(b)(c)~~ The Auditor General shall be advised by the
25 functional owner of each information subsystem as to the date
26 that the development or significant modification of its
27 functional system specifications is to begin. The Auditor
28 General shall provide technical advice, as allowed by
29 professional auditing standards, on specific issues relating
30 to the design, implementation, and operation of each
31 information subsystem.~~specify those additional features,~~

1 ~~characteristics, controls, and internal control measures~~
2 ~~deemed necessary to carry out the provisions of this~~
3 ~~subsection. Further, it shall be the responsibility of each~~
4 ~~functional owner to ensure installation and incorporation of~~
5 ~~such specified features, characteristics, controls, and~~
6 ~~internal control measures within each information subsystem.~~

7 Section 8. Section 215.97, Florida Statutes, is
8 amended to read:

9 215.97 Florida Single Audit Act.--

10 (1) The purposes of the section are to:

11 (a) Establish uniform state audit requirements for
12 state financial assistance provided by state agencies to
13 nonstate entities to carry out state projects.

14 (b) Promote sound financial management, including
15 effective internal controls, with respect to state financial
16 assistance administered by nonstate entities.

17 (c) Promote audit economy and efficiency by relying to
18 the extent possible on already required audits of federal
19 financial assistance provided to nonstate entities.

20 (d) Provide for identification of state financial
21 assistance transactions in the appropriations act, state
22 accounting records, and recipient organization records.

23 (e) Promote improved coordination and cooperation
24 within and between affected state agencies providing state
25 financial assistance and nonstate entities receiving state
26 assistance.

27 (f) Ensure, to the maximum extent possible, that state
28 agencies monitor, use, and followup on audits of state
29 financial assistance provided to nonstate entities.

30 (2) Definitions; as used in this section, the term:

31

1 (a) "Audit threshold" means the threshold amount used
2 to determine to use in determining when a state single audit
3 or project-specific audit of a nonstate entity shall be
4 conducted in accordance with this section. Each nonstate
5 entity that expends a total amount of state financial
6 assistance equal to or in excess of \$300,000 in any fiscal
7 year of such nonstate entity shall be required to have a state
8 single audit, or a project-specific audit performed by an
9 independent auditor, for such fiscal year in accordance with
10 the requirements of this section. Every 2 years the Auditor
11 General, after consulting with the Executive Office of the
12 Governor, the Department of Financial Services ~~Chief Financial~~
13 ~~Officer,~~ and all state awarding agencies ~~that provide state~~
14 ~~financial assistance to nonstate entities,~~ shall review the
15 threshold amount for requiring audits under this section and
16 may adjust such threshold dollar amount consistent with the
17 purposes ~~purpose~~ of this section.

18 (b) "Auditing standards" means the auditing standards
19 as stated in the rules of the Auditor General as applicable to
20 for-profit organizations, nonprofit organizations, or local
21 governmental entities.

22 (c) "Catalog of State Financial Assistance" means a
23 comprehensive listing of state projects. The Catalog of State
24 Financial Assistance shall be issued by the Department of
25 Financial Services ~~Executive Office of the Governor~~ after
26 conferring with the Chief Financial Officer and all state
27 awarding agencies ~~that provide state financial assistance to~~
28 ~~nonstate entities.~~ The Catalog of State Financial Assistance
29 shall include for each listed state project: the responsible
30 state awarding agency; standard state project number
31 identifier; official title; legal authorization; and

1 description of the state project, including objectives,
2 restrictions, application and awarding procedures, and other
3 relevant information determined necessary.

4 (d) "Coordinating agency" means the state awarding
5 agency that provides the predominant amount of state financial
6 assistance expended by a recipient, as determined by the
7 recipient's Schedule of Expenditures of State Financial
8 Assistance. To provide continuity, the determination of the
9 predominant amount of state financial assistance shall be
10 based upon state financial assistance expended in the
11 recipient's fiscal years ending in 2004, 2007, and 2010, and
12 every third year thereafter.

13 (e)~~(d)~~ "Financial reporting package" means the
14 nonstate entities' financial statements, Schedule of
15 Expenditures of State Financial Assistance, auditor's reports,
16 management letter, auditee's written responses or corrective
17 action plan, correspondence on followup of prior years'
18 corrective actions taken, and such other information
19 determined by the Auditor General to be necessary and
20 consistent with the purposes of this section.

21 (f)~~(e)~~ "Federal financial assistance" means financial
22 assistance from federal sources passed through the state and
23 provided to nonstate organizations ~~entities~~ to carry out a
24 federal program. "Federal financial assistance" includes all
25 types of federal assistance as defined in applicable United
26 States Office of Management and Budget circulars.

27 (g)~~(f)~~ "For-profit organization" means any
28 organization or sole proprietor but is not a local
29 governmental entity or a nonprofit organization.

30 (h)~~(g)~~ "Independent auditor" means an independent
31 ~~external state or local government auditor or a certified~~

1 public accountant licensed under chapter 473 ~~who meets the~~
2 ~~independence standards.~~

3 (i)~~(h)~~ "Internal control over state projects" means a
4 process, effected by a nonstate ~~an~~ entity's management and
5 other personnel, designed to provide reasonable assurance
6 regarding the achievement of objectives in the following
7 categories:

- 8 1. Effectiveness and efficiency of operations.
- 9 2. Reliability of financial operations.
- 10 3. Compliance with applicable laws and regulations.

11 (j)~~(i)~~ "Local governmental entity" means a county
12 agency, municipality, or special district or any other entity
13 excluding~~(other than a district school board, charter school,~~
14 ~~or community college), or public university,~~ however styled,
15 which independently exercises any type of governmental
16 function within the state.

17 (k)~~(j)~~ "Major state project" means any state project
18 meeting the criteria as stated in the rules of the Department
19 of Financial Services ~~Executive Office of the Governor~~. Such
20 criteria shall be established after consultation with all the
21 ~~Chief Financial Officer and appropriate state~~ awarding
22 ~~agencies that provide state financial assistance~~ and shall
23 consider the amount of state project expenditures and ~~or~~
24 expenses or inherent risks. Each major state project shall be
25 audited in accordance with the requirements of this section.

26 (l)~~(k)~~ "Nonprofit organization" means any corporation,
27 trust, association, cooperative, or other organization that:
28 1. Is operated primarily for scientific, educational
29 service, charitable, or similar purpose in the public
30 interest;

- 31 2. Is not organized primarily for profit;

1 3. Uses net proceeds to maintain, improve, or expand
2 the operations of the organization; and

3 4. Has no part of its income or profit distributable
4 to its members, directors, or officers.

5 (m)(l) "Nonstate entity" means a local governmental
6 entity, nonprofit organization, or for-profit organization
7 that receives state financial assistance ~~resources~~.

8 (n)(m) "Recipient" means a nonstate entity that
9 receives state financial assistance directly from a state
10 awarding agency.

11 (o)(n) "Schedule of of Expenditures of State Financial
12 Assistance" means a document prepared in accordance with the
13 rules of the Department of Financial Services ~~Chief Financial~~
14 ~~Officer~~ and included in each financial reporting package
15 required by this section.

16 (p)(o) "State awarding agency" means a ~~the~~ state
17 agency, as defined in s. 216.011, that provides ~~provided~~ state
18 financial assistance to a ~~the~~ nonstate entity.

19 (q)(p) "State financial assistance" means ~~financial~~
20 ~~assistance from~~ state resources, not including federal
21 financial assistance and state matching on federal programs,
22 provided to a nonstate entity ~~entities~~ to carry out a state
23 project. "State financial assistance" includes the ~~all~~ types
24 of state resources ~~assistance as~~ stated in the rules of the
25 Department of Financial Services ~~Executive Office of the~~
26 ~~Governor~~ established in consultation with all ~~the~~ ~~Chief~~
27 ~~Financial Officer~~ and ~~appropriate~~ state awarding agencies that
28 ~~provide state financial assistance~~. It ~~includes~~ State
29 financial assistance may be provided directly by state
30 awarding agencies or indirectly by nonstate entities
31 ~~recipients of state awards or subrecipients~~. State financial

1 assistance ~~it~~ does not include procurement contracts used to
2 buy goods or services from vendors and. ~~Audits of such~~
3 ~~procurement contracts with vendors are outside of the scope of~~
4 ~~this section. Also, audits of~~ contracts to operate state-owned
5 ~~state-government-owned~~ and contractor-operated facilities are
6 ~~excluded from the audit requirements of this section.~~

7 (r)(q) "State matching" means state resources provided
8 to a nonstate entity ~~entities to be used~~ to meet federal
9 financial participation matching requirements ~~of federal~~
10 ~~programs.~~

11 (s) "State program" means a set of special purpose
12 activities undertaken to realize identifiable goals and
13 objectives in order to achieve a state agency's mission and
14 legislative intent requiring accountability for state
15 resources.

16 (t)(r) "State project" means a state program that
17 provides ~~all~~ state financial assistance to a nonstate
18 organization and that must be ~~entity~~ assigned a ~~single~~ state
19 project number identifier in the Catalog of State Financial
20 Assistance.

21 (u)(s) "State Projects Compliance Supplement" means a
22 document issued by the Department of Financial Services
23 ~~Executive Office of the Governor~~, in consultation with ~~the~~
24 ~~Chief Financial Officer~~ and all state awarding agencies ~~that~~
25 ~~provide state financial assistance.~~ The State Projects
26 Compliance Supplement shall identify state projects, the
27 significant compliance requirements, eligibility requirements,
28 matching requirements, suggested audit procedures, and other
29 relevant information determined necessary.

30
31

1 ~~(v)(t)~~ "State project-specific audit" means an audit
2 of one state project performed in accordance with the
3 requirements of subsection~~(10)(9)~~.

4 ~~(w)(u)~~ "State single audit" means an audit of a
5 nonstate entity's financial statements and state financial
6 assistance. Such audits shall be conducted in accordance with
7 the auditing standards as stated in the rules of the Auditor
8 General.

9 ~~(x)(v)~~ "Subrecipient" means a nonstate entity that
10 receives state financial assistance through another nonstate
11 entity.

12 ~~(y)(w)~~ "Vendor" means a dealer, distributor, merchant,
13 or other seller providing goods or services that are required
14 for the conduct of a state project. These goods or services
15 may be for an organization's own use or for the use of
16 beneficiaries of the state project.

17 (3) The Executive Office of the Governor shall be
18 responsible for notifying the Department of Financial Services
19 of any actions during the budgetary process which impact the
20 Catalog of State Financial Assistance.⁺

21 ~~(a) Upon conferring with the Chief Financial Officer~~
22 ~~and all state awarding agencies, adopt rules necessary to~~
23 ~~provide appropriate guidance to state awarding agencies,~~
24 ~~recipients and subrecipients, and independent auditors of~~
25 ~~state financial assistance relating to the requirements of~~
26 ~~this section, including:~~

27 ~~1. The types or classes of financial assistance~~
28 ~~considered to be state financial assistance which would be~~
29 ~~subject to the requirements of this section. This would~~
30 ~~include guidance to assist in identifying when the state~~

31

1 ~~agency or recipient has contracted with a vendor rather than~~
2 ~~with a recipient or subrecipient.~~

3 ~~2. The criteria for identifying a major state project.~~

4 ~~3. The criteria for selecting state projects for~~
5 ~~audits based on inherent risk.~~

6 ~~(b) Be responsible for coordinating the initial~~
7 ~~preparation and subsequent revisions of the Catalog of State~~
8 ~~Financial Assistance after consultation with the Chief~~
9 ~~Financial Officer and all state awarding agencies.~~

10 ~~(c) Be responsible for coordinating the initial~~
11 ~~preparation and subsequent revisions of the State Projects~~
12 ~~Compliance Supplement, after consultation with the Chief~~
13 ~~Financial Officer and all state awarding agencies.~~

14 (4) The Department of Financial Services ~~Chief~~
15 ~~Financial Officer~~ shall:

16 (a) Upon conferring with the Executive Office of the
17 Governor and all state awarding agencies, adopt rules
18 necessary to provide appropriate guidance to state awarding
19 agencies, nonstate entities, and independent auditors of state
20 financial assistance relating to the requirements of this
21 section, including:

22 1. The types or classes of state resources considered
23 to be state financial assistance that would be subject to the
24 requirements of this section. This would include guidance to
25 assist in identifying when the state awarding agency or a
26 nonstate entity has contracted with a vendor rather than with
27 a recipient or subrecipient.

28 2. The criteria for identifying a major state project.

29 3. The criteria for selecting state projects for
30 audits based on inherent risk.

31

1 (b) Be responsible for coordinating revisions to the
2 Catalog of State Financial Assistance after consultation with
3 the Executive Office of the Governor and all state awarding
4 agencies.

5 (c) Be responsible for coordinating with the Executive
6 Office of the Governor actions affecting the budgetary process
7 under paragraph (b).

8 (d) Be responsible for coordinating revisions to the
9 State Projects Compliance Supplement, after consultation with
10 the Executive Office of the Governor and all state awarding
11 agencies.

12 (e)~~(a)~~ Make enhancements to the state's accounting
13 system to provide for the:

14 1. Recording of state financial assistance and federal
15 financial assistance appropriations and expenditures within
16 the state awarding agencies' operating funds.

17 2. Recording of state project number identifiers, as
18 provided in the Catalog of State Financial Assistance, for
19 state financial assistance.

20 3. Establishment and recording of an identification
21 code for each financial transaction, including awarding state
22 agencies' disbursements of state financial assistance and
23 federal financial assistance, as to the corresponding type or
24 organization that is party to the transaction (e.g., other
25 governmental agencies, nonprofit organizations, and for-profit
26 organizations), and disbursements of federal financial
27 assistance, as to whether the party to the transaction is or
28 is not a nonstate entity ~~recipient or subrecipient.~~

29 (f)~~(b)~~ Upon conferring with the Executive Office of
30 the Governor and all state awarding agencies, adopt rules
31 necessary to provide appropriate guidance to state awarding

1 agencies, nonstate entities ~~recipients and subrecipients~~, and
2 independent auditors of state financial assistance relating to
3 the format for the Schedule of Expenditures of State Financial
4 Assistance.

5 (g)~~(c)~~ Perform any inspections, reviews,
6 investigations, or audits of state financial assistance
7 considered necessary in carrying out the Department of
8 Financial Services ~~Chief Financial Officer's~~ legal
9 responsibilities for state financial assistance or to comply
10 with the requirements of this section.

11 (5) Each state awarding agency shall:

12 (a) Provide to each ~~a~~ recipient information needed by
13 the recipient to comply with the requirements of this section,
14 including:

15 1. The audit and accountability requirements for state
16 projects as stated in this section and applicable ~~rules of the~~
17 ~~Executive Office of the Governor~~, rules of the Department of
18 Financial Services ~~Chief Financial Officer~~, and rules of the
19 Auditor General.

20 2. Information from the Catalog of State Financial
21 Assistance, including the standard state project number
22 identifier; official title; legal authorization; and
23 description of the state project including objectives,
24 restrictions, and other relevant information determined
25 necessary.

26 3. Information from the State Projects Compliance
27 Supplement, including the significant compliance requirements,
28 eligibility requirements, matching requirements, suggested
29 audit procedures, and other relevant information determined
30 necessary.

31

1 (b) Require the recipient, as a condition of receiving
2 state financial assistance, to allow the state awarding
3 agency, the Department of Financial Services ~~Chief Financial~~
4 ~~Officer~~, and the Auditor General access to the recipient's
5 records and the recipient's independent auditor's working
6 papers as necessary for complying with the requirements of
7 this section.

8 (c) Notify the recipient that this section does not
9 limit the authority of the state awarding agency to conduct or
10 arrange for the conduct of additional audits or evaluations of
11 state financial assistance or limit the authority of any state
12 awarding agency inspector general, the Auditor General, or any
13 other state official.

14 (d) Be provided one copy of each financial reporting
15 package prepared in accordance with the requirement of this
16 section.

17 (e) Review the recipient's ~~recipient~~ financial
18 reporting package, including the management letters and
19 corrective action plans, to the extent necessary to determine
20 whether timely and appropriate corrective action has been
21 taken with respect to audit findings and recommendations
22 pertaining to state financial assistance that are specific to
23 ~~provided by~~ the state awarding agency.

24 (f) Designate within the state awarding agency a
25 division, bureau, or other organizational unit that will be
26 responsible for reviewing financial reporting packages
27 pursuant to paragraph (e).

28
29 If the state awarding agency is not the coordinating agency as
30 defined in paragraph (2)(d), the state awarding agency's
31 designated division, bureau, or other organizational unit

1 shall communicate to the coordinating agency the state
2 awarding agency's approval of the recipient's corrective
3 action plan with respect to findings and recommendations that
4 are not specific to the state awarding agency.

5 (6) Each coordinating agency shall:

6 (a) Review the recipient's financial reporting
7 package, including the management letter and corrective action
8 plan, to identify audit findings and recommendations that
9 affect state financial assistance which are not specific to a
10 particular state awarding agency.

11 (b) For any such findings and recommendations
12 determine:

13 1. Whether timely and appropriate corrective action
14 has been taken.

