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CHAMBER ACTION

1 The Fiscal Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 House Joint Resolution

6 A joint resolution proposing an amendment to Section 19 of
7 Article III of the State Constitution relating to
8 requirements for state budget planning, spending, and
9 accountability.

10
11 Be It Resolved by the Legislature of the State of Florida:

12
13 That the amendment to Section 19 of Article III of the
14 State Constitution set forth below is agreed to and shall be
15 submitted to the electors of Florida for approval or rejection
16 at the general election to be held in November 2006:

17 ARTICLE III

18 LEGISLATURE

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

21 (a) ANNUAL BUDGETING.

22 (1) ~~Effective July 1, 1994,~~ General law shall prescribe
23 the adoption of annual state budgetary and planning processes

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24 | and require that detail reflecting the annualized costs of the
 25 | state budget and reflecting the nonrecurring costs of the budget
 26 | requests shall accompany state department and agency legislative
 27 | budget requests, the governor's recommended budget, and
 28 | appropriation bills.

29 | (2) Unless approved by a three-fifths vote of the
 30 | membership of each house, appropriations made for recurring
 31 | purposes from nonrecurring general revenue funds for any fiscal
 32 | year shall not exceed three percent of the total general revenue
 33 | funds estimated to be available at the time such appropriation
 34 | is made.

35 | (3) As prescribed by general law, each state department
 36 | and agency shall be required to submit a legislative budget
 37 | request that is based upon and that reflects the long-range
 38 | financial outlook adopted by the joint legislative budget
 39 | commission or that specifically explains any variance from the
 40 | long-range financial outlook contained in the request.

41 | (4) For purposes of this section ~~subsection~~, the terms
 42 | department and agency shall include the judicial branch.

43 | (b) APPROPRIATION BILLS FORMAT. Separate sections within
 44 | the general appropriation bill shall be used for each major
 45 | program area of the state budget; major program areas shall
 46 | include: education enhancement "lottery" trust fund items;
 47 | education (all other funds); human services; criminal justice
 48 | and corrections; natural resources, environment, growth
 49 | management, and transportation; general government; and judicial
 50 | branch. Each major program area shall include an itemization of
 51 | expenditures for: state operations; state capital outlay; aid to

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52 | local governments and nonprofit organizations operations; aid to
 53 | local governments and nonprofit organizations capital outlay;
 54 | federal funds and the associated state matching funds; spending
 55 | authorizations for operations; and spending authorizations for
 56 | capital outlay. Additionally, appropriation bills passed by the
 57 | legislature shall include an itemization of specific
 58 | appropriations that exceed one million dollars (\$1,000,000.00)
 59 | in 1992 dollars. For purposes of this subsection, "specific
 60 | appropriation," "itemization," and "major program area" shall be
 61 | defined by law. This itemization threshold shall be adjusted by
 62 | general law every four years to reflect the rate of inflation or
 63 | deflation as indicated in the Consumer Price Index for All Urban
 64 | Consumers, U.S. City Average, All Items, or successor reports as
 65 | reported by the United States Department of Labor, Bureau of
 66 | Labor Statistics or its successor. Substantive bills containing
 67 | appropriations shall also be subject to the itemization
 68 | requirement mandated under this provision and shall be subject
 69 | to the governor's specific appropriation veto power described in
 70 | Article III, Section 8. ~~This subsection shall be effective July~~
 71 | ~~1, 1994.~~

72 | (c) APPROPRIATIONS ~~REVIEW~~ PROCESS.

73 | (1) No later than September 15 of each year, the joint
 74 | legislative budget commission shall issue a long-range financial
 75 | outlook setting out recommended fiscal strategies for the state
 76 | and its departments and agencies in order to assist the
 77 | legislature in making budget decisions. The long-range financial
 78 | outlook must include major workload and revenue estimates. In
 79 | order to implement this paragraph, the joint legislative budget

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80 commission shall use current official consensus estimates and
 81 may request the development of additional official estimates.

82 (2) The joint legislative budget commission shall seek
 83 input from the public and from the executive and judicial
 84 branches when developing and recommending the long-range
 85 financial outlook.

86 (3) The legislature shall prescribe by general law
 87 conditions under which limited adjustments to the budget, as
 88 recommended by the governor or the chief justice of the supreme
 89 court, may be approved without the concurrence of the full
 90 legislature. ~~Effective July 1, 1993, general law shall prescribe~~
 91 ~~requirements for each department and agency of state government~~
 92 ~~to submit a planning document and supporting budget request for~~
 93 ~~review by the appropriations committees of both houses of the~~
 94 ~~legislature. The review shall include a comparison of the major~~
 95 ~~issues in the planning document and budget requests to those~~
 96 ~~major issues included in the governor's recommended budget. For~~
 97 ~~purposes of this subsection, the terms department and agency~~
 98 ~~shall include the judicial branch.~~

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

105 (e) FINAL BUDGET REPORT. ~~Effective November 4, 1992,~~ A
 106 final budget report shall be prepared as prescribed by general
 107 law. The final budget report shall be produced no later than the

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108 | 120th ~~90th~~ day after the beginning of the fiscal year, and
 109 | copies of the report shall be furnished to each member of the
 110 | legislature, the head of each department and agency of the
 111 | state, the auditor general, and the chief justice of the supreme
 112 | court.

