

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 15, 2004

REVISED: 03/17/04 _____

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

I. Summary:

Senate Bill 2508 creates the Joint Legislative Budget Commission and revises the membership, duties, meeting and quorum requirements, and staffing of the commission. The bill details the specific duties of the Legislative Budget Commission and also authorizes the legislature to prescribe other duties for the commission to perform.

Senate Bill 2508 requires the legislative appropriations committees to prescribe the format of budget expenditure reports and redefines the term "consultation" and specifically defines the term "long-range fiscal plan." The bill also describes the requirements for the preparation of the newly created commission's long-range fiscal plan and further provides state agencies with the requirements for submitting information and establishing the timeframes within which the agencies must develop and complete their long-range plans.

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.

Senate Bill 2508 clarifies certain budget instruction requirements and requires a determination by the governor, rather than the commission, before the release of certain appropriations. The bill also corrects a reference regarding the transfer of certain types of funds and deletes obsolete provisions regarding the Legislative Budget Commission and provisions relating to the Capitol Police.

This act shall take 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:

Currently, the Legislative Budget 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.

Currently, general law prescribes requirements for each department and agency of state government 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.

At the present time there exists a standing committee of the Legislature designated as the Legislative Budget Commission. The commission annually reviews the amount of state debt outstanding and submits to the leaders of both houses an advisory, non-binding estimate of the maximum amount of additional debt that may be prudently authorized during the current fiscal year, in addition to other duties.

The Legislative Budget Commission also currently prescribes the format of the budget expenditure reports chief judges of each judicial circuit, each state attorney, and each public defender submit to the governor and the leader of each house of the legislature. The current Legislative Budget Commission also approves proposed awards and amounts of money recommended for employees by each agency head based upon costs savings realized as a result of an employee or group of employee's efforts. The current Legislative Budget Commission, additionally, is apprised of positions eliminated by state agencies and has the ability to authorize agencies to retain 20 percent of the salary dollars associated with eliminated positions and, in certain cases, may authorize a greater percentage which may be used for permanent salary increases.

The Legislative Budget Commission also performs other miscellaneous functions.

III. Effect of Proposed Changes:

Senate Bill 2508 would create the Joint Legislative Budget Commission and revise the membership, duties, meeting and quorum requirements, and staffing of the commission. The bill details the specific duties of the Legislative Budget Commission and also authorizes the legislature to prescribe other duties for the commission to perform.

The commission would be comprised of the following members:

- 1) five members of the Senate appointed by the President, one of whom must be the President Pro Tempore of the Senate and one of whom must be the chairperson of the appropriations committee; and
- 2) five members of the House of Representatives appointed by the Speaker of the House of Representatives and one of whom must be the Speaker Pro Tempore of the House of Representatives and one of whom must be the chairperson of the appropriations committee.

From November, in each odd-numbered year, through October of each even-numbered year, the chairperson shall be the President pro Tempore of the Senate and the vice chairperson of the commission shall be the Speaker Pro Tempore of the House of Representatives. The chairmanship of the commission shall alternate each year following.

A majority of the members of each house shall constitute a quorum. The commission shall be staffed by legislative staff members, as assigned by the President of the Senate and the Speaker of the House of Representatives.

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 resources 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.

Senate Bill 2508 requires the legislative appropriations committees to prescribe the format of budget expenditure reports. The Legislative Budget Commission shall also approve all proposed awards and amounts of money recommended for employees by each agency head based upon costs savings realized as a result of an employee or group of employee's efforts.

The bill redefines the term "consultation" to mean communication on fiscal matters between the Governor and the Legislature to deliberate and seek advice in an open and forthright manner. The legislation specifically defines the term "long-range fiscal plan" to mean a 5-year fiscal plan, developed by the commission and updated annually using official information, including, but not limited to, projections developed by the consensus estimating conferences, which projects state

revenues and expenditures and provides the framework and context for legislative budget requests prepared by state agencies.

The bill also prescribes the requirements for development of the commission's long-range fiscal plan. The long-range fiscal plan requires:

- 1) a 5-year fiscal plan developed by the commission which shall be updated each year;
- 2) each state agency to provide information which supports the commission's development and updates of the long-range fiscal plan;
- 3) that by May 30 of each year, the commission shall provide the goals and objectives of the long-range fiscal plan to the state agencies;
- 4) that by June 30 of each year, state agencies shall provide estimates of the funding necessary to meet the goals and objectives of the long-range fiscal plan;
- 5) that by July 15 of each year, the commission shall accept or modify the estimates provided by an agency, or direct an agency to modify its estimates consistent with specific direction by commission;
- 6) that by July 30 of each year, an agency directed to modify its estimate shall provide new estimates to the commission; and
- 7) that by August 15 of each year, the commission shall complete the long-range 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.

The legislation provides that if the Office of Program Policy Analysis and Governmental Accountability or the Auditor General determines significant deficiencies exist in a school district's land acquisition and facilities operational processes, a certification is made to the President of the Senate, Speaker of the House of Representatives, the Legislative Budget Commission, and the Governor. If recommended by the Governor, the Legislative Budget Commission shall approve or disapprove the placement of school district funds in reserve until the deficiencies are corrected.

Senate Bill 2508 clarifies certain budget instruction requirements and requires a determination by the governor, rather than the commission, before the release of certain appropriations. The bill also corrects a reference regarding the transfer of certain types of funds and deletes obsolete provisions regarding the Legislative Budget Commission and provisions relating to the Capitol Police.

This act shall take 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.

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:

On page 14, line 21, the resolution needs to be inserted

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.