15 2. Promptly inform the state awarding agency's
16 contact, as provided in paragraph (5)(f), of actions taken by
17 the recipient to comply with the approved corrective action
18 plan.

19 (c) Maintain records of followup actions taken for the
20 use of any succeeding coordinating agency.

21 (7)(6) As a condition of receiving state financial
22 assistance, each nonstate entity ~~recipient~~ that provides state
23 financial assistance to a subrecipient shall:

24 (a) Provide to each a subrecipient information needed
25 by the subrecipient to comply with the requirements of this
26 section, including:

27 1. Identification of the state awarding agency.

28 2. The audit and accountability requirements for state
29 projects as stated in this section and applicable ~~rules of the~~
30 ~~Executive Office of the Governor,~~ rules of the Department of

31

1 Financial Services ~~Chief Financial Officer~~, and rules of the
2 Auditor General.

3 3. Information from the Catalog of State Financial
4 Assistance, including the standard state project number
5 identifier; official title; legal authorization; and
6 description of the state project, including objectives,
7 restrictions, and other relevant information.

8 4. Information from the State Projects Compliance
9 Supplement including the significant compliance requirements,
10 eligibility requirements, matching requirements, and suggested
11 audit procedures, and other relevant information determined
12 necessary.

13 (b) Review the financial reporting package of the
14 subrecipient ~~audit reports~~, including the management letter
15 and corrective action plan letters, to the extent necessary to
16 determine whether timely and appropriate corrective action has
17 been taken with respect to audit findings and recommendations
18 pertaining to state financial assistance provided by a the
19 state awarding agency or nonstate entity.

20 (c) Perform any such other procedures ~~as~~ specified in
21 terms and conditions of the written agreement with the state
22 awarding agency or nonstate entity, including any required
23 monitoring of the subrecipient's use of state financial
24 assistance through onsite visits, limited scope audits, or
25 other specified procedures.

26 (d) Require subrecipients, as a condition of receiving
27 state financial assistance, to permit the independent auditor
28 of the nonstate entity recipient, the state awarding agency,
29 Department of Financial Services ~~the Chief Financial Officer~~,
30 and the Auditor General access to the subrecipient's records
31

1 and the subrecipient's independent auditor's working papers as
2 necessary to comply with the requirements of this section.

3 ~~(8)(7)~~ Each recipient or subrecipient of state
4 financial assistance shall comply with the following:

5 (a) Each nonstate entity that ~~receives state financial~~
6 ~~assistance and~~ meets the audit threshold requirements, in any
7 fiscal year of the nonstate entity, as stated in the rules of
8 the Auditor General, shall have a state single audit conducted
9 for such fiscal year in accordance with the requirements of
10 this act and with additional requirements established in ~~rules~~
11 ~~of the Executive Office of the Governor,~~ rules of the
12 Department of Financial Services Chief Financial Officer, and
13 rules of the Auditor General. If only one state project is
14 involved in a nonstate entity's fiscal year, the nonstate
15 entity may elect to have only a state project-specific audit
16 ~~of the state project for that fiscal year.~~

17 (b) Each nonstate entity that ~~receives state financial~~
18 ~~assistance and~~ does not meet the audit threshold requirements,
19 in any fiscal year of the nonstate entity, as stated in this
20 law or the rules of the Auditor General is exempt for such
21 fiscal year from the state single audit requirements of this
22 section. However, such nonstate entity must meet terms and
23 conditions specified in the written agreement with the state
24 awarding agency or nonstate entity.

25 (c) Regardless of the amount of the state financial
26 assistance, the provisions of this section do not exempt a
27 nonstate entity from compliance with provisions of law
28 relating to maintaining records concerning state financial
29 assistance to such nonstate entity or allowing access and
30 examination of those records by the state awarding agency,
31

1 nonstate entity, the Department of Financial Services ~~Chief~~
2 ~~Financial Officer~~, or the Auditor General.

3 (d) Audits conducted pursuant to this section shall be
4 performed annually.

5 (e) Audits conducted pursuant to this section shall be
6 conducted by independent auditors in accordance with auditing
7 standards as stated in rules of the Auditor General.

8 (f) Upon completion of the audit as required by this
9 section, a copy of the recipient's financial reporting package
10 shall be filed with the state awarding agency and the Auditor
11 General. Upon completion of the audit as required by this
12 section, a copy of the subrecipient's financial reporting
13 package shall be filed with the nonstate entity ~~recipient~~ that
14 provided the state financial assistance and the Auditor
15 General. The financial reporting package shall be filed in
16 accordance with the rules of the Auditor General.

17 (g) All financial reporting packages prepared pursuant
18 to the requirements of this section shall be available for
19 public inspection.

20 (h) If an audit conducted pursuant to this section
21 discloses any significant audit findings relating to state
22 financial assistance, including material noncompliance with
23 individual state project compliance requirements or reportable
24 conditions in internal controls of the nonstate entity, the
25 nonstate entity shall submit as part of the financial
26 reporting ~~audit~~ package to the state awarding agency or
27 nonstate entity a plan for corrective action to eliminate such
28 audit findings or a statement describing the reasons that
29 corrective action is not necessary.

30 (i) An audit conducted in accordance with this section
31 is in addition to any audit of federal awards required by the

1 federal Single Audit Act and other federal laws and
2 regulations. To the extent that such federally required audits
3 provide the state awarding agency or nonstate entity with
4 information it requires to carry out its responsibilities
5 under state law or other guidance, the ~~a~~ state awarding agency
6 or nonstate entity shall rely upon and use that information.

7 (j) Unless prohibited by law, the costs ~~cost~~ of audits
8 pursuant to this section are ~~is~~ allowable charges to state
9 projects. However, any charges to state projects should be
10 limited to those incremental costs incurred as a result of the
11 audit requirements of this section in relation to other audit
12 requirements. The nonstate entity should allocate such
13 incremental costs to all state projects for which it expended
14 state financial assistance.

15 (k) Audit costs may not be charged to state projects
16 when audits required by this section have not been made or
17 have been made but not in accordance with this section. If a
18 nonstate entity fails to have an audit conducted consistent
19 with this section, a state awarding agency or nonstate entity
20 ~~agencies~~ may take appropriate corrective action to enforce
21 compliance.

22 (l) This section does not prohibit the state awarding
23 agency or nonstate entity from including terms and conditions
24 in the written agreement which require additional assurances
25 that state financial assistance meets the applicable
26 requirements of laws, regulations, and other compliance rules.

27 (m) A state awarding agency or nonstate entity that
28 ~~provides state financial assistance to nonstate entities and~~
29 conducts or arranges for audits of state financial assistance
30 that are in addition to the audits conducted under this act,
31 including audits of nonstate entities that do not meet the

1 audit threshold requirements, shall, consistent with other
2 applicable law, arrange for funding the full cost of such
3 additional audits.

4 ~~(9)(8)~~ The independent auditor when conducting a state
5 single audit of a nonstate entity ~~recipients or subrecipients~~
6 shall:

7 (a) Determine whether the nonstate entity's financial
8 statements are presented fairly in all material respects in
9 conformity with generally accepted accounting principles.

10 (b) Determine whether state financial assistance shown
11 on the Schedule of Expenditures of State Financial Assistance
12 is presented fairly in all material respects in relation to
13 the nonstate entity's financial statements taken as a whole.

14 (c) With respect to internal controls pertaining to
15 each major state project:

- 16 1. Obtain an understanding of internal controls;
- 17 2. Assess control risk;
- 18 3. Perform tests of controls unless the controls are
19 deemed to be ineffective; and
- 20 4. Determine whether the nonstate entity has internal
21 controls in place to provide reasonable assurance of
22 compliance with the provisions of laws and rules pertaining to
23 state financial assistance that have a material effect on each
24 major state project.

25 (d) Determine whether each major state project
26 complied with the provisions of laws, rules, and guidelines as
27 identified in the State Projects Compliance Supplement, or
28 otherwise identified by the state awarding agency, which have
29 a material effect on each major state project. When major
30 state projects are less than 50 percent of the nonstate
31 entity's total expenditures for all state financial

1 assistance, the auditor shall select and test additional state
2 projects as major state projects as necessary to achieve audit
3 coverage of at least 50 percent of the expenditures for all
4 state financial assistance provided to the nonstate entity.
5 Additional state projects needed to meet the 50-percent
6 requirement may be selected on an inherent risk basis as
7 stated in the rules of the Department of Financial Services
8 ~~Executive Office of the Governor~~.

9 (e) Report on the results of any audit conducted
10 pursuant to this section in accordance with the ~~rules of the~~
11 ~~Executive Office of the Governor~~, rules of the Department of
12 Financial Services ~~Chief Financial Officer~~, and rules of the
13 Auditor General. Financial reporting packages must ~~Audit~~
14 ~~reports shall~~ include summaries of the auditor's results
15 regarding the nonstate entity's financial statements; Schedule
16 of Expenditures of State Financial Assistance; internal
17 controls; and compliance with laws, rules, and guidelines.

18 (f) Issue a management letter as prescribed in the
19 rules of the Auditor General.

20 (g) Upon notification by the nonstate entity, make
21 available the working papers relating to the audit conducted
22 pursuant to the requirements of this section to the state
23 awarding agency, the Department of Financial Services ~~Chief~~
24 ~~Financial Officer~~, or the Auditor General for review or
25 copying.

26 (10)(9) ~~The independent auditor, when conducting a~~
27 state project-specific audit of a nonstate entity recipients
28 ~~or subrecipients~~, shall:

29 (a) Determine whether the nonstate entity's Schedule
30 of Expenditure of State Financial Assistance is presented
31

1 fairly in all material respects in conformity with stated
2 accounting policies.

3 (b) Obtain an understanding of internal controls
4 ~~control~~ and perform tests of internal controls ~~control~~ over
5 the state project consistent with the requirements of a major
6 state project.

7 (c) Determine whether or not the auditee has complied
8 with applicable provisions of laws, rules, and guidelines as
9 identified in the State Projects Compliance Supplement, or
10 otherwise identified by the state awarding agency, which could
11 have a direct and material effect on the state project.

12 (d) Report on the results of the ~~a~~ state
13 project-specific audit consistent with the requirements of the
14 state single audit and issue a management letter as prescribed
15 in the rules of the Auditor General.

16 (e) Upon notification by the nonstate entity, make
17 available the working papers relating to the audit conducted
18 pursuant to the requirements of this section to the state
19 awarding agency, the Department of Financial Services ~~Chief~~
20 ~~Financial Officer~~, or the Auditor General for review or
21 copying.

22 (11)~~(10)~~ The Auditor General shall:

23 (a) Have the authority to audit state financial
24 assistance provided to any nonstate entity when determined
25 necessary by the Auditor General or when directed by the
26 Legislative Auditing Committee.

27 (b) Adopt rules that state the auditing standards that
28 independent auditors are to follow for audits of nonstate
29 entities required by this section.

30 (c) Adopt rules that describe the contents and the
31 filing deadlines for the financial reporting package.

1 (d) Provide technical advice upon request of the
2 Department of Financial Services ~~Chief Financial Officer,~~
3 ~~Executive Office of the Governor,~~ and state awarding agencies
4 relating to financial reporting and audit responsibilities
5 contained in this section.

6 (e) Be provided one copy of each financial reporting
7 package prepared in accordance with the requirements of this
8 section.

9 (f) Perform ongoing reviews of a sample of financial
10 reporting packages filed pursuant to the requirements of this
11 section to determine compliance with the reporting
12 requirements of this section and applicable ~~rules of the~~
13 ~~Executive Office of the Governor,~~ rules of the Department of
14 Financial Services ~~Chief Financial Officer,~~ and rules of the
15 Auditor General.

16 Section 9. Paragraphs (a), (b), (n), (gg), (hh), and
17 (jj) of subsection (1) of section 216.011, Florida Statutes,
18 are amended, paragraph (rr) is added to that subsection, and
19 paragraph (c) is added to subsection (3) of that section, to
20 read:

21 216.011 Definitions.--

22 (1) For the purpose of fiscal affairs of the state,
23 appropriations acts, legislative budgets, and approved
24 budgets, each of the following terms has the meaning
25 indicated:

26 (a) "Annual salary rate" means the monetary
27 compensation authorized to be paid a position on an annualized
28 basis. The term does not include moneys authorized for
29 benefits associated with the position. ~~In calculating salary~~
30 ~~rate, a vacant position shall be calculated at the minimum of~~
31 ~~the pay grade for that position.~~

1 (b) "Appropriation" means a legal authorization to
2 make expenditures for specific purposes within the amounts
3 authorized by law in the appropriations act.

4 (n) "Expense" means the appropriation category used to
5 fund the usual, ordinary, and incidental expenditures by an
6 agency or the judicial branch, including such items as
7 ~~contractual services, commodities, and~~ supplies of a
8 consumable nature, current obligations, and fixed charges, and
9 excluding expenditures classified as operating capital outlay.
10 Payments to other funds or local, state, or federal agencies
11 may be included in this category.

12 (gg) "Mandatory reserve" means the reduction of an
13 appropriation by the Governor or the Legislative Budget
14 Commission due to an anticipated deficit in a fund, pursuant
15 to s. 216.221. No action may be taken to restore a mandatory
16 reserve either directly or indirectly. ~~"Performance-based~~
17 ~~program appropriation" means the appropriation category used~~
18 ~~to fund a specific set of activities or classification of~~
19 ~~expenditure within an approved performance-based program.~~

20 (hh) "Budget reserve" means the withholding of an
21 appropriation, or portion thereof, as authorized by the
22 Legislature. The need for a budget reserve may exist until
23 certain conditions set by the Legislature are met by the
24 affected agency, or such need may exist due to financial or
25 program changes that have occurred since, and were unforeseen
26 at the time of, passage of the General Appropriations Act.

27 ~~"Performance-based program budget" means a budget that~~
28 ~~incorporates approved programs and performance measures.~~

29 (jj) "Program" means a set of services and activities
30 undertaken in accordance with a plan of action organized to
31

1 realize identifiable goals and objectives based on legislative
2 authorization.

3 (rr) "Activity" means a unit of work which has
4 identifiable starting and ending points, consumes resources,
5 and produces outputs.

6 (3) For purposes of this chapter, the term:

7 (c) "Statutorily authorized entity" means any entity
8 primarily acting as an instrumentality of the state, any
9 regulatory or governing body, or any other governmental or
10 quasi-governmental organization that receives, disburses,
11 expends, administers, awards, recommends expenditure of,
12 handles, manages, or has custody or control of funds
13 appropriated by the Legislature and:

14 1. Is created, organized, or specifically authorized
15 to be created or established by general law; or

16 2. Assists a department, as defined in s. 20.03(2), or
17 other unit of state government in providing programs or
18 services on a statewide basis with a statewide service area or
19 population.

20 Section 10. Subsections (1), (2), (3), and (9) of
21 section 216.013, Florida Statutes, are amended to read:

22 216.013 Long-range program plan.--

23 (1) State agencies shall develop long-range program
24 plans to achieve state goals using an interagency planning
25 process that includes the development of integrated agency
26 program service outcomes. The plan shall cover a period of 5
27 fiscal years and shall become effective July 1 each year.
28 Long-range program plans shall provide the framework for the
29 development of agency budget requests and shall:

30
31

1 (a) Identify agency programs and address how agency
2 programs will be used to implement state policy and achieve
3 state goals and program component objectives;

4 (b) Identify and describe agency services and
5 activities ~~functions~~ and how they will be used to achieve
6 designated outcomes;

7 (c) Identify demand, output, total costs, and unit
8 costs for each activity ~~function~~;

9 (d) Provide information regarding performance
10 measurement, which includes, but is not limited to, how data
11 is collected, the methodology used to measure a performance
12 indicator, the validity and reliability of a measure, the
13 appropriateness of a measure, and whether the agency inspector
14 general has assessed the reliability and validity of agency
15 performance measures, pursuant to s. 20.055(2);

16 (e) Identify and justify facility and fixed capital
17 outlay projects and their associated costs; and

18 (f) Identify and justify information technology
19 infrastructure and applications and their associated costs for
20 information technology projects or initiatives.

21 (2) All agency activities ~~functions~~ and their costs
22 shall be carefully evaluated and justified by the agency. The
23 justification must clearly demonstrate the needs of agency
24 customers and clients and why the agency is proposing
25 functions and their associated costs to address the needs
26 based on state priorities, the agency mission, and legislative
27 authorization. Further, the justification must show how
28 agency functions are integrated and contribute to the overall
29 achievement of state goals. Facilities, fixed capital outlay
30 and information technology infrastructure, and applications

31

1 shall be evaluated pursuant to ss. 216.0158, 216.043, and
2 216.0446, respectively.

3 (3) Long-range program plans shall be submitted to the
4 Executive Office of the Governor by August 1 of each year,
5 unless an alternative date is approved by the Governor and the
6 chairs of the legislative appropriations committees, in a form
7 and manner prescribed by the ~~Executive Office of the~~ Governor
8 and the chairs of the legislative appropriations committees.
9 Such long-range program plans for the Judicial Branch shall be
10 submitted by the Chief Justice of the Supreme Court to the
11 President of the Senate and the Speaker of the House of
12 Representatives, and a copy shall be provided to the Executive
13 Office of the Governor.

