

## Committee Substitute for Senate Bill No. 1784

An act relating to state planning and budgeting; amending s. 216.011, F.S.; modifying the definition of the term "operating capital outlay"; amending s. 216.013, F.S.; removing the requirement for the Executive Office of the Governor to consider certain findings relating to information technology in its review of long-range program plans of executive agencies; requiring long-range program plans to be consistent with legislation implementing the General Appropriations Act; amending s. 216.023, F.S.; revising requirements of legislative budget requests; requiring legislative budget requests to include an inventory of litigation requiring additional appropriations or changes in the law; providing for update of such inventory; revising requirements of legislative budget requests relating to the total number of positions and to unit-cost data; providing for reducing funding of agencies that do not comply; amending s. 216.0446, F.S.; correcting terminology; amending s. 216.136, F.S.; revising provisions relating to estimating conferences; amending s. 216.177, F.S.; revising the manner in which requests regarding legislative intent on the General Appropriations Act are to be made; revising requirements relating to notice of action on appropriations to be taken by the Executive Office of the Governor or the Chief Justice of the Supreme Court; amending s. 216.181, F.S.; authorizing the Chief Justice to amend, without approval of the Legislative Budget Commission, judicial branch entity budgets to reflect transferred funds based on the approved plans for lump-sum appropriations; requiring approval of the Legislative Budget Commission for certain adjustments to approved salary rate; providing circumstances under which lump-sum bonuses may be provided; requiring quarterly reporting of positions filled, positions vacant, and the salary rate associated with each category; granting the Legislative Budget Commission authority to approve specified state trust fund appropriations; creating s. 216.1815, F.S.; providing for an agency and judicial branch incentive and savings program; providing requirements; creating s. 216.1826, F.S.; providing for activity-based planning and budgeting; amending s. 216.192, F.S.; conforming provisions; amending s. 216.216, F.S.; providing restrictions on the expenditure of funds for court settlements negotiated by the state; amending s. 216.221, F.S.; providing requirements for the elimination of a deficit in a trust fund; amending s. 216.262, F.S.; specifying authority of the Executive Office of the Governor to increase the number of positions; amending s. 216.292, F.S.; conforming provisions; adding food products as an allowable fund transfer category; authorizing transfer of positions under certain circumstances; authorizing transfers of appropriations for operations from trust funds in excess of certain amounts under certain conditions; amending s. 11.90, F.S.; establishing the chair and vice chair of the Legislative Budget Commission each year; eliminating the election of such officers; amending ss. 27.345, 27.3451, F.S.; correcting cross-references; creating s.

27.385, F.S.; reenacting provisions related to expenditures of appropriated funds by state attorneys; requiring a report; creating s. 27.605, F.S.; reenacting provisions related to expenditures of appropriated funds by public defenders; requiring a report; amending s. 45.062, F.S.; requiring certain notification and reporting with respect to executive branch settlements; saving s. 215.20(3), F.S., relating to an additional trust fund service charge, from scheduled repeal; amending s. 284.385, F.S.; requiring assigned counsel to report to the covered department on the status of casualty claims or litigation; prohibiting compromise or settlement of a casualty claim without prior notification to the covered department; amending s. 376.15, F.S.; correcting a cross-reference; creating s. 215.98, F.S.; providing a declaration of public policy; requiring the Division of Bond Finance of the State Board of Administration to conduct an annual debt affordability analysis; requiring a report; specifying report requirements; amending s. 11.90, F.S.; providing additional powers and duties of the Legislative Budget Commission relating to the state's debt; providing an effective date.

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

Section 1. Paragraph (bb) of subsection (1) of section 216.011, Florida Statutes, is amended to read:

216.011 Definitions.—

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

(bb) “Operating capital outlay” means the appropriation category used to fund equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature, according up to the value or cost specified in s. 273.02.

Section 2. Subsections (4) and (9) of section 216.013, Florida Statutes, are amended to read:

216.013 Long-range program plan.—

(4) The Executive Office of the Governor shall review the long-range program plans for executive agencies to ensure that they are consistent with the state's goals and objectives and other requirements as specified in the written instructions and that they provide the framework and context for the agency's budget request. ~~In its review, the Executive Office of the Governor shall consider the findings of the Technology Review Workgroup as to the consistency of the information technology portion of long-range program plans with the State Annual Report on Information Resources Management and statewide policies recommended by the State Technology Council and the state's plan for facility needs pursuant to s. 216.0158. Based on the results of the review, the Executive Office of the Governor may require an agency to revise the plan.~~

(9) Agencies and the judicial branch shall make appropriate adjustments to their long-range program plans to be consistent with the appropriations and performance measures in the General Appropriations Act and legislation implementing the General Appropriations Act. Agencies and the judicial branch have until June 15 to make adjustments to their plans and submit the adjusted plans to the Executive Office of the Governor for review.

