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2 An act relating to state financial matters;  
3 amending s. 215.47, F.S.; revising a limitation  
4 on the percentage of a fund that may be  
5 invested in specified investments; amending s.  
6 216.181, F.S.; prohibiting initiating or  
7 commencing a new fixed capital outlay project  
8 through an amendment to the original approved  
9 operating budget for operational and fixed  
10 capital outlay expenditures; authorizing the  
11 Executive Office of the Governor to approve  
12 changes in amounts appropriated to the  
13 Department of Military Affairs for fixed  
14 capital outlay projects under specified  
15 circumstances; prohibiting initiating or  
16 commencing a fixed capital outlay project by a  
17 change to an approved operating budget unless  
18 specifically provided; amending s. 216.1827,  
19 F.S.; requiring that a state agency submit to  
20 the Executive Office of the Governor for review  
21 and approval requests concerning the revision  
22 or addition of agency activities, including the  
23 alignment of activities to performance  
24 measures; amending s. 216.192, F.S.; providing  
25 for certain exceptions to provisions of the  
26 original approved operating budget of state  
27 agencies and the judicial branch to be provided  
28 by law rather than in the General  
29 Appropriations Act; amending s. 216.292, F.S.;  
30 deleting provisions authorizing the approval of  
31 the transfer of funds for fixed capital outlay

1 projects for the Department of Military  
2 Affairs; amending s. 286.036, F.S.; reassigning  
3 the Taxation and Budget Reform Commission for  
4 administrative purposes from the Board of  
5 Regents to the Office of Legislative Services;  
6 amending s. 1003.03, F.S.; authorizing the  
7 Commissioner of Education to recommend a budget  
8 amendment for the transfer of certain funds if  
9 the State Board of Education finds that a  
10 district has been unable to meet class size  
11 reduction requirements; providing an effective  
12 date.

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14 Be It Enacted by the Legislature of the State of Florida:

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16 Section 1. Subsection (14) of section 215.47, Florida  
17 Statutes, is amended to read:

18 215.47 Investments; authorized securities; loan of  
19 securities.--Subject to the limitations and conditions of the  
20 State Constitution or of the trust agreement relating to a  
21 trust fund, moneys available for investments under ss.  
22 215.44-215.53 may be invested as follows:

23 (14) With no more than 5 percent of any fund in  
24 alternative investments, as defined in s. 215.44(8)(c)1.a.,  
25 ~~private equity~~ through participation in the vehicles defined  
26 in s. 215.44(8)(c)1.b. limited partnerships and limited  
27 ~~liability companies.~~

28 Section 2. Subsections (2) and (11) of section  
29 216.181, Florida Statutes, are amended, and subsection (18) is  
30 added to that section, to read:

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1           216.181 Approved budgets for operations and fixed  
2 capital outlay.--

3           (2) Amendments to the original approved operating  
4 budgets for operational and fixed capital outlay expenditures  
5 must comply with the following guidelines in order to be  
6 approved by the Governor and the Legislative Budget Commission  
7 for the executive branch and the Chief Justice and the  
8 Legislative Budget Commission for the judicial branch:

9           (a) The amendment must be consistent with legislative  
10 policy and intent.

11           (b) The amendment may not initiate or commence a new  
12 program or a fixed capital outlay project, except as  
13 authorized by this chapter, or eliminate an existing program.

14           (c) Except as authorized in s. 216.292 or other  
15 provisions of this chapter, the amendment may not provide  
16 funding or increased funding for items which were funded by  
17 the Legislature in an amount less than that requested by the  
18 agency in the legislative budget request or recommended by the  
19 Governor, or which were vetoed by the Governor.

20           (d) For amendments that involve trust funds, there  
21 must be adequate and appropriate revenues available in the  
22 trust fund and the amendment must be consistent with the laws  
23 authorizing such trust funds and the laws relating to the use  
24 of the trust funds. However, a trust fund shall not be  
25 increased in excess of the original approved budget, except as  
26 provided in subsection (11).

