

## Committee Substitute for Senate Bill No. 2548

An act relating to state financial matters; amending s. 11.243, F.S.; providing for the moneys collected from the sale of the Florida Statutes or other publications to be deposited in a specified trust fund; amending s. 11.513, F.S.; requiring the Chief Justice of the Supreme Court to develop program monitoring plans; requiring that additional data be included in the plans for monitoring major programs of state agencies and the judicial branch and in the reviews of those programs; providing for the Office of Program Policy Analysis and Government Accountability to review agency and judicial branch performance standards and report to the Governor, the Legislature, and the Legislative Budget Commission; amending s. 17.57, F.S.; expanding the investment authority of the state treasury; amending s. 11.151, F.S.; revising the annual appropriation to a certain legislative contingency fund; amending s. 20.435, F.S.; revising a provision relating to certain undisbursed balances of appropriations from the Biomedical Research Trust Fund; amending s. 29.008, F.S.; requiring that the Department of Financial Services review county expenditure reports in order to determine if county expenditures have increased by a specified percentage for certain court-related functions; requiring that the department notify the Legislature and the respective county if a county fails to meet its funding obligations; providing for the Department of Revenue to withhold revenue-sharing receipts under certain circumstances upon the direction of the Legislature; providing that a county has met its funding obligations in certain circumstances; providing for retroactive application; amending s. 29.0085, F.S.; revising the due date of an annual statement of county revenues and expenditures; amending s. 215.18, F.S.; requiring that the Governor provide prior notice of transfers between certain funds; amending s. 215.3206, F.S.; replacing references to a 6-digit fund code in the Florida Accounting Information Resource Subsystem with a classification scheme consistent with the Department of Financial Services' financial systems; amending s. 215.3208, F.S.; revising references to conform; amending s. 215.35, F.S.; revising a provision relating to the numbering of warrants issued by the Chief Financial Officer; amending s. 215.422, F.S.; replacing a reference to certain vouchers with the terms "invoice" or "invoices"; clarifying that agencies or the judicial branch must record and approve certain invoices by a specified date; revising provisions relating to the Department of Financial Services' approval of payment of certain invoices; providing that a vendor who does not submit the appropriate federal taxpayer identification documentation to the department will be deemed an error on the part of the vendor; revising references to conform; amending s. 215.97, F.S.; removing a reference to the appropriations act in a provision relating to the purposes of the Florida Single Audit Act; amending s. 216.011, F.S.; revising the definition of "operating capital outlay" and "qualified expenditure category"; defining the terms "incurred

obligation” and “salary rate reserve” for purposes of state fiscal affairs, appropriations, and budgets; amending s. 215.97, F.S.; prescribing forms of payment that may be included in certain contracts involving the State University System or the Florida Community College System; repealing s. 216.346, F.S., relating to contracts between state agencies; amending ss. 215.559, 331.368, 443.1316, 1002.32, F.S., to conform to the repeal of s. 216.346, F.S.; repealing s. 255.258, F.S., relating to shared savings financing of energy conservation in state-owned buildings; amending ss. 287.063, 287.064, F.S.; revising requirements for consolidated financing of deferred payment commodity contracts; amending s. 216.013, F.S.; revising requirements for information regarding performance measures to be included in the long-range program plans of state agencies and the judicial branch; revising a provision relating to making adjustments to long-range program plans; amending s. 216.023, F.S.; revising certain requirements for legislative budget requests; deleting a provision requiring agencies to maintain a certain performance accountability system and provide a list of performance measures; deleting a provision relating to adjustments to executive agency performance standards; deleting a provision relating to adjustments to judicial branch performance standards; amending s. 216.134, F.S.; providing for the responsibility of presiding over sessions of consensus estimating conferences; providing for the Governor, the coordinator of the Office of Economic and Demographic Research, the President of the Senate, and the Speaker of the House of Representatives to designate principals; amending s. 216.136, F.S.; deleting provisions providing for the appointment of principals of consensus estimating conferences; revising the duties of certain agencies relating to the Criminal Justice Estimating Conference, the Social Services Estimating Conference, and the Workforce Estimating Conference; amending s. 216.177, F.S.; clarifying the circumstances under which the Executive Office of the Governor and the Chief Justice of the Supreme Court are required to provide notice to the chair and vice chair of the Legislative Budget Commission; amending s. 216.181, F.S.; providing that amendments to certain approved operating budgets are subject to objection procedures; requiring that state agencies submit to the chair and vice chair of the Legislative Budget Commission a plan for allocating any lump-sum appropriation in a budget amendment; creating s. 216.1811, F.S.; providing requirements for the Governor and the Chief Financial Officer relating to certain approved operating budgets for the legislative branch and appropriations made to the legislative branch; amending s. 216.1815, F.S.; revising certain requirements for the performance standards included in an amended operating budget plan and request submitted to the Legislative Budget Commission; creating s. 216.1827, F.S.; requiring that each state agency and the judicial branch maintain a performance accountability system; requiring agencies and the judicial branch to submit specified information to the Executive Office of the Governor and the Legislature or the Office of Program Policy Analysis and Government Accountability for review; providing guidelines for requests to delete or amend