Section 3. Paragraphs (d) and (j) of subsection (4) of section 216.023, Florida Statutes, are amended, present subsections (8) through (12) of that section are renumbered as subsections (9) through (13), respectively, and a new subsection (8) is added to that section, to read:

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

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

(d) The total number of positions (authorized, fixed, and ~~or~~ requested).

(j) Unit costs for major activities for the budget entities as defined in the General Appropriations Act. It is the intent of the Legislature to use unit-cost data not only as a budgeting tool but also as a policymaking tool and an accountability tool. Therefore, each budget entity must also submit a one-page summary of information related to itself, subordinate entities, and contracting entities which includes:

1. The budget for each entity;

2. The total amount of revenue received or otherwise passed through each entity;

3. The line-item listings of major activities along with total amounts spent for each major activity and unit costs for each such activity; and

4. The total amount of reversions or actual pass-throughs without unit-cost data. ~~approved output measures pursuant to s. 186.022.~~

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

(8) As a part of the legislative budget request, the head of each state agency and the Chief Justice of the Supreme Court for the judicial branch shall include an inventory of all litigation in which the agency is involved that may require additional appropriations to the agency or amendments to the law under which the agency operates. No later than March 1 following the submission of the legislative budget request, the head of the state agency and the Chief Justice of the Supreme Court shall provide an update of any additions or changes to the inventory. Such inventory shall include information specified annually in the legislative budget instructions.

Section 4. Paragraph (a) of subsection (2) of section 216.0446, Florida Statutes, is amended to read:

216.0446 Review of information resources management needs.—

(2) In addition to its primary duty specified in subsection (1), the Technology Review Workgroup shall have powers and duties that include, but are not limited to, the following:

(a) To evaluate the information resource management needs identified in the agency long-range program plans for consistency with the State Annual Report on Information Resources Management and statewide policies recommended by the State Technology ~~Office Council~~, and make recommendations to the chairs of the legislative appropriations committees.

Section 5. Subsections (5) and (6) of section 216.136, Florida Statutes, are amended to read:

216.136 Consensus estimating conferences; duties and principals.—

(5) CRIMINAL JUSTICE ESTIMATING CONFERENCE.—

(a) Duties.—The Criminal Justice Estimating Conference shall:

1. Develop such official information relating to the criminal justice system, including forecasts of prison admissions and population and of supervised felony offender admissions and population by offense categories specified in Rule 3.701, Florida Rules of Criminal Procedure, as the conference determines is needed for the state planning and budgeting system.

2. Develop such official information relating to the number of eligible discharges and the projected number of civil commitments for determining space needs pursuant to the civil proceedings provided under part V of chapter 394.

(b) Principals.—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff, who have forecasting expertise, from the Senate, the House of Representatives, and the Supreme Court, or their designees, are the principals of the Criminal Justice Estimating Conference. The principal representing the Executive Office of the Governor shall preside over sessions of the conference.

(6) SOCIAL SERVICES ESTIMATING CONFERENCE.—

(a) Duties.—

1. The Social Services Estimating Conference shall develop such official information relating to the social services system of the state, including forecasts of social services caseloads, utilization, and expenditures, as the conference determines is needed for the state planning and budgeting system. Such official information shall include, but not be limited to, cash assistance and Medicaid subsidized child care caseloads mandated by the Family Support Act of 1988.

~~2. In addition, the Social Services Estimating Conference shall develop estimates and forecasts of the unduplicated count of children eligible for subsidized child care as defined in s. 402.3015(1). These estimates and forecasts shall not include children enrolled in the prekindergarten early intervention program established in s. 230.2305.~~

~~3. The Department of Children and Family Services and the Department of Education shall provide information on caseloads and waiting lists for the subsidized child care and prekindergarten early intervention programs requested by the Social Services Estimating Conference or individual conference principals, in a timely manner.~~

2.4. The Social Services Estimating Conference shall develop information relating to the Florida Kidcare program, including, but not limited to, outreach impacts, enrollment, caseload, utilization, and expenditure information that the conference determines is needed to plan for and project future budgets and the drawdown of federal matching funds. The agencies required to collect and analyze Florida Kidcare program data under s. 409.8134 shall be participants in the Social Services Estimating Conference for purposes of developing information relating to the Florida Kidcare program.

(b) Principals.—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff, who have forecasting expertise, from the Department of Children and Family Services, the Agency for Health Care Administration, the Senate, and the House of Representatives, or their designees, are the principals of the Social Services Estimating Conference. The principal representing the Executive Office of the Governor shall preside over sessions of the conference.