27           (e) The amendment shall not conflict with any  
28 provision of law.

29           (f) The amendment must not provide funding for any  
30 issue which was requested by the agency or branch in its  
31

1 legislative budget request and not funded in the General  
2 Appropriations Act.

3 (g) The amendment must include a written description  
4 of the purpose of the proposed change, an indication of why  
5 interim budget action is necessary, and the intended recipient  
6 of any funds for contracted services.

7 (h) The amendment must not provide general salary  
8 increases which the Legislature has not authorized in the  
9 General Appropriations Act or other laws.

10 (i) Notwithstanding paragraph (f), the Agency for  
11 Persons with Disabilities is authorized to submit an amendment  
12 to adjust its full-time equivalent positions, salary rate, and  
13 related budget authority to provide sufficient infrastructure  
14 and administrative support. This paragraph expires July 1,  
15 2007.

16 (11)(a) The Executive Office of the Governor and the  
17 Chief Justice of the Supreme Court may approve changes in the  
18 amounts appropriated from state trust funds in excess of those  
19 in the approved operating budget up to \$1 million only  
20 pursuant to the federal funds provisions of s. 216.212, when  
21 grants and donations are received after April 1, or when  
22 deemed necessary due to a set of conditions that were  
23 unforeseen at the time the General Appropriations Act was  
24 adopted and that are essential to correct in order to continue  
25 the operation of government.

26 (b) Changes in the amounts appropriated from state  
27 trust funds in excess of those in the approved operating  
28 budget which are in excess of \$1 million may be approved only  
29 by the Legislative Budget Commission pursuant to the request  
30 of a state agency filed with the Executive Office of the  
31 Governor or pursuant to the request of an entity of the

1 judicial branch filed with the Chief Justice of the Supreme  
2 Court.

3 (c) Notwithstanding the provisions of paragraphs (a)  
4 and (b) to the contrary, the Executive Office of the Governor  
5 may approve changes in the amounts appropriated to the  
6 Department of Military Affairs for fixed capital outlay  
7 projects when the department has received federal funds for  
8 specific fixed capital outlay projects that do not carry a  
9 continuing commitment for future appropriations by the  
10 Legislature.

11  
12 The provisions of this subsection are subject to the notice  
13 and objection procedures set forth in s. 216.177.

14 (18) Except as otherwise specifically provided in this  
15 chapter or chapter 339, a change to the approved operating  
16 budget may not initiate or commence a fixed capital outlay  
17 project.

18 Section 3. Paragraph (a) of subsection (3) of section  
19 216.1827, Florida Statutes, is amended to read:

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

22 (3)(a) An agency may submit requests to delete or  
23 amend its existing approved performance measures and standards  
24 or activities, including alignment of activities to  
25 performance measures, or submit requests to create additional  
26 performance measures and standards or activities to the  
27 Executive Office of the Governor for review and approval. The  
28 request shall document the justification for the change and  
29 ensure that the revision, deletion, or addition is consistent  
30 with legislative intent. Revisions or deletions to, or  
31 additions of performance measures and standards approved by

1 the Executive Office of the Governor are subject to the review  
2 and objection procedure set forth in s. 216.177.