14 (9) Agencies and the judicial branch shall make
15 appropriate adjustments to their long-range program plans to
16 be consistent with the appropriations and performance measures
17 in the General Appropriations Act and legislation implementing
18 the General Appropriations Act. Agencies and the judicial
19 branch have until June 30 ~~15~~ to make adjustments to their
20 plans and submit the adjusted plans to the Executive Office of
21 the Governor for review.

22 Section 11. Section 216.023, Florida Statutes, is
23 amended to read:

24 216.023 Legislative budget requests to be furnished to
25 Legislature by agencies.--

26 (1) The head of each state agency, except as provided
27 in subsection (2), shall submit a final legislative budget
28 request to the Legislature and to the Governor, as chief
29 budget officer of the state, in the form and manner prescribed
30 in the budget instructions and at such time as specified by
31 the Executive Office of the Governor, based on the agency's

1 independent judgment of its needs. However, no state agency
2 shall submit its complete legislative budget request,
3 including all supporting forms and schedules required by this
4 chapter, later than September 15 of each year, unless an
5 alternative date is approved by the Governor and the chairs of
6 the legislative appropriations committees.

7 (2) The judicial branch and the Division of
8 Administrative Hearings shall submit their complete
9 legislative budget requests directly to the Legislature with a
10 copy to the Governor, as chief budget officer of the state, in
11 the form and manner as prescribed in the budget instructions.
12 However, the complete legislative budget requests, including
13 all supporting forms and schedules required by this chapter,
14 shall be submitted no later than September 15 of each year,
15 unless an alternative date is approved by the Governor and the
16 chairs of the legislative appropriations committees.

17 (3) The Executive Office of the Governor and the
18 appropriations committees of the Legislature shall jointly
19 develop legislative budget instructions for preparing the
20 exhibits and schedules that make up the agency budget from
21 which each agency and the judicial branch shall prepare their
22 budget request. The budget instructions shall be consistent
23 with s. 216.141 and shall be transmitted to each agency and to
24 the judicial branch no later than June 15 of each year, unless
25 an alternative date is approved by the Governor and the chairs
26 of the legislative appropriations committees. In the event
27 that agreement cannot be reached between the Executive Office
28 of the Governor and the appropriations committees of the
29 Legislature regarding legislative budget instructions, the
30 issue shall be resolved by the Governor, the President of the
31 Senate, and the Speaker of the House of Representatives.

- 1 (4)(a) The legislative budget request must contain for
2 each program:
- 3 1. The constitutional or statutory authority for a
4 program, a brief purpose statement, and approved program
5 components.
 - 6 2. Information on expenditures for 3 fiscal years
7 (actual prior-year expenditures, current-year estimated
8 expenditures, and agency budget requested expenditures for the
9 next fiscal year) by appropriation category.
 - 10 3. Details on trust funds and fees.
 - 11 4. The total number of positions (authorized, fixed,
12 and requested).
 - 13 5. An issue narrative describing and justifying
14 changes in amounts and positions requested for current and
15 proposed programs for the next fiscal year.
 - 16 6. Information resource requests.
 - 17 7. Legislatively approved output and outcome
18 performance measures and any proposed revisions to measures.
 - 19 8. Proposed performance standards for each performance
20 measure and justification for the standards and the sources of
21 data to be used for measurement.
 - 22 9. Prior-year performance data on approved performance
23 measures and an explanation of deviation from expected
24 performance. Performance data must be assessed for reliability
25 in accordance with s. 20.055.
 - 26 10. Proposed performance incentives and disincentives.
 - 27 11. Supporting information, including applicable
28 cost-benefit analyses, business case analyses, performance
29 contracting procedures, service comparisons, and impacts to
30 performance standards for any requests to outsource or
31 privatize agency functions.

1 12. An evaluation of current outsourcing and
2 privatization initiatives, if any, including an assessment of
3 contractor performance, a comparison of anticipated service
4 levels to actual service levels, and a comparison of estimated
5 savings to actual savings achieved. Consolidated reports
6 issued by the Department of Management Services may be used to
7 satisfy this requirement.

8 (b) It is the intent of the Legislature that total
9 accountability measures, including unit-cost data, serve not
10 only as a budgeting tool but also as a policymaking tool and
11 an accountability tool. Therefore, each state agency and the
12 judicial branch must submit a one-page summary of information
13 for the preceding year in accordance with the legislative
14 budget instructions. Each one-page summary must contain:

15 1. The final budget for the agency and the judicial
16 branch.

17 2. Total funds from the General Appropriations Act.

18 3. Adjustments to the General Appropriations Act.

19 4. The line-item listings of all activities.

20 5. The number of activity units performed or
21 accomplished.

22 6. Total expenditures for each activity, including
23 amounts paid to contractors and subordinate entities.
24 Expenditures related to administrative activities not aligned
25 with output measures must consistently be allocated to
26 activities with output measures prior to computing unit costs.

27 7. The cost per unit for each activity, including the
28 costs allocated to contractors and subordinate entities.

29 8. The total amount of reversions and pass-through
30 expenditures omitted from unit-cost calculations.

31

1 At the regular session immediately following the submission of
2 the agency unit cost summary, the Legislature shall reduce in
3 the General Appropriations Act for the ensuing fiscal year, by
4 an amount equal to at least 10 percent of the allocation for
5 the fiscal year preceding the current fiscal year, the funding
6 of each state agency that fails to submit the report required
7 under this paragraph.

8 ~~(5) At the time specified in the legislative budget~~
9 ~~instructions and in sufficient time to be included in the~~
10 ~~Governor's recommended budget, the judicial branch is required~~
11 ~~to submit a performance-based program budget request. The~~
12 ~~Chief Justice of the Supreme Court shall identify and, after~~
13 ~~consultation with the Office of Program Policy Analysis and~~
14 ~~Government Accountability, submit to the President of the~~
15 ~~Senate and the Speaker of the House of Representatives a list~~
16 ~~of proposed programs and associated performance measures. The~~
17 ~~judicial branch shall provide documentation to accompany the~~
18 ~~list of proposed programs and performance measures as provided~~
19 ~~under subsection (4). The judicial branch shall submit a~~
20 ~~performance-based program agency budget request using the~~
21 ~~programs and performance measures adopted by the Legislature.~~
22 ~~The Chief Justice may propose revisions to approved programs~~
23 ~~or performance measures for the judicial branch. The~~
24 ~~Legislature shall have final approval of all programs and~~
25 ~~associated performance measures and standards for the judicial~~
26 ~~branch through the General Appropriations Act or legislation~~
27 ~~implementing the General Appropriations Act. By September 15,~~
28 ~~2001, the Chief Justice of the Supreme Court shall submit to~~
29 ~~the President of the Senate and the Speaker of the House of~~
30 ~~Representatives a performance-based program budget request for~~

31

1 ~~programs of the judicial branch approved by the Legislature~~
2 ~~and provide a copy to the Executive Office of the Governor.~~
3 (5)~~(6)~~ Agencies must maintain a comprehensive
4 performance accountability system and provide a list of
5 performance measures maintained by the agency which are in
6 addition to the measures approved by the Legislature.
7 (6)~~(7)~~ Annually, by June 30, executive agencies shall
8 submit to the Executive Office of the Governor adjustments to
9 their performance standards based on the amounts appropriated
10 for each program by the Legislature. When such an adjustment
11 is made, all performance standards, including any adjustments
12 made, shall be reviewed and revised as necessary by the
13 Executive Office of the Governor and, upon approval, submitted
14 to the Legislature pursuant to the review and approval process
15 provided in s. 216.177. The Senate and the House of
16 Representatives appropriations committees ~~Senate Committee on~~
17 ~~Fiscal Policy and the House of Representatives Fiscal~~
18 ~~Responsibility Council~~ shall advise Senate substantive
19 committees and House of Representatives substantive
20 committees, respectively, of all adjustments made to
21 performance standards or measures. The Executive Office of the
22 Governor shall maintain ~~both~~ the official record of
23 adjustments to the performance standards ~~as part of the~~
24 ~~agency's approved operating budget and the official~~
25 ~~performance ledger~~. As used in this section, the term
26 "official record" ~~"performance ledger"~~ means the official
27 compilation of information about state agency
28 performance-based programs and measures, including approved
29 programs, approved outputs and outcomes, baseline data,
30 approved standards for each performance measure and any
31

1 approved adjustments thereto, as well as actual agency
2 performance for each measure.

3 (7)~~(8)~~ As a part of the legislative budget request,
4 the head of each state agency and the Chief Justice of the
5 Supreme Court for the judicial branch shall include an
6 inventory of all litigation in which the agency is involved
7 that may require additional appropriations to the agency, that
8 may significantly affect revenues received or anticipated to
9 be received by the state, or that may require ~~or~~ amendments to
10 the law under which the agency operates. No later than March
11 1 following the submission of the legislative budget request,
12 the head of the state agency and the Chief Justice of the
13 Supreme Court shall provide an update of any additions or
14 changes to the inventory. Such inventory shall include
15 information specified annually in the legislative budget
16 instructions.

17 (8)~~(9)~~ Annually, by June 30, the judicial branch shall
18 make adjustments to any performance standards for approved
19 programs based on the amount appropriated for each program,
20 which shall be submitted to the Legislature pursuant to the
21 notice and review process provided in s. 216.177. The Senate
22 and the House of Representatives appropriations committees
23 ~~Senate Committee on Fiscal Policy and the House Fiscal~~
24 ~~Responsibility Council~~ shall advise Senate substantive
25 committees and House substantive committees, respectively, of
26 all adjustments made to performance standards or measures.

27 (9)~~(10)~~ The Executive Office of the Governor shall
28 review the legislative budget request for technical compliance
29 with the budget format provided for in the budget
30 instructions. The Executive Office of the Governor shall
31 notify the agency or the judicial branch of any adjustment

1 required. The agency or judicial branch shall make the
2 appropriate corrections as requested. If the appropriate
3 technical corrections are not made as requested, the Executive
4 Office of the Governor shall adjust the budget request to
5 incorporate the appropriate technical corrections in the
6 format of the request.

7 (10)~~(11)~~ At any time after the Governor submits his or
8 her ~~and the Chief Justice submit their~~ recommended budget
9 ~~budgets~~ to the Legislature, the head of the agency or judicial
10 branch may amend his or her request by transmitting to the
11 Governor and the Legislature an amended request in the form
12 and manner prescribed in the legislative budget instructions.

13 (11)~~(12)~~ The legislative budget request from each
14 agency and from the judicial branch shall be reviewed by the
15 Legislature. The review may allow for the opportunity to have
16 information or testimony by the agency, the judicial branch,
17 the Auditor General, the Office of Program Policy Analysis and
18 Government Accountability, the Governor's Office of Planning
19 and Budgeting, and the public regarding the proper level of
20 funding for the agency in order to carry out its mission.

21 (12)~~(13)~~ In order to ensure an integrated state
22 planning and budgeting process, the agency long-range plan
23 should be reviewed by the Legislature.

24 Section 12. Section 216.031, Florida Statutes, is
25 amended to read:

26 216.031 Target budget request.--Either chair of a
27 legislative appropriations committee, or the Executive Office
28 of the Governor for state agencies, may require the agency or
29 the Chief Justice to address major issues separate from those
30 outlined in s. 216.023, this section, and s. 216.043 for
31 inclusion in the requests of the agency or of the judicial

1 branch. The issues shall be submitted to the agency no later
2 than July 30 of each year and shall be displayed in its
3 requests as provided in the budget instructions. The
4 Executive Office of the Governor may request an agency, or the
5 chair of the appropriations committees of the Senate or House
6 of Representatives may request any agency or the judicial
7 branch, to submit ~~no later than September 30 of each year a~~
8 budget plan with respect to targets established by the
9 Governor or either chair. The target budget shall require each
10 entity to establish an order of priorities for its budget
11 issues and may include requests for multiple options for the
12 budget issues. ~~The target budget may also require each entity~~
13 ~~to submit a program budget or a performance-based budget in~~
14 ~~the format prescribed by the Executive Office of the Governor~~
15 ~~or either chair; provided, however, The target budget format~~
16 shall be compatible with the planning and budgeting system
17 requirements set out in s. 216.141. Such a request shall not
18 influence the agencies' or judicial branch's independent
19 judgment in making legislative budget requests, as required by
20 law.

21 Section 13. Subsections (2), (3), (8), and (9) of
22 section 216.052, Florida Statutes, are repealed.

23 Section 14. Subsection (5) of section 216.053, Florida
24 Statutes, is repealed.

25 Section 15. Section 216.065, Florida Statutes, is
26 amended to read:

27 216.065 Fiscal impact statements on actions affecting
28 the budget.--In addition to the applicable requirements of
29 chapter 120, before the Governor, or Governor and Cabinet as a
30 body, performing any constitutional or statutory duty, or
31 before any state agency or statutorily authorized entity takes

1 ~~take~~ any final action that will affect revenues, ~~directly~~
2 require a request for an increased or new appropriation in the
3 following fiscal year, ~~or that will transfer current year~~
4 funds, ~~it they~~ shall first provide the legislative
5 appropriations committees with a fiscal impact statement that
6 details the effects of such action on the budget. The fiscal
7 impact statement must specify the estimated budget and revenue
8 impacts for the current year and the 2 subsequent fiscal years
9 at the same level of detail required to support a legislative
10 budget request, including amounts by appropriation category
11 and fund.

12 Section 16. Subsection (3) is added to section
13 216.081, Florida Statutes, to read:

14 216.081 Data on legislative and judicial branch
15 expenses.--

16 (3) If the Governor does not receive timely estimates
17 of the financial needs of the legislative branch, the
18 Governor's recommended budget must include the amounts
19 appropriated and budget entity structure established in the
20 most recent General Appropriations Act.

21 Section 17. Subsections (7) and (8) of section
22 216.136, Florida Statutes, are repealed.

23 Section 18. Subsection (1) of section 216.162, Florida
24 Statutes, is amended to read:

25 216.162 Governor's recommended budget to be furnished
26 Legislature; copies to members.--

27 (1) At least 40 ~~45~~ days before the scheduled annual
28 legislative session, the Governor shall furnish each senator
29 and representative a copy of his or her recommended balanced
30 budget for the state, based on the Governor's own conclusions
31 and judgment; provided, however, that in his or her first year

1 in office a new Governor may request, subject to approval of
2 the President of the Senate and the Speaker of the House of
3 Representatives, that his or her recommended balanced budget
4 be submitted at a later time prior to the Governor's first
5 regular legislative session.

6 Section 19. Subsections (1), (2), (3), and (4) of
7 section 216.167, Florida Statutes, are amended to read:

8 216.167 Governor's recommendations.--The Governor's
9 recommendations shall include a financial schedule that
10 provides:

11 (1) The Governor's estimate of the recommended
12 recurring revenues available in the Budget Stabilization Fund,
13 ~~the Working Capital Fund,~~ and the General Revenue Fund.

14 (2) The Governor's estimate of the recommended
15 nonrecurring revenues available in the Budget Stabilization
16 Fund, ~~the Working Capital Fund,~~ and the General Revenue Fund.

17 (3) The Governor's recommended recurring and
18 nonrecurring appropriations from the Budget Stabilization
19 Fund, ~~the Working Capital Fund,~~ and the General Revenue Fund.

20 (4) The Governor's estimates of any interfund loans or
21 temporary obligations of the Budget Stabilization Fund, the
22 General Revenue ~~Working Capital~~ Fund, or trust funds, which
23 loans or obligations are needed to implement his or her
24 recommended budget.

25 Section 20. Subsection (4) of section 216.168, Florida
26 Statutes, is amended to read:

27 216.168 Governor's amended revenue or budget
28 recommendations; optional and mandatory.--

29 (4) If the Governor determines, at any time after he
30 or she has furnished the Legislature with his or her
31 recommendations or amended recommendations, that the revenue

1 estimates upon which the Governor's recommendations were based
2 are insufficient to fund these recommendations, the Governor
3 shall amend his or her revenues or appropriations
4 recommendations to bring the Governor's recommended budget
5 into balance. ~~On or after March 1, if the Governor determines~~
6 ~~that there is insufficient time to provide the information for~~
7 ~~the amended recommendations required in ss. 216.164 and~~
8 ~~216.166, he or she shall be exempt from such requirement.~~

9 Section 21. Subsections (1), (2), and (3) of section
10 216.177, Florida Statutes, are amended to read:

11 216.177 Appropriations acts, statement of intent,
12 violation, notice, review and objection procedures.--

13 (1) When an appropriations act is delivered to the
14 Governor after the Legislature has adjourned sine die, as soon
15 as practicable, but no later than the 10th day before the end
16 of the period allowed by law for veto consideration in any
17 year in which an appropriation is made, the chairs of the
18 legislative appropriations committees shall jointly transmit:

19 (a) The official list of General Revenue Fund
20 appropriations determined in consultation with the Executive
21 Office of the Governor to be nonrecurring; and

22 (b) The documents set forth in s. 216.0442(2)(a) and
23 (c),

24
25 to the Executive Office of the Governor, the Chief Financial
26 Officer, the Auditor General, the director of the Office of
27 Program Policy Analysis and Government Accountability, the
28 Chief Justice of the Supreme Court, and each state agency. A
29 request for additional explanation and direction regarding the
30 legislative intent of the General Appropriations Act during
31 the fiscal year may be made to the chairs of the

1 appropriations committees of the Legislature ~~chair and vice~~
2 ~~chair of the Legislative Budget Commission~~ or the President of
3 the Senate and the Speaker of the House of Representatives
4 only by and through the Executive Office of the Governor for
5 state agencies, and by and through the Chief Justice of the
6 Supreme Court for the judicial branch, as is deemed necessary.
7 However, the Chief Financial Officer may also request further
8 clarification of legislative intent pursuant to the Chief
9 Financial Officer's responsibilities related to his or her
10 preaudit function of expenditures.