113 | (f) TRUST FUNDS.

114 | (1) No trust fund of the State of Florida or other public
 115 | body may be created or re-created by law without a three-fifths
 116 | ~~(3/5)~~ vote of the membership of each house of the legislature in
 117 | a separate bill for that purpose only.

118 | ~~(2) State trust funds in existence before the effective~~
 119 | ~~date of this subsection shall terminate not more than four years~~
 120 | ~~after the effective date of this subsection.~~ State trust funds
 121 | ~~created after the effective date of this subsection~~ shall
 122 | terminate not more than four years after the effective date of
 123 | the act authorizing the initial creation of the trust fund. By
 124 | law the legislature may set a shorter time period for which any
 125 | trust fund is authorized.

126 | (3) Trust funds required by federal programs or mandates;
 127 | trust funds established for bond covenants, indentures, or
 128 | resolutions, whose revenues are legally pledged by the state or
 129 | public body to meet debt service or other financial requirements
 130 | of any debt obligations of the state or any public body; the
 131 | state transportation trust fund; the trust fund containing the
 132 | net annual proceeds from the Florida Education Lotteries; the
 133 | Florida retirement trust fund; trust funds for institutions
 134 | under the management of the Board of Governors ~~Regents~~, where
 135 | such trust funds are for auxiliary enterprises and contracts,

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136 grants, and donations, as those terms are defined by general
 137 law; trust funds that serve as clearing funds or accounts for
 138 the chief financial officer or state agencies; trust funds that
 139 account for assets held by the state in a trustee capacity as an
 140 agent or fiduciary for individuals, private organizations, or
 141 other governmental units; and other trust funds authorized by
 142 this Constitution, are not subject to the requirements set forth
 143 in paragraph (2) of this subsection.

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

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

149 (g) BUDGET STABILIZATION FUND. ~~Beginning with the 1994-~~
 150 ~~1995 fiscal year, at least 1% of an amount equal to the last~~
 151 ~~completed fiscal year's net revenue collections for the general~~
 152 ~~revenue fund shall be retained in a budget stabilization fund.~~
 153 ~~The budget stabilization fund shall be increased to at least 2%~~
 154 ~~of said amount for the 1995-1996 fiscal year, at least 3% of~~
 155 ~~said amount for the 1996-1997 fiscal year, at least 4% of said~~
 156 ~~amount for the 1997-1998 fiscal year, and at least 5% of said~~
 157 ~~amount for the 1998-1999 fiscal year.~~ Subject to the provisions
 158 of this subsection, ~~the budget stabilization fund shall be~~
 159 ~~maintained~~ at an amount equal to at least 5% of the last
 160 completed fiscal year's net revenue collections for the general
 161 revenue fund shall be retained in the budget stabilization fund.
 162 The budget stabilization fund's principal balance shall not
 163 exceed an amount equal to 10% of the last completed fiscal

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164 | year's net revenue collections for the general revenue fund. The
 165 | legislature shall provide criteria for withdrawing funds from
 166 | the budget stabilization fund in a separate bill for that
 167 | purpose only and only for the purpose of covering revenue
 168 | shortfalls of the general revenue fund or for the purpose of
 169 | providing funding for an emergency, as defined by general law.
 170 | General law shall provide for the restoration of this fund. The
 171 | budget stabilization fund shall be comprised of funds not
 172 | otherwise obligated or committed for any purpose.

173 | (h) LONG-RANGE STATE PLANNING DOCUMENT AND DEPARTMENT AND
 174 | AGENCY PLANNING DOCUMENT PROCESSES. General law shall provide
 175 | for a long-range state planning document. The governor shall
 176 | recommend to the legislature biennially any revisions to the
 177 | long-range state planning document, as defined by law. General
 178 | law shall require a biennial review and revision of the long-
 179 | range state planning document, ~~shall require the governor to~~
 180 | ~~report to the legislature on the progress in achieving the state~~
 181 | ~~planning document's goals~~, and shall require all departments and
 182 | agencies of state government to develop planning documents that
 183 | identify statewide strategic goals and objectives, consistent
 184 | with the long-range state planning document. The long-range
 185 | state planning document and department and agency planning
 186 | documents shall remain subject to review and revision by the
 187 | legislature. The long-range state planning document must include
 188 | projections of future needs and resources of the state which are
 189 | consistent with the long-range financial outlook. The department
 190 | and agency planning documents shall include a prioritized
 191 | listing of planned expenditures for review and possible