existing approved performance measures and standards; specifying authority of the Legislature relating to agency and judicial branch performance measures and standards; amending s. 216.251, F.S.; prohibiting an agency from providing salary increases or pay additives for certain positions without legislative authorization; amending s. 216.292, F.S.; providing that certain transfers between budget entities are subject to objection procedures; clarifying provisions authorizing certain transfers of appropriations from trust funds; providing that requirements of specified provisions relating to appropriations being nontransferable do not apply to legislative branch budgets; amending s. 216.301, F.S.; revising the requirements for undisbursed balances of appropriations; revising a procedure for identifying and paying incurred obligations; clarifying requirements governing unexpended balances of appropriations; removing a provision relating to notification to retain certain balances from legislative budget entities; amending s. 252.37, F.S.; providing that a transfer of moneys with a budget amendment following a state of emergency is subject to approval by the Legislative Budget Commission; amending s. 273.02, F.S.; revising a definition; requiring the Chief Financial Officer to establish certain requirements by rule relating to the recording and inventory of certain state-owned property; creating s. 273.025, F.S.; requiring the Chief Financial Officer to establish by rule certain requirements relating to the capitalization of certain property; amending s. 273.055, F.S.; revising responsibility for rules relating to maintaining records as to disposition of state-owned tangible personal property; revising a provision relating to use of moneys received from the disposition of state-owned tangible personal property; amending s. 274.02, F.S.; revising a definition; requiring the Chief Financial Officer to establish by rule requirements relating to the recording and inventory of certain property owned by local governments; amending s. 338.2216, F.S.; revising requirements relating to unexpended funds appropriated or provided for the Florida Turnpike Enterprise; amending s. 1011.57, F.S.; revising requirements relating to unexpended funds appropriated to the Florida School for the Deaf and the Blind; repealing s. 215.29, F.S., relating to the classification of Chief Financial Officer's warrants; providing effective dates.

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

Section 1. Subsection (3) of section 11.243, Florida Statutes, is amended to read:

11.243 Publishing Florida Statutes; price, sale.—

(3) All moneys collected from the sale of the Florida Statutes or other publications shall be deposited in the Grants and Donations Trust Fund within the Legislature State Treasury and credited to the appropriation for legislative expense.

Section 2. Subsections (2) and (3) of section 11.513, Florida Statutes, are amended, present subsections (5) and (6) of that section are renumbered as

subsections (6) and (7), respectively, and a new subsection (5) is added to that section, to read:

11.513 Program evaluation and justification review.—

(2) A state agency's inspector general, internal auditor, or other person designated by the agency head or the Chief Justice of the Supreme Court shall develop, in consultation with the Office of Program Policy Analysis and Government Accountability, a plan for monitoring and reviewing the state agency's or the judicial branch's major programs to ensure that performance measures and standards, as well as baseline and previous-year performance data, are maintained and supported by agency records.

(3) The program evaluation and justification review shall be conducted on major programs, but may include other programs. The review shall be comprehensive in its scope but, at a minimum, must be conducted in such a manner as to specifically determine the following, and to consider and determine what changes, if any, are needed with respect thereto:

(a) The identifiable cost of each program.

(b) The specific purpose of each program, as well as the specific public benefit derived therefrom.

(c) Progress toward achieving the outputs and outcomes associated with each program.

(d) An explanation of circumstances contributing to the state agency's ability to achieve, not achieve, or exceed its projected outputs and outcomes, as defined in s. 216.011, associated with each program.

(e) Alternate courses of action that would result in administration of the same program in a more efficient or effective manner. The courses of action to be considered must include, but are not limited to:

1. Whether the program could be organized in a more efficient and effective manner, whether the program's mission, goals, or objectives should be redefined, or, when the state agency cannot demonstrate that its efforts have had a positive effect, whether the program should be reduced in size or eliminated.

2. Whether the program could be administered more efficiently or effectively to avoid duplication of activities and ensure that activities are adequately coordinated.

3. Whether the program could be performed more efficiently or more effectively by another unit of government or a private entity, or whether a program performed by a private entity could be performed more efficiently and effectively by a state agency.

4. When compared to costs, whether effectiveness warrants elimination of the program or, if the program serves a limited interest, whether it should be redesigned to require users to finance program costs.

5. Whether the cost to administer the program exceeds license and other fee revenues paid by those being regulated.

6. Whether other changes could improve the efficiency and effectiveness of the program.

(f) The consequences of discontinuing such program. If any discontinuation is recommended, such recommendation must be accompanied by a description of alternatives to implement such recommendation, including an implementation schedule for discontinuation and recommended procedures for assisting state agency employees affected by the discontinuation.

(g) Determination as to public policy, which may include recommendations as to whether it would be sound public policy to continue or discontinue funding the program, either in whole or in part, in the existing manner.

(h) Whether current performance measures and standards should be reviewed or amended to assist agencies' and the judicial branch's efforts in achieving outputs and outcome measures.

(i)(h) Whether the information reported as part of the state's performance-based program budgeting system has relevance and utility for the evaluation of each program.

(j)(i) Whether state agency management has established control systems sufficient to ensure that performance data are maintained and supported by state agency records and accurately presented in state agency performance reports.

(5) The Office of Program Policy Analysis and Government Accountability may perform evaluation and justification reviews when necessary and as directed by the Legislature in order to determine whether current agency and judicial branch performance measures and standards are adequate. Reports concerning the evaluation and review of agency and judicial branch performance measures and standards shall be submitted to the Executive Office of the Governor, the President of the Senate, and the Speaker of the House of Representatives, and the chair and vice chair of the Legislative Budget Commission. Reports concerning the evaluation and review of the judicial branch performance measures and standards shall be submitted to the Chief Justice of the Supreme Court.