11 (2)(a) Whenever notice of action to be taken by the
12 Executive Office of the Governor or the Chief Justice of the
13 Supreme Court is required by this chapter, such notice shall
14 be given to the chairs of the appropriations committees of the
15 Legislature ~~chair and vice chair of the Legislative Budget~~
16 ~~Commission~~ in writing, and shall be delivered at least 14 days
17 prior to the action referred to, unless a shorter period is
18 approved in writing by the chairs ~~chair~~. If the action is
19 solely for the release of funds appropriated by the
20 Legislature, the notice shall be delivered at least 3 days
21 before the effective date of the action. Action shall not be
22 taken on any budget item for which this chapter requires
23 notice to the Legislative Budget Commission or the
24 appropriations committees without such notice having been
25 provided, even though there may be good cause for considering
26 such item.

27 (b) If the chairs of the appropriations committees of
28 the Legislature ~~chair and vice chair of the Legislative Budget~~
29 ~~Commission~~ or the President of the Senate and the Speaker of
30 the House of Representatives timely advise, in writing, the
31 Executive Office of the Governor or the Chief Justice of the

1 Supreme Court that an action or a proposed action, including
2 any expenditure of funds resulting from the settlement of
3 litigation involving a state agency or officer, whether
4 subject to the notice and review requirements of this chapter
5 or not, exceeds the delegated authority of the Executive
6 Office of the Governor for the executive branch or the Chief
7 Justice for the judicial branch, respectively, or is contrary
8 to legislative policy and intent, the Governor or the Chief
9 Justice of the Supreme Court shall void such action and
10 instruct the affected state agency or entity of the judicial
11 branch to change immediately its spending action or spending
12 proposal until the Legislative Budget Commission or the
13 Legislature addresses the issue. The written documentation
14 shall indicate the specific reasons that an action or proposed
15 action exceeds the delegated authority or is contrary to
16 legislative policy and intent.

17 (c) The House of Representatives and the Senate shall
18 provide by rule that any member of the House of
19 Representatives or Senate may request, in writing, of either
20 the President of the Senate or the Speaker of the House of
21 Representatives to initiate the procedures of paragraph (b).

22 (3) The Legislature may annually specify any
23 incentives and disincentives for agencies operating programs
24 under performance-based ~~program~~ budgets pursuant to this
25 chapter in the General Appropriations Act or legislation
26 implementing the General Appropriations Act.

27 Section 22. Subsections (1), (2), (4), (6), (8), (9),
28 (10), (12), and (16) of section 216.181, Florida Statutes, are
29 amended to read:

30 216.181 Approved budgets for operations and fixed
31 capital outlay.--

1 (1) The General Appropriations Act and any other acts
2 containing appropriations shall be considered the original
3 approved operating budgets for operational and fixed capital
4 expenditures. Amendments to the approved operating budgets for
5 operational and fixed capital outlay expenditures from state
6 agencies may be requested only through the Executive Office of
7 the Governor and approved by the Governor and the Legislative
8 Budget Commission as provided in this chapter. Amendments from
9 the judicial branch may be requested only through, ~~and~~
10 ~~approved by, the Chief Justice of the Supreme Court~~ and must
11 be approved by the Chief Justice and the Legislative Budget
12 Commission as provided in this chapter. This includes
13 amendments which are necessary to implement the provisions of
14 s. 216.212 or s. 216.221.

15 (2) Amendments to the original approved operating
16 budgets for operational and fixed capital outlay expenditures
17 must comply with the following guidelines in order to be
18 approved by the Governor and the Legislative Budget Commission
19 ~~as provided in this chapter~~ for the executive branch and the
20 Chief Justice and the Legislative Budget Commission for the
21 judicial branch:

22 (a) The amendment must be consistent with legislative
23 policy and intent.

24 (b) The amendment may not initiate or commence a new
25 program, except as authorized by this chapter, or eliminate an
26 existing program.

27 (c) Except as authorized in s. 216.292 or other
28 provisions of this chapter, the amendment may not provide
29 funding or increased funding for items which were funded by
30 the Legislature in an amount less than that requested by the
31 agency ~~or Governor~~ in the legislative budget request or

1 recommended by the Governor, or which were vetoed by the
2 Governor.

3 (d) For amendments that involve trust funds, there
4 must be adequate and appropriate revenues available in the
5 trust fund and the amendment must be consistent with the laws
6 authorizing such trust funds and the laws relating to the use
7 of the trust funds. However, a trust fund shall not be
8 increased in excess of the original approved budget, except as
9 provided in subsection (11).

10 (e) The amendment shall not conflict with any
11 provision of law.

12 (f) The amendment must not provide funding for any
13 issue which was requested by the agency or branch in its
14 legislative budget request and not funded in the General
15 Appropriations Act.

16 (g) The amendment must include a written description
17 of the purpose of the proposed change, an indication of why
18 interim budget action is necessary, and the intended recipient
19 of any funds for contracted services.

20 (h) The amendment must not provide general salary
21 increases which the Legislature has not authorized in the
22 General Appropriations Act or other laws.

23 (4) To the extent possible, individual members of the
24 Senate and the House of Representatives should be advised of
25 budget amendments requested by the executive branch and
26 judicial branch.

27 (6)(a) The Executive Office of the Governor or the
28 Chief Justice of the Supreme Court may require the submission
29 of a detailed plan from the agency or entity of the judicial
30 branch affected, consistent with the General Appropriations
31 Act, special appropriations acts, and statements ~~the statement~~

1 of intent before transferring and releasing the balance of a
2 lump-sum appropriation. ~~The provisions of this paragraph are~~
3 ~~subject to the notice and review procedures set forth in s.~~
4 ~~216.177.~~

5 (b) The Executive Office of the Governor and the Chief
6 Justice of the Supreme Court may amend, without approval of
7 the Legislative Budget Commission, state agency and judicial
8 branch entity budgets, respectively, to reflect the
9 transferred funds and to provide the associated increased
10 salary rate based on the approved plans for lump-sum
11 appropriations. The provisions of this paragraph are subject
12 to the notice and review procedures set forth in s. 216.177.

13
14 The Executive Office of the Governor shall transmit to each
15 state agency and the Chief Financial Officer, and the Chief
16 Justice shall transmit to each judicial branch component and
17 the Chief Financial Officer, any approved amendments to the
18 approved operating budgets.

19 (8) As part of the approved operating budget, the
20 Executive Office of the Governor shall furnish to each state
21 agency, and the Chief Justice of the Supreme Court shall
22 furnish to the entity of the judicial branch, an approved
23 annual salary rate for each budget entity containing a salary
24 appropriation. This rate shall be based upon the actual salary
25 rate and shall be consistent with the General Appropriations
26 Act or special appropriations acts. The annual salary rate
27 shall be:

28 (a) Determined by ~~Calculated based on the actual~~
29 ~~salary rate in effect on June 30, and the salary policy and~~
30 ~~the number of authorized positions as specified in the General~~
31 Appropriations Act and adjusted for reorganizations authorized

1 by law, for any other appropriations made by law, and, subject
2 to s. 216.177, for distributions of lump sum appropriations
3 and administered funds ~~special appropriations acts, or as~~
4 ~~provided pursuant to s. 216.177.~~

5 (b) Controlled by the budget entity ~~department or~~
6 ~~agency; except for the Department of Education, which shall be~~
7 ~~controlled by division and for the judicial branch, which~~
8 shall be controlled at the branch level.

9 (c) Assigned to the number of authorized positions.

10 (9)(a) The calculation for the annual salary rate for
11 vacant and newly authorized positions shall be ~~at no more than~~
12 ~~the midpoint of the range of the pay grade for the position or~~
13 as provided in the General Appropriations Act.

14 (b) No agency or the judicial branch may exceed its
15 maximum approved annual salary rate for the fiscal year.
16 However, at any time during the fiscal year, an agency or
17 entity of the judicial branch may exceed its approved rate for
18 all budget entities by no more than 5 percent, provided that,
19 by June 30 of every fiscal year, the agency or entity of the
20 judicial branch has reduced its salary rate so that the salary
21 rate for each budget entity is within the approved rate limit
22 for that budget entity.

23 (10)(a) The Legislative Budget Commission ~~Executive~~
24 ~~Office of the Governor and the Chief Justice of the Supreme~~
25 ~~Court may~~ authorize increases or decreases in ~~increase or~~
26 ~~decrease~~ the approved salary rate for positions ~~for the~~
27 ~~purpose of implementing the General Appropriations Act,~~
28 ~~special appropriations acts, and actions pursuant to s.~~
29 ~~216.262 consistent with legislative intent and policy. Other~~
30 ~~adjustments to approved salary rate must be approved by the~~
31 ~~Legislative Budget Commission pursuant to the request of the~~

1 agency filed with the Executive Office of the Governor or
2 pursuant to the request of an entity of the judicial branch
3 filed with the Chief Justice of the Supreme Court, if deemed
4 necessary and in the best interest of the state and consistent
5 with legislative policy and intent. ~~The provisions of this~~
6 ~~paragraph are subject to the notice and review procedures set~~
7 ~~forth in s. 216.177.~~

8 (b) Lump-sum salary bonuses may be provided only if
9 specifically appropriated or provided pursuant to s. 110.1245
10 or s. 216.1815.

11 (c) State agencies and the judicial branch shall
12 report, each fiscal quarter, the number of filled positions,
13 the number of vacant positions, and the salary rate associated
14 with each category to the Legislative Budget Commission in a
15 form and manner prescribed by the commission.

16 (12) There is appropriated nonoperating budget for
17 refunds, payments to the United States Treasury, payments of
18 the service charge to the General Revenue Fund, and transfers
19 of funds specifically required by law. Such authorized budget,
20 together with related releases, shall be transmitted by the
21 state agency or by the judicial branch to the Chief Financial
22 Officer for entry in his or her records in the manner and
23 format prescribed by the Executive Office of the Governor in
24 consultation with the Chief Financial Officer. A copy of such
25 authorized budgets shall be furnished to the Executive Office
26 of the Governor or the Chief Justice, the chairs of the
27 legislative committees responsible for developing the general
28 appropriations acts, and the Auditor General. The Governor may
29 withhold approval of nonoperating investment authority for
30 certain trust funds when deemed in the best interest of the
31 state. The Governor for the executive branch, and the Chief

1 Justice for the judicial branch, may establish nonoperating
2 budgets, with the approval of the chairs of the Senate and the
3 House of Representatives appropriations committees,for
4 transfers, purchase of investments, special expenses,
5 distributions, and any other nonoperating budget categories
6 they deem necessary and in the best interest of the state and
7 consistent with legislative intent and policy. ~~The provisions~~
8 ~~of this subsection are subject to the notice, review, and~~
9 ~~objection procedures set forth in s. 216.177.~~For purposes of
10 this section, the term "nonoperating budgets" means
11 nonoperating disbursement authority for purchase of
12 investments, refunds, payments to the United States Treasury,
13 transfers of funds specifically required by law, distributions
14 of assets held by the state in a trustee capacity as an agent
15 of fiduciary, special expenses, and other nonoperating budget
16 categories as determined necessary by the Executive Office of
17 the Governor and the chairs of the Senate and the House of
18 Representatives appropriations committees, not otherwise
19 appropriated in the General Appropriations Act.

20 (16)(a) Funds provided in any specific appropriation
21 in the General Appropriations Act may be advanced if the
22 General Appropriations Act specifically so provides.

23 (b) Any agency, or the judicial branch, that has been
24 authorized by the General Appropriations Act or expressly
25 authorized by other law to make advances for program startup
26 or advances for contracted services, in total or periodically,
27 shall limit such disbursements to other governmental entities
28 and not-for-profit corporations. The amount which may be
29 advanced shall not exceed the expected cash needs of the
30 contractor or recipient within the initial 3 months.
31 Thereafter, disbursements shall only be made on a

1 reimbursement basis. Any agreement that provides for
2 advancements may contain a clause that permits the contractor
3 or recipient to temporarily invest the proceeds, provided that
4 any interest income shall either be returned to the agency or
5 be applied against the agency's obligation to pay the contract
6 amount. This paragraph does not constitute lawful authority
7 to make any advance payment not otherwise authorized by laws
8 relating to a particular agency or general laws relating to
9 the expenditure or disbursement of public funds. The Chief
10 Financial Officer may, after consultation with the legislative
11 appropriations committees, advance funds beyond a 3-month
12 requirement if it is determined to be consistent with the
13 intent of the approved operating budget.

14 ~~(c) Unless specifically prohibited in the General~~
15 ~~Appropriations Act, funds appropriated to the Department of~~
16 ~~Children and Family Services and the Department of Health may~~
17 ~~be advanced for those contracted services that were approved~~
18 ~~for advancement by the Comptroller in fiscal year 1993-1994,~~
19 ~~including those services contracted on a fixed-price or~~
20 ~~unit-cost basis.~~

21 Section 23. Sections 216.1825 and 216.183, Florida
22 Statutes, are repealed.

23 Section 24. Section 216.192, Florida Statutes, is
24 amended to read:

25 216.192 Release of appropriations; revision of
26 budgets.--

27 (1) Unless otherwise provided in the General
28 Appropriations Act, on July 1 of each fiscal year, up to 25
29 percent of the original approved operating budget of each
30 agency and of the judicial branch may be released until such
31 time as annual plans for quarterly releases for all

1 appropriations have been developed, approved, and furnished to
2 the Chief Financial Officer by the Executive Office of the
3 Governor for state agencies and by the Chief Justice of the
4 Supreme Court for the judicial branch. The plans, including
5 appropriate plans of releases for fixed capital outlay
6 projects that correspond with each project schedule, shall
7 attempt to maximize the use of trust funds and shall be
8 transmitted to the Chief Financial Officer by August 1 of each
9 fiscal year. Such releases shall at no time exceed the total
10 appropriations available to a state agency or to the judicial
11 branch, or the approved budget for such agency or the judicial
12 branch if less. The Chief Financial Officer shall enter such
13 releases in his or her records in accordance with the release
14 plans prescribed by the Executive Office of the Governor and
15 the Chief Justice, unless otherwise amended as provided by
16 law. The Executive Office of the Governor and the Chief
17 Justice shall transmit a copy of the approved annual releases
18 to the head of the state agency, the chair and vice chair of
19 the Legislative Budget Commission, and the Auditor General.
20 The Chief Financial Officer shall authorize all expenditures
21 to be made from the appropriations on the basis of such
22 releases and in accordance with the approved budget, and not
23 otherwise. Expenditures shall be authorized only in accordance
24 with legislative authorizations. Nothing herein precludes
25 periodic reexamination and revision by the Executive Office of
26 the Governor or by the Chief Justice of the annual plans for
27 release of appropriations and the notifications of the parties
28 of all such revisions.

29 (2) Any department under the direct supervision of a
30 member of the Cabinet or of a board consisting of the Governor
31 and members of the Cabinet which contends that the plan for

1 releases of funds appropriated to it is contrary to the
2 approved operating budget shall have the right to have the
3 issue reviewed by the Administration Commission which shall
4 decide such issue by majority vote. ~~The appropriations~~
5 ~~committees of the Legislature may advise the Administration~~
6 ~~Commission on the issue.~~

7 (3) The Executive Office of the Governor shall make
8 releases within the amounts appropriated and as requested for
9 all appropriations to the legislative branch, and the
10 provisions of subsections (1) and (2) shall not apply to the
11 legislative branch.

12 ~~(4) The legislative appropriations committees may~~
13 ~~advise the Chief Financial Officer, the Executive Office of~~
14 ~~the Governor, or the Chief Justice relative to the release of~~
15 ~~any funds under this section.~~

16 (4)(5) The annual plans of releases authorized by this
17 section may be considered by the Revenue Estimating Conference
18 in preparation of the statement of financial outlook.

19 (5) In order to implement directives contained in the
20 General Appropriations Act or to prevent deficits pursuant to
21 s. 216.221, the Executive Office of the Governor for the
22 executive branch and the Chief Justice for the judicial branch
23 may place appropriations in budget reserve or mandatory
24 reserve.

