

By Senator Carlton

23-1567B-06

1 A bill to be entitled
2 An act relating to state financial matters;
3 amending s. 11.513, F.S.; requiring that
4 additional data be included in the plans for
5 monitoring major programs of state agencies and
6 in the reviews of those programs; providing for
7 the Office of Program Policy Analysis and
8 Government Accountability to review agency
9 performance standards and report to the
10 Governor, the Legislature, and the Legislative
11 Budget Commission; amending s. 215.18, F.S.;
12 requiring that the Governor provide prior
13 notice of transfers between certain funds;
14 amending s. 216.011, F.S.; defining the term
15 "incurred obligation" for purposes of state
16 fiscal affairs, appropriations, and budgets;
17 amending s. 216.013, F.S.; revising
18 requirements for including information
19 regarding performance measures in the
20 long-range program plans of state agencies and
21 the judicial branch; amending s. 216.023, F.S.;
22 revising certain requirements for legislative
23 budget requests; amending s. 216.177, F.S.;
24 clarifying the circumstances under which the
25 Executive Office of the Governor and the Chief
26 Justice of the Supreme Court are required to
27 provide notice to the chair and vice chair of
28 the Legislative Budget Commission; amending s.
29 216.181, F.S.; providing that amendments to
30 certain approved operating budgets are subject
31 to objection procedures; requiring that state

1 agencies submit to the chair and vice chair of
2 the Legislative Budget Commission a plan for
3 allocating any lump-sum appropriation in a
4 budget amendment; amending s. 216.1815, F.S.;
5 revising certain requirements for the
6 performance standards included in an amended
7 operating budget submitted to the Legislative
8 Budget Commission; creating s. 216.1827, F.S.;
9 requiring that each state agency operating
10 under a performance-based budget maintain
11 certain performance measures and standards;
12 requiring that performance data, measures, and
13 standards be submitted to the Office of Program
14 Policy Analysis and Government Accountability
15 for review; limiting the reduction of standards
16 without a recommendation of the Governor and
17 approval by the Legislature; providing
18 guidelines for establishing agency performance
19 measures and standards; amending s. 216.292,
20 F.S.; requiring that notice of changed
21 conditions necessitating the budget action be
22 provided to the Executive Office of the
23 Governor and the legislative appropriations
24 committees when funds are transferred between
25 categories of appropriations or budget
26 entities; requiring that such transfers be
27 consistent with legislative policy and intent;
28 providing that certain transfers between budget
29 entities are subject to objection procedures;
30 clarifying provisions authorizing certain
31 transfers of appropriations from trust funds;

1 amending s. 216.301, F.S.; revising the
2 requirements for undisbursed balances of
3 appropriations; providing a procedure for
4 identifying and paying incurred obligations;
5 amending s. 252.37, F.S.; providing that a
6 budget amendment following a state of emergency
7 is subject to approval by the Legislative
8 Budget Commission; providing effective dates.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Subsections (2) and (3) of section 11.513,
13 Florida Statutes, are amended, present subsections (5) and (6)
14 of that section are redesignated as subsections (6) and (7),
15 respectively, and a new subsection (5) is added to that
16 section, to read:

17 11.513 Program evaluation and justification review.--

18 (2) A state agency's inspector general, internal
19 auditor, or other person designated by the agency head shall
20 develop, in consultation with the Office of Program Policy
21 Analysis and Government Accountability, a plan for monitoring
22 and reviewing the state agency's major programs to ensure that
23 performance measures and standards, as well as baseline and
24 previous-year performance data, are maintained and supported
25 by agency records.

26 (3) The program evaluation and justification review
27 shall be conducted on major programs, but may include other
28 programs. The review shall be comprehensive in its scope but,
29 at a minimum, must be conducted in such a manner as to
30 specifically determine the following, and to consider and
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1 determine what changes, if any, are needed with respect
2 thereto:

3 (a) The identifiable cost of each program.

4 (b) The specific purpose of each program, as well as
5 the specific public benefit derived therefrom.

6 (c) Progress toward achieving the outputs and outcomes
7 associated with each program.