Section 3. Subsection (2) of section 17.57, Florida Statutes, is amended to read:

17.57 Deposits and investments of state money.—

(2) The Chief Financial Officer shall make funds available to meet the disbursement needs of the state. Funds which are not needed for this purpose shall be placed in qualified public depositories that will pay rates established by the Chief Financial Officer at levels not less than the prevailing rate for United States Treasury securities with a corresponding maturity. In the event money is available for interest-bearing time deposits or savings accounts as provided herein and qualified public depositories are

unwilling to accept such money and pay thereon the rates established above, then such money which qualified public depositories are unwilling to accept shall be invested in:

- (a) Direct United States Treasury obligations.
- (b) Obligations of the Federal Farm Credit Banks.
- (c) Obligations of the Federal Home Loan Bank and its district banks.
- (d) Obligations of the Federal Home Loan Mortgage Corporation, including participation certificates.
- (e) Obligations guaranteed by the Government National Mortgage Association.
- (f) Obligations of the Federal National Mortgage Association.
- (g) Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.
- (h) Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as “bankers acceptances,” which are accepted by a member bank of the Federal Reserve System having total deposits of not less than \$400 million or which are accepted by a commercial bank which is not a member of the Federal Reserve System with deposits of not less than \$400 million and which is licensed by a state government or the Federal Government, and whose senior debt issues are rated in one of the two highest rating categories by a nationally recognized rating service and which are held in custody by a domestic bank which is a member of the Federal Reserve System.
- (i) Corporate obligations or corporate master notes of any corporation within the United States, if the long-term obligations of such corporation are rated by at least two nationally recognized rating services in any one of the four highest classifications. However, if such obligations are rated by only one nationally recognized rating service, then the obligations shall be rated in any one of the two highest classifications.
- (j) Obligations of the Student Loan Marketing Association.
- (k) Obligations of the Resolution Funding Corporation.
- (l) ~~Asset-backed or Mortgage-backed securities of the highest credit quality.~~
- (m) Asset-backed securities rated by at least two nationally recognized rating services in any one of the three highest classifications. However, if such obligations are rated by only one nationally recognized rating service, the obligations must be rated in any one of the two highest classifications.
- ~~(n)~~(m) Any obligations not previously listed which are guaranteed as to principal and interest by the full faith and credit of the United States Government or are obligations of United States agencies or instrumentali-

ties which are rated in the highest category by a nationally recognized rating service.

~~(o)(n)~~ Commingled no-load investment funds or no-load mutual funds in which all securities held by the funds are authorized in this subsection.

~~(p)(o)~~ Money market mutual funds as defined and regulated by the Securities and Exchange Commission.

~~(q)(p)~~ Obligations of state and local governments rated in any of the four highest classifications by at least two nationally recognized rating services. However, if such obligations are rated by only one nationally recognized rating service, then the obligations shall be rated in any one of the two highest classifications.

~~(q)~~ ~~Derivatives of investment instruments authorized in paragraphs (a)-(m).~~

(r) Covered put and call options on investment instruments authorized in this subsection for the purpose of hedging transactions by investment managers to mitigate risk or to facilitate portfolio management.

(s) Negotiable certificates of deposit issued by financial institutions whose long-term debt is rated in one of the three highest categories by at least two nationally recognized rating services, the investment in which shall not be prohibited by any provision of chapter 280.

(t) Foreign bonds denominated in United States dollars and registered with the Securities and Exchange Commission for sale in the United States, if the long-term obligations of such issuers are rated by at least two nationally recognized rating services in any one of the four highest classifications. However, if such obligations are rated by only one nationally recognized rating service, the obligations shall be rated in any one of the two highest classifications.

(u) Convertible debt obligations of any corporation domiciled within the United States, if the convertible debt issue is rated by at least two nationally recognized rating services in any one of the four highest classifications. However, if such obligations are rated by only one nationally recognized rating service, then the obligations shall be rated in any one of the two highest classifications.

(v) Securities not otherwise described in this subsection. However, not more than 3 percent of the funds under the control of the Chief Financial Officer shall be invested in securities described in this paragraph.

~~(w)~~ ~~Derivatives of investment instruments authorized in paragraphs (a)-(v).~~

(x) Futures and options on futures, provided the instruments for such purpose are traded on a securities exchange or board of trade regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

These investments may be in varying maturities and may be in book-entry form. Investments made pursuant to this subsection may be under repurchase agreement or reverse repurchase agreement. The Chief Financial Officer may hire registered investment advisers and other consultants to assist in investment management and to pay fees directly from investment earnings. Investment securities, proprietary investment services related to contracts, performance evaluation services, investment-related equipment or software used directly to assist investment trading or investment accounting operations including bond calculators, telerates, Bloomburys, special program calculators, intercom systems, and software used in accounting, communications, and trading, and advisory and consulting contracts made under this section are exempt from the provisions of chapter 287.