Section 6. Section 216.177, Florida Statutes, is amended to read:

216.177 Appropriations acts, statement of intent, violation, notice, review and objection procedures.—

(1) When an appropriations act is delivered to the Governor after the Legislature has adjourned sine die, as soon as practicable, but no later than the 10th day before the end of the period allowed by law for veto consideration in any year in which an appropriation is made, the chairs of the legislative appropriations committees shall jointly transmit:

(a) The official list of General Revenue Fund appropriations determined in consultation with the Executive Office of the Governor to be nonrecurring; and

(b) The documents set forth in s. 216.0442(2)(a) and (c),

to the Executive Office of the Governor, the Comptroller, the Auditor General, the Chief Justice of the Supreme Court, and each state agency. A request for additional explanation and direction regarding the legislative intent of the General Appropriations Act during the fiscal year may be made to the chair and vice chair of the Legislative Budget Commission or the President of the Senate and the Speaker of the House of Representatives

only by and through the Executive Office of the Governor for state agencies, and by and through the Chief Justice of the Supreme Court for the judicial branch, as is deemed necessary. However, the Comptroller may also request further clarification of legislative intent pursuant to the Comptroller's responsibilities related to his or her preaudit function of expenditures.

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

(b) If the chair and vice chair of the Legislative Budget Commission or the President of the Senate and the Speaker of the House of Representatives timely advise, in writing, the Executive Office of the Governor or the Chief Justice of the Supreme Court that an action or a proposed action, whether subject to the notice and review requirements of this chapter or not, exceeds the delegated authority of the Executive Office of the Governor for the executive branch or the Chief Justice for the judicial branch, respectively, or is contrary to legislative policy and intent, the Governor or the Chief Justice of the Supreme Court shall void such action and instruct the affected state agency or entity of the judicial branch to change immediately its spending action or spending proposal until the Legislative Budget Commission or the Legislature addresses the issue. The written documentation shall indicate the specific reasons that an action or proposed action exceeds the delegated authority or is contrary to legislative policy and intent.

(c) The House of Representatives and the Senate shall provide by rule that any member of the House of Representatives or Senate may request, in writing, of either the President of the Senate or the Speaker of the House of Representatives ~~or the chair of the Legislative Budget Commission~~ to initiate the procedures of paragraph (b).

(3) The Legislature may annually specify any incentives and disincentives for agencies operating programs under performance-based program budgets pursuant to this chapter in the General Appropriations Act or legislation implementing the General Appropriations Act.

(4) Notwithstanding the 14-day notice requirements of this section, ~~and for the 2000-2001 fiscal year only~~, the Department of Children and Family Services is required to provide notice of proposed transfers submitted pursuant to s. 20.19(10)(c)8. to the Executive Office of the Governor and the chairs of the legislative appropriations committees at least 3 working days prior to their implementation.

Section 7. Subsections (6), (10), and (11) of section 216.181, Florida Statutes, are amended to read:

216.181 Approved budgets for operations and fixed capital outlay.—

(6)(a) The Executive Office of the Governor or the Chief Justice of the Supreme Court may require the submission of a detailed plan from the agency or entity of the judicial branch affected, consistent with the General Appropriations Act, special appropriations acts, and the statement of intent before transferring and releasing the balance of a lump-sum appropriation. The provisions of this paragraph are subject to the notice and review procedures set forth in s. 216.177.

(b) The Executive Office of the Governor and the Chief Justice of the Supreme Court may amend, without approval of the Legislative Budget Commission, state agency and judicial branch entity budgets, respectively, to reflect the transferred funds based on the approved plans for lump-sum appropriations.

The Executive Office of the Governor shall transmit to each state agency and the Comptroller, and the Chief Justice shall transmit to each judicial branch component and the Comptroller, any approved amendments to the approved operating budgets.

(10)(a) The Executive Office of the Governor and the Chief Justice of the Supreme Court may increase or decrease the approved salary rate for positions for the purpose of implementing the General Appropriations Act, special appropriations acts, and actions pursuant to s. 216.262 consistent with legislative intent and policy. Other adjustments to approved salary rate must be approved by the Legislative Budget Commission pursuant to the request of the agency filed with the Executive Office of the Governor or pursuant to the request of an entity of the judicial branch filed with the Chief Justice of the Supreme Court, if deemed necessary and in the best interest of the state and consistent with legislative policy and intent. The provisions of this paragraph are subject to the notice and review procedures set forth in s. 216.177.

(b) Lump-sum salary bonuses may be provided only if specifically appropriated or provided pursuant to s. 216.1815 or s. 110.1245.

(c) State agencies and the judicial branch shall report, each fiscal quarter, the number of filled positions, the number of vacant positions, and the salary rate associated with each category to the Legislative Budget Commission in a form and manner prescribed by the commission.

(11) ~~The Executive Office of the Governor may approve transfers of appropriations in the General Appropriations Act within any state trust fund of an agency, and the Chief Justice of the Supreme Court may approve such transfers for the judicial branch.~~ The Executive Office of the Governor and the Chief Justice of the Supreme Court may approve changes in the amounts appropriated from state trust funds in excess of those in the approved operating budget up to \$1 million only pursuant to the federal funds provisions

of s. 216.212, when grants and donations are received after April 1, or when deemed necessary due to a set of conditions that were unforeseen at the time the General Appropriations Act was adopted and that are essential to correct in order to continue the operation of government. Changes in the amounts appropriated from state trust funds in excess of those in the approved operating budget which are in excess of \$1 million may be approved only by the Legislative Budget Commission pursuant to the request of a state agency filed with the Executive Office of the Governor or pursuant to the request of an entity of the judicial branch filed with the Chief Justice of the Supreme Court. The provisions of this subsection are subject to the notice, review, and objection procedures set forth in s. 216.177.