25 (6) The provisions of this section are subject to the
26 notice and review procedures set forth in s. 216.177.

27 Section 25. Section 216.195, Florida Statutes, is
28 amended to read:

29 216.195 Impoundment of funds; restricted.--The
30 Executive Office of the Governor, the Chief Justice of the
31 Supreme Court, any member of the Cabinet, or any state agency

1 shall not impound any appropriation except as necessary to
2 avoid or eliminate a deficit pursuant to the provisions of s.
3 216.221. As used in this section, the term "impoundment"
4 means the omission of any appropriation or part of an
5 appropriation in the approved operating plan prepared pursuant
6 to s. 216.181 or in the schedule of releases prepared pursuant
7 to s. 216.192 or the failure of any state agency or the
8 judicial branch to spend an appropriation for the stated
9 purposes authorized in the approved operating budget. ~~The~~
10 ~~provisions of this section are subject to the notice and~~
11 ~~review procedures of s. 216.177.~~ The Governor or either house
12 of the Legislature may seek judicial review of any action or
13 proposed action which violates the provisions of this section.

14 Section 26. Subsections (2), (3), (5), (7), (9), and
15 (10) of section 216.221, Florida Statutes, are amended to
16 read:

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

19 (2) The Legislature may annually provide direction in
20 the General Appropriations Act regarding use of any state
21 funds ~~the Budget Stabilization Fund and Working Capital Fund~~
22 to offset General Revenue Fund deficits.

23 (3) For purposes of preventing a deficit in the
24 General Revenue Fund, all branches and agencies of government
25 ~~that receive General Revenue Fund appropriations~~ shall
26 participate in deficit reduction efforts. Absent specific
27 legislative direction in the General Appropriations Act, when
28 budget reductions are required in order to prevent a deficit
29 under the provisions of subsection (7), each branch shall
30 reduce its General Revenue Fund appropriations by a
31 proportional amount.

1 (5)(a) If, in the opinion of the Governor, after
2 consultation with the Revenue Estimating Conference, a deficit
3 will occur in the General Revenue Fund, he or she shall so
4 certify to the commission and to the Chief Justice of the
5 Supreme Court. No more than 30 days after certifying that a
6 deficit will occur in the General Revenue Fund, the Governor
7 shall develop for the executive branch, and the Chief Justice
8 of the Supreme Court shall develop for the judicial branch,
9 and provide to the commission and to the Legislature plans of
10 action to eliminate the deficit.

11 (b) If, in the opinion of the President of the Senate
12 and the Speaker of the House of Representatives, after
13 consultation with the Revenue Estimating Conference, a deficit
14 will occur in the General Revenue Fund and the Governor has
15 not certified the deficit, the President of the Senate and the
16 Speaker of the House of Representatives shall so certify.
17 Within 30 days after such certification, the Governor shall
18 develop for the executive branch and the Chief Justice of the
19 Supreme Court shall develop for the judicial branch, and
20 provide to the commission and to the Legislature, plans of
21 action to eliminate the deficit.

22 (c)~~(b)~~ In developing a plan of action to prevent
23 deficits in accordance with subsection (7), the Governor and
24 Chief Justice shall, to the extent possible, preserve
25 legislative policy and intent, and, absent any specific
26 direction to the contrary in the General Appropriations Act,
27 the Governor and Chief Justice shall comply with the following
28 guidelines for reductions in the approved operating budgets of
29 the executive branch and the judicial branch:

30 ~~1. Entire statewide programs previously established by~~
31 ~~the Legislature should not be eliminated.~~

1 ~~1.2.~~ Education budgets should not be reduced more than
2 provided for in s. 215.16(2).

3 ~~2.3.~~ The use of nonrecurring funds to solve recurring
4 deficits should be minimized.

5 ~~3.4.~~ Newly created programs that are not fully
6 implemented and programs with critical audits, evaluations,
7 and reviews should receive first consideration for reductions.

8 ~~4.5.~~ No agencies or branches of government receiving
9 appropriations should be exempt from reductions.

10 ~~5.6.~~ When reductions in positions are required, the
11 focus should be initially on vacant positions.

12 ~~7.~~ ~~Any reductions applied to all agencies and branches~~
13 ~~should be uniformly applied.~~

14 ~~6.8.~~ Reductions that would cause substantial losses of
15 federal funds should be minimized.

16 ~~9.~~ ~~To the greatest extent possible, across-the-board,~~
17 ~~prorated reductions should be considered.~~

18 ~~7.10.~~ Reductions to statewide programs should occur
19 only after review of programs that provide only local
20 benefits.

21 ~~8.11.~~ Reductions in administrative and support
22 functions should be considered before reductions in
23 direct-support services.

24 ~~9.12.~~ Maximum reductions should be considered in
25 budgets for expenses including travel and in budgets for
26 equipment replacement, outside consultants, and contracts.

27 ~~10.13.~~ Reductions in salaries for elected state
28 officials should be considered.

29 ~~11.14.~~ Reductions that adversely affect the public
30 health, safety, and welfare should be minimized.

31

1 12.15. The Budget Stabilization Fund should not be
2 reduced to a level that would impair the financial stability
3 of this state.

4 13.16. Reductions in programs that are traditionally
5 funded by the private sector and that may be assumed by
6 private enterprise should be considered.

7 14.17. Reductions in programs that are duplicated
8 among state agencies or branches of government should be
9 considered.

10 (7) Deficits in the General Revenue Fund that do not
11 meet the amounts specified by subsection (6) shall be resolved
12 by the Governor ~~Commission for the executive branch~~ and the
13 Chief Justice of the Supreme Court for the judicial branch.
14 The Governor ~~commission and Chief Justice~~ shall implement any
15 directions provided in the General Appropriations Act related
16 to eliminating deficits and to reducing agency and judicial
17 branch budgets, including the use of those legislative
18 appropriations voluntarily placed in reserve. In addition,
19 the Governor ~~commission~~ shall implement any directions in the
20 General Appropriations Act relating to the resolution of
21 deficit situations. When reducing state agency or judicial
22 branch budgets, the Governor ~~commission~~ or the Chief Justice,
23 respectively, shall use the guidelines prescribed in
24 subsection (5). The Executive Office of the Governor ~~for the~~
25 ~~commission~~, and the Chief Justice for the judicial branch,
26 shall implement the deficit reduction plans through amendments
27 to the approved operating budgets in accordance with s.
28 216.181.

29 (9) If, in the opinion of the Chief Financial Officer,
30 after consultation with the Revenue Estimating Conference, a
31 deficit will occur, he or she shall report his or her opinion

1 to the Governor, the President of the Senate, and the Speaker
2 of the House of Representatives in writing. In the event the
3 Governor does not certify a deficit, or the President of the
4 Senate and the Speaker of the House of Representatives do not
5 certify a deficit, within 10 days after the Chief Financial
6 Officer's report, the Chief Financial Officer shall report his
7 or her findings and opinion to the commission and the Chief
8 Justice of the Supreme Court.

9 (10) When advised by the Revenue Estimating
10 Conference, the Chief Financial Officer, or any agency
11 responsible for a trust fund that a deficit will occur with
12 respect to the appropriations from a specific trust fund in
13 the current fiscal year, the Governor for the executive
14 branch, or the Chief Justice for the judicial branch, shall
15 develop a plan of action to eliminate the deficit. Before
16 implementing the plan of action, the Governor or the Chief
17 Justice must comply with the provisions of s. 216.177(2), and
18 actions to resolve deficits in excess of \$1 million must be
19 approved by the Legislative Budget Commission. In developing
20 the plan of action, the Governor or the Chief Justice shall,
21 to the extent possible, preserve legislative policy and
22 ~~intent, and, absent any specific directions to the contrary in~~
23 ~~the General Appropriations Act, any reductions in~~
24 ~~appropriations from the trust fund for the fiscal year shall~~
25 ~~be prorated among the specific appropriations made from the~~
26 ~~trust fund for the current fiscal year.~~

27 Section 27. Subsection (2) of section 216.231, Florida
28 Statutes, is amended to read:

29 216.231 Release of certain classified
30 appropriations.--

31

1 (2) The release of appropriated funds classified as
2 "deficiency" shall be approved only when a General Revenue
3 Fund appropriation for operations of a state agency or of the
4 judicial branch is inadequate because the workload or cost of
5 the operation exceeds that anticipated by the Legislature and
6 a determination has been made by the Governor ~~commission~~ that
7 the deficiency will result in an impairment of the activities
8 of an agency or of the judicial branch to the extent that the
9 agency is unable to carry out its program as provided by the
10 Legislature in the general appropriations acts. These funds
11 may not be used for creation of any new agency or program, for
12 increases of salary, or for the construction or equipping of
13 additional buildings.

14 Section 28. Subsections (3), (6), and (11) of section
15 216.235, Florida Statutes, are amended to read:

16 216.235 Innovation Investment Program.--

17 (3) For purposes of this section:

18 (a) "Agency" means an official, officer, commission,
19 authority, council, committee, department, division, bureau,
20 board, section, or other unit or entity of the executive
21 branch.

22 ~~(b) "Commission" means the Information Resource~~
23 ~~Commission.~~

24 (b)~~(e)~~ "Committee" means the State Innovation
25 Committee.

26 (c)~~(d)~~ "Office" means the Office of Tourism, Trade,
27 and Economic Development within the Executive Office of the
28 Governor.

29 (d)~~(e)~~ "Review board" means a nonpartisan board
30 composed of private citizens and public employees who evaluate
31

1 the projects and make funding recommendations to the
2 committee.

3 (6) Any agency developing an innovative investment
4 project proposal that involves information technology
5 resources may consult with and seek technical assistance from
6 the state technology office ~~commission~~. The office shall
7 consult with the state technology office ~~commission~~ for any
8 project proposal that involves information resource
9 technology. The state technology office ~~commission~~ is
10 responsible for evaluating these projects and for advising the
11 committee and review board of the technical feasibility and
12 any transferable benefits of the proposed technology. In
13 addition to the requirements of subsection (5), the agencies
14 shall provide to the state technology office ~~commission~~ any
15 information requested by the state technology office
16 ~~commission~~ to aid in determining that the proposed technology
17 is appropriate for the project's success.

18 (11) Funds appropriated for the Innovation Investment
19 Program shall be distributed by the Executive Office of the
20 Governor subject to notice, review, and objection procedures
21 set forth in s. 216.177. The office may transfer funds from
22 the annual appropriation as necessary to administer the
23 program. Proposals considered but not funded by the
24 Legislature as part of an agency legislative budget request or
25 the Governor's budget recommendation are not eligible to
26 receive funding under the Innovation Investment Program.

27 Section 29. Section 216.241, Florida Statutes, is
28 amended to read:

29 216.241 Initiation or commencement of new programs;
30 approval; expenditure of certain revenues.--

31

1 (1) A state agency or the judicial branch may not
2 initiate or commence any new program, including any new
3 federal program or initiative, or make changes in its current
4 programs, as provided for in the appropriations act, that
5 require additional financing unless funds have been
6 specifically appropriated by the Legislature or unless the
7 Legislative Budget Commission ~~or the Chief Justice of the~~
8 ~~Supreme Court~~ expressly approves such new program or changes.
9 ~~The commission and the Chief Justice shall give notice as~~
10 ~~provided in s. 216.177 prior to approving such new program or~~
11 ~~changes.~~

12 (2) ~~No~~ Changes that ~~which~~ are inconsistent with the
13 approved ~~operating~~ budget may not ~~shall~~ be made to existing
14 programs unless such changes are recommended to the
15 Legislative Budget Commission by the Governor or the Chief
16 Justice and the Legislative Budget Commission expressly
17 approves such program changes. The provisions of this
18 subsection are subject to the notice, review, and objection
19 procedures set forth in s. 216.177.

20 (3) Any revenues generated by any tax or fee imposed
21 by amendment to the State Constitution after October 1, 1999,
22 shall not be expended by any agency, as defined in s.
23 120.52(1), except pursuant to appropriation by the
24 Legislature.

25 (4) A state agency or the judicial branch may not
26 shift functions or responsibilities from agency staff to the
27 private sector or to another agency's staff, including
28 outsourcing, public-private partnerships, or shared-savings
29 initiatives, without specific approval by the Legislature or,
30 absent such specific approval but consistent with legislative
31 intent and policy, without specific approval by the

1 Legislative Budget Commission. A request for such approval,
2 including a recommendation submitted in an agency's
3 legislative budget request or the Governor's budget
4 recommendation, must include, but need not be limited to,
5 applicable supporting cost-benefit analyses, business case
6 analyses, proposed performance contracting procedures,
7 detailed service comparisons, and impacts to approved
8 performance standards. Adjustments to the approved budget
9 which are not reflected in the General Appropriations Act and
10 which are necessary to implement such shifts of functions and
11 responsibilities must be approved by the Legislative Budget
12 Commission prior to the execution of any related contracts or
13 other agreements.

14 Section 30. Subsection (2) of section 216.251, Florida
15 Statutes, is amended to read:

16 216.251 Salary appropriations; limitations.--

17 (2)(a) The salary for each position not specifically
18 indicated in the appropriations acts shall be as provided in
19 one of the following subparagraphs:

20 1. Within the classification and pay plans provided
21 for in chapter 110.

22 2. Within the classification and pay plans established
23 by the Board of Trustees for the Florida School for the Deaf
24 and the Blind of the Department of Education and approved by
25 the State Board of Education for academic and academic
26 administrative personnel.

27 3. Within the classification and pay plan approved and
28 administered by the State Board of Education ~~Board of Regents~~
29 for those positions in the State University System.

30 4. Within the classification and pay plan approved by
31 the President of the Senate and the Speaker of the House of

1 Representatives, as the case may be, for employees of the
2 Legislature.

3 5. Within the approved classification and pay plan for
4 the judicial branch.

5 ~~6. The salary of all positions not specifically~~
6 ~~included in this subsection shall be set by the commission or~~
7 ~~by the Chief Justice for the judicial branch.~~

8 (b) Salary payments shall be made only to employees
9 filling established positions included in the agency's or in
10 the judicial branch's approved budgets and amendments thereto
11 as may be provided by law; provided, however:

12 1. Reclassification of established positions may be
13 accomplished when justified in accordance with the established
14 procedures for reclassifying positions; or

15 2. When the Division of Risk Management of the
16 Department of Financial Services has determined that an
17 employee is entitled to receive a temporary partial disability
18 benefit or a temporary total disability benefit pursuant to
19 the provisions of s. 440.15 and there is medical certification
20 that the employee cannot perform the duties of the employee's
21 regular position, but the employee can perform some type of
22 work beneficial to the agency, the agency may return the
23 employee to the payroll, at his or her regular rate of pay, to
24 perform such duties as the employee is capable of performing,
25 even if there is not an established position in which the
26 employee can be placed. Nothing in this subparagraph shall
27 abrogate an employee's rights under chapter 440 or chapter
28 447, nor shall it adversely affect the retirement credit of a
29 member of the Florida Retirement System in the membership
30 class he or she was in at the time of, and during, the
31 member's disability.

1 Section 31. Paragraphs (a) and (c) of subsection (1)
2 of section 216.262, Florida Statutes, are amended to read:

3 216.262 Authorized positions.--

4 (1)(a) Unless otherwise expressly provided by law, the
5 total number of authorized positions may not exceed the total
6 provided in the appropriations acts. In the event any state
7 agency or entity of the judicial branch finds that the number
8 of positions so provided is not sufficient to administer its
9 authorized programs, it may file an application with the
10 Executive Office of the Governor or the Chief Justice; and, if
11 the Executive Office of the Governor or Chief Justice
12 certifies that there are no authorized positions available for
13 addition, deletion, or transfer within the agency as provided
14 in paragraph (c) and recommends an increase in the number of
15 positions, the Governor or the Chief Justice may recommend,
16 ~~after a public hearing, authorize~~ an increase in the number of
17 positions for the following reasons only:

18 1. To implement or provide for continuing federal
19 grants or changes in grants not previously anticipated;

20 2. To meet emergencies pursuant to s. 252.36;

21 3. To satisfy new federal regulations or changes
22 therein;

23 4. To take advantage of opportunities to reduce
24 operating expenditures or to increase the revenues of the
25 state or local government; and

26 5. To authorize positions which were not fixed by the
27 Legislature through error in drafting the appropriations acts.

28
29 Actions recommended pursuant to the provisions of this
30 paragraph are subject to approval by the Legislative Budget
31 Commission ~~the notice and review procedures set forth in s.~~

1 ~~216.177. A copy of the application,~~The certification, and the
2 final authorization shall be provided to ~~filed with~~ the
3 Legislative Budget Commission, the appropriations committees,
4 and ~~with~~ the Auditor General.

5 (c)1. The Executive Office of the Governor, under such
6 procedures and qualifications as it deems appropriate, shall,
7 upon agency request, delegate to any state agency authority to
8 add and delete authorized positions or transfer authorized
9 positions from one budget entity to another budget entity
10 within the same division, and may approve additions and
11 deletions of authorized positions or transfers of authorized
12 positions within the state agency when such changes would
13 enable the agency to administer more effectively its
14 authorized and approved programs. The additions or deletions
15 must be consistent with the intent of the approved operating
16 budget, must be consistent with legislative policy and intent,
17 and must not conflict with specific spending policies
18 specified in the General Appropriations Act.