Section 4. Subsection (1) of section 11.151, Florida Statutes, is amended to read:

11.151 Annual legislative appropriation to contingency fund for use of Senate President and House Speaker.—

(1) There is established a legislative contingency fund consisting of \$20,000 ~~\$10,000~~ for the President of the Senate and \$20,000 ~~\$10,000~~ for the Speaker of the House of Representatives, which amounts shall be set aside annually from moneys appropriated for legislative expense. These funds shall be disbursed by the Chief Financial Officer upon receipt of vouchers authorized by the President of the Senate or the Speaker of the House of Representatives. Such funds may be expended at the unrestricted discretion of the President of the Senate or the Speaker of the House of Representatives in carrying out their official duties during the entire period between the date of their election as such officers at the organizational meeting held pursuant to s. 3(a), Art. III of the State Constitution and the next general election.

Section 5. Paragraph (h) of subsection (1) of section 20.435, Florida Statutes, is amended to read:

20.435 Department of Health; trust funds.—

(1) The following trust funds are hereby created, to be administered by the Department of Health:

(h) Biomedical Research Trust Fund.

1. Funds to be credited to the trust fund shall consist of funds deposited pursuant to s. 215.5601. Funds shall be used for the purposes of the James and Esther King Biomedical Research Program as specified in ss. 215.5602 and 288.955. The trust fund is exempt from the service charges imposed by s. 215.20.

2. Notwithstanding the provisions of s. 216.301 and pursuant to s. 216.351, any balance in the trust fund at the end of any fiscal year shall remain in the trust fund at the end of the year and shall be available for carrying out the purposes of the trust fund. The department may invest these funds independently through the Chief Financial Officer or may negotiate a trust agreement with the State Board of Administration for the investment management of any balance in the trust fund.

3. Notwithstanding s. 216.301 and pursuant to s. 216.351, any balance of any appropriation from the Biomedical Research Trust Fund which is not disbursed but which is obligated pursuant to contract or committed to be expended may be carried forward ~~certified by the Governor~~ for up to 3 years following the effective date of the original appropriation.

4. The trust fund shall, unless terminated sooner, be terminated on July 1, 2008.

Section 6. Section 29.008, Florida Statutes, is amended to read:

29.008 County funding of court-related functions.—

(1) Counties are required by s. 14, Art. V of the State Constitution to fund the cost of communications services, existing radio systems, existing multi-agency criminal justice information systems, and the cost of construction or lease, maintenance, utilities, and security of facilities for the circuit and county courts, public defenders' offices, state attorneys' offices, guardian ad litem offices, and the offices of the clerks of the circuit and county courts performing court-related functions. For purposes of this section, the term "circuit and county courts" shall include the offices and staffing of the guardian ad litem programs. The county designated under s. 35.05(1) as the headquarters for each appellate district shall fund these costs for the appellate division of the public defender's office in that county. For purposes of implementing these requirements, the term:

(a) "Facility" means reasonable and necessary buildings and office space and appurtenant equipment and furnishings, structures, real estate, easements, and related interests in real estate, including, but not limited to, those for the purpose of housing legal materials for use by the general public and personnel, equipment, or functions of the circuit or county courts, public defenders' offices, state attorneys' offices, and court-related functions of the office of the clerks of the circuit and county courts and all storage. The term "facility" includes all wiring necessary for court reporting services. The term also includes access to parking for such facilities in connection with such court-related functions that may be available free or from a private provider or a local government for a fee. The office space provided by a county may not be less than the standards for space allotment adopted by the Department of Management Services, except this requirement applies only to facilities that are leased, or on which construction commences, after June 30, 2003. County funding must include physical modifications and improvements to all facilities as are required for compliance with the Americans with Disabilities Act. Upon mutual agreement of a county and the affected entity in this paragraph, the office space provided by the county may vary from the standards for space allotment adopted by the Department of Management Services.

1. As of July 1, 2005, equipment and furnishings shall be limited to that appropriate and customary for courtrooms, hearing rooms, jury facilities, and other public areas in courthouses and any other facility occupied by the courts, state attorneys, and public defenders. Court reporting equipment in these areas or facilities is not a responsibility of the county.

2. Equipment and furnishings under this paragraph in existence and owned by counties on July 1, 2005, except for that in the possession of the clerks, for areas other than courtrooms, hearing rooms, jury facilities, and other public areas in courthouses and any other facility occupied by the courts, state attorneys, and public defenders, shall be transferred to the state at no charge. This provision does not apply to any communication services as defined in paragraph (f).

(b) "Construction or lease" includes, but is not limited to, all reasonable and necessary costs of the acquisition or lease of facilities for all judicial officers, staff, jurors, volunteers of a tenant agency, and the public for the circuit and county courts, the public defenders' offices, state attorneys' offices, and for performing the court-related functions of the offices of the clerks of the circuit and county courts. This includes expenses related to financing such facilities and the existing and future cost and bonded indebtedness associated with placing the facilities in use.

(c) "Maintenance" includes, but is not limited to, all reasonable and necessary costs of custodial and groundskeeping services and renovation and reconstruction as needed to accommodate functions for the circuit and county courts, the public defenders' offices, and state attorneys' offices and for performing the court-related functions of the offices of the clerks of the circuit and county court and for maintaining the facilities in a condition appropriate and safe for the use intended.

(d) "Utilities" means all electricity services for light, heat, and power; natural or manufactured gas services for light, heat, and power; water and wastewater services and systems, stormwater or runoff services and systems, sewer services and systems, all costs or fees associated with these services and systems, and any costs or fees associated with the mitigation of environmental impacts directly related to the facility.