Section 8. Section 216.1815, Florida Statutes, is created to read:

216.1815 Agency incentive and savings program.—

(1) In order to provide an incentive for agencies and the judicial branch to re-engineer business processes and otherwise increase operating efficiency, it is the intent of the Legislature to allow agencies and the judicial branch to retain a portion of the savings produced by internally generated agency or judicial branch program efficiencies and cost reductions.

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

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

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

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

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

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

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

(3) Notwithstanding the 14-day notice requirement contained in s. 216.177(2)(a), all plans and budget amendments submitted to the Legislative Budget Commission pursuant to this section shall be delivered at least 30 days prior to the date of the commission meeting at which the request will be considered.

(4) In determining the amount the agency or the judicial branch will be allowed to retain, the commission shall consider the actual savings projected for the current budget year and the annualized savings.

(5) The amount to be retained by the agency or the judicial branch shall be no less than 5 percent and no more than 25 percent of the annual savings and may be used by the agency or the judicial branch for salary increases or other expenditures specified in the agency's or the judicial branch's plan if the salary increases or other expenditures do not create a recurring cost to the state in excess of the recurring savings achieved by the agency or the judicial branch in the plan.

(6) Each agency or judicial branch allowed to retain funds pursuant to this section shall submit in its next legislative budget request a schedule showing how it used such funds.

Section 9. Section 216.1826, Florida Statutes, is created to read:

216.1826 Activity-based planning and budgeting.—Agencies are directed to work in consultation with the Executive Office of the Governor and the appropriations and appropriate substantive committees of the Legislature, and the Chief Justice of the Supreme Court is directed to work with the appropriations and appropriate substantive committees of the Legislature, to identify and reach consensus on the appropriate services and activities for activity-based budgeting. It is the intent of the Legislature that all dollars within an agency or the judicial branch be allocated to the appropriate activity for budgeting purposes. Additionally, agencies or the judicial branch shall examine approved performance measures and recommend any changes so that outcomes are clearly delineated for each service or program, as appropriate, and outputs are aligned with activities. Output measures should be capable of being used to generate a unit cost for each activity resulting in a true accounting of what the state should spend on each activity it provides and what the state should expect to accomplish with those funds.

Section 10. Subsection (1) of section 216.192, Florida Statutes, is amended to read:

216.192 Release of appropriations; revision of budgets.—

(1) Unless otherwise provided in the General Appropriations Act, on July 1 of each fiscal year, up to 25 percent of the original approved operating budget of each agency and of the judicial branch may be released until such time as annual plans for quarterly releases for all appropriations have been developed, approved, and furnished to the Comptroller by the Executive Office of the Governor for state agencies and by the Chief Justice of the Supreme Court for the judicial branch. The plans, including appropriate plans of releases for fixed capital outlay projects that correspond with each project schedule, shall attempt to maximize the use of trust funds and shall be transmitted to the Comptroller by August 1 of each fiscal year. Such releases shall at no time exceed the total appropriations available to a state agency or to the judicial branch, or the approved budget for such agency or the judicial branch if less. The Comptroller shall enter such releases in his or her records in accordance with the release plans prescribed by the Executive Office of the Governor and the Chief Justice, unless otherwise amended as provided by law. The Executive Office of the Governor and the Chief Justice shall transmit a copy of the approved annual releases to the head

of the state agency, the chair and vice chair of the Legislative Budget Commission, ~~the chairs of the legislative appropriations committees,~~ and the Auditor General. The Comptroller shall authorize all expenditures to be made from the appropriations on the basis of such releases and in accordance with the approved budget, and not otherwise. Expenditures shall be authorized only in accordance with legislative authorizations. Nothing herein precludes periodic reexamination and revision by the Executive Office of the Governor or by the Chief Justice of the annual plans for release of appropriations and the notifications of the parties of all such revisions.

Section 11. Section 216.216, Florida Statutes, is amended to read:

216.216 Court settlement funds negotiated by the state.—In any court settlement in which a state agency or officer or any other counsel representing the interests of the state negotiates settlement amounts to be expended ~~by on any state operational or fixed capital issue in the judicial branch or the executive branch,~~ such funds may not be expended unless the Legislature has appropriated funds to the agency in the appropriate category or the Legislative Budget Commission has approved a budget amendment for such funds. In either instance, the funding source identified must be sufficient to cover both the anticipated program costs and the amount of the settlement, the settlement must not be contrary to the intent of the Legislature, and, if the settlement amount is substantial, good reason must exist for entering into the settlement prior to the next legislative session and no significant amount of recurring funding shall be committed appropriated by the Legislature to the appropriate agency responsible for the operational or fixed capital issue. When a state agency or officer settles an action in which the state will receive moneys, the funds shall be placed in the General Revenue Fund or in the trust fund that is associated with the agency's or officer's authority to pursue the legal action. The provisions of this section are subject to the notice and review procedures set forth in s. 216.177.