8 (d) An explanation of circumstances contributing to
9 the state agency's ability to achieve, not achieve, or exceed
10 its projected outputs and outcomes, as defined in s. 216.011,
11 associated with each program.

12 (e) Alternate courses of action that would result in
13 administration of the same program in a more efficient or
14 effective manner. The courses of action to be considered must
15 include, but are not limited to:

16 1. Whether the program could be organized in a more
17 efficient and effective manner, whether the program's mission,
18 goals, or objectives should be redefined, or, when the state
19 agency cannot demonstrate that its efforts have had a positive
20 effect, whether the program should be reduced in size or
21 eliminated.

22 2. Whether the program could be administered more
23 efficiently or effectively to avoid duplication of activities
24 and ensure that activities are adequately coordinated.

25 3. Whether the program could be performed more
26 efficiently or more effectively by another unit of government
27 or a private entity, or whether a program performed by a
28 private entity could be performed more efficiently and
29 effectively by a state agency.

30 4. When compared to costs, whether effectiveness
31 warrants elimination of the program or, if the program serves

1 a limited interest, whether it should be redesigned to require
2 users to finance program costs.

3 5. Whether the cost to administer the program exceeds
4 license and other fee revenues paid by those being regulated.

5 6. Whether other changes could improve the efficiency
6 and effectiveness of the program.

7 (f) The consequences of discontinuing such program. If
8 any discontinuation is recommended, such recommendation must
9 be accompanied by a description of alternatives to implement
10 such recommendation, including an implementation schedule for
11 discontinuation and recommended procedures for assisting state
12 agency employees affected by the discontinuation.

13 (g) Determination as to public policy, which may
14 include recommendations as to whether it would be sound public
15 policy to continue or discontinue funding the program, either
16 in whole or in part, in the existing manner.

17 (h) Whether current performance measures and standards
18 should be reviewed or amended to assist agencies' efforts in
19 achieving outputs and outcome measures.

20 ~~(i)(h)~~ Whether the information reported as part of the
21 state's performance-based program budgeting system has
22 relevance and utility for the evaluation of each program.

23 ~~(j)(i)~~ Whether state agency management has established
24 control systems sufficient to ensure that performance data are
25 maintained and supported by state agency records and
26 accurately presented in state agency performance reports.

27 (5) The Office of Program Policy Analysis and
28 Government Accountability may perform evaluation and
29 justification reviews when necessary and as directed by the
30 Legislature in order to determine whether current agency
31 performance standards and measures are adequate. Reports

1 concerning the evaluation and review of agency performance
2 measures and standards shall be submitted to the Executive
3 Office of the Governor, the President of the Senate, the
4 Speaker of the House of Representatives, and the chair and
5 vice chair of the Legislative Budget Commission.

6 Section 2. Section 215.18, Florida Statutes, is
7 amended to read:

8 215.18 Transfers between funds; limitation.--Whenever
9 there exists in any fund provided for by s. 215.32 a
10 deficiency which would render such fund insufficient to meet
11 its just requirements, and there shall exist in the other
12 funds in the State Treasury moneys which are for the time
13 being or otherwise in excess of the amounts necessary to meet
14 the just requirements of such last-mentioned funds, the
15 Governor may order a temporary transfer of moneys from one
16 fund to another in order to meet temporary deficiencies in a
17 particular fund without resorting to the necessity of
18 borrowing money and paying interest thereon. Any action
19 proposed pursuant to this section is subject to the notice and
20 objection procedures set forth in s. 216.177, and the Governor
21 shall provide notice of such action at least 14 days prior to
22 the effective date of the transfer of funds.

23 (1) Except as otherwise provided in s.
24 216.222(1)(a)2., the fund from which any money is temporarily
25 transferred shall be repaid the amount transferred from it not
26 later than the end of the fiscal year in which such transfer
27 is made, the date of repayment to be specified in the order of
28 the Governor.