(e) "Security" includes but is not limited to, all reasonable and necessary costs of services of law enforcement officers or licensed security guards and all electronic, cellular, or digital monitoring and screening devices necessary to ensure the safety and security of all persons visiting or working in a facility; to provide for security of the facility, including protection of property owned by the county or the state; and for security of prisoners brought to any facility. This includes bailiffs while providing courtroom and other security for each judge and other quasi-judicial officers.

(f) "Communications services" are defined as any reasonable and necessary transmission, emission, and reception of signs, signals, writings, images, and sounds of intelligence of any nature by wire, radio, optical, audio equipment, or other electromagnetic systems and includes all facilities and equipment owned, leased, or used by judges, clerks, public defenders, state attorneys, and all staff of the state courts system, state attorneys' offices, public defenders' offices, and clerks of the circuit and county courts performing court-related functions. Such system or services shall include, but not be limited to:

1. Telephone system infrastructure, including computer lines, telephone switching equipment, and maintenance, and facsimile equipment, wireless

communications, cellular telephones, pagers, and video teleconferencing equipment and line charges. Each county shall continue to provide access to a local carrier for local and long distance service and shall pay toll charges for local and long distance service.

2. All computer networks, systems and equipment, including computer hardware and software, modems, printers, wiring, network connections, maintenance, support staff or services including any county-funded support staff located in the offices of the circuit court, county courts, state attorneys, and public defenders, training, supplies, and line charges necessary for an integrated computer system to support the operations and management of the state courts system, the offices of the public defenders, the offices of the state attorneys, and the offices of the clerks of the circuit and county courts and the capability to connect those entities and reporting data to the state as required for the transmission of revenue, performance accountability, case management, data collection, budgeting, and auditing purposes. The integrated computer system shall be operational by July 1, 2006, and, at a minimum, permit the exchange of financial, performance accountability, case management, case disposition, and other data across multiple state and county information systems involving multiple users at both the state level and within each judicial circuit and be able to electronically exchange judicial case background data, sentencing scoresheets, and video evidence information stored in integrated case management systems over secure networks. Once the integrated system becomes operational, counties may reject requests to purchase communication services included in this subparagraph not in compliance with standards, protocols, or processes adopted by the board established pursuant to s. 29.0086.

3. Courier messenger and subpoena services.

4. Auxiliary aids and services for qualified individuals with a disability which are necessary to ensure access to the courts. Such auxiliary aids and services include, but are not limited to, sign language interpretation services required under the federal Americans with Disabilities Act other than services required to satisfy due-process requirements and identified as a state funding responsibility pursuant to ss. 29.004, 29.005, 29.006, and 29.007, real-time transcription services for individuals who are hearing impaired, and assistive listening devices and the equipment necessary to implement such accommodations.

(g) "Existing radio systems" includes, but is not limited to, law enforcement radio systems that are used by the circuit and county courts, the offices of the public defenders, the offices of the state attorneys, and for court-related functions of the offices of the clerks of the circuit and county courts. This includes radio systems that were operational or under contract at the time Revision No. 7, 1998, to Art. V of the State Constitution was adopted and any enhancements made thereafter, the maintenance of those systems, and the personnel and supplies necessary for operation.

(h) "Existing multiagency criminal justice information systems" includes, but is not limited to, those components of the multiagency criminal justice information system as defined in s. 943.045, supporting the offices

of the circuit or county courts, the public defenders' offices, the state attorneys' offices, or those portions of the offices of the clerks of the circuit and county courts performing court-related functions that are used to carry out the court-related activities of those entities. This includes upgrades and maintenance of the current equipment, maintenance and upgrades of supporting technology infrastructure and associated staff, and services and expenses to assure continued information sharing and reporting of information to the state. The counties shall also provide additional information technology services, hardware, and software as needed for new judges and staff of the state courts system, state attorneys' offices, public defenders' offices, and the offices of the clerks of the circuit and county courts performing court-related functions.

(2) Counties shall pay reasonable and necessary salaries, costs, and expenses of the state courts system, including associated staff and expenses, to meet local requirements.

(a) Local requirements are those specialized programs, nonjudicial staff, and other expenses associated with specialized court programs, specialized prosecution needs, specialized defense needs, or resources required of a local jurisdiction as a result of special factors or circumstances. Local requirements exist:

1. When imposed pursuant to an express statutory directive, based on such factors as provided in paragraph (b); or

2. When:

a. The county has enacted an ordinance, adopted a local program, or funded activities with a financial or operational impact on the circuit or a county within the circuit; or

b. Circumstances in a given circuit or county result in or necessitate implementation of specialized programs, the provision of nonjudicial staff and expenses to specialized court programs, special prosecution needs, specialized defense needs, or the commitment of resources to the court's jurisdiction.

(b) Factors and circumstances resulting in the establishment of a local requirement include, but are not limited to:

1. Geographic factors;

2. Demographic factors;

3. Labor market forces;

4. The number and location of court facilities; or

5. The volume, severity, complexity, or mix of court cases.

(c) Local requirements under subparagraph (a)2. must be determined by the following method:

1. The chief judge of the circuit, in conjunction with the state attorney and the public defender only on matters that impact their offices, shall identify all local requirements within the circuit or within each county in the circuit and shall identify the reasonable and necessary salaries, costs, and expenses to meet these local requirements.

