

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2508

SPONSOR: Senator Lee

SUBJECT: Requirements for State Planning and Budgeting

DATE: March 25, 2004 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Rubinas</u>	<u>Rubinas</u>	<u>EE</u>	<u>Fav/1 amendment</u>
2.	<u>Herring</u>	<u>Coburn</u>	<u>AP</u>	<u>Favorable</u>
3.	_____	_____	<u>RC</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill revises statutory provisions relating to the Legislative Budget Commission to be consistent with SJR 2506. It reduces the number of members serving on the commission; requires the pro tempores of each legislative house, rather than the appropriations chairs, to be chair and vice chair; and reduces the number of members required for a quorum.

This bill amends several statutes to ensure that the Legislative Budget Commission always takes action in response to issues requested, typically by the Governor, rather than on its own initiative.

The bill directs the commission to develop a long-range 5-year fiscal plan which shall be updated each year with the assistance of each state agency providing information to support the commission's development and updates of the long-range fiscal plan. The bill establishes a detailed calendar for commission development of the goals and objectives of the long-range fiscal plan and the required agency response to the fiscal plan. The bill prescribes a plan to ensure an integrated state planning and budget process to assure consistency between the agency's long-range plan and the agency's legislative budget request.

This bill takes effect upon the effective date of the amendment to the State Constitution contained in Senate Joint Resolution No. 2506, or a similar constitutional amendment, relating to the state budgeting, planning, and appropriation process.

This bill substantially amends the following sections of the Florida Statutes: Section 11.90, 29.0095, 110.1245, 216.011, 216.012, 216.023, 216.231, 216.262, 320.20, 409.1671, 631.141, 943.61, 1013.512, and repeals Section 409.912(5), Florida Statutes.

II. Present Situation:

The Legislative Budget Commission (Commission) was created in 2000 primarily to consider budget amendments proposed by the Governor and to conduct zero-based budget reviews of state agencies. Its authority has been expanded since then to encompass a number of actions that require legislative review during the interim between sessions. The most significant expansion of the Commission's authority occurred in 2001 when it was required to consider more budget amendments, including those increasing or transferring trust fund budget authority in excess of \$1 million.

Currently, the Commission is not charged with the responsibility or duty to issue a long-range plan establishing fiscal goals and objectives for the state and its departments and agencies. Each department and agency of state government is required to submit a planning document and supporting budget request for review by the appropriations committees of both houses. The present review only contemplates a comparison of the major issues in the planning document and budget requests to those major issues included in the governor's recommended budget.

The Commission also performs other miscellaneous functions.

III. Effect of Proposed Changes:

This bill conforms current statutes concerning the Commission to the provisions of SJR 2506. It changes membership and quorum requirements. It reduces the authority of the Commission to initiate action rather than considering actions placed before it.

Section 1 amends s. 11.90, F.S. to revise the law creating the Legislative Budget Commission, consistent with the requirements of SJR 2506. The Commission will continue to operate essentially as it does now. Membership is reduced to 5 Senators and 5 Representatives (instead of 7 and 7), including the President Pro Tempore and Speaker Pro Tempore, who will serve as chair and vice chair in alternating years (instead of the chairs of the appropriations committees). The Commission will convene at the call of the presiding officers (instead of the chair and vice chair). A quorum will be a majority of the members from each house (instead of a majority of each house plus one member). The Commission will be staffed by legislative staff (instead of appropriations committee staff).

The commission shall have the power and duty to:

- 1) review and approve budget amendments proposed by the Governor or the Chief Justice of the Supreme Court as provided in Chapter 216, F.S.;
- 2) submit to the President of the Senate and the Speaker of the House of Representatives the commission's advisory-only estimate of tax-supported debt which prudently may be authorized for the next fiscal year;
- 3) review information resource management needs identified in agency long-range plans to ensure consistency with the State Annual Report on Enterprise Resource Planning and Management and statewide policies adopted by the State Technology Office; and

- 4) exercise all other powers and perform any other duties prescribed by the Legislature.

Section 2 amends s. 29.0095, F.S., to require the legislative appropriations committees, instead of the LBC, to set the format for budget expenditure reports.

Section 3 amends s. 110.1245, F.S., to correct references to the "Legislative Budgeting Commission."

Section 4 amends s. 216.011, F.S., to narrow the definition of "consultation" with the Governor to include only fiscal matters. In addition "long-range fiscal plan" is defined consistent with the requirements of SJR 2506 as the 5-year plan, updated annually using official information on revenues and expenditures and used as the framework for agency legislative budget requests.

Section 5 amends s. 216.012, F.S., to require the LBC to develop the long-range fiscal plan required in SJR 2506. The LBC will set goals and objectives by May 30; the agencies will provide funding estimates by June 30; the LBC will accept, reject, or modify the estimates by July 15; agencies will provide required modifications by July 30; then the LBC will issue the final plan by August 15.

Section 6 amends s. 216.023, F.S., to specify that the legislative budget instructions must provide for consistency between agency long-range plans and agency legislative budget requests.

Section 7 amends s. 216.231, F.S., to correct an outdated reference in the law on deficiency appropriations to the "commission" which originally referred to the Administration Commission and to replace "commission" with the Governor.

Section 8 amends s. 216.262, F.S., to correct references to the "Legislative Budgeting Commission."

Section 9 amends s. 320.20, F.S., to require the Governor to recommend, prior to the LBC taking action, temporary transfers to the State Transportation Trust Fund.

Section 10 amends s. 409.1671, F.S., to repeal outdated language on LBC approval of foster care privatization by the Department of Children and Families.

Section 11 amends s. 409.912, F.S., to repeal outdated language on LBC approval of a plan for Medicaid procedure codes by the Agency for Health Care Administration.

Section 12 amends s. 631.141, F.S., to require the LBC to respond to a request for, rather than initiate, approval of spending from the Insurance Regulation Trust Fund to cover the costs of delinquency proceedings against an insurer by the Department of Financial Services.

Section 13 amends s. 943.61, F.S., to repeal the requirement for the LBC, notwithstanding the provisions of Chapter 216, F.S., to approve reductions to the Capital Police.

Section 14 amends s. 1013.512, F.S., to require the Governor to recommend, prior to the LBC taking action, placement of school district funds in reserve due to deficiencies in the district's land acquisition and facilities operational processes.

Section 15 provides that the bill will take effect on the effective date of SJR 2506.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

This Senate Bill is linked to Senate Joint Resolution 2506.

VIII. Amendments:

#1 by Ethics and Elections:
Technical; inserts missing bill number.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