29 (2) Notwithstanding subsection (1) and for the
30 2005-2006 fiscal year only, the repayment period for funds
31 temporarily transferred in fiscal year 2004-2005 to meet

1 deficiencies resulting from hurricanes striking this state in
2 2004 may be extended until grants awarded by the Federal
3 Emergency Management Agency for FEMA Disaster Declarations
4 1539-DR-FL, 1545-DR-FL, 1551-DR-FL, and 1561-DR-FL are
5 received. This subsection expires July 1, 2006.

6 Section 3. Effective upon this act becoming a law,
7 paragraph (tt) is added to subsection (1) of section 216.011,
8 Florida Statutes, to read:

9 216.011 Definitions.--

10 (1) For the purpose of fiscal affairs of the state,
11 appropriations acts, legislative budgets, and approved
12 budgets, each of the following terms has the meaning
13 indicated:

14 (tt) "Incurred obligation" means a legal obligation
15 for goods or services that have been contracted for, referred
16 to as an encumbrance in the state's financial system, or
17 received or incurred by the state and referred to as a payable
18 in the state's financial system.

19 Section 4. Paragraph (g) of subsection (1) and
20 subsection (5) of section 216.013, Florida Statutes, are
21 amended to read:

22 216.013 Long-range program plan.--State agencies and
23 the judicial branch shall develop long-range program plans to
24 achieve state goals using an interagency planning process that
25 includes the development of integrated agency program service
26 outcomes. The plans shall be policy based, priority driven,
27 accountable, and developed through careful examination and
28 justification of all agency and judicial branch programs.

29 (1) Long-range program plans shall provide the
30 framework for the development of budget requests and shall
31 identify or update:

1 (g) Information regarding performance measurement,
2 which includes, but is not limited to, how data is collected,
3 the current performance measures and standards, the
4 methodology used to measure a performance indicator, the
5 validity and reliability of a measure, the appropriateness of
6 a measure, whether any performance measures and standards have
7 been changed or added, and whether, in the case of agencies,
8 the agency inspector general has assessed the reliability and
9 validity of agency performance measures, pursuant to s.
10 20.055(2).

11 (5) Following the adoption of the annual General
12 Appropriations Act, the state agencies and the judicial branch
13 shall make appropriate adjustments to their long-range program
14 plans to be consistent with the appropriations ~~and performance~~
15 ~~measures~~ in the General Appropriations Act and legislation
16 implementing the General Appropriations Act. Agencies and the
17 judicial branch have until June 30 to make adjustments to
18 their plans as posted on their Internet websites.

19 Section 5. Paragraph (a) of subsection (4) of section
20 216.023, Florida Statutes, is amended to read:

21 216.023 Legislative budget requests to be furnished to
22 Legislature by agencies.--

23 (4)(a) The legislative budget request must contain for
24 each program:

25 1. The constitutional or statutory authority for a
26 program, a brief purpose statement, and approved program
27 components.

28 2. Information on expenditures for 3 fiscal years
29 (actual prior-year expenditures, current-year estimated
30 expenditures, and agency budget requested expenditures for the
31 next fiscal year) by appropriation category.

- 1 3. Details on trust funds and fees.
- 2 4. The total number of positions (authorized, fixed,
3 and requested).
- 4 5. An issue narrative describing and justifying
5 changes in amounts and positions requested for current and
6 proposed programs for the next fiscal year.
- 7 6. Information resource requests.
- 8 7. ~~Legislatively approved~~ Output and outcome
9 performance measures and any planned ~~proposed~~ revisions to
10 measures.
- 11 8. Planned ~~Proposed~~ performance standards for each
12 performance measure and justification for the standards and
13 the sources of data to be used for measurement.
- 14 9. Prior-year performance data on approved performance
15 measures and an explanation of deviation from expected
16 performance. Performance data must be assessed for reliability
17 in accordance with s. 20.055.
- 18 10. Proposed performance incentives and disincentives.
- 19 11. Supporting information, including applicable
20 cost-benefit analyses, business case analyses, performance
21 contracting procedures, service comparisons, and impacts on
22 performance standards for any request to outsource or
23 privatize agency functions.
- 24 12. An evaluation of any major outsourcing and
25 privatization initiatives undertaken during the last 5 fiscal
26 years having aggregate expenditures exceeding \$10 million
27 during the term of the contract. The evaluation shall include
28 an assessment of contractor performance, a comparison of
29 anticipated service levels to actual service levels, and a
30 comparison of estimated savings to actual savings achieved.
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1 Consolidated reports issued by the Department of Management
2 Services may be used to satisfy this requirement.