2. On or before June 1 of each year, the chief judge shall submit to the board of county commissioners a tentative budget request for local requirements for the ensuing fiscal year. The tentative budget must certify a listing of all local requirements and the reasonable and necessary salaries, costs, and expenses for each local requirement. The board of county commissioners may, by resolution, require the certification to be submitted earlier.

3. The board of county commissioners shall thereafter treat the certification in accordance with the county's budgetary procedures. A board of county commissioners may:

a. Determine whether to provide funding, and to what extent it will provide funding, for salaries, costs, and expenses under this section;

b. Require a county finance officer to conduct a preaudit review of any county funds provided under this section prior to disbursement;

c. Require review or audit of funds expended under this section by the appropriate county office; and

d. Provide additional financial support for the courts system, state attorneys, or public defenders.

(d) Counties may satisfy these requirements by entering into interlocal agreements for the collective funding of these reasonable and necessary salaries, costs, and expenses.

(3) The following shall be considered a local requirement pursuant to subparagraph (2)(a)1.:

(a) Legal aid programs, which shall be funded at a level equal to or greater than the amount provided from filing fees and surcharges to legal aid programs from October 1, 2002, to September 30, 2003.

(b) Alternative sanctions coordinators pursuant to ss. 984.09 and 985.216.

(4)(a) The Department of Financial Services shall review county expenditure reports required under s. 29.0085 for the purpose of ensuring that counties fulfill the responsibilities of this section. The department shall compare county fiscal reports to determine if expenditures for the items specified in paragraphs (1)(a), (b), (c), (d), (e), (f), (g), and (h) and subsection (3) have increased by 1.5 percent over the prior county fiscal year. The initial review must compare county fiscal year 2005-2006 to county fiscal year 2004-2005. If the department finds that expenditures for the items specified in paragraphs (1)(a), (b), (c), (d), (e), (f), (g), and (h) and subsection (3) have not increased by 1.5 percent over the prior county fiscal year, the department shall notify the President of the Senate and the Speaker of the House

of Representatives and the respective county. The Legislature may determine that a county has met its obligations for items specified in this section if the prior county fiscal year included nonrecurring expenditures for facilities or information technology that is not needed in the next county fiscal year or expenditures or actions that enable a county to attain efficiencies in providing services to the court system. The Legislature may direct the Department of Revenue to withhold revenue-sharing receipts distributed pursuant to part II of chapter 218, except for revenues used for paying the principal or interest on bonds, tax anticipation certificates, or any other form of indebtedness allowed under s. 218.25(1), (2), or (4), from any county that is not in compliance with the funding obligations in this section by an amount equal to the difference between the amount spent and the amount that would have been spent had the county increased expenditures by 1.5 percent per year. Except for revenues used for the payment of principal or interest on bonds, tax anticipation certificates, or any other form of indebtedness as allowed under s. 218.25(1),(2) or (4), the Department of Revenue shall withhold revenue sharing receipts distributed pursuant to part II of chapter 218 from any county not in compliance with the county funding obligations for items specified in paragraphs (1)(a), (c), (d), (e), (f), (g), and (h) and subsection (3). The department shall withhold an amount equal to the difference between the amount spent by the county for the particular item in county fiscal year 2002-2003, the base year, plus 3 percent, and the amount budgeted by the county for these obligations in county fiscal year 2004-2005, if the latter is less than the former. Every year thereafter, the department shall withhold such an amount if the amount budgeted in that year is less than the base year plus 1.5 percent growth per year. On or before December 31, 2004, counties shall send to the department a certified copy of their budget documents for the respective 2 years, separately identifying expenditure amounts for each county funding obligation specified in paragraphs (1) (a), (c), (d), (e), (f), (g), and (h) and subsection (3). Each year thereafter, on or before December 31 of that year, each county shall send a certified copy of its budget document to the department.

~~(b)~~ Beginning in fiscal year 2005-2006, additional amounts shall be withheld pursuant to paragraph (a), if the amount spent in the previous fiscal year on the items specified in paragraphs (1)(a), (c), (d), (e), (f), (g), and (h), and subsection (3) is less than the amount budgeted for those items. Each county shall certify expenditures for these county obligations for the prior fiscal year to the department within 90 days after the end of the fiscal year.

~~(b)(e)~~ The department shall transfer the withheld payments to the General Revenue Fund by March 31 of each year for the previous county fiscal year. These payments are hereby appropriated to the Department of Revenue to pay for these responsibilities on behalf of the county.

Section 7. The amendments made by this act to s. 29.008(4), Florida Statutes, apply retroactively to July 1, 2004.

Section 8. Section 29.0085, Florida Statutes, is amended to read:

29.0085 Annual statement of certain revenues and expenditures.—

(1) Each county shall submit annually to the Chief Financial Officer a statement of revenues and expenditures as set forth in this section in the form and manner prescribed by the Chief Financial Officer in consultation with the Legislative Committee on Intergovernmental Relations, provided that such statement identify total county expenditures on each of the services outlined in s. 29.008.

(2)(a) Within ~~4~~ 6 months of the close of the local government fiscal year, each county shall submit to the Chief Financial Officer a statement of compliance from its independent certified public accountant, engaged pursuant to s. 218.39, that the certified statement of expenditures was in accordance with s. 29.008 and this section. All discrepancies noted by the independent certified public accountant shall be included in the statement furnished by the county to the Chief Financial Officer.

