

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7181 CS PCB STA 06-02 State Planning & Budgeting
SPONSOR(S): State Administration Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:** SB 1716

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: State Administration Appropriations Committee	8 Y, 0 N	Belcher	Belcher
1) Fiscal Council	21 Y, 0 N, w/CS	Overton	Kelly
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Last year the Legislature adopted Senate Joint Resolution 2144 (SJR) which proposes to amend Section 19 of Article III of the State Constitution relating to state planning and budgeting. The SJR establishes the Joint Legislative Budget Commission (commission) in the Florida Constitution, directs the commission to issue a long-range financial outlook setting out fiscal strategies for the state, and creates the Government Efficiency Task Force.

The bill implements the SJR by revising statutes relating to the Legislative Budget Commission. The commission will continue to operate essentially as it does now. Membership remains at 7 Senators and 7 Representatives. The chair of the commission will be appointed in alternate years by the President of the Senate and the vice chair appointed by the Speaker of the House of Representatives (instead of the chairs of the appropriations committees serving as chair and vice chair); in alternate years, appointing authority is reversed.

The bill directs the commission to develop a long-range 3-year financial outlook which will 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 financial outlook. 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 bill also creates a Government Efficiency Task Force in 2007, and every 4 years thereafter, composed of legislators and private sector appointees, to make recommendations to improve government and reduce costs.

The bill clarifies that the Financial Estimating Conference is subject to the legislative rules of notice and openness to the public.

The bill takes effect upon the effective date of the amendment to the State Constitution contained in Senate Joint Resolution 2144, or a similar constitutional amendment.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide limited government—The bill implements the SJR which creates the Joint Legislative Budget Commission and the Government Efficiency Task Force.

B. EFFECT OF PROPOSED CHANGES:

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 amendments 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 financial outlook setting out fiscal strategies for the state and its departments and agencies to assist the legislature in making policy and budget decisions.

This bill conforms current statutes concerning the commission to the provisions of Senate Joint Resolution 2144.

The commission will continue to operate essentially as it does now. Membership remains at 7 Senators and 7 Representatives. The chairperson of the commission will be appointed by the President of the Senate and the vice chairperson appointed by the Speaker of the House of Representatives (instead of the chairs of the appropriations committees); in alternate years, the chairperson of the commission will be appointed by the Speaker of the House of Representatives and the vice chairperson appointed by the President of the Senate. The commission will convene at the call of the presiding officers (instead of the chair and vice chair). A quorum will continue to be a majority of the members from each house plus one additional member of either house. The commission will be staffed by legislative staff (instead of appropriations committee staff).

The commission will have the power and duty to:

- review and approve budget amendments proposed by the Governor or the Chief Justice of the Supreme Court as provided in Chapter 216, F.S.;
- develop the long-range financial outlook required by the Senate Joint Resolution; and
- exercise all other powers and perform any other duties prescribed by the Legislature.

The bill creates the Government Efficiency Task Force. The task force will convene no later than January of 2007, and each fourth year thereafter. The task force will be composed of 15 members. Five members each will be appointed by the President of the Senate, Speaker of the House of Representatives, and Governor. Members of the task force membership of the Government Efficiency Task Force may be of members of the Legislature and representatives from the private and public sectors. The joint task force will elect a chair from among its members. The joint task force will meet at least quarterly at the call of the chair and may conduct its meetings through teleconferences or other similar means. Task force staff will be assigned by the Governor, the President of the Senate, and the Speaker of the House of Representatives. The task force will develop recommendations for improving governmental operations and reducing costs and complete its work within one year. The task force may submit all or part of its recommendations at any time during the year but a final report summarizing its recommendations must be submitted at the completion of its work to the chair and vice-chair of the Legislative Budget Commission, the Governor, and the Chief Justice of the Supreme Court.

The bill amends s. 29.0095, F.S., to require the legislative appropriations committees, instead of the commission, to set the format for budget expenditure reports.

The bill amends s. 100.371, F.S., to clarify that the Financial Estimating Conference is a part of the legislative branch and, as such, is subject to the legislative rules of notice and openness to the public.

The bill amends s. 216.011, F.S., to narrow the definition of "consultation" with the Governor to include only fiscal matters. In addition "long-range financial outlook" is defined consistent with the requirements of the Senate Joint Resolution as a document issued by the commission based on a 3-year forecast of revenues and expenditures.

The bill amends s. 216.012, F.S., to require the commission to develop the long-range financial outlook and update the outlook each year. The commission will issue the final financial outlook by September 15 but may provide any additions or adjustments based on information not previously available.

The bill amends s. 216.023, F.S., to require that the legislative budget instructions provide for consistency between agency long-range plans and agency legislative budget requests.

The bill amends s. 216.065, F.S., to require that the commission and legislative appropriations committees be provided a fiscal impact statement that details the effect of any action taken by the Governor, Governor and Cabinet, state agency, or statutorily authorized entity, that will affect revenues, require a request for an increased or new appropriation in the following 3 fiscal years, or transfer current years funds, before such action is taken.

The bill amends s. 216.162, F.S., to require that the Governor's recommended budget be furnished to the Legislature at least 30 days before the scheduled annual legislative session or such later date as is requested by the Governor and approved in writing by the President of the Senate and the Speaker of the House of Representatives.

The bill amends s.216.178, F.S., to extend the time for the production of the final budget report to 120 days after the beginning of the fiscal year. The final budget report reflects net appropriations for each budget item, as well as expenditures, revenues, and cash balances for the prior two years and estimated expenditures, revenues, and cash balances for the current year.

C. SECTION DIRECTORY:

Section 1: Amends s. 11.90, F.S., membership, rules, powers, and duties of the Legislative Budget Commission.

Section 2: Creates s. 11.91, F.S., creating the Government Efficiency Task Force.

Section 3: Amends s. 2.0095, F.S., to provide the appropriations committees of the Senate and the House shall prescribe the format of the report required by the section instead of the LBC.

Section 4: Amends s. 100.371, F.S., as amended by s. 28 of ch. 2005-278, Laws of Florida, to clarify that the Financial Estimating Conference is a part of the legislative branch.

Section 5: Amends s. 216.011, F.S., to amend the definition of "consultation" and to provide the definition of "long-range financial outlook."

Section 6: Creates s. 216.012, F.S., to provide the duties of the LBC and the agencies in creating the long-range financial outlook.

Section 7: Amends s. 216.023, F.S., to provide requirements for legislative budget requests and legislative budget request instructions.

Section 8: Amends s. 216.065, F.S., to provide requirements for fiscal impact statements on actions affecting the budget.

Section 9: Amends s. 216.162, F.S., to provide the time the Governor's recommended balanced budget for the state shall be submitted to the legislature.

Section 10: Amends s.216.178, F.S., to extend the time for the production of the final budget report to 120 days after the beginning of the fiscal year.

Section 11: Provides that the bill will take effect on the effective date of Senate Joint Resolution 2005-2144.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

There will be indeterminate costs associated with meetings of the Government Efficiency Task Force for member travel and per diem.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On April 21, 2006, the Fiscal Council adopted one amendment. The amendment clarifies that the membership of the Government Efficiency Task Force may be of members of the Legislature and representatives from the private and public sectors.