

1 A bill to be entitled
 2 An act relating to repealing budget provisions; amending
 3 s. 216.023, F.S.; deleting certain budget summary
 4 requirements; repealing s. 339.1371, F.S., relating to
 5 Mobility 2000 funding; amending ss. 216.013, 287.0574, and
 6 489.145, F.S.; conforming cross-references; providing an
 7 effective date.

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

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 11 Section 1. Subsection (4) of section 216.023, Florida
 12 Statutes, is amended to read:

13 216.023 Legislative budget requests to be furnished to
 14 Legislature by agencies.—

15 (4) ~~(a)~~ The legislative budget request must contain for
 16 each program:

17 (a)1. The constitutional or statutory authority for a
 18 program, a brief purpose statement, and approved program
 19 components.

20 (b)2. Information on expenditures for 3 fiscal years
 21 (actual prior-year expenditures, current-year estimated
 22 expenditures, and agency budget requested expenditures for the
 23 next fiscal year) by appropriation category.

24 (c)3. Details on trust funds and fees.

25 (d)4. The total number of positions (authorized, fixed,
 26 and requested).

27 (e)5. An issue narrative describing and justifying changes
 28 in amounts and positions requested for current and proposed

29 | programs for the next fiscal year.

30 | (f)~~6~~. Information resource requests.

31 | (g)~~7~~. Supporting information, including applicable cost-
 32 | benefit analyses, business case analyses, performance
 33 | contracting procedures, service comparisons, and impacts on
 34 | performance standards for any request to outsource or privatize
 35 | agency functions. The cost-benefit and business case analyses
 36 | must include an assessment of the impact on each affected
 37 | activity ~~from those identified in accordance with paragraph (b)~~.
 38 | Performance standards must include standards for each affected
 39 | activity and be expressed in terms of the associated unit of
 40 | activity.

41 | (h)~~8~~. An evaluation of any major outsourcing and
 42 | privatization initiatives undertaken during the last 5 fiscal
 43 | years having aggregate expenditures exceeding \$10 million during
 44 | the term of the contract. The evaluation shall include an
 45 | assessment of contractor performance, a comparison of
 46 | anticipated service levels to actual service levels, and a
 47 | comparison of estimated savings to actual savings achieved.
 48 | Consolidated reports issued by the Department of Management
 49 | Services may be used to satisfy this requirement.

50 | (i)~~9~~. Supporting information for any proposed consolidated
 51 | financing of deferred-payment commodity contracts including
 52 | guaranteed energy performance savings contracts. Supporting
 53 | information must also include narrative describing and
 54 | justifying the need, baseline for current costs, estimated cost
 55 | savings, projected equipment purchases, estimated contract
 56 | costs, and return on investment calculation.

57 (j)~~10~~. For projects that exceed \$10 million in total cost,
 58 the statutory reference of the existing policy or the proposed
 59 substantive policy that establishes and defines the project's
 60 governance structure, planned scope, main business objectives
 61 that must be achieved, and estimated completion timeframes.
 62 Information technology budget requests for the continuance of
 63 existing hardware and software maintenance agreements, renewal
 64 of existing software licensing agreements, or the replacement of
 65 desktop units with new technology that is similar to the
 66 technology currently in use are exempt from this requirement.

67 ~~(b) It is the intent of the Legislature that total~~
 68 ~~accountability measures, including unit cost data, serve not~~
 69 ~~only as a budgeting tool but also as a policymaking tool and an~~
 70 ~~accountability tool. Therefore, each state agency and the~~
 71 ~~judicial branch must submit a summary of information for the~~
 72 ~~preceding year in accordance with the legislative budget~~
 73 ~~instructions. Each summary must provide a one page overview and~~
 74 ~~must contain:~~