3 Section 6. Paragraph (a) of subsection (2) of section
4 216.177, Florida Statutes, is amended to read:

5 216.177 Appropriations acts, statement of intent,
6 violation, notice, review and objection procedures.--

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

22 Section 7. Subsections (3), (5), (6), and (11) of
23 section 216.181, Florida Statutes, are amended to read:

24 216.181 Approved budgets for operations and fixed
25 capital outlay.--

26 (3) All amendments to original approved operating
27 budgets, regardless of funding source, are subject to the
28 notice and objection ~~review~~ procedures set forth in s.
29 216.177.

30 (5) An amendment to the original operating budget for
31 an information technology project or initiative that involves

1 | more than one agency, has an outcome that impacts another
2 | agency, or exceeds \$500,000 in total cost over a 1-year
3 | period, except for those projects that are a continuation of
4 | hardware or software maintenance or software licensing
5 | agreements, or that are for desktop replacement that is
6 | similar to the technology currently in use must be reviewed by
7 | the Technology Review Workgroup pursuant to s. 216.0446 and
8 | approved by the Executive Office of the Governor for the
9 | executive branch or by the Chief Justice for the judicial
10 | branch, and shall be subject to the notice and objection
11 | ~~review~~ procedures set forth in s. 216.177.

12 | (6)(a) A detailed plan allocating a lump-sum
13 | appropriation to traditional appropriations categories shall
14 | be submitted by the affected agency to the Executive Office of
15 | the Governor or the Chief Justice of the Supreme Court and the
16 | chair and vice chair of the Legislative Budget Commission
17 | either before or concurrent with the submission of any budget
18 | amendment ~~may require the submission of a detailed plan from~~
19 | ~~the agency or entity of the judicial branch affected,~~
20 | ~~consistent with the General Appropriations Act, special~~
21 | ~~appropriations acts, and statements of intent before~~
22 | transferring and releasing the balance of a lump-sum
23 | appropriation.

24 | (b) The Executive Office of the Governor and the Chief
25 | Justice of the Supreme Court may amend, without approval of
26 | the Legislative Budget Commission, state agency and judicial
27 | branch entity budgets, respectively, to reflect the
28 | transferred funds and to provide the associated increased
29 | salary rate based on the approved plans for lump-sum
30 | appropriations. Any action proposed pursuant to this paragraph
31 | is subject to the procedures set forth in s. 216.177.

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2 The Executive Office of the Governor shall transmit to each
3 state agency and the Chief Financial Officer, and the Chief
4 Justice shall transmit to each judicial branch component and
5 the Chief Financial Officer, any approved amendments to the
6 approved operating budgets.

7 (11) The Executive Office of the Governor and the
8 Chief Justice of the Supreme Court may approve changes in the
9 amounts appropriated from state trust funds in excess of those
10 in the approved operating budget up to \$1 million only
11 pursuant to the federal funds provisions of s. 216.212, when
12 grants and donations are received after April 1, or when
13 deemed necessary due to a set of conditions that were
14 unforeseen at the time the General Appropriations Act was
15 adopted and that are essential to correct in order to continue
16 the operation of government. Changes in the amounts
17 appropriated from state trust funds in excess of those in the
18 approved operating budget which are in excess of \$1 million
19 may be approved only by the Legislative Budget Commission
20 pursuant to the request of a state agency filed with the
21 Executive Office of the Governor or pursuant to the request of
22 an entity of the judicial branch filed with the Chief Justice
23 of the Supreme Court. The provisions of this subsection are
24 subject to the notice, ~~review,~~ and objection procedures set
25 forth in s. 216.177.