3 Section 4. Subsection (1) of section 216.192, Florida  
4 Statutes, is amended to read:

5 216.192 Release of appropriations; revision of  
6 budgets.--

7 (1) Unless otherwise provided in law ~~the General~~  
8 ~~Appropriations Act~~, on July 1 of each fiscal year, up to 25  
9 percent of the original approved operating budget of each  
10 agency and of the judicial branch may be released until such  
11 time as annual plans for quarterly releases for all  
12 appropriations have been developed, approved, and furnished to  
13 the Chief Financial Officer by the Executive Office of the  
14 Governor for state agencies and by the Chief Justice of the  
15 Supreme Court for the judicial branch. The plans, including  
16 appropriate plans of releases for fixed capital outlay  
17 projects that correspond with each project schedule, shall  
18 attempt to maximize the use of trust funds and shall be  
19 transmitted to the Chief Financial Officer by August 1 of each  
20 fiscal year. Such releases shall at no time exceed the total  
21 appropriations available to a state agency or to the judicial  
22 branch, or the approved budget for such agency or the judicial  
23 branch if less. The Chief Financial Officer shall enter such  
24 releases in his or her records in accordance with the release  
25 plans prescribed by the Executive Office of the Governor and  
26 the Chief Justice, unless otherwise amended as provided by  
27 law. The Executive Office of the Governor and the Chief  
28 Justice shall transmit a copy of the approved annual releases  
29 to the head of the state agency, the chair and vice chair of  
30 the Legislative Budget Commission, and the Auditor General.  
31 The Chief Financial Officer shall authorize all expenditures

1 to be made from the appropriations on the basis of such  
2 releases and in accordance with the approved budget, and not  
3 otherwise. Expenditures shall be authorized only in accordance  
4 with legislative authorizations. Nothing herein precludes  
5 periodic reexamination and revision by the Executive Office of  
6 the Governor or by the Chief Justice of the annual plans for  
7 release of appropriations and the notifications of the parties  
8 of all such revisions.

9 Section 5. Subsection (5) of section 216.292, Florida  
10 Statutes, is amended to read:

11 216.292 Appropriations nontransferable; exceptions.--

12 (5)(a) A transfer of funds may not result in the  
13 initiation of a fixed capital outlay project that has not  
14 received a specific legislative appropriation, ~~except that~~  
15 ~~federal funds for fixed capital outlay projects for the~~  
16 ~~Department of Military Affairs, which do not carry a~~  
17 ~~continuing commitment on future appropriations by the~~  
18 ~~Legislature, may be approved by the Executive Office of the~~  
19 ~~Governor for the purpose received, subject to the notice and~~  
20 ~~objection procedures set forth in s. 216.177.~~

21 (b) Notwithstanding paragraph (a), and for the  
22 2006-2007 fiscal year only, the Governor may recommend the  
23 initiation of fixed capital outlay projects funded by grants  
24 awarded by the Federal Emergency Management Agency for FEMA  
25 Disaster Declarations 1539-DR-FL, 1545-DR-FL, 1551-DR-FL,  
26 1561-DR-FL, 1595-DR-FL, 1602-DR-FL, and EM3259-FL. All actions  
27 taken pursuant to the authority granted in this paragraph are  
28 subject to review and approval by the Legislative Budget  
29 Commission. This paragraph expires July 1, 2007.

30 Section 6. Subsection (5) of section 286.036, Florida  
31 Statutes, is amended to read:

1           286.036 Taxation and Budget Reform Commission;  
2 powers.--

3           (5) The Taxation and Budget Reform Commission is  
4 assigned, for administrative purposes, to the legislative  
5 branch ~~Board of Regents~~. The Office of Legislative Services  
6 ~~Board of Regents~~ is directed to expedite, where possible, the  
7 business of the commission consistent with prudent financial  
8 and management practices.

9           Section 7. Subsection (4) of section 1003.03, Florida  
10 Statutes, is amended to read:

11           1003.03 Maximum class size.--

12           (4) ACCOUNTABILITY.--

13           (a)1. Beginning in the 2003-2004 fiscal year, if the  
14 department determines for any year that a school district has  
15 not reduced average class size as required in subsection (2)  
16 at the time of the third FEFP calculation, the department  
17 shall calculate an amount from the class size reduction  
18 operating categorical which is proportionate to the amount of  
19 class size reduction not accomplished. Upon verification of  
20 the department's calculation by the Florida Education Finance  
21 Program Appropriation Allocation Conference and not later than  
22 March 1 of each year, the Executive Office of the Governor  
23 shall transfer undistributed funds equivalent to the  
24 calculated amount from the district's class size reduction  
25 operating categorical to an approved fixed capital outlay  
26 appropriation for class size reduction in the affected  
27 district pursuant to s. 216.292(2)(d). The amount of funds  
28 transferred shall be the lesser of the amount verified by the  
29 Florida Education Finance Program Appropriation Allocation  
30 Conference or the undistributed balance of the district's  
31 class size reduction operating categorical.

