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1 A bill to be entitled
2 An act relating to the Florida Savings Fund; amending s.
3 215.32, F.S.; establishing the Florida Savings Fund;
4 conforming provisions; specifying that the fund balance is
5 part of the working capital balance of the state;
6 providing for the calculation of the required fund
7 balance; providing for transfer of funds from the General
8 Revenue Fund to the Florida Savings Fund; requiring that
9 interest earned by the Florida Savings Fund be deposited
10 in the General Revenue Fund; providing for the use of
11 funds in the Florida Savings Fund; amending s. 216.221,
12 F.S.; specifying conditions for determining when a deficit
13 in the General Revenue Fund is deemed to occur for
14 purposes of adjusting appropriations to prevent such a
15 deficit; authorizing the Chief Financial Officer to
16 transfer funds from the Florida Savings Fund to the
17 General Revenue Fund under certain circumstances;
18 conforming cross-references; amending s. 216.222, F.S.;
19 revising the conditions for determining when a deficit in
20 the General Revenue Fund is deemed to occur for purposes
21 of transferring funds from the Budget Stabilization Fund
22 to offset such a deficit; amending s. 252.37, F.S.;
23 authorizing funds in the Florida Savings Fund to be
24 transferred and expended under certain emergency
25 conditions; providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:
28

29 Section 1. Subsection (1) and paragraph (a) of subsection
 30 (2) of section 215.32, Florida Statutes, are amended, and
 31 paragraph (d) is added to subsection (2) of that section, to
 32 read:

33 215.32 State funds; segregation.—

34 (1) All moneys received by the state shall be deposited in
 35 the State Treasury unless specifically provided otherwise by law
 36 and shall be deposited in and accounted for by the Chief
 37 Financial Officer within the following funds, which funds are
 38 hereby created and established:

- 39 (a) General Revenue Fund.
- 40 (b) Trust funds.
- 41 (c) Budget Stabilization Fund.
- 42 (d) Florida Savings Fund.

43 (2) The source and use of each of these funds shall be as
 44 follows:

45 (a) The General Revenue Fund shall consist of all moneys
 46 received by the state from every source whatsoever, except as
 47 provided in paragraphs (b), ~~and~~ (c), and (d). Such moneys shall
 48 be expended pursuant to General Revenue Fund appropriations
 49 acts, transferred as provided in paragraph (c) or paragraph (d),
 50 or maintained as unallocated general revenue. Unallocated
 51 general revenue shall be considered the working capital balance
 52 of the state and shall consist of moneys in the General Revenue
 53 Fund that are in excess of the amount needed to meet General
 54 Revenue Fund appropriations for the current fiscal year and the
 55 balance of the Florida Savings Fund.

56 (d)1. The Florida Savings Fund shall consist of amounts

57 equal to the difference between 5 percent of the official
 58 estimate of total funds available for appropriation from the
 59 General Revenue Fund for a fiscal year and the balance of the
 60 Lawton Chiles Endowment Fund, which shall be calculated
 61 according to the following formula:

$$\text{FSF} = (0.05 \times \text{AGR}) - \text{LCE}$$

62
 63
 64
 65 Where:
 66 FSF = the required balance of the Florida Savings Fund
 67 established pursuant to this subparagraph.
 68 AGR = the official estimate of total funds available for
 69 appropriation from the General Revenue Fund according
 70 to the most recent financial outlook statement adopted
 71 by the Revenue Estimating Conference before the
 72 Legislature's enactment of the General Appropriations
 73 Act.
 74 LCE = the balance of the Lawton Chiles Endowment Fund as of
 75 the date that the Revenue Estimating Conference
 76 certifies the required balance of the Florida Savings
 77 Fund pursuant to subparagraph 2.

78
 79 2. Before the effective date of the General Appropriations
 80 Act for a fiscal year, the Revenue Estimating Conference shall
 81 certify the required balance of the Florida Savings Fund for
 82 that fiscal year, calculated as provided in subparagraph 1., and
 83 the amount needed for transfer to the fund for its balance to
 84 equal the required balance.