26 Section 8. Subsection (2) of section 216.1815, Florida
27 Statutes, is amended to read:

28 216.1815 Agency incentive and savings program.--

29 (2) To be eligible to retain funds, an agency or the
30 Chief Justice of the Supreme Court must submit a plan and an
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1 associated request to amend its approved operating budget to
2 the Legislative Budget Commission specifying:

3 (a) The modifications to approved programs resulting
4 in efficiencies and cost savings;

5 (b) The amount and source of the funds and positions
6 saved;

7 (c) The specific positions, rate, amounts, and sources
8 of funds the agency or the judicial branch wishes to include
9 in its incentive expenditures;

10 (d) How the agency or the judicial branch will meet
11 the goals and objectives established in its long-range program
12 plan;

13 (e) How the agency or the judicial branch will meet
14 performance standards, ~~including established by the~~
15 ~~Legislature and~~ those in its long-range program plan; and

16 (f) Any other incentive expenditures which the agency
17 or the judicial branch believes will enhance its performance.

18 Section 9. Section 216.1827, Florida Statutes, is
19 created to read:

20 216.1827 Requirements for performance measures and
21 standards.--

22 (1) Beginning July 1, 2007, each state agency
23 operating under a performance-based budget must maintain
24 current performance measures and standards as approved by the
25 Legislature and adjusted by the Governor for the 2006-2007
26 fiscal year.

27 (2)(a) Agencies shall continue to submit output and
28 outcome measures and standards, as well as historical baseline
29 and performance data, to the Executive Office of the Governor
30 and the Legislature, along with legislative budget requests
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1 submitted pursuant to s. 216.023(4)(a) and long-range program
2 plans pursuant to ss. 186.021 and 216.013.

3 (b) Agencies shall also submit performance data,
4 measures, and standards to the Office of Program Policy
5 Analysis and Government Accountability beginning July 1, 2007,
6 for review of the adequacy of the current measures and
7 standards.

8 (3)(a) An agency may not delete more than 5 percent of
9 its existing approved performance measures or reduce more than
10 5 percent of existing standards in any fiscal year without the
11 recommendation of the Governor and approval by the
12 Legislature. An agency may make technical changes to
13 performance measures, including changes to the procedure for
14 measuring performance, may increase performance standards, and
15 may add additional performance measures and standards.
16 However, an agency may not delete or make substantive changes
17 to more than 5 percent of current performance measures in any
18 fiscal year.

19 (b) Agencies shall establish, in coordination with the
20 Executive Office of the Governor and pursuant to s. 216.023,
21 procedures necessary to preserve legislative policy and intent
22 and agency performance measures and standards by complying
23 with the following guidelines:

24 1. Any changes to performance measures and standards
25 must be consistent with statutory law.

26 2. Changes to performance measures and standards
27 should support the receipt of federal funds.

28 3. Changes to performance measures and standards
29 should promote public health, safety, and welfare.
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1 4. Changes to performance measures and standards
2 should support improvements to current programmatic services
3 provided to recipients of state services.

4 5. Changes that reduce duplicative services or
5 performance measures should be considered.

6 (4) The Legislature may create and amend performance
7 measures and standards. Any new agency created by the
8 Legislature is subject to the initial performance measures and
9 standards established by the Legislature.

10 Section 10. Subsections (2), (3), (4), and (5) of
11 section 216.292, Florida Statutes, are amended to read:

12 216.292 Appropriations nontransferable; exceptions.--

13 (2) The following transfers are authorized to be made
14 by the head of each department or the Chief Justice of the
15 Supreme Court whenever it is deemed necessary by reason of
16 changed conditions:

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

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

28 2. Between budget entities within identical categories
29 of appropriations, if no category of appropriation is
30 increased or decreased by more than 5 percent of the original
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1 approved budget or \$250,000, whichever is greater, by all
2 action taken under this subsection.

3 3. Any agency exceeding salary rate established
4 pursuant to s. 216.181(8) on June 30th of any fiscal year
5 shall not be authorized to make transfers pursuant to
6 subparagraphs 1. and 2. in the subsequent fiscal year.