1           2. In lieu of the transfer required by subparagraph  
2 1., the Commissioner of Education may recommend a budget  
3 amendment, subject to approval by the Legislative Budget  
4 Commission, to transfer an alternative amount of funds from  
5 the district's class size reduction operating categorical to  
6 its approved fixed capital outlay account for class size  
7 reduction if the commissioner finds ~~However, based upon a~~  
8 ~~recommendation by the Commissioner of Education~~ that the State  
9 Board of Education has reviewed evidence indicating that a  
10 district has been unable to meet class size reduction  
11 requirements despite appropriate effort to do so. The  
12 commissioner's budget amendment must be submitted to the  
13 Legislative Budget Commission by February 15 of each year.~~7~~  
14 ~~the Legislative Budget Commission may approve an alternative~~  
15 ~~amount of funds to be transferred from the district's class~~  
16 ~~size reduction operating categorical to its approved fixed~~  
17 ~~capital outlay account for class size reduction.~~

18           (b) Beginning in the 2005-2006 school year, the  
19 department shall determine by January 15 of each year which  
20 districts have not met the two-student-per-year reduction  
21 required in subsection (2) based upon a comparison of the  
22 district's October student membership survey for the current  
23 school year and the February 2003 baseline student membership  
24 survey. The department shall report such districts to the  
25 Legislature. Each district that has not met the  
26 two-student-per-year reduction shall be required to implement  
27 one of the following policies in the subsequent school year  
28 unless the department finds that the district comes into  
29 compliance based upon the February student membership survey:

- 30           1. Year-round schools;
- 31           2. Double sessions;

1           3. Rezoning; or

2           4. Maximizing use of instructional staff by changing  
3 required teacher loads and scheduling of planning periods,  
4 deploying school district employees who have professional  
5 certification to the classroom, using adjunct educators,  
6 operating schools beyond the normal operating hours to provide  
7 classes in the evening, or operating more than one session  
8 during the day.

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10 A school district that is required to implement one of the  
11 policies outlined in subparagraphs 1. through 4. shall correct  
12 in the year of implementation any past deficiencies and bring  
13 the district into compliance with the two-student-per-year  
14 reduction goals established for the district by the department  
15 pursuant to subsection (2). A school district may choose to  
16 implement more than one of these policies. The district school  
17 superintendent shall report to the Commissioner of Education  
18 the extent to which the district implemented any of the  
19 policies outlined in subparagraphs 1. through 4. in a format  
20 to be specified by the Commissioner of Education. The  
21 Department of Education shall use the enforcement authority  
22 provided in s. 1008.32 to ensure that districts comply with  
23 the provisions of this paragraph.

24           (c) Beginning in the 2006-2007 school year, the  
25 department shall annually determine which districts do not  
26 meet the requirements described in subsection (2). In addition  
27 to enforcement authority provided in s. 1008.32, the  
28 Department of Education shall develop a constitutional  
29 compliance plan for each such district which includes, but is  
30 not limited to, redrawing school attendance zones to maximize  
31 use of facilities while minimizing the additional use of

1 transportation unless the department finds that the district  
2 comes into compliance based upon the February student  
3 membership survey and the other accountability policies listed  
4 in paragraph (b). Each district school board shall implement  
5 the constitutional compliance plan developed by the state  
6 board until the district complies with the constitutional  
7 class size maximums.

8 Section 8. This act shall take effect July 1, 2007.

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