- 75 1. ~~The final budget for the agency and the judicial~~
 76 ~~branch.~~
- 77 2. ~~Total funds from the General Appropriations Act.~~
- 78 3. ~~Adjustments to the General Appropriations Act.~~
- 79 4. ~~The line item listings of all activities.~~
- 80 5. ~~The number of activity units performed or accomplished.~~
- 81 6. ~~Total expenditures for each activity, including amounts~~
 82 ~~paid to contractors and subordinate entities. Expenditures~~
 83 ~~related to administrative activities not aligned with output~~
 84 ~~measures must consistently be allocated to activities with~~

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85 ~~output measures prior to computing unit costs.~~

86 ~~7. The cost per unit for each activity, including the~~
87 ~~costs allocated to contractors and subordinate entities.~~

88 ~~8. The total amount of reversions and pass-through~~
89 ~~expenditures omitted from unit-cost calculations.~~

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91 ~~At the regular session immediately following the submission of~~
92 ~~the agency unit cost summary, the Legislature shall reduce in~~
93 ~~the General Appropriations Act for the ensuing fiscal year, by~~
94 ~~an amount equal to at least 10 percent of the allocation for the~~
95 ~~fiscal year preceding the current fiscal year, the funding of~~
96 ~~each state agency that fails to submit the report required under~~
97 ~~this paragraph.~~

98 Section 2. Section 339.1371, Florida Statutes, is
99 repealed.

100 Section 3. Paragraph (h) of subsection (1) of section
101 216.013, Florida Statutes, is amended to read:

102 216.013 Long-range program plan.—State agencies and the
103 judicial branch shall develop long-range program plans to
104 achieve state goals using an interagency planning process that
105 includes the development of integrated agency program service
106 outcomes. The plans shall be policy based, priority driven,
107 accountable, and developed through careful examination and
108 justification of all agency and judicial branch programs.

109 (1) Long-range program plans shall provide the framework
110 for the development of budget requests and shall identify or
111 update:

112 (h) Legislatively approved output and outcome performance

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113 | ~~measures. Each performance measure must identify the associated~~
 114 | ~~activity contributing to the measure from those identified in~~
 115 | ~~accordance with s. 216.023(4)(b).~~

116 | Section 4. Subsection (4) of section 287.0574, Florida
 117 | Statutes, is amended to read:

118 | 287.0574 Business cases to outsource; review and analysis;
 119 | requirements.—

120 | (4) For any proposed outsourcing, the state agency shall
 121 | develop a business case that justifies the proposal to
 122 | outsource. In order to reduce any administrative burden, the
 123 | council may allow a state agency to submit the business case in
 124 | the form required by the budget instructions issued pursuant to
 125 | s. 216.023(4)(g) ~~s. 216.023(4)(a)7.~~, augmented with additional
 126 | information if necessary, to ensure that the requirements of
 127 | this section are met. The business case is not subject to
 128 | challenge or protest pursuant to chapter 120. The business case
 129 | must include, but need not be limited to:

130 | (a) A detailed description of the service or activity for
 131 | which the outsourcing is proposed.

132 | (b) A description and analysis of the state agency's
 133 | current performance, based on existing performance metrics if
 134 | the state agency is currently performing the service or
 135 | activity.

136 | (c) The goals desired to be achieved through the proposed
 137 | outsourcing and the rationale for such goals.

138 | (d) A citation to the existing or proposed legal authority
 139 | for outsourcing the service or activity.

140 | (e) A description of available options for achieving the

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141 | goals. If state employees are currently performing the service
142 | or activity, at least one option involving maintaining state
143 | provision of the service or activity shall be included.

144 | (f) An analysis of the advantages and disadvantages of
145 | each option, including, at a minimum, potential performance
146 | improvements and risks.

147 | (g) A description of the current market for the
148 | contractual services that are under consideration for
149 | outsourcing.