7 4. Notice of proposed transfers under subparagraphs 1.
8 and 2. and notice of the specific changed conditions
9 necessitating the action shall be provided to the Executive
10 Office of the Governor and the chairs of the legislative
11 appropriations committees at least 3 working days prior to
12 agency implementation in order to provide an opportunity for
13 review and objection. Such transfers must be consistent with
14 legislative policy and intent and may not adversely affect
15 achievement of approved performance outcomes or outputs in any
16 program. The review shall be limited to ensuring that the
17 transfer is in compliance with the requirements of this
18 paragraph.

19 (b) After providing notice at least 5 working days
20 prior to implementation:

21 1. The transfer of funds within programs identified in
22 the General Appropriations Act from identical funding sources
23 between the following appropriation categories without
24 limitation so long as such a transfer does not result in an
25 increase, to the total recurring general revenue or trust fund
26 cost of the agency or entity of the judicial branch in the
27 subsequent fiscal year: other personal services, expenses,
28 operating capital outlay, food products, state attorney and
29 public defender operations, data processing services,
30 operating and maintenance of patrol vehicles, overtime
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1 | payments, salary incentive payments, compensation to retired
2 | judges, law libraries, and juror and witness payments.

3 | 2. The transfer of funds and positions from identical
4 | funding sources between salaries and benefits appropriation
5 | categories within programs identified in the General
6 | Appropriations Act. Such transfers must be consistent with
7 | legislative policy and intent and may not adversely affect
8 | achievement of approved performance outcomes or outputs in any
9 | program.

10 | (c) The transfer of funds appropriated to accounts
11 | established for disbursement purposes upon release of such
12 | appropriation upon request of a department and approval by the
13 | Chief Financial Officer. Such transfer may only be made to the
14 | same appropriation category and the same funding source from
15 | which the funds are transferred.

16 | (d) The transfer of funds by the Executive Office of
17 | the Governor from appropriations for public school operations
18 | to a fixed capital outlay appropriation for class size
19 | reduction based on recommendations of the Florida Education
20 | Finance Program Appropriation Allocation Conference or the
21 | Legislative Budget Commission pursuant to s. 1003.03(4)(a).
22 | Actions by the Governor under this subsection are subject to
23 | the notice and review provisions of s. 216.177.

24 | (3) The following transfers are authorized with the
25 | approval of the Executive Office of the Governor for the
26 | executive branch or the Chief Justice for the judicial branch,
27 | subject to the notice and objection ~~review~~ provisions of s.
28 | 216.177:

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

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

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

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

12 (b) The transfer of appropriations for operations from
13 trust funds in excess of those authorized ~~provided~~ in
14 subsection (2) or subsection (3) ~~this section that exceed the~~
15 ~~greater of 5 percent of the original approved budget or \$1~~
16 ~~million~~, as recommended by the Executive Office of the
17 Governor or the Chief Justice of the Supreme Court.

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

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

3 (5) A transfer of funds may not result in the
4 initiation of a fixed capital outlay project that has not
5 received a specific legislative appropriation, except that
6 federal funds for fixed capital outlay projects for the
7 Department of Military Affairs, which do not carry a
8 continuing commitment on future appropriations by the
9 Legislature, may be approved by the Executive Office of the
10 Governor for the purpose received, subject to the notice,
11 ~~review,~~ and objection procedures set forth in s. 216.177.

12 Section 11. Effective upon this act becoming a law,
13 subsection (1) of section 216.301, Florida Statutes, as
14 amended by section 40 of chapter 2005-152, Laws of Florida, is
15 amended to read:

16 216.301 Appropriations; undisbursed balances.--

17 ~~(1)(a) Any balance of any appropriation, except an~~
18 ~~appropriation for fixed capital outlay, which is not disbursed~~
19 ~~but which is expended shall, at the end of each fiscal year,~~
20 ~~be certified by the head of the affected state agency or the~~
21 ~~judicial or legislative branches, on or before August 1 of~~
22 ~~each year, to the Executive Office of the Governor, showing in~~
23 ~~detail the obligees to whom obligated and the amounts of such~~
24 ~~obligations. Any such encumbered balance remaining undisbursed~~
25 ~~on September 30 of the same calendar year in which such~~
26 ~~certification was made shall revert to the fund from which~~
27 ~~appropriated, except as provided in subsection (3), and shall~~
28 ~~be available for reappropriation by the Legislature. In the~~
29 ~~event such certification is not made and an obligation is~~
30 ~~proven to be legal, due, and unpaid, then the obligation shall~~
31 ~~be paid and charged to the appropriation for the current~~