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85 3. The Chief Financial Officer, once each calendar
86 quarter, shall transfer from the General Revenue Fund to the
87 Florida Savings Fund an amount equal to 25 percent of the amount
88 certified by the Revenue Estimating Conference as needed for
89 transfer to the Florida Savings Fund pursuant to subparagraph 2.

90 4. Interest earned by the Florida Savings Fund shall be
91 deposited in the General Revenue Fund.

92 5. Funds in the Florida Savings Fund may only be expended
93 or transferred as authorized in s. 216.221 and this section.
94 Except as provided in this section, an appropriation or transfer
95 may not be made from the Florida Savings Fund for any other
96 purpose.

97 a. Funds in the Florida Savings Fund may be expended
98 pursuant to s. 252.37 for an emergency as defined in s. 252.34
99 declared by the Governor under s. 252.36 or declared by law.

100 b. Funds in the Florida Savings Fund may be transferred to
101 the General Revenue Fund pursuant to s. 215.18.

102 Section 2. Section 216.221, Florida Statutes, is amended
103 to read:

104 216.221 Appropriations as maximum appropriations;
105 adjustment of budgets to avoid or eliminate deficits.—

106 (1) All appropriations shall be maximum appropriations,
107 based upon the collection of sufficient revenues to meet and
108 provide for such appropriations. It is the duty of the Governor,
109 as chief budget officer, to ensure that revenues collected will
110 be sufficient to meet the appropriations and that no deficit
111 occurs in any state fund.

112 (2) For purposes of this section, a deficit in the General

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113 Revenue Fund is deemed to occur when the official estimate of
114 funds available in the General Revenue Fund, combined with the
115 funds available in the Florida Savings Fund, for a fiscal year
116 falls below the total amount appropriated from the General
117 Revenue Fund for that fiscal year.

118 ~~(3)-(2)~~ The Legislature may annually provide direction in
119 the General Appropriations Act regarding use of any state funds
120 to offset General Revenue Fund deficits.

121 (4) If the Chief Financial Officer determines, in
122 consultation with the Revenue Estimating Conference, that the
123 total funds available in the General Revenue Fund for a fiscal
124 year fall below the total amount appropriated from the General
125 Revenue Fund for that fiscal year, the Chief Financial Officer
126 shall transfer an amount necessary to cover the shortfall from
127 the Florida Savings Fund to the General Revenue Fund.

128 ~~(5)-(3)~~ For purposes of preventing a deficit in the General
129 Revenue Fund, all branches and agencies of government shall
130 participate in deficit reduction efforts. Absent specific
131 legislative direction, when budget reductions are required in
132 order to prevent a deficit under the provisions of subsection
133 (9) ~~(7)~~, each branch shall reduce its General Revenue Fund
134 appropriations by a proportional amount.

135 ~~(6)-(4)~~ For purposes of preventing a deficit in the General
136 Revenue Fund, appropriations to the legislative branch that are
137 voluntarily placed in their reserve by the President of the
138 Senate or the Speaker of the House of Representatives, or by
139 both, may not be reduced, but may be included in any deficit
140 reduction plan.

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141 (7)~~(5)~~(a) If, in the opinion of the Governor, after
142 consultation with the Revenue Estimating Conference, a deficit
143 will occur in the General Revenue Fund, he or she shall so
144 certify to the commission and to the Chief Justice of the
145 Supreme Court. No more than 30 days after certifying that a
146 deficit will occur in the General Revenue Fund, the Governor
147 shall develop for the executive branch, and the Chief Justice of
148 the Supreme Court shall develop for the judicial branch, and
149 provide to the commission and to the Legislature plans of action
150 to eliminate the deficit.

151 (b) If, in the opinion of the President of the Senate and
152 the Speaker of the House of Representatives, after consultation
153 with the Revenue Estimating Conference, a deficit will occur in
154 the General Revenue Fund and the Governor has not certified the
155 deficit, the President of the Senate and the Speaker of the
156 House of Representatives shall so certify. Within 30 days after
157 such certification, the Governor shall develop for the executive
158 branch and the Chief Justice of the Supreme Court shall develop
159 for the judicial branch and provide to the commission and to the
160 Legislature plans of action to eliminate the deficit.