Section 12. Present subsection (10) of section 216.221, Florida Statutes, is renumbered as subsection (11), and a new subsection (10) is added to that section to read:

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

(10) When advised by the Revenue Estimating Conference, the Comptroller, or any agency responsible for a trust fund that a deficit will occur with respect to the appropriations from a specific trust fund in the current fiscal year, the Governor for the executive branch, or the Chief Justice for the judicial branch, shall develop a plan of action to eliminate the deficit. Before implementing the plan of action, the Governor or the Chief Justice must comply with the provisions of s. 216.177(2). In developing the plan of action, the Governor or the Chief Justice shall, to the extent possible, preserve legislative policy and intent, and, absent any specific directions to the contrary in the General Appropriations Act, any reductions in appropriations from the trust fund for the fiscal year shall be prorated among the specific appropriations made from the trust fund for the current fiscal year.

Section 13. Paragraph (a) of subsection (1) of section 216.262, Florida Statutes, is amended to read:

216.262 Authorized positions.—

(1)(a) Unless otherwise expressly provided by law, the total number of authorized positions may not exceed the total provided in the appropriations acts. In the event any state agency or entity of the judicial branch finds that the number of positions so provided is not sufficient to administer its authorized programs, it may file an application with the Executive Office of the Governor or the Chief Justice; and, if the Executive Office of the Governor office or Chief Justice certifies that there are no authorized positions available for addition, deletion, or transfer within the agency as provided in paragraph (c) and recommends an increase in the number of positions, the Governor or the Chief Justice may, after a public hearing, authorize an increase in the number of positions for the following reasons only:

1. To implement or provide for continuing federal grants or changes in grants not previously anticipated;
2. To meet emergencies pursuant to s. 252.36;
3. To satisfy new federal regulations or changes therein;
4. To take advantage of opportunities to reduce operating expenditures or to increase the revenues of the state or local government; and
5. To authorize positions which were not fixed by the Legislature through error in drafting the appropriations acts.

The provisions of this paragraph are subject to the notice and review procedures set forth in s. 216.177. A copy of the application, the certification, and the final authorization shall be filed with the Legislative Budget Commission, the appropriations committees, and with the Auditor General.

Section 14. Subsections (2), (3), (4), and (5) of section 216.292, Florida Statutes, are amended to read:

216.292 Appropriations nontransferable; exceptions.—

(2) A lump sum appropriated for a performance-based program must be distributed by the Governor for state agencies or the Chief Justice for the judicial branch into the traditional expenditure categories in accordance with s. 216.181(6)(b). At any time during the year, the agency head or Chief Justice may transfer funds between those categories with no limit on the amount of the transfer. Authorized revisions of the original approved operating budget, together with related changes, if any, must be transmitted by the state agency or by the judicial branch to the Executive Office of the Governor or the Chief Justice, the chair and vice chair of the Legislative Budget Commission, ~~the chairs of the legislative appropriations committees,~~ the Office of Program Policy Analysis and Government Accountability, and the Auditor General. Such authorized revisions shall be consistent with the intent of the approved operating budget, shall be consistent with legislative

policy and intent, and shall not conflict with specific spending policies specified in the General Appropriations Act. The Executive Office of the Governor shall forward a copy of the revisions within 7 working days to the Comptroller for entry in his or her records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Comptroller. Such authorized revisions shall be consistent with the intent of the approved operating budget, shall be consistent with legislative policy and intent, and shall not conflict with specific spending policies specified in the General Appropriations Act.

(3) The head of each department or the Chief Justice of the Supreme Court, whenever it is deemed necessary by reason of changed conditions, may transfer appropriations funded from identical funding sources, except appropriations for fixed capital outlay, and transfer the amounts included within the total original approved budget and releases as furnished pursuant to ss. 216.181 and 216.192, as follows:

(a) Between categories of appropriations within a budget entity, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$150,000, whichever is greater, by all action taken under this subsection.

(b) Additionally, between budget entities within identical categories of appropriations, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$150,000, whichever is greater, by all action taken under this subsection.

(c) Such authorized revisions must be consistent with the intent of the approved operating budget, must be consistent with legislative policy and intent, and must not conflict with specific spending policies specified in the General Appropriations Act.

Such authorized revisions, together with related changes, if any, in the plan for release of appropriations, shall be transmitted by the state agency or by the judicial branch to the Comptroller for entry in the Comptroller's records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Comptroller. A copy of such revision shall be furnished to the Executive Office of the Governor or the Chief Justice, the chair and vice chair of the Legislative Budget Commission, ~~the chairs of the legislative committees,~~ and the Auditor General.