1 ~~fiscal year of the state agency or the legislative or judicial~~
2 ~~branch affected.~~

3 ~~(1)(a)(b)~~ Except as provided in subsection (3), any
4 balance of any appropriation, except an appropriation for
5 fixed capital outlay, for any given fiscal year remaining on
6 June 30 of the fiscal year after charging against the
7 appropriation ~~it~~ any lawful expenditure shall revert to the
8 fund from which appropriated and shall be available for
9 reappropriation by the Legislature.

10 (b) By June 30th of each year, each department and the
11 judicial branch shall identify in the state's financial system
12 any lawfully incurred obligation that has not been disbursed
13 by the end of the fiscal year, showing in detail the
14 commitment or to whom obligated and the amount of such
15 commitment or obligation.

16 (c) Notwithstanding paragraph (a), the balance of any
17 appropriation equal to the amounts of the incurred obligations
18 identified pursuant to paragraph (b) shall not revert until
19 September 30 of the same calendar year. Any such incurred
20 obligation remaining undisbursed on September 30 shall revert
21 to the fund from which appropriated and shall be available for
22 reappropriation by the Legislature.

23 (d) If an appropriate identification of an incurred
24 obligation is not made and an incurred obligation is proven to
25 be legal, due, and unpaid, the incurred obligation shall be
26 paid and charged to the appropriation for the current fiscal
27 year of the affected state agency or legislative or judicial
28 branch.

29 ~~(e)(e)~~ Each department and the judicial branch shall
30 maintain the integrity of the General Revenue Fund.
31 Appropriations from the General Revenue Fund contained in the

1 original approved budget may be transferred to the proper
2 trust fund for disbursement. Any reversion of appropriation
3 balances from programs which receive funding from the General
4 Revenue Fund and trust funds shall be transferred to the
5 General Revenue Fund within 15 days after such reversion,
6 unless otherwise provided by federal or state law, including
7 the General Appropriations Act. The Executive Office of the
8 Governor or the Chief Justice of the Supreme Court shall
9 determine the state agency or judicial branch programs which
10 are subject to this paragraph. This determination shall be
11 subject to the legislative consultation and objection process
12 in this chapter. The Education Enhancement Trust Fund shall
13 not be subject to the provisions of this section.

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

16 252.37 Financing.--

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

1 Section 13. Except as otherwise expressly provided in
2 this act and except for this section, which shall take effect
3 upon becoming a law, this act shall take effect July 1, 2006.

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6 SENATE SUMMARY

7 Revises various provisions governing state budget
8 procedures. Requires that the Office of Program Policy
9 Analysis and Government Accountability review agency
10 performance standards and report to the Governor and
11 Legislature. Requires that the Governor provide prior
12 notice of certain transfers of moneys. Defines the term
13 "incurred obligation." Specifies circumstances under
14 which the Executive Office of the Governor and the Chief
15 Justice of the Supreme Court must provide notice of
16 certain actions to the Legislative Budget Commission.
17 Provides that amendments to certain approved operating
18 budgets and transfers between budget entities are subject
19 to objection procedures. Requires that state agencies
20 submit a plan to the commission for allocating a lump-sum
21 appropriation in a budget amendment. Requires that state
22 agencies operating under performance-based budgets
23 maintain current performance measures and standards.
24 Provides for certain exceptions. Requires that notice of
25 changed conditions be provided to the Executive Office of
26 the Governor and the legislative appropriations
27 committees when funds are transferred between categories
28 of appropriations or budget entities. Revises
29 requirements for transferring appropriations from trust
30 funds. Provides procedures for identifying and paying
31 incurred obligations. Requires approval by the
Legislative Budget Commission of certain budget
amendments. (See bill for details.)