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192 reduction in the event of revenue shortfalls, as defined by
 193 general law. ~~To ensure productivity and efficiency in the~~
 194 ~~executive, legislative, and judicial branches, a quality~~
 195 ~~management and accountability program shall be implemented by~~
 196 ~~general law. For the purposes of this subsection, the terms~~
 197 ~~department and agency shall include the judicial branch. This~~
 198 ~~subsection shall be effective July 1, 1993.~~

199 (i) GOVERNMENT EFFICIENCY TASK FORCE. No later than
 200 January of 2007, and each fourth year thereafter, the president
 201 of the senate, the speaker of the house of representatives, and
 202 the governor shall appoint a government efficiency task force,
 203 the membership of which shall be established by general law. The
 204 task force shall be composed of members of the legislature and
 205 representatives from the private and public sectors who shall
 206 develop recommendations for improving governmental operations
 207 and reducing costs. Staff to assist the task force in performing
 208 its duties shall be assigned by general law, and the task force
 209 may obtain assistance from the private sector. The task force
 210 shall complete its work within one year and shall submit its
 211 recommendations to the joint legislative budget commission, the
 212 governor, and the chief justice of the supreme court.

213 (j) JOINT LEGISLATIVE BUDGET COMMISSION. There is created
 214 within the legislature the joint legislative budget commission
 215 composed of equal numbers of senate members appointed by the
 216 president of the senate and house members appointed by the
 217 speaker of the house of representatives. Each member shall serve
 218 at the pleasure of the officer who appointed the member. A
 219 vacancy on the commission shall be filled in the same manner as

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220 the original appointment. From November of each odd-numbered
 221 year through October of each even-numbered year, the chairperson
 222 of the joint legislative budget commission shall be appointed by
 223 the president of the senate and the vice chairperson of the
 224 commission shall be appointed by the speaker of the house of
 225 representatives. From November of each even-numbered year
 226 through October of each odd-numbered year, the chairperson of
 227 the joint legislative budget commission shall be appointed by
 228 the speaker of the house of representatives and the vice
 229 chairperson of the commission shall be appointed by the
 230 president of the senate. The joint legislative budget commission
 231 shall be governed by the joint rules of the senate and the house
 232 of representatives, which shall remain in effect until repealed
 233 or amended by concurrent resolution. The commission shall
 234 convene at least quarterly and shall convene at the call of the
 235 president of the senate and the speaker of the house of
 236 representatives. A majority of the commission members of each
 237 house plus one additional member from either house constitutes a
 238 quorum. Action by the commission requires a majority vote of the
 239 commission members present of each house. The commission may
 240 conduct its meetings through teleconferences or similar means.
 241 In addition to the powers and duties specified in this
 242 subsection, the joint legislative budget commission shall
 243 exercise all other powers and perform any other duties not in
 244 conflict with paragraph (c)(3) and as prescribed by general law
 245 or joint rule.

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

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248 STATE PLANNING AND BUDGET PROCESS

249 Proposes an amendment to Section 19 of Article III of the

250 State Constitution to limit the amount of nonrecurring general

251 revenue that may be appropriated for recurring purposes in any

252 fiscal year to 3 percent of the total general revenue funds

253 estimated to be available, unless otherwise approved by a three-

254 fifths vote of the Legislature; to change the due date of the

255 production of the final budget report; to limit constitutional

256 termination of a trust fund to one time only, 4 years after

257 initial creation, and require a three-fifths vote of each house

258 of the Legislature to re-create a trust fund by law; to require

259 preparation and biennial revision of a long-range state planning

260 document, require the long-range state planning document to

261 include projections of future needs and resources of the state

262 consistent with the long-range financial outlook, and require

263 all state agencies and departments to develop planning documents

264 consistent with the long-range state planning document and to

265 submit legislative budget requests based on the long-range

266 financial outlook and justifying each variance therefrom; to

267 establish the joint Legislative Budget Commission to issue an

268 annual long-range financial outlook for the state and exercise

269 other duties relating to the state planning and budgeting

270 process as prescribed by the State Constitution, general law, or

271 joint rule; to require the Legislature to prescribe by general

272 law conditions under which limited budget adjustments may be

273 approved without concurrence of the full Legislature; to require

274 appointment of a Government Efficiency Task Force every 4 years

275 to develop recommendations for improving governmental operations

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276 | and reducing costs and submit them within one year to the joint
277 | Legislative Budget Commission, the Governor, and the Chief
278 | Justice of the Supreme Court.