(b) If the Chief Financial Officer determines that additional auditing procedures are appropriate because:

1. The county failed to submit timely its annual statement;
2. Discrepancies were noted by the independent certified public accountant; or
3. The county failed to file before ~~January~~ March 31 of each year the certified public accountant statement of compliance, the Chief Financial Officer may send his or her personnel or contract for services to bring the county into compliance. The costs incurred by the Chief Financial Officer shall be paid promptly by the county upon certification by the Chief Financial Officer.

(c) Where the Chief Financial Officer elects to utilize the services of an independent contractor, such certification by the Chief Financial Officer may require the county to make direct payment to a contractor. Any funds owed by a county in such matters shall be recovered pursuant to s. 17.04 or s. 17.041.

(3) The Chief Financial Officer shall adopt any rules necessary to implement his or her responsibilities pursuant to this section.

Section 9. Section 215.18, Florida Statutes, is amended to read:

215.18 Transfers between funds; limitation.—Whenever there exists in any fund provided for by s. 215.32 a deficiency which would render such fund insufficient to meet its just requirements, and there shall exist in the other funds in the State Treasury moneys which are for the time being or otherwise in excess of the amounts necessary to meet the just requirements of such last-mentioned funds, the Governor may order a temporary transfer of moneys from one fund to another in order to meet temporary deficiencies in a particular fund without resorting to the necessity of borrowing money and paying interest thereon. Any action proposed under this section is subject to the notice and objection procedures set forth in s. 216.177, and the Governor shall provide notice of such action at least 7 days prior to the effective date of the transfer of funds.

(1) Except as otherwise provided in s. 216.222(1)(a)2., the fund from which any money is temporarily transferred shall be repaid the amount transferred from it not later than the end of the fiscal year in which such transfer is made, the date of repayment to be specified in the order of the Governor.

(2) Notwithstanding subsection (1) and for the 2005-2006 fiscal year only, the repayment period for funds temporarily transferred in fiscal year 2004-2005 to meet deficiencies resulting from hurricanes striking this state in 2004 may be extended until grants awarded by the Federal Emergency Management Agency for FEMA Disaster Declarations 1539-DR-FL, 1545-DR-FL, 1551-DR-FL, and 1561-DR-FL are received. This subsection expires July 1, 2006.

Section 10. Subsections (2) and (4) of section 215.3206, Florida Statutes, are amended to read:

215.3206 Trust funds; termination or re-creation.—

(2) If the trust fund is terminated and not immediately re-created, all cash balances and income of the trust fund shall be deposited into the General Revenue Fund. The agency or Chief Justice shall pay any outstanding debts of the trust fund as soon as practicable, and the Chief Financial Officer shall close out and remove the trust fund from the various state financial accounting systems, using generally accepted accounting practices concerning warrants outstanding, assets, and liabilities. No appropriation or budget amendment shall be construed to authorize any encumbrance of funds from a trust fund after the date on which the trust fund is terminated or is judicially determined to be invalid.

(4) For the purposes of this section, the Governor, Chief Justice, and agencies shall review the trust funds as they are identified by a classification scheme set out in the legislative budget request instructions pursuant to s. 216.023 consistent with the Department of Financial Services' financial systems by a unique 6-digit code in the Florida Accounting Information Resource Subsystem at a level composed of the 2-digit organization level 1, the 1-digit state fund type 2, and the first three digits of the fund identifier. The Governor, Chief Justice, and agencies may also conduct their review and make recommendations concerning accounts within such trust funds.

Section 11. Subsection (1) and paragraph (a) of subsection (2) of section 215.3208, Florida Statutes, are amended to read:

215.3208 Trust funds; legislative review.—

(1) In order to implement s. 19(f), Art. III of the State Constitution, for the purpose of reviewing trust funds prior to their automatic termination pursuant to the provisions of s. 19(f)(2), Art. III of the State Constitution, the Legislature shall review all state trust funds at least once every 4 years. The schedule for such review may be included in the legislative budget instructions developed pursuant to the requirements of s. 216.023. The Legislature shall review trust funds as they are identified by a classification scheme set out in the legislative budget request instructions pursuant to s.

216.023 consistent with the Department of Financial Services' financial systems by a unique 6-digit code in the Florida Accounting Information Resource Subsystem at a level composed of the 2-digit organization level 1, the 1-digit state fund type 2, and the first three digits of the fund identifier. When a statutorily created trust fund that was in existence on November 4, 1992, has more than one fund 6-digit code in the financial systems, the Legislature may treat it as a single trust fund for the purposes of this section. The Legislature may also conduct its review concerning accounts within such trust funds.

(2)(a) When the Legislature terminates a trust fund, the agency or branch of state government that administers the trust fund shall pay any outstanding debts or obligations of the trust fund as soon as practicable, and the Chief Financial Officer shall close out and remove the trust fund from the various state financial accounting systems, using generally accepted accounting principles concerning assets, liabilities, and warrants outstanding.

Section 12. Section 215.35, Florida Statutes, is amended to read:

215.35 State funds; warrants and their issuance.—All warrants issued by the Chief Financial Officer shall be numbered in a manner that uniquely identifies each warrant for audit and reconciliation purposes chronological order commencing with number one in each fiscal year and each warrant shall refer to the Chief Financial Officer's voucher by the number thereof, which voucher shall also be numbered as above set forth. Each warrant shall state the name of the payee thereof and the amount allowed, and said warrant shall be stated in words at length. No warrant shall issue until same has been authorized by an appropriation made by law but such warrant need not state or set forth such authorization. The Chief Financial Officer shall register and maintain a record of each warrant in his or her office. The record shall show the funds, accounts, purposes, and departments involved in the issuance of each warrant. In those instances where the expenditure of funds of regulatory boards or commissions has been provided for by laws other than the annual appropriations bill, warrants shall be issued upon requisition to the Chief Financial Officer by the governing body of such board or commission.