150 | (h) A cost-benefit analysis documenting the direct and
151 | indirect specific baseline costs, savings, and qualitative and
152 | quantitative benefits involved in or resulting from the
153 | implementation of the recommended option or options. Such
154 | analysis must specify the schedule that, at a minimum, must be
155 | adhered to in order to achieve the estimated savings. All
156 | elements of cost must be clearly identified in the cost-benefit
157 | analysis, described in the business case, and supported by
158 | applicable records and reports. The state agency head shall
159 | attest that, based on the data and information underlying the
160 | business case, to the best of his or her knowledge, all
161 | projected costs, savings, and benefits are valid and achievable.
162 | As used in this section, the term "cost" means the reasonable,
163 | relevant, and verifiable cost, which may include, but is not
164 | limited to, elements such as personnel, materials and supplies,
165 | services, equipment, capital depreciation, rent, maintenance and
166 | repairs, utilities, insurance, personnel travel, overhead, and
167 | interim and final payments. The appropriate elements shall
168 | depend on the nature of the specific initiative. As used in this

169 section, the term "savings" means the difference between the
 170 direct and indirect actual annual baseline costs compared to the
 171 projected annual cost for the contracted functions or
 172 responsibilities in any succeeding state fiscal year during the
 173 term of the contract.

174 (i) A description of differences among current state
 175 agency policies and processes and, as appropriate, a discussion
 176 of options for or a plan to standardize, consolidate, or revise
 177 current policies and processes, if any, to reduce the
 178 customization of any proposed solution that would otherwise be
 179 required.

180 (j) A description of the specific performance standards
 181 that must, at a minimum, be met to ensure adequate performance.

182 (k) The projected timeframe for key events from the
 183 beginning of the procurement process through the expiration of a
 184 contract.

185 (l) A plan to ensure compliance with the public records
 186 law.

187 (m) A specific and feasible contingency plan addressing
 188 contractor nonperformance and a description of the tasks
 189 involved in and costs required for its implementation.

190 (n) A state agency's transition plan for addressing
 191 changes in the number of agency personnel, affected business
 192 processes, employee transition issues, and communication with
 193 affected stakeholders, such as agency clients and the public.
 194 The transition plan must contain a reemployment and retraining
 195 assistance plan for employees who are not retained by the state
 196 agency or employed by the contractor.

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197 (o) A plan for ensuring access by persons with
 198 disabilities in compliance with applicable state and federal
 199 law.

200 (p) A description of legislative and budgetary actions
 201 necessary to accomplish the proposed outsourcing.

202 Section 5. Paragraph (a) of subsection (6) of section
 203 489.145, Florida Statutes, is amended to read:

204 489.145 Guaranteed energy, water, and wastewater
 205 performance savings contracting.—

206 (6) PROGRAM ADMINISTRATION AND CONTRACT REVIEW.—The
 207 Department of Management Services, with the assistance of the
 208 Office of the Chief Financial Officer, shall, within available
 209 resources, provide technical content assistance to state
 210 agencies contracting for energy, water, and wastewater
 211 efficiency and conservation measures and engage in other
 212 activities considered appropriate by the department for
 213 promoting and facilitating guaranteed energy, water, and
 214 wastewater performance contracting by state agencies. The
 215 Department of Management Services shall review the investment-
 216 grade audit for each proposed project and certify that the cost
 217 savings are appropriate and sufficient for the term of the
 218 contract. The Office of the Chief Financial Officer, with the
 219 assistance of the Department of Management Services, shall,
 220 within available resources, develop model contractual and
 221 related documents for use by state agencies. Prior to entering
 222 into a guaranteed energy, water, and wastewater performance
 223 savings contract, any contract or lease for third-party
 224 financing, or any combination of such contracts, a state agency

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225 shall submit such proposed contract or lease to the Office of
226 the Chief Financial Officer for review and approval. A proposed
227 contract or lease shall include:

228 (a) Supporting information required by s. 216.023(4)(i) ~~s.~~
229 ~~216.023(4)(a)9.~~ in ss. 287.063(5) and 287.064(11). For contracts
230 approved under this section, the criteria may, at a minimum,
231 include the specification of a benchmark cost of capital and
232 minimum real rate of return on energy, water, or wastewater
233 savings against which proposals shall be evaluated.

234

235 The Office of the Chief Financial Officer shall not approve any
236 contract submitted under this section from a state agency that
237 does not meet the requirements of this section.

238 Section 6. This act shall take effect July 1, 2010.