19 2. The Chief Justice of the Supreme Court shall have
20 the authority to establish procedures for the judicial branch
21 to add and delete authorized positions or transfer authorized
22 positions from one budget entity to another budget entity, and
23 to add and delete authorized positions within the same budget
24 entity, when such changes are consistent with legislative
25 policy and intent and do not conflict with spending policies
26 specified in the General Appropriations Act.

27 ~~3.a. A state agency may be eligible to retain salary~~
28 ~~dollars for authorized positions eliminated after July 1,~~
29 ~~2001. The agency must certify the eliminated positions to the~~
30 ~~Legislative Budgeting Commission.~~

31

1 ~~b. The Legislative Budgeting Commission shall~~
2 ~~authorize the agency to retain 20 percent of the salary~~
3 ~~dollars associated with the eliminated positions and may~~
4 ~~authorize retention of a greater percentage. All such salary~~
5 ~~dollars shall be used for permanent salary increases.~~

6 Section 32. Section 216.292, Florida Statutes, is
7 amended to read:

8 (Substantial rewording of section. See
9 s. 216.292, F.S., for present text.)

10 216.292 Appropriations nontransferable; exceptions.--

11 (1)(a) Funds provided in the General Appropriations
12 Act or as otherwise expressly provided by law shall be
13 expended only for the purpose for which appropriated, except
14 that such moneys may be transferred as provided in this
15 section when it is determined to be in the best interest of
16 the state. Appropriations for fixed capital outlay may not be
17 expended for any other purpose. Appropriations may not be
18 transferred between state agencies, or between a state agency
19 and the judicial branch, unless specifically authorized by
20 law.

21 (b)1. Authorized revisions of the original approved
22 operating budget, together with related changes in the plan
23 for release of appropriations, if any, shall be transmitted by
24 the state agency or by the judicial branch to the Executive
25 Office of the Governor or the Chief Justice, respectively, the
26 chairs of the Senate and the House of Representatives
27 appropriations committees, the Office of Program Policy
28 Analysis and Government Accountability, and the Auditor
29 General. Such authorized revisions must be consistent with the
30 intent of the approved operating budget, must be consistent
31 with legislative policy and intent, and may not conflict with

1 specific spending policies specified in the General
2 Appropriations Act.

3 2. Authorized revisions, together with related
4 changes, if any, in the plan for release of appropriations,
5 shall be transmitted by the state agency or by the judicial
6 branch to the Chief Financial Officer for entry in the Chief
7 Financial Officer's records in the manner and format
8 prescribed by the Executive Office of the Governor in
9 consultation with the Chief Financial Officer.

10 3. The Executive Office of the Governor or the Chief
11 Justice shall forward a copy of the revisions within 7 working
12 days to the Chief Financial Officer for entry in his or her
13 records in the manner and format prescribed by the Executive
14 Office of the Governor in consultation with the Chief
15 Financial Officer.

16 (2) The following transfers are authorized to be made
17 by the head of each department or the Chief Justice of the
18 Supreme Court:

19 (a) The transfer of appropriations funded from
20 identical funding sources, except appropriations for fixed
21 capital outlay, and the transfer of amounts included within
22 the total original approved budget and releases as furnished
23 pursuant to ss. 216.181 and 216.192, as follows:

24 1. Between categories of appropriations within a
25 budget entity, if no category of appropriation is increased or
26 decreased by more than 5 percent of the original approved
27 budget or \$250,000, whichever is greater, by all action taken
28 under this subsection.

29 2. Additionally, between budget entities within
30 identical categories of appropriations, if no category of
31 appropriation is increased or decreased by more than 5 percent

1 of the original approved budget or \$250,000, whichever is
2 greater, by all action taken under this subsection.

3 (b) After providing notice at least 5 working days
4 prior to implementation:

5 1. The transfer of funds within programs identified in
6 the General Appropriations Act from identical funding sources
7 between the following appropriation categories without
8 limitation so long as such a transfer does not result in an
9 increase to the total recurring general revenue or trust fund
10 cost of the agency or entity of the judicial branch in the
11 subsequent fiscal year: other personal services, expenses,
12 operating capital outlay, food products, state attorney and
13 public defender operations, acquisition of motor vehicles,
14 data processing services, operating and maintenance of patrol
15 vehicles, overtime payments, salary incentive payments,
16 compensation to retired judges, law libraries, and juror and
17 witness payments.

18 2. The transfer of funds and positions from identical
19 funding sources between salaries and benefits appropriation
20 categories within programs identified in the General
21 Appropriations Act. Such transfers must be consistent with
22 legislative policy and intent and may not adversely affect
23 achievement of approved performance outcomes or outputs in any
24 program.

25 (c) The transfer of funds appropriated to accounts
26 established for disbursement purposes upon release of such
27 appropriation upon request of a department and approval by the
28 Chief Financial Officer. Such transfer may only be made to the
29 same appropriation category and the same funding source from
30 which the funds are transferred.

31

1 (d) The transfer by the Executive Office of the
2 Governor of funds from appropriations for public school
3 operations to a fixed capital outlay appropriation for class
4 size reduction based on recommendations of the Florida
5 Education Finance Program Appropriation Allocation Conference
6 or the Legislative Budget Commission pursuant to s.
7 1003.03(4)(a). Actions by the Governor under this subsection
8 are subject to the notice and review provisions of s. 216.177.

9 (e) The transfer by the Department of Children and
10 Family Services of general revenue funds appropriated for
11 targeted case management services to the Agency for Health
12 Care Administration to fund state match requirements exceeding
13 the amount specified in the General Appropriations Act for
14 Medicaid targeted case management services.

15 (f) The transfer by the Department of Elderly Affairs
16 of funds that are appropriated for the Assisted Living for the
17 Elderly Medicaid waiver and not expended to the agency to fund
18 Medicaid-reimbursed nursing home care.

19 (g) The transfer of funds appropriated to the
20 Department of Children and Family Services for developmental
21 services programs only if the secretary finds that treatment
22 programs for developmental disabilities will not be adversely
23 affected.

24 (3) The following transfers are authorized with the
25 approval of the Executive Office of the Governor, subject to
26 the notice and review provisions of s. 216.177:

27 (a) The transfer of appropriations for operations from
28 trust funds in excess of those provided in subsection (2), up
29 to \$1 million.

30 (b) The transfer of positions between budget entities.

31

1 (4) The following transfers are authorized with the
2 approval of the Legislative Budget Commission. Unless waived
3 by the chair and vice chair of the commission, notice of such
4 transfers must be provided 14 days before the commission
5 meeting:

6 (a) The transfer of appropriations for operations from
7 the General Revenue Fund in excess of those provided in this
8 section but within a state agency or within the judicial
9 branch, as recommended by the Executive Office of the Governor
10 or the Chief Justice of the Supreme Court.

11 (b) The transfer of appropriations for operations from
12 trust funds in excess of those provided in this section which
13 exceed the greater of 5 percent of the original approved
14 budget or \$1 million, as recommended by the Executive Office
15 of the Governor or the Chief Justice of the Supreme Court.

16 (c) The transfer of the portion of an appropriation
17 for a named fixed capital outlay project found to be in excess
18 of that needed to complete the project to another project for
19 which there has been an appropriation in the same fiscal year
20 from the same fund and within the same department where a
21 deficiency is found to exist, at the request of the Executive
22 Office of the Governor for state agencies or the Chief Justice
23 of the Supreme Court for the judicial branch. The scope of a
24 fixed capital outlay project may not be changed by any
25 transfer of funds made pursuant to this subsection.

26 (d) The transfers necessary to accomplish the purposes
27 of reorganization within state agencies or the judicial branch
28 authorized by the Legislature when the necessary adjustments
29 of appropriations and positions have not been provided in the
30 General Appropriations Act.

31

1 (5) No transfer of funds may result in the initiation
2 of a fixed capital outlay project that has not received a
3 specific legislative appropriation; except that federal funds
4 for fixed capital outlay projects for the Department of
5 Military Affairs, which do not carry a continuing commitment
6 on future appropriations by the Legislature, may be approved
7 by the Executive Office of the Governor for the purpose
8 received, subject to the notice, review, and objection
9 procedures set forth in s. 216.177.

10 (6) The Chief Financial Officer shall transfer from
11 any available funds of an agency or the judicial branch the
12 following amounts and shall report all such transfers and the
13 reasons therefor to the legislative appropriations committees
14 and the Executive Office of the Governor:

15 (a) The amount due to the Unemployment Compensation
16 Trust Fund which is more than 90 days delinquent on
17 reimbursements due to the Unemployment Compensation Trust
18 Fund. The amount transferred shall be that certified by the
19 state agency providing unemployment tax collection services
20 under contract with the Agency for Workforce Innovation
21 through an interagency agreement pursuant to s. 443.1316.

22 (b) The amount due to the Division of Risk Management
23 which is more than 90 days delinquent in payment to the
24 Division of Risk Management of the Department of Financial
25 Services for insurance coverage. The amount transferred shall
26 be that certified by the division.

27 (c) The amount due to the Communications Working
28 Capital Trust Fund from moneys appropriated in the General
29 Appropriations Act for the purpose of paying for services
30 provided by the state communications system in the Department
31 of Management Services which is unpaid 45 days after the

1 billing date. The amount transferred shall be that billed by
2 the department.

3 Section 33. Section 216.301, Florida Statutes, is
4 amended to read:

5 216.301 Appropriations; undisbursed balances.--

6 (1)(a) Any balance of any appropriation, except an
7 appropriation for fixed capital outlay, which is not disbursed
8 but which is expended or contracted to be expended shall, at
9 the end of each fiscal year, be certified by the head of the
10 affected state agency or the judicial or legislative branches,
11 on or before August 1 of each year, to the Executive Office of
12 the Governor, showing in detail the obligees to whom obligated
13 and the amounts of such obligations. On or before September 1
14 of each year, the Executive Office of the Governor shall
15 review and approve or disapprove, consistent with legislative
16 policy and intent, any or all of the items and amounts
17 certified by the head of the affected state agency and shall
18 approve all items and amounts certified by the Chief Justice
19 of the Supreme Court for the judicial branch and by the
20 legislative branch and shall furnish the Chief Financial
21 Officer, the legislative appropriations committees, and the
22 Auditor General a detailed listing of the items and amounts
23 approved as legal encumbrances against the undisbursed balance
24 of such appropriation. The review shall assure that trust
25 funds have been fully maximized. Any such encumbered balance
26 remaining undisbursed on December 31 of the same calendar year
27 in which such certification was made shall revert to the fund
28 from which appropriated, except as provided in subsection (3),
29 and shall be available for reappropriation by the Legislature.
30 In the event such certification is not made and an obligation
31 is proven to be legal, due, and unpaid, then the obligation

1 shall be paid and charged to the appropriation for the current
2 fiscal year of the state agency or the legislative or judicial
3 branch affected.

4 (b) Any balance of any appropriation, except an
5 appropriation for fixed capital outlay, for any given fiscal
6 year remaining after charging against it any lawful
7 expenditure shall revert to the fund from which appropriated
8 and shall be available for reappropriation by the Legislature.

9 (c) Each department and the judicial branch shall
10 maintain the integrity of the General Revenue Fund.
11 Appropriations from the General Revenue Fund contained in the
12 original approved budget may be transferred to the proper
13 trust fund for disbursement. Any reversion of appropriation
14 balances from programs which receive funding from the General
15 Revenue Fund and trust funds shall be transferred to the
16 General Revenue Fund within 15 days after such reversion,
17 unless otherwise provided by federal or state law, including
18 the General Appropriations Act. The Executive Office of the
19 Governor or the Chief Justice of the Supreme Court shall
20 determine the state agency or judicial branch programs which
21 are subject to this paragraph. This determination shall be
22 subject to the legislative consultation and objection process
23 in this chapter. The Education Enhancement Trust Fund shall
24 not be subject to the provisions of this section.

25 (2)(a) The balance of any appropriation for fixed
26 capital outlay which is not disbursed but expended,
27 contracted, or committed to be expended prior to February 1 of
28 the second fiscal year of the appropriation, or the third
29 fiscal year if it is for an educational facility as defined in
30 chapter 1013 or for a construction project of a state
31 university, shall be certified by the head of the affected

1 state agency or the legislative or judicial branch on February
2 1 to the Executive Office of the Governor, showing in detail
3 the commitment or to whom obligated and the amount of the
4 commitment or obligation. The Executive Office of the Governor
5 shall review and approve or disapprove, consistent with
6 criteria jointly developed by the Executive Office of the
7 Governor and the legislative appropriations committees, the
8 continuation of such unexpended balances. The Executive Office
9 of the Governor shall, not later than February 20 of each
10 year, furnish the Chief Financial Officer, the legislative
11 appropriations committees, and the Auditor General a report
12 listing in detail the items and amounts reverting under the
13 authority of this subsection, including the fund to which
14 reverted and the agency affected.

15 (b) The certification required in this subsection must
16 be in the form and on the date approved by the Executive
17 Office of the Governor. Any balance that is not certified
18 shall revert to the fund from which it was appropriated and be
19 available for reappropriation.

20 (c) The balance of any appropriation for fixed capital
21 outlay certified forward under paragraph (a) which is not
22 disbursed but expended, contracted, or committed to be
23 expended prior to the end of the second fiscal year of the
24 appropriation, or the third fiscal year if it is for an
25 educational facility as defined in chapter 1013 or for a
26 construction project of a state university, and any subsequent
27 fiscal year, shall be certified by the head of the affected
28 state agency or the legislative or judicial branch on or
29 before August 1 of each year to the Executive Office of the
30 Governor, showing in detail the commitment or to whom
31 obligated and the amount of such commitment or obligation. On

1 or before September 1 of each year, the Executive Office of
2 the Governor shall review and approve or disapprove,
3 consistent with legislative policy and intent, any or all of
4 the items and amounts certified by the head of the affected
5 state agency and shall approve all items and amounts certified
6 by the Chief Justice of the Supreme Court and by the
7 legislative branch and shall furnish the Chief Financial
8 Officer, the legislative appropriations committees, and the
9 Auditor General a detailed listing of the items and amounts
10 approved as legal encumbrances against the undisbursed
11 balances of such appropriations. If such certification is not
12 made and the balance of the appropriation has reverted and the
13 obligation is proven to be legal, due, and unpaid, the
14 obligation shall be presented to the Legislature for its
15 consideration.

16 (3) The President of the Senate and the Speaker of the
17 House of Representatives may notify the Executive Office of
18 the Governor to retain certified-forward balances from
19 legislative budget entities until June 30 of the following
20 fiscal year.

21 ~~(2)(a) Any balance of any appropriation for fixed~~
22 ~~capital outlay not disbursed but expended or contracted or~~
23 ~~committed to be expended shall, at the end of each fiscal~~
24 ~~year, be certified by the head of the affected state agency or~~
25 ~~the legislative or judicial branch, on or before August 1 of~~
26 ~~each year, to the Executive Office of the Governor, showing in~~
27 ~~detail the commitment or to whom obligated and the amount of~~
28 ~~such commitment or obligation. On or before September 1 of~~
29 ~~each year, the Executive Office of the Governor shall review~~
30 ~~and approve or disapprove, consistent with legislative policy~~
31 ~~and intent, any or all of the items and amounts certified by~~

1 ~~the head of the affected state agency and shall approve all~~
2 ~~items and amounts certified by the Chief Justice of the~~
3 ~~Supreme Court and by the legislative branch and shall furnish~~
4 ~~the Chief Financial Officer, the legislative appropriations~~
5 ~~committees, and the Auditor General a detailed listing of the~~
6 ~~items and amounts approved as legal encumbrances against the~~
7 ~~undisbursed balances of such appropriations. In the event such~~
8 ~~certification is not made and the balance of the appropriation~~
9 ~~has reverted and the obligation is proven to be legal, due,~~
10 ~~and unpaid, then the same shall be presented to the~~
11 ~~Legislature for its consideration.~~

12 ~~(b) Such certification as herein required shall be in~~
13 ~~the form and on the date approved by the Executive Office of~~
14 ~~the Governor. Any balance not so certified shall revert to the~~
15 ~~fund from which appropriated and shall be available for~~
16 ~~reappropriation.~~

17 ~~(3) Notwithstanding the provisions of subsection (2),~~
18 ~~the unexpended balance of any appropriation for fixed capital~~
19 ~~outlay subject to but not under the terms of a binding~~
20 ~~contract or a general construction contract prior to February~~
21 ~~1 of the second fiscal year, or the third fiscal year if it is~~
22 ~~for an educational facility as defined in chapter 1013 or a~~
23 ~~construction project of a state university, of the~~
24 ~~appropriation shall revert on February 1 of such year to the~~
25 ~~fund from which appropriated and shall be available for~~
26 ~~reappropriation. The Executive Office of the Governor shall,~~
27 ~~not later than February 20 of each year, furnish the Chief~~
28 ~~Financial Officer, the legislative appropriations committees,~~
29 ~~and the Auditor General a report listing in detail the items~~
30 ~~and amounts reverting under the authority of this subsection,~~
31 ~~including the fund to which reverted and the agency affected.~~

1 Section 34. Effective July 1, 2005, subsection (1) of
2 section 216.301, Florida Statutes, as amended by this act, is
3 amended to read:

4 216.301 Appropriations; undisbursed balances.--

5 (1)(a) Any balance of any appropriation, except an
6 appropriation for fixed capital outlay, which is not disbursed
7 but which is expended ~~or contracted to be expended~~ shall, at
8 the end of each fiscal year, be certified by the head of the
9 affected state agency or the judicial or legislative branches,
10 on or before August 1 of each year, to the Executive Office of
11 the Governor, showing in detail the obligees to whom obligated
12 and the amounts of such obligations. ~~On or before September 1~~
13 ~~of each year, the Executive Office of the Governor shall~~
14 ~~review and approve or disapprove, consistent with legislative~~
15 ~~policy and intent, any or all of the items and amounts~~
16 ~~certified by the head of the affected state agency and shall~~
17 ~~approve all items and amounts certified by the Chief Justice~~
18 ~~of the Supreme Court for the judicial branch and by the~~
19 ~~legislative branch and shall furnish the Chief Financial~~
20 ~~Officer, the legislative appropriations committees, and the~~
21 ~~Auditor General a detailed listing of the items and amounts~~
22 ~~approved as legal encumbrances against the undisbursed balance~~
23 ~~of such appropriation. The review shall assure that trust~~
24 ~~funds have been fully maximized.~~Any such encumbered balance
25 remaining undisbursed on September 30 ~~December 31~~ of the same
26 calendar year in which such certification was made shall
27 revert to the fund from which appropriated, except as provided
28 in subsection (3), and shall be available for reappropriation
29 by the Legislature. In the event such certification is not
30 made and an obligation is proven to be legal, due, and unpaid,
31 then the obligation shall be paid and charged to the

1 appropriation for the current fiscal year of the state agency
2 or the legislative or judicial branch affected.