(4)(a) The head of each department or the Chief Justice of the Supreme Court may transfer funds within programs identified in the General Appropriations Act from identical funding sources between the following appropriation categories without limitation so long as such a transfer does not result in an increase to the total recurring general revenue or trust fund cost of the agency or entity of the judicial branch in the subsequent fiscal year: other personal services, expenses, operating capital outlay, food products, performance-based program budgeting lump sums, acquisition of motor vehicles, data processing services, operating and maintenance of patrol vehicles, overtime payments, salary incentive payments, compensation to retired judges, law libraries, and juror and witness payments. Such transfers must

be consistent with legislative policy and intent and must not adversely affect achievement of approved performance outcomes or outputs in any program. Notice of proposed transfers under this authority shall be provided to the Executive Office of the Governor and the chairs of the legislative appropriations committees at least 5 working days prior to their implementation.

(b) The head of each department or the Chief Justice of the Supreme Court may transfer funds and positions from identical funding sources between salaries and benefits appropriation categories within programs identified in the General Appropriations Act. Such transfers must be consistent with legislative policy and intent and must not adversely affect achievement of approved performance outcomes or outputs in any program. Notice of proposed transfers under this authority shall be provided to the Executive Office of the Governor and the chairs of the legislative appropriations committees at least 5 working days prior to their implementation.

(5)(a) Transfers of appropriations for operations from the General Revenue Fund in excess of those provided in subsections (3) and (4) but within a state agency or within the judicial branch may be authorized by the commission for the executive branch and the Chief Justice for the judicial branch, pursuant to the request of the agency filed with the Executive Office of the Governor, or pursuant to the request of an entity of the judicial branch filed with the Chief Justice of the Supreme Court, if deemed necessary and in the best interest of the state and consistent with legislative policy and intent. The provisions of this paragraph are subject to the notice, review, and objection procedures set forth in s. 216.177.

(b) Transfers of appropriations for operations from trust funds in excess of those provided in subsection (4) which are greater than 5 percent of the original approved budget or \$1 million, whichever is greater, but within a state agency or within the judicial branch may be authorized by the commission, pursuant to the request of the agency filed with the Executive Office of the Governor or pursuant to the request of an entity of the judicial branch filed with the Chief Justice of the Supreme Court, if deemed necessary and in the best interest of the state and consistent with legislative policy and intent. The provisions of this paragraph are subject to the notice, review, and objection procedures set forth in s. 216.177.

~~(c)(b)~~ When an appropriation for a named fixed capital outlay project is found to be in excess of that needed to complete that project, at the request of the Executive Office of the Governor for state agencies or the Chief Justice of the Supreme Court for the judicial branch the excess may be transferred, with the approval of the commission or the Chief Justice, to another project for which there has been an appropriation in the same fiscal year from the same fund and within the same department where a deficiency is found to exist. ~~Further, a fixed capital outlay project may not be initiated without a specific legislative appropriation, nor may~~ The scope of a fixed capital outlay project ~~may not be changed by any~~ the transfer of funds made pursuant to this subsection. The provisions of this paragraph are subject to the notice, review, and objection procedures set forth in s. 216.177.

(d) A fixed capital outlay project may not be initiated without a specific legislative appropriation.

(e)(e) Federal funds for fixed capital outlay projects for the Department of Military Affairs which do not carry a continuing commitment on future appropriations by the Legislature may be approved by the Executive Office of the Governor for the purpose received. The provisions of this paragraph are subject to the notice, review, and objection procedures set forth in s. 216.177.

Section 15. Section 11.90, Florida Statutes, is amended to read:

11.90 Legislative Budget ~~Budgeting~~ Commission.—

(1) There is created a standing joint committee of the Legislature designated the Legislative Budget ~~Budgeting~~ Commission, composed of 14 members as follows: seven members of the Senate appointed by the President of the Senate, to include the Chairman of the Senate Budget Committee or its successor, and seven members of the House of Representatives appointed by the Speaker of the House of Representatives, to include the Chairman of the Fiscal Responsibility Council or its successor. The terms of members shall be for 2 years and shall run from the organization of one Legislature to the organization of the next Legislature. Vacancies occurring during the interim period shall be filled in the same manner as the original appointment. During even-numbered years, the chair of the commission shall be the chair of the Senate Budget Committee or its successor, and the vice chair of the commission shall be the chair of the House Fiscal Responsibility Council or its successor. During odd-numbered years, the chair of the commission shall be the chair of the House Fiscal Responsibility Council or its successor, and the vice chair of the commission shall be the chair of the Senate Budget Committee or its successor. ~~The members of the committee shall elect a chair and vice chair. During the 2-year term, a member of each house shall serve as chair for 1 year.~~

(2) The Legislative Budget Commission shall be governed by joint rules of the Senate and the House of Representatives which shall remain in effect until repealed or amended by concurrent resolution.

(3) The commission shall meet at least quarterly and more frequently at the direction of the presiding officers or upon call of the chairman. A quorum shall consist of a majority of members from each house, plus one additional member from either house. Action by the commission requires a majority vote of the members present of each house.