161 (c) In developing a plan of action to prevent deficits in
162 accordance with subsection (9) ~~(7)~~, the Governor and Chief
163 Justice shall, to the extent possible, preserve legislative
164 policy and intent, and, absent any specific direction to the
165 contrary in the General Appropriations Act, the Governor and
166 Chief Justice shall comply with the following guidelines for
167 reductions in the approved operating budgets of the executive
168 branch and the judicial branch:

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- 169 1. Education budgets should not be reduced more than
170 provided for in s. 215.16(2).
- 171 2. The use of nonrecurring funds to solve recurring
172 deficits should be minimized.
- 173 3. Newly created programs that are not fully implemented
174 and programs with critical audits, evaluations, and reviews
175 should receive first consideration for reductions.
- 176 4. No agencies or branches of government receiving
177 appropriations should be exempt from reductions.
- 178 5. When reductions in positions are required, the focus
179 should be initially on vacant positions.
- 180 6. Reductions that would cause substantial losses of
181 federal funds should be minimized.
- 182 7. Reductions to statewide programs should occur only
183 after review of programs that provide only local benefits.
- 184 8. Reductions in administrative and support functions
185 should be considered before reductions in direct-support
186 services.
- 187 9. Maximum reductions should be considered in budgets for
188 expenses including travel and in budgets for equipment
189 replacement, outside consultants, and contracts.
- 190 10. Reductions in salaries for elected state officials
191 should be considered.
- 192 11. Reductions that adversely affect the public health,
193 safety, and welfare should be minimized.
- 194 12. The Budget Stabilization Fund should not be reduced to
195 a level that would impair the financial stability of this state.
- 196 13. Reductions in programs that are traditionally funded

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197 by the private sector and that may be assumed by private
198 enterprise should be considered.

199 14. Reductions in programs that are duplicated among state
200 agencies or branches of government should be considered.

201 (8)~~(6)~~ If the Revenue Estimating Conference projects a
202 deficit in the General Revenue Fund in excess of 1.5 percent of
203 the moneys appropriated from the General Revenue Fund during a
204 fiscal year or when the cumulative total of a series of
205 projected deficits in the General Revenue Fund exceeds 1.5
206 percent of the moneys appropriated from the General Revenue
207 Fund, the deficit shall be resolved by the Legislature.

208 (9)~~(7)~~ Deficits in the General Revenue Fund that do not
209 meet the amounts specified by subsection (8) ~~(6)~~ shall be
210 resolved by the Governor for the executive branch and the Chief
211 Justice of the Supreme Court for the judicial branch. The
212 Governor and Chief Justice shall implement any directions
213 provided in the General Appropriations Act related to
214 eliminating deficits and to reducing agency and judicial branch
215 budgets, including the use of those legislative appropriations
216 voluntarily placed in reserve. In addition, the Governor and
217 Chief Justice shall implement any directions in the General
218 Appropriations Act relating to the resolution of deficit
219 situations. When reducing state agency or judicial branch
220 budgets, the Governor or the Chief Justice, respectively, shall
221 use the guidelines prescribed in subsection (7) ~~(5)~~. The
222 Executive Office of the Governor, and the Chief Justice for the
223 judicial branch, shall implement the deficit reduction plans
224 through amendments to the approved operating budgets in

225 accordance with s. 216.181.

226 (10)~~(8)~~ The Chief Financial Officer also has the duty to
 227 ensure that revenues being collected will be sufficient to meet
 228 the appropriations and that no deficit occurs in any fund of the
 229 state.

230 (11)~~(9)~~ If, in the opinion of the Chief Financial Officer,
 231 after consultation with the Revenue Estimating Conference, a
 232 deficit will occur, he or she shall report his or her opinion to
 233 the Governor, the President of the Senate, and the Speaker of
 234 the House of Representatives in writing. In the event the
 235 Governor does not certify a deficit, or the President of the
 236 Senate and the Speaker of the House of Representatives do not
 237 certify a deficit within 10 days after the Chief Financial
 238 Officer's report, the Chief Financial Officer shall report his
 239 or her findings and opinion to the commission and the Chief
 240 Justice of the Supreme Court.