3 (b) Any balance of any appropriation, except an
4 appropriation for fixed capital outlay, for any given fiscal
5 year remaining after charging against it any lawful
6 expenditure shall revert to the fund from which appropriated
7 and shall be available for reappropriation by the Legislature.

8 (c) Each department and the judicial branch shall
9 maintain the integrity of the General Revenue Fund.
10 Appropriations from the General Revenue Fund contained in the
11 original approved budget may be transferred to the proper
12 trust fund for disbursement. Any reversion of appropriation
13 balances from programs which receive funding from the General
14 Revenue Fund and trust funds shall be transferred to the
15 General Revenue Fund within 15 days after such reversion,
16 unless otherwise provided by federal or state law, including
17 the General Appropriations Act. The Executive Office of the
18 Governor or the Chief Justice of the Supreme Court shall
19 determine the state agency or judicial branch programs which
20 are subject to this paragraph. This determination shall be
21 subject to the legislative consultation and objection process
22 in this chapter. The Education Enhancement Trust Fund shall
23 not be subject to the provisions of this section.

24 Section 35. Section 216.341, Florida Statutes, is
25 amended to read:

26 216.341 Disbursement of Department of Health ~~county~~
27 ~~health department~~ trust funds; appropriation of authorized
28 positions.--

29 (1) County health department trust funds may be
30 expended by the Department of Health for the respective county
31 health departments in accordance with budgets and plans agreed

1 upon by the county authorities of each county and the
2 Department of Health.

3 (2) The requirement limitations on appropriations
4 provided in s. 216.262(1) does shall not apply to positions
5 within the Department of Health funded by:

6 (a) County health department trust funds; or

7 (b) The United States Trust Fund county health
8 department trust funds.

9 Section 36. Subsection (3) of section 218.60, Florida
10 Statutes, is repealed.

11 Section 37. Subsection (2) of section 252.37, Florida
12 Statutes, is amended to read:

13 252.37 Financing.--

14 (2) It is the legislative intent that the first
15 recourse be made to funds regularly appropriated to state and
16 local agencies. If the Governor finds that the demands placed
17 upon these funds in coping with a particular disaster declared
18 by the Governor as a state of emergency are unreasonably
19 great, she or he may make funds available by transferring and
20 expending moneys appropriated for other purposes, by
21 transferring and expending moneys out of any unappropriated
22 surplus funds, or from the Budget Stabilization Fund ~~or~~
23 ~~Working Capital Fund~~. Following the expiration or termination
24 of the state of emergency, the Governor may process a budget
25 amendment under the notice and review procedures set forth in
26 s. 216.177 to transfer moneys to satisfy the budget authority
27 granted for such emergency.

28 Section 38. Section 255.25001, Florida Statutes, is
29 amended to read:

30
31

1 255.25001 Suspension or delay of specified functions,
2 programs, and requirements relating to governmental
3 operations.--Notwithstanding the provisions of:

4 (1) Section 946.504(3), as amended by chapter 92-279,
5 Laws of Florida, the Department of Management Services is
6 ~~shall not be~~ required to participate with the Department of
7 Corrections in the correctional work program (PRIDE) leasing
8 process.

9 (2) Sections 253.025 and 255.25, the Department of
10 Management Services may adopt ~~has the authority to promulgate~~
11 rules under ~~pursuant to~~ chapter 120 to use when ~~be used in~~
12 determining whether a lease-purchase of a state-owned office
13 building is in the best interests of the state, which rules
14 provide:

15 (a) Procedures executive ~~state~~ agencies will follow to
16 certify the need for a lease-purchase acquisition for a
17 state-owned office building to the Department of Management
18 Services and a notification procedure of the department's
19 decision regarding executive ~~state~~ agencies' requests for a
20 lease-purchase agreement. The certification process shall
21 include but not be limited to the following:

22 1. Current programmatic space requirements of the
23 state agency.

24 2. Future programmatic space requirements of the
25 executive ~~state~~ agency.

26 3. Time considerations in providing state-owned office
27 building space.

28 4. An analysis of existing leases affected by the
29 lease-purchase agreement.

30 (b) Procedures and document formats for the
31 ~~advertisement, competitive~~ solicitation ~~bid~~ process, including

1 format of submissions, and evaluation of lease-purchase
2 acquisition proposals for state-owned office buildings. The
3 evaluation process shall include but not be limited to the
4 following:

- 5 1. A consideration of the cost of comparable operating
6 leases.
- 7 2. The appraised value of the facility as required by
8 s. 253.025.
- 9 3. A present value analysis of the proposed payment
10 stream.
- 11 4. The cost of financing the facility to be acquired.
- 12 5. The cost to repair identified physical defects.
- 13 6. The cost to remove identified hazardous substances.
- 14 7. An energy analysis.
- 15 8. A determination of who is responsible for
16 management and maintenance activities.

17
18 In order to minimize the cost of the evaluation process, the
19 Department of Management Services may develop a multistage
20 evaluation process to identify the most cost-efficient
21 proposals for extensive evaluation. The studies developed as a
22 result of this evaluation process shall be considered
23 confidential and exempt from the provisions of s. 119.07(1) to
24 the same extent that appraisal reports are considered
25 confidential and exempt from the provisions of s. 119.07(1) as
26 provided in s. 253.025(6)(d).

27 (c) Acceptable terms and conditions for inclusion in
28 lease-purchase agreements, which shall include but not be
29 limited to:

- 30 1. The assignment of the lease-purchase agreement to
31 other governmental entities, including accumulated equity.

1 2. The ability of the acquiring executive ~~state~~ agency
2 to sublease a portion of the facility, not to exceed 25
3 percent, to other governmental entities. These subleases shall
4 provide for the recovery of the agencies' cost of operations
5 and maintenance.

6
7 The execution of a lease-purchase is conditioned upon a
8 finding by the Department of Management Services that it would
9 be in the best interests of the state. The language in this
10 subsection shall be considered specific authorization for a
11 lease-purchase pursuant to s. 255.25(1)(b) upon the Department
12 of Management Services' certification that the lease-purchase
13 is in the best interests of the state. Thereafter, the
14 executive agency is authorized to enter into a lease-purchase
15 agreement and to expend operating funds for lease-purchase
16 payments. Any facility which is acquired under ~~pursuant to~~
17 the processes authorized by this subsection shall be
18 considered to be a "state-owned office building" and a
19 "state-owned building" as those terms are applied in ss.
20 255.248-255.25.

21 (d) That any costs resulting from the processes
22 authorized by this subsection, including but not limited to
23 appraisals, environmental analyses, and any other studies
24 which may be required under these provisions, shall be borne
25 by the owner of the property which is the subject of the
26 proposed lease-purchase.

27 (3) Chapters 253 and 287, the Department of
28 Agriculture and Consumer Services may ~~shall be authorized to~~
29 sell any tangible personal property, real property, or
30 structures on leased or department-owned real property without
31 complying with other provisions of law or Florida Statutes,

1 with the proceeds being deposited into the Property Trust
2 Account in the General Inspection Trust Fund. ~~Before~~ Prior to
3 finalizing any ~~such~~ sale, the department's proposed action
4 shall be subject to the notice and review procedures set forth
5 in s. 216.177, as amended by chapter 92-142, Laws of Florida.

6 Section 39. Subsection (2) of section 255.2501,
7 Florida Statutes, is amended to read:

8 255.2501 Lease of space financed with local government
9 obligations.--

10 (2) No lease, lease-purchase, sale-leaseback,
11 purchase, or rental of any office space, building, real
12 property and improvements thereto, or any other fixed capital
13 outlay project that is or is to be financed with local
14 government obligations of any type shall be requested for
15 approval in the Appropriations Act unless:

16 (a) The construction for the ~~such~~ project is to be or
17 has been competitively solicited ~~bid~~ unless the certificate of
18 occupancy for the ~~such~~ project was issued more than 3 years
19 before ~~prior~~ to the time the ~~such~~ request is made;

20 (b) The executive ~~branch~~ agency or department making
21 the request has competitively solicited ~~bid~~ its space needs
22 before ~~prior~~ to making the ~~such~~ request ~~and the project for~~
23 ~~which approval is sought was the lowest and best bidder for~~
24 ~~such needs~~; and

25 (c) The rent, lease payment, lease-purchase payment,
26 or other payment for the ~~such~~ project is not greater than an
27 amount equal to the same proportion of the debt service on the
28 local government obligations to be issued to finance or which
29 are outstanding that financed, as the case may be, the
30 facility or project for which approval is sought that the
31 executive agency or department seeking the ~~such~~ approval will

1 use ~~utilize~~ under the lease, lease-purchase, sale-leaseback,
2 purchase, or rental of the project in the facility or project
3 as compared to the entire facility or project that is to be or
4 was financed. This paragraph does ~~shall~~ not apply when the
5 certificate of occupancy for a facility or project was issued
6 more than 3 years before ~~prior to~~ the time the ~~such~~ request is
7 made.

8 Section 40. Subsection (3) of section 265.55, Florida
9 Statutes, is amended to read:

10 265.55 Claims.--

11 (3) The authorization for payment delineated in
12 subsection (2) shall be forwarded to the Chief Financial
13 Officer. The Chief Financial Officer shall take appropriate
14 action to execute authorized payment of the claim from
15 unobligated, unappropriated moneys in the General Revenue
16 ~~Working Capital~~ Fund, as defined in s. 215.32.

17 Section 41. Section 288.1234, Florida Statutes, is
18 repealed.

19 Section 42. Subsection (5) of section 320.20, Florida
20 Statutes, is amended to read:

21 320.20 Disposition of license tax moneys.--The revenue
22 derived from the registration of motor vehicles, including any
23 delinquent fees and excluding those revenues collected and
24 distributed under the provisions of s. 320.081, must be
25 distributed monthly, as collected, as follows:

26 (5)(a) Except as provided in paragraph (c), the
27 remainder of such revenues must be deposited in the State
28 Transportation Trust Fund.

29 (b) The Chief Financial Officer each month shall
30 deposit in the State Transportation Trust Fund an amount,
31 drawn from other funds in the State Treasury which are not

1 immediately needed or are otherwise in excess of the amount
2 necessary to meet the requirements of the State Treasury,
3 which when added to such remaining revenues each month will
4 equal one-twelfth of the amount of the anticipated annual
5 revenues to be deposited in the State Transportation Trust
6 Fund under paragraph (a) as determined by the Chief Financial
7 Officer after consultation with the ~~estimated by the most~~
8 ~~recent~~ revenue estimating conference held pursuant to s.
9 216.136(3). The transfers required hereunder may be suspended
10 by action of the Legislative Budget Commission in the event of
11 a significant shortfall of state revenues.

12 (c) In any month in which the remaining revenues
13 derived from the registration of motor vehicles exceed
14 one-twelfth of those anticipated annual remaining revenues as
15 determined by the Chief Financial Officer after consultation
16 with the revenue estimating conference, the excess shall be
17 credited to those state funds in the State Treasury from which
18 the amount was originally drawn, up to the amount which was
19 deposited in the State Transportation Trust Fund under
20 paragraph (b). A final adjustment must be made in the last
21 months of a fiscal year so that the total revenue deposited in
22 the State Transportation Trust Fund each year equals the
23 amount derived from the registration of motor vehicles, less
24 the amount distributed under subsection (1). For the purposes
25 of this paragraph and paragraph (b), the term "remaining
26 revenues" means all revenues deposited into the State
27 Transportation Trust Fund under paragraph (a) and subsections
28 (2) and (3). In order that interest earnings continue to
29 accrue to the General Revenue Fund, the Department of
30 Transportation may not invest an amount equal to the
31 cumulative amount of funds deposited in the State

1 Transportation Trust Fund under paragraph (b) less funds
2 credited under this paragraph as computed on a monthly basis.
3 The amounts to be credited under this and the preceding
4 paragraph must be calculated and certified to the Chief
5 Financial Officer by the Executive Office of the Governor.

6 Section 43. Paragraph (a) of subsection (2) and
7 subsections (6) and (7) of section 339.135, Florida Statutes,
8 are amended to read:

9 339.135 Work program; legislative budget request;
10 definitions; preparation, adoption, execution, and
11 amendment.--

12 (2) SUBMISSION OF LEGISLATIVE BUDGET REQUEST AND
13 REQUEST FOR LIST OF ADDITIONAL TRANSPORTATION PROJECTS.--

14 (a) The department shall file the legislative budget
15 request in the manner required by chapter 216, setting forth
16 the department's proposed revenues and expenditures for
17 operational and fixed capital outlay needs to accomplish the
18 objectives of the department in the ensuing fiscal year. The
19 right-of-way, construction, preliminary engineering,
20 maintenance, and all grants and aids programs of the
21 department shall be set forth only in program totals. The
22 legislative budget request must include a balanced 36-month
23 forecast of cash and expenditures and a 5-year finance plan.
24 The legislative budget request shall be amended to conform to
25 the tentative work program. The department may not amend ~~its~~
26 ~~legislative budget request and~~ the tentative work program to
27 include increased revenues based on the most recent estimating
28 conference estimate of revenues and the most recent federal
29 aid apportionments until such increased amounts are
30 appropriated by the Legislature.

31 (6) EXECUTION OF THE BUDGET.--

1 (a) The department, during any fiscal year, shall not
2 expend money, incur any liability, or enter into any contract
3 which, by its terms, involves the expenditure of money in
4 excess of the amounts budgeted as available for expenditure
5 during such fiscal year. Any contract, verbal or written,
6 made in violation of this subsection is null and void, and no
7 money may be paid on such contract. The department shall
8 require a statement from the comptroller of the department
9 that funds are available prior to entering into any such
10 contract or other binding commitment of funds. Nothing herein
11 contained shall prevent the making of contracts for periods
12 exceeding 1 year, but any contract so made shall be executory
13 only for the value of the services to be rendered or agreed to
14 be paid for in succeeding fiscal years; and this paragraph
15 shall be incorporated verbatim in all contracts of the
16 department which are for an amount in excess of \$25,000 and
17 which have a term for a period of more than 1 year.

18 (b) In the operation of the State Transportation Trust
19 Fund, the department shall have on hand at the close of
20 business, which closing shall not be later than the 10th
21 calendar day of the month following the end of each quarter of
22 the fiscal year, an available cash balance (which shall
23 include cash on deposit with the treasury and short-term
24 investments of the department) equivalent to not less than \$50
25 million, or 5 percent of the unpaid balance of all State
26 Transportation Trust Fund obligations at the close of such
27 quarter, whichever amount is less. In the event that this
28 cash position is not maintained, no further contracts or other
29 fund commitments shall be approved, entered into, awarded, or
30 executed until the cash balance, as defined above, has been
31 regained.