(4) The commission may conduct its meetings through teleconferences or other similar means.

(5) The commission will be jointly staffed by the appropriations committees of the House of Representatives and the Senate. During even-numbered years, the Senate will serve as lead staff, and during odd-numbered years, the House of Representatives will serve as lead staff.

Section 16. Subsection (2) of section 27.345, Florida Statutes, is amended to read:

27.345 State Attorney RICO Trust Fund; authorized use of funds; reporting.—

(2) There is created for each of the several state attorneys a trust fund to be known as the State Attorney RICO Trust Fund. The amounts awarded to a state attorney pursuant to this section shall be deposited in the trust fund for that state attorney. Funds deposited in such trust fund shall be used, when authorized by appropriation or action of the Executive Office of the Governor pursuant to s. 216.181(11)(10), for investigation, prosecution, and enforcement by that state attorney of civil or criminal causes of action arising under the provisions of the Florida RICO (Racketeer Influenced and Corrupt Organization) Act.

Section 17. Section 27.3451, Florida Statutes, is amended to read:

27.3451 State Attorney's Forfeiture and Investigative Support Trust Fund.—There is created for each of the several state attorneys a trust fund to be known as the State Attorney's Forfeiture and Investigative Support Trust Fund. Revenues received by a state attorney as a result of forfeiture proceedings, as provided under s. 932.704, shall be deposited in such trust fund and shall be used, when authorized by appropriation or action of the Executive Office of the Governor pursuant to s. 216.181(11)(10), for the investigation of crime, prosecution of criminals, or other law enforcement purposes.

Section 18. Section 27.385, Florida Statutes, is created to read:

27.385 Budget expenditures.—

(1) Notwithstanding provisions to the contrary in s. 27.34(2), a state attorney may expend appropriated state funds for items that are enumerated in that subsection.

(2) Each state attorney shall, by October 1 of each fiscal year, submit a report to the Legislative Budget Commission showing the amount of state funds expended during the previous fiscal year ending in June for the items enumerated in s. 27.34(2). The Justice Administrative Commission shall prescribe the format of this report.

Section 19. Section 27.605, Florida Statutes, is created to read:

27.605 Budget expenditures.—

(1) Notwithstanding provisions to the contrary in s. 27.54(3), a public defender may expend appropriated state funds for items that are enumerated in that subsection.

(2) Each public defender shall, by October 1 of each fiscal year, submit a report to the Legislative Budget Commission showing the amount of state funds expended during the previous fiscal year ending in June for the items enumerated in s. 27.54(3).

Section 20. Section 45.062, Florida Statutes, is amended to read:

45.062 Settlements, conditions, or orders when an agency of the executive branch is a party.—

(1) In any civil action in which a state executive branch agency or officer is a party in state or federal court, the officer, agent, official, or attorney who represents or is acting on behalf of such agency or officer may not settle such action, consent to any condition, or agree to any order in connection therewith, if the settlement, condition, or order requires the expenditure of or the obligation to expend any state funds or other state resources, or the establishment of any new program, unless:

(a) The expenditure is provided for by an existing appropriation or program established by law; and

(b) Prior written notification is given within 5 business days of the date the settlement or presettlement agreement or order is to be made final to the President of the Senate, the Speaker of the House of Representatives, the Senate and House minority leaders, and the Attorney General. Such notification shall specify how the agency involved will address the costs in future years within the limits of current appropriations.

(2) The state executive branch agency or officer shall negotiate a closure date as soon as possible for the civil action.

(3) The state executive branch agency or officer may not pledge any current or future action of another branch of state government as a condition for settling the civil action.

(4) State executive branch agencies and officers shall report to each substantive and fiscal committee of the Legislature having jurisdiction over the reporting agency on all potential settlements which may commit the state to:

(a) Spend in excess of current appropriations; or

(b) Make policy changes inconsistent with current law.

The state executive branch agency or officer shall provide periodic updates to the appropriate legislative committees on these issues during the settlement process.

Section 21. Notwithstanding the provisions of section 10 of chapter 90-110, Laws of Florida, subsection (3) of section 215.20, Florida Statutes, shall not stand repealed on October 1, 2001, and shall continue in full force and effect.

Section 22. Section 284.385, Florida Statutes, is amended to read:

284.385 Reporting and handling of claims.—All departments covered by the State Risk Management Trust Fund under this part shall immediately report all known or potential claims to the Department of Insurance for handling, except employment complaints which have not been filed with the Florida Human Relations Commission, Equal Employment Opportunity Commission, or any similar agency. When deemed necessary, the Department of Insurance shall assign or reassign the claim to counsel. The assigned counsel shall report regularly to the Department of Insurance or to

the covered department on the status of any such claims or litigation as required by the Department of Insurance. No such claim shall be compromised or settled for monetary compensation without the prior approval of the Department of Insurance and prior notification to the covered department. All departments shall cooperate with the Department of Insurance in its handling of claims. The Department of Insurance, the Department of Management Services, and the Department of Banking and Finance, with the cooperation of the state attorneys and the clerks of the courts, shall develop a system to coordinate the exchange of information concerning claims for and against the state, its agencies, and its subdivisions, to assist in collection of amounts due to them. The covered department shall have the responsibility for the settlement of any claim for injunctive or affirmative relief under 42 U.S.C. s. 1983 or similar federal or state statutes. The payment of a settlement or judgment for any claim covered and reported under this part shall be made only from the State Risk Management Trust Fund.