241 (12)~~(10)~~ When advised by the Revenue Estimating
 242 Conference, the Chief Financial Officer, or any agency
 243 responsible for a trust fund that a deficit will occur with
 244 respect to the appropriations from a specific trust fund in the
 245 current fiscal year, the Governor for the executive branch, or
 246 the Chief Justice for the judicial branch, shall develop a plan
 247 of action to eliminate the deficit. Before implementing the plan
 248 of action, the Governor or the Chief Justice must comply with
 249 the provisions of s. 216.177(2), and actions to resolve deficits
 250 in excess of \$1 million must be approved by the Legislative
 251 Budget Commission. In developing the plan of action, the
 252 Governor or the Chief Justice shall, to the extent possible,

253 preserve legislative policy and intent.

254 ~~(13)-(11)~~ Once a deficit is determined to have occurred and
 255 action is taken to reduce approved operating budgets and release
 256 authority, no action may be taken to restore the reductions,
 257 either directly or indirectly.

258 Section 3. Paragraph (a) of subsection (1) of section
 259 216.222, Florida Statutes, is amended to read:

260 216.222 Budget Stabilization Fund; criteria for
 261 withdrawing moneys.—

262 (1) Moneys in the Budget Stabilization Fund may be
 263 transferred to the General Revenue Fund for:

264 (a)1. Offsetting a deficit in the General Revenue Fund. A
 265 deficit is deemed to occur when the official estimate of funds
 266 available in the General Revenue Fund, combined with funds
 267 available in the Florida Savings Fund, for a fiscal year falls
 268 below the total amount appropriated from the General Revenue
 269 Fund for that fiscal year. Such a transfer must be made pursuant
 270 to s. 216.221, or pursuant to an appropriation by law.

271 2. Notwithstanding the requirements of s. 216.221, if,
 272 after consultation with the Revenue Estimating Conference, the
 273 Chief Financial Officer believes that a deficit will occur in
 274 the General Revenue Fund and if:

275 a. Fewer than 30 but more than 4 days are left in the
 276 fiscal year, the Legislature is not in session, and neither the
 277 Legislature nor the Legislative Budget Commission is scheduled
 278 to meet before the end of the fiscal year, or

279 b. Fewer than 5 days are left in the fiscal year and the
 280 Governor and the Chief Justice, the Legislature, or the

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281 | Legislative Budget Commission have not implemented measures to
282 | resolve the deficit,
283 |
284 | the Chief Financial Officer shall certify the deficit to the
285 | Governor, the Chief Justice, the President of the Senate, and
286 | the Speaker of the House of Representatives, and may thereafter
287 | withdraw funds from the Budget Stabilization Fund to offset the
288 | projected deficit in the General Revenue Fund. The Chief
289 | Financial Officer shall consult with the Governor and the chair
290 | and vice chair of the Legislative Budget Commission before any
291 | funds may be withdrawn from the Budget Stabilization Fund. At
292 | the beginning of the next fiscal year, the Chief Financial
293 | Officer shall promptly determine the General Revenue Fund
294 | balance to be carried forward. The Chief Financial Officer shall
295 | immediately repay the Budget Stabilization Fund for the
296 | withdrawn amount, up to the amount of the balance. If the
297 | General Revenue Fund balance carried forward is not sufficient
298 | to fully repay the Budget Stabilization Fund, the repayment of
299 | the remainder of the withdrawn funds shall be as provided in s.
300 | 215.32(2)(c)3.

301 | Section 4. Subsection (2) of section 252.37, Florida
302 | Statutes, is amended to read:

303 | 252.37 Financing.—

304 | (2) It is the legislative intent that the first recourse
305 | be made to funds regularly appropriated to state and local
306 | agencies. If the Governor finds that the demands placed upon
307 | these funds in coping with a particular disaster declared by the
308 | Governor as a state of emergency are unreasonably great, she or

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309 | he may make funds available by transferring and expending moneys
310 | appropriated for other purposes, by transferring and expending
311 | moneys out of any unappropriated surplus funds, or from the
312 | Budget Stabilization Fund or the Florida Savings Fund. Following
313 | the expiration or termination of the state of emergency, the
314 | Governor may transfer moneys with a budget amendment, subject to
315 | approval by the Legislative Budget Commission, to satisfy the
316 | budget authority granted for such emergency.

317 | Section 5. This act shall take effect upon becoming a law.