1 (c) Notwithstanding the provisions of ss. 216.301(3)
2 and 216.351, any unexpended balance remaining at the end of
3 the fiscal year in the appropriations to the department for
4 special categories; aid to local governments; lump sums for
5 project phases which are part of the adopted work program, and
6 for which contracts have been executed or bids have been let;
7 and for right-of-way land acquisition and relocation
8 assistance for parcels from project phases in the adopted work
9 program for which appraisals have been completed and approved,
10 may be certified forward as fixed capital outlay under the
11 provisions of s. 216.301(2)(a). Any project phases in the
12 adopted work program not certified forward under the
13 provisions of s. 216.301(2)(a) shall be available for roll
14 forward for the next fiscal year of the adopted work program.
15 Spending authority associated with such project phases may be
16 rolled forward to the next fiscal year upon approval by the
17 Legislative Budget Commission pursuant to paragraph (f).
18 Increases in spending authority shall be limited to amounts of
19 unexpended balances by appropriation category.Any project
20 phase certified forward for which bids have been let but
21 subsequently rejected shall be available for roll forward in
22 the adopted work program for the next fiscal year. Spending
23 authority associated with such project phases may be rolled
24 forward into the current year from funds certified forward
25 pursuant to paragraph (f). The amount certified forward may
26 include contingency allowances for right-of-way acquisition
27 and relocation, asphalt and petroleum product escalation
28 clauses, and contract overages, which allowances shall be
29 separately identified in the certification detail.
30 Right-of-way acquisition and relocation and contract overages
31 contingency allowances shall be based on documented historical

1 patterns. These contingency amounts shall be incorporated in
2 the certification for each specific category, but when a
3 category has an excess and another category has a deficiency,
4 the Executive Office of the Governor is authorized to transfer
5 the excess to the deficient account.

6 (d) The department shall allocate resources provided
7 in the General Appropriations Act to the districts prior to
8 July 31 of each year. The allocation shall be promptly
9 reported to the Executive Office of the Governor and the
10 legislative appropriations committees, and all subsequent
11 amendments shall be reported promptly to the secretary of the
12 department.

13 (e) This subsection does not apply to any bonds issued
14 on behalf of the department pursuant to the State Bond Act.

15 ~~(f) Notwithstanding the provisions of ss. 216.181(1),~~
16 ~~216.292, and 216.351, the Executive Office of the Governor may~~
17 ~~amend that portion of the department's original approved fixed~~
18 ~~capital outlay budget which comprises the work program~~
19 ~~pursuant to subsection (7). Increase in spending authority in~~
20 ~~paragraph (c) shall be limited to amounts of unexpended~~
21 ~~balances by appropriation category.~~

22 (7) AMENDMENT OF THE ADOPTED WORK PROGRAM.--

23 ~~(a) Notwithstanding the provisions of ss. 216.181(1),~~
24 ~~216.292, and 216.351, the adopted work program may be amended~~
25 ~~only pursuant to the provisions of this subsection.~~

26 (a)~~(b)~~ The department may not transfer any funds for
27 any project or project phase between department districts.
28 However, a district secretary may agree to a loan of funds to
29 another district, if:

30 1. The funds are used solely to maximize the use or
31 amount of funds available to the state;

1 2. The loan agreement is executed in writing and is
2 signed by the district secretaries of the respective
3 districts;

4 3. Repayment of the loan is to be made within 3 years
5 after the date on which the agreement was entered into; and

6 4. The adopted work program of the district loaning
7 the funds would not be substantially impaired if the loan were
8 made, according to the district secretary.

9
10 The loan constitutes an amendment to the adopted work program
11 and is subject to the procedures specified in paragraph (b)
12 ~~(c)~~.

13 (b)~~(c)~~ The department may amend the adopted work
14 program to transfer appropriations within the department,
15 except that the following amendments shall be subject to the
16 procedures in paragraph (c)~~(d)~~:

17 1. Any amendment which deletes any project or project
18 phase;

19 2. Any amendment which adds a project estimated to
20 cost over \$150,000 in funds appropriated by the Legislature;

21 3. Any amendment which advances or defers to another
22 fiscal year, a right-of-way phase, a construction phase, or a
23 public transportation project phase estimated to cost over
24 \$500,000 in funds appropriated by the Legislature, except an
25 amendment advancing or deferring a phase for a period of 90
26 days or less; or

27 4. Any amendment which advances or defers to another
28 fiscal year, any preliminary engineering phase or design phase
29 estimated to cost over \$150,000 in funds appropriated by the
30 Legislature, except an amendment advancing or deferring a
31 phase for a period of 90 days or less.

1 (c)~~(d)~~1. Whenever the department proposes any
2 amendment to the adopted work program, which amendment is
3 defined in subparagraph(b)1.~~(c)1.~~, subparagraph (b)2. ~~(c)2.~~,
4 subparagraph(b)3.~~(c)3.~~, or subparagraph(b)4.~~(c)4.~~, it
5 shall submit the proposed amendment to the Governor for
6 approval and shall immediately notify the chairs of the
7 legislative appropriations committees, the chairs of the
8 legislative transportation committees, each member of the
9 Legislature who represents a district affected by the proposed
10 amendment, each metropolitan planning organization affected by
11 the proposed amendment, and each unit of local government
12 affected by the proposed amendment. Such proposed amendment
13 shall provide a complete justification of the need for the
14 proposed amendment.

15 2. The Governor shall not approve a proposed amendment
16 until 14 days following the notification required in
17 subparagraph 1.

18 3. If either of the chairs of the legislative
19 appropriations committees or the President of the Senate or
20 the Speaker of the House of Representatives objects in writing
21 to a proposed amendment within 14 days following notification
22 and specifies the reasons for such objection, the Governor
23 shall disapprove the proposed amendment ~~or shall submit the~~
24 ~~proposed amendment to the Administration Commission. The~~
25 ~~proposed amendment may be approved by the Administration~~
26 ~~Commission by a two-thirds vote of the members present with~~
27 ~~the Governor voting in the affirmative. In the absence of~~
28 ~~approval by the commission, the proposed amendment shall be~~
29 ~~automatically disapproved.~~

30 (d)~~(e)~~ Notwithstanding the requirements in paragraph
31 (c)~~(d)~~ and ss. 216.177(2) and 216.351, the secretary may

1 request the Executive Office of the Governor to amend the
2 adopted work program when an emergency exists, as defined in
3 s. 252.34(3), and the emergency relates to the repair or
4 rehabilitation of any state transportation facility. The
5 Executive Office of the Governor may approve the amendment to
6 the adopted work program and amend that portion of the
7 department's approved budget in the event that the delay
8 incident to the notification requirements in paragraph (c) ~~(d)~~
9 would be detrimental to the interests of the state. However,
10 the department shall immediately notify the parties specified
11 in paragraph (c) ~~(d)~~ and shall provide such parties written
12 justification for the emergency action within 7 days of the
13 approval by the Executive Office of the Governor of the
14 amendment to the adopted work program and the department's
15 budget. In no event may the adopted work program be amended
16 under the provisions of this subsection without the
17 certification by the comptroller of the department that there
18 are sufficient funds available pursuant to the 36-month cash
19 forecast and applicable statutes.

20 ~~(e)(f)~~ The department may authorize the investment of
21 the earnings accrued and collected upon the investment of the
22 minimum balance of funds required to be maintained in the
23 State Transportation Trust Fund pursuant to paragraph (a) ~~(b)~~.
24 Such investment shall be limited as provided in s.
25 288.9607(7).

26 Section 44. Subsection (3) of section 381.0303,
27 Florida Statutes, is amended to read:

28 381.0303 Health practitioner recruitment for special
29 needs shelters.--

30 (3) REIMBURSEMENT TO HEALTH CARE PRACTITIONERS.--The
31 Department of Health shall reimburse, subject to the

1 availability of funds for this purpose, health care
2 practitioners, as defined in s. 456.001, provided the
3 practitioner is not providing care to a patient under an
4 existing contract, and emergency medical technicians and
5 paramedics licensed pursuant to chapter 401 for medical care
6 provided at the request of the department in special needs
7 shelters or at other locations during times of emergency or
8 major disaster. Reimbursement for health care practitioners,
9 except for physicians licensed pursuant to chapter 458 or
10 chapter 459, shall be based on the average hourly rate that
11 such practitioners were paid according to the most recent
12 survey of Florida hospitals conducted by the Florida Hospital
13 Association. Reimbursement shall be requested on forms
14 prepared by the Department of Health. If a Presidential
15 Disaster Declaration has been made, and the Federal Government
16 makes funds available, the department shall use such funds for
17 reimbursement of eligible expenditures. In other situations,
18 or if federal funds do not fully compensate the department for
19 reimbursement made pursuant to this section, the department
20 shall process ~~submit to the Cabinet or Legislature, as~~
21 ~~appropriate,~~ a budget amendment to obtain reimbursement from
22 unobligated, unappropriated moneys in the General Revenue
23 ~~working capital~~ Fund. Travel expense and per diem costs shall
24 be reimbursed pursuant to s. 112.061.

25 Section 45. Subsection (1) of section 393.22, Florida
26 Statutes, is repealed.

27 Section 46. Subsection (5) of section 409.906, Florida
28 Statutes, is amended to read:

29 409.906 Optional Medicaid services.--Subject to
30 specific appropriations, the agency may make payments for
31 services which are optional to the state under Title XIX of

1 the Social Security Act and are furnished by Medicaid
2 providers to recipients who are determined to be eligible on
3 the dates on which the services were provided. Any optional
4 service that is provided shall be provided only when medically
5 necessary and in accordance with state and federal law.
6 Optional services rendered by providers in mobile units to
7 Medicaid recipients may be restricted or prohibited by the
8 agency. Nothing in this section shall be construed to prevent
9 or limit the agency from adjusting fees, reimbursement rates,
10 lengths of stay, number of visits, or number of services, or
11 making any other adjustments necessary to comply with the
12 availability of moneys and any limitations or directions
13 provided for in the General Appropriations Act or chapter 216.
14 If necessary to safeguard the state's systems of providing
15 services to elderly and disabled persons and subject to the
16 notice and review provisions of s. 216.177, the Governor may
17 direct the Agency for Health Care Administration to amend the
18 Medicaid state plan to delete the optional Medicaid service
19 known as "Intermediate Care Facilities for the Developmentally
20 Disabled." Optional services may include:
21 (5) CASE MANAGEMENT SERVICES.--The agency may pay for
22 primary care case management services rendered to a recipient
23 pursuant to a federally approved waiver, and targeted case
24 management services for specific groups of targeted
25 recipients, for which funding has been provided and which are
26 rendered pursuant to federal guidelines. The agency is
27 authorized to limit reimbursement for targeted case management
28 services in order to comply with any limitations or directions
29 provided for in the General Appropriations Act.
30 ~~Notwithstanding s. 216.292, the Department of Children and~~
31 ~~Family Services may transfer general funds to the Agency for~~

1 ~~Health Care Administration to fund state match requirements~~
2 ~~exceeding the amount specified in the General Appropriations~~
3 ~~Act for targeted case management services.~~

4 Section 47. Paragraph (b) of subsection (11) of
5 section 409.912, Florida Statutes, is repealed.

6 Section 48. Subsection (2) of section 468.392, Florida
7 Statutes, is amended to read:

8 468.392 Auctioneer Recovery Fund.--There is created
9 the Auctioneer Recovery Fund as a separate account in the
10 Professional Regulation Trust Fund. The fund shall be
11 administered by the Florida Board of Auctioneers.

12 (2) All payments and disbursements from the Auctioneer
13 Recovery Fund shall be made by the Chief Financial Officer
14 upon a voucher signed by the Secretary of Business and
15 Professional Regulation or the secretary's designee. ~~Amounts~~
16 ~~transferred to the Auctioneer Recovery Fund shall not be~~
17 ~~subject to any limitation imposed by an appropriation act of~~
18 ~~the Legislature.~~

19 Section 49. Subsection (6) of section 475.484, Florida
20 Statutes, is amended to read:

21 475.484 Payment from the fund.--

22 (6) All payments and disbursements from the Real
23 Estate Recovery Fund shall be made by the Chief Financial
24 Officer upon a voucher signed by the secretary of the
25 department. ~~Amounts transferred to the Real Estate Recovery~~
26 ~~Fund shall not be subject to any limitation imposed by an~~
27 ~~appropriation act of the Legislature.~~

28 Section 50. Paragraph (b) of subsection (9) of section
29 921.001, Florida Statutes, is amended to read:

30 921.001 Sentencing Commission and sentencing
31 guidelines generally.--

1 (9)
2 (b) On or after January 1, 1994, any legislation
3 which:
4 1. Creates a felony offense;
5 2. Enhances a misdemeanor offense to a felony offense;
6 3. Moves a felony offense from a lesser offense
7 severity level to a higher offense severity level in the
8 offense severity ranking chart in s. 921.0012; or
9 4. Reclassifies an existing felony offense to a
10 greater felony classification
11
12 must provide that such a change result in a net zero sum
13 impact in the overall prison population, as determined by the
14 Legislature, considering the most recent estimates of the
15 Criminal Justice Estimating Conference, unless the legislation
16 contains a funding source sufficient in its base or rate to
17 accommodate such change or a provision which specifically
18 abrogates the application of this paragraph.
19 Section 51. Paragraph (a) of subsection (1) of section
20 1009.536, Florida Statutes, is amended to read:
21 1009.536 Florida Gold Seal Vocational Scholars
22 award.--The Florida Gold Seal Vocational Scholars award is
23 created within the Florida Bright Futures Scholarship Program
24 to recognize and reward academic achievement and career and
25 technical preparation by high school students who wish to
26 continue their education.
27 (1) A student is eligible for a Florida Gold Seal
28 Vocational Scholars award if the student meets the general
29 eligibility requirements for the Florida Bright Futures
30 Scholarship Program and the student:
31

1 (a) Completes the secondary school portion of a
2 sequential program of studies that requires at least three
3 secondary school career and technical credits taken over at
4 least 2 academic years, and is continued in a planned, related
5 postsecondary education program. If the student's school does
6 not offer such a two-plus-two or tech-prep program, the
7 student must complete a job-preparatory career education
8 program selected by ~~the Workforce Estimating Conference or~~
9 Workforce Florida, Inc., for its ability to provide high-wage
10 employment in an occupation with high potential for employment
11 opportunities. On-the-job training may not be substituted for
12 any of the three required career and technical credits.

13 Section 52. Except as otherwise expressly provided in
14 this act, this act shall take effect upon becoming a law.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 SB 1248

4 The committee substitute for SB 1248 relating to state
5 planning and budgeting:

- 6 - Clarifies the necessary approval for various agency
7 interim budget amendment requests by providing a
8 separate list of amendments that require Executive
9 Office of the Governor and Legislative Budget
10 Commission (LBC) approval.
- 11 - Provides for treatment of the state courts
12 consistent with the executive branch relative to the
13 LBC approval process.
- 14 - Establishes salary rate control at the budget entity
15 level as specified in the General Appropriations
16 Act. Provides for interim changes by the LBC,
17 except for reorganizations or other appropriations
18 made by law, and distribution of lump sum
19 appropriations and administered funds.
- 20 - Requires specific legislative authorization or LBC
21 approval for privatization, outsourcing, and
22 shared-savings initiatives. Also require "business
23 case", performance contracting procedures, and
24 ongoing legislative oversight.
- 25 - Requires budget amendments associated with
26 Department of Transportation Work Program changes to
27 comply with ch. 216 provisions and limits inclusion
28 of Fall Revenue Estimating Conference positive
29 impacts in the work program until addressed by
30 Legislature.
- 31 - Merges and clarifies provisions regarding agency
budget transfer authority, and increases the current
limit from \$150,000 to \$250,000.
- Eliminates the Child Welfare System and Juvenile
Justice Estimating Conferences.
- Provides for alternative due dates for Legislative
Budget Requests and Long Range Program Plans with
House and Senate approval.
- Eliminates separate deficit reduction language that
requires prorated reductions for the Chiles
Endowment/Tobacco Settlement Trust Fund.
- Clarifies that the Working Capital Fund is the
unappropriated balance of the General Revenue Fund,
rather than a separate fund.
- Authorizes the Governor and Chief Justice to address
General Revenue deficits under 1.5% and allows the
House of Representatives and Senate to certify a
deficit if the Governor does not certify the

- 1 deficit.
- 2 - Expands current requirements for fiscal impact
3 statements to apply to all agencies and
4 statutorily-created entities, and requires
5 statements prior to final action that will affect
6 revenues or appropriations.
- 7 - Requires specific approval by chairs of the House
8 and Senate appropriations committees for
9 non-operating appropriations.
- 10 - Removes unnecessary requirements for community
11 budget requests.
- 12 - Updates obsolete references in the Innovation
13 Investment program and clarifies that such process
14 cannot circumvent the normal Legislative Budget
15 Request and legislative appropriation process.
- 16 - Expands notice requirements for lawsuit settlements.
- 17 - Describes standard trust funds to be consistent
18 across agencies.
- 19 - Eliminates obsolete zero based budgeting and
20 performance-based program budgeting requirements.
- 21 - Modifies the certifications forward process,
22 effective July 1, 2005, to provide automatic
23 approval of items expended but not disbursed, and
24 require a September 30 reversion date.
- 25 - Transfers the Florida Single Audit Act functions
26 from the Executive Office of the Governor to the
27 Chief Financial Officer (CFO).
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