Section 23. Paragraph (b) of subsection (2) of section 376.15, Florida Statutes, is amended to read:

376.15 Derelict vessels; removal from public waters.—

(2)

(b) The commission may establish a program to provide grants to coastal local governments for the removal of derelict vessels from the public waters of the state. The program shall be funded from the Florida Coastal Protection Trust Fund. Notwithstanding the provisions in s. 216.181(11)(10), funds available for grants may only be authorized by appropriations acts of the Legislature.

Section 24. Section 215.98, Florida Statutes, is created to read:

215.98 State debt fiscal responsibility.—

(1) It is the public policy of this state to encourage fiscal responsibility on matters pertaining to state debt. In an effort to finance essential capital projects for the benefit of residents at favorable interest rates, the state must continue to maintain its excellent credit standing with investors. Authorizations of state debt must take into account the ability of the state to meet its total debt service requirements in light of other demands on the state's fiscal resources. The Legislature declares that it is the policy of this state to exercise prudence in undertaking the authorization and issuance of debt. In order to implement this policy, the Legislature desires to authorize the issuance of additional state tax-supported debt only when such authorization would not cause the ratio of debt service to revenue available to pay debt service on tax-supported debt to exceed 6 percent. If the 6-percent target debt ratio will be exceeded, the authorization of such additional debt must be accompanied by a legislative statement of determination that such authorization and issuance is in the best interest of the state and should be implemented. The Legislature shall not authorize the issuance of additional state tax-supported debt if such authorization would cause the designated benchmark debt ratio of debt service to revenues available to pay debt

service to exceed 7 percent unless the Legislature determines that such additional debt is necessary to address a critical state emergency.

(2) The Division of Bond Finance shall conduct a debt affordability analysis each year. Proposed capital projects that require funding by the issuance of additional state debt shall be evaluated on the basis of the analysis to assist the Governor and the Legislature in setting priorities among capital projects and related appropriations.

(a) The Division of Bond Finance shall annually prepare a debt affordability report, to be presented to the governing board of the Division of Bond Finance, the President of the Senate, the Speaker of the House of Representatives, and the chair of each appropriations committee by December 15 of each year, for purposes of providing a framework for the Legislature to evaluate and establish priorities for bills that propose the authorization of additional state debt during the next budget year.

(b) The report shall include, but not be limited to:

1. A listing of state debt outstanding, other debt secured by state revenues, and other contingent debt.

2. An estimate of revenues available for the next 10 fiscal years to pay debt service, including general revenues plus any revenues specifically pledged to pay debt service.

3. An estimate of additional debt issuance for the next 10 fiscal years for the state's existing borrowing programs.

4. A schedule of the annual debt service requirements, including principal and interest allocation, on the outstanding state debt and an estimate of the annual debt service requirements on the debt included in subparagraph 3. for each of the next 10 fiscal years.

5. An overview of the state's general obligation credit rating.

6. Identification and calculation of pertinent debt ratios, including, but not limited to, debt service to revenues available to pay debt service, debt to personal income, and debt per capita for the state's net tax-supported debt.

7. The estimated debt capacity available over the next 10 fiscal years without the benchmark debt ratio of debt service to revenue exceeding 6 percent.

8. A comparison of the debt ratios prepared for subparagraph 6., with the comparable debt ratios for the 10 most populous states.

(c) The Division of Bond Finance shall prepare an update of the report set forth above upon completion of the revenue estimates prepared in connection with the legislative session.

(d) Any entity issuing debt secured by state revenues shall provide the information necessary to prepare the debt affordability report.

(3) Failure to comply with this section shall not affect the validity of any debt or the authorization of such debt.

Section 25. Subsection (6) is added to section 11.90, Florida Statutes, to read:

11.90 Legislative Budgeting Commission.—

(6) The commission shall have the power and duty to:

(a) Annually review the amount of state debt outstanding and submit to the President of the Senate and the Speaker of the House of Representatives an estimate of the maximum amount of additional state tax-supported debt that prudently may be authorized during the current fiscal year. The estimate shall be advisory and shall in no way bind the Legislature.

(b) Promptly after receiving the report required by s. 215.98(2)(c), the commission shall submit to the President of the Senate and the Speaker of the House of Representatives the commission's estimate of tax-supported debt which prudently may be authorized for the next fiscal year, together with a report explaining the basis for the estimate.

Section 26. This act shall take effect July 1, 2001.

Approved by the Governor May 25, 2001.

Filed in Office Secretary of State May 25, 2001.