Section 13. Subsections (1) and (2), paragraphs (a) and (b) of subsection (3), and subsection (6) of section 215.422, Florida Statutes, are amended to read:

215.422 Payments, warrants, vouchers, and invoices; processing time limits; dispute resolution; agency or judicial branch compliance.—

(1) ~~The voucher authorizing payment of~~ An invoice submitted to an agency of the state or the judicial branch, required by law to be filed with the Chief Financial Officer, shall be recorded in the financial systems of the state, approved for payment by the agency or the judicial branch, and filed with the Chief Financial Officer not later than 20 days after receipt of the invoice and receipt, inspection, and approval of the goods or services, except that in the case of a bona fide dispute the invoice recorded in the financial systems of the state ~~voucher~~ shall contain a statement of the dispute and

authorize payment only in the amount not disputed. The Chief Financial Officer may establish dollar thresholds and other criteria for all invoices and may delegate to a state agency or the judicial branch responsibility for maintaining the official invoices ~~vouchers~~ and documents for invoices which do not exceed the thresholds or which meet the established criteria. Such records shall be maintained in accordance with the requirements established by the Secretary of State. The transmission of an approved invoice recorded in the financial systems of the state electronic payment request transmission to the Chief Financial Officer shall constitute filing of a request voucher for payment of invoices for which the Chief Financial Officer has delegated to an agency custody of official records. Approval and inspection of goods or services shall take no longer than 5 working days unless the bid specifications, purchase order, or contract specifies otherwise. If an invoice a voucher filed within the 20-day period is returned by the Department of Financial Services because of an error, it shall nevertheless be deemed timely filed. The 20-day filing requirement may be waived in whole or in part by the Department of Financial Services on a showing of exceptional circumstances in accordance with rules and regulations of the department. For the purposes of determining the receipt of invoice date, the agency or the judicial branch is deemed to receive an invoice on the date on which a proper invoice is first received at the place designated by the agency or the judicial branch. The agency or the judicial branch is deemed to receive an invoice on the date of the invoice if the agency or the judicial branch has failed to annotate the invoice with the date of receipt at the time the agency or the judicial branch actually received the invoice or failed at the time the order is placed or contract made to designate a specific location to which the invoice must be delivered.

(2) The Department of Financial Services shall approve payment of an invoice no later than 10 days after the agency's filing of the approved invoice ~~The warrant in payment of an invoice submitted to an agency of the state or the judicial branch shall be issued not later than 10 days after filing of the voucher authorizing payment.~~ However, this requirement may be waived in whole or in part by the Department of Financial Services on a showing of exceptional circumstances in accordance with rules and regulations of the department. If the 10-day period contains fewer than 6 working days, the Department of Financial Services shall be deemed in compliance with this subsection if the payment is approved warrant is issued within 6 working days without regard to the actual number of calendar days. ~~For purposes of this section, a payment is deemed to be issued on the first working day that payment is available for delivery or mailing to the vendor.~~

(3)(a) Each agency of the state or the judicial branch which is required by law to file invoices ~~vouchers~~ with the Chief Financial Officer shall keep a record of the date of receipt of the invoice; dates of receipt, inspection, and approval of the goods or services; date of filing of the approved invoice voucher; and date of issuance of the warrant in payment thereof. If the invoice voucher is not filed or the warrant is not issued within the time required, an explanation in writing by the agency head or the Chief Justice shall be submitted to the Department of Financial Services in a manner prescribed by it. Agencies and the judicial branch shall continue to deliver or mail state payments promptly.

(b) If a warrant in payment of an invoice is not issued within 40 days after receipt of the invoice and receipt, inspection, and approval of the goods and services, the agency or judicial branch shall pay to the vendor, in addition to the amount of the invoice, interest at a rate as established pursuant to s. 55.03(1) on the unpaid balance from the expiration of such 40-day period until such time as the warrant is issued to the vendor. Such interest shall be added to the invoice at the time of submission to the Chief Financial Officer for payment whenever possible. If addition of the interest penalty is not possible, the agency or judicial branch shall pay the interest penalty payment within 15 days after issuing the warrant. The provisions of this paragraph apply only to undisputed amounts for which payment has been authorized. Disputes shall be resolved in accordance with rules developed and adopted by the Chief Justice for the judicial branch, and rules adopted by the Department of Financial Services or in a formal administrative proceeding before an administrative law judge of the Division of Administrative Hearings for state agencies, provided that, for the purposes of ss. 120.569 and 120.57(1), no party to a dispute involving less than \$1,000 in interest penalties shall be deemed to be substantially affected by the dispute or to have a substantial interest in the decision resolving the dispute. In the case of an error on the part of the vendor, the 40-day period shall begin to run upon receipt by the agency or the judicial branch of a corrected invoice or other remedy of the error. For purposes of this section, the non-submittal of the appropriate federal taxpayer identification documentation to the Department of Financial Services by the vendor will be deemed an error on the part of the vendor and the vendor will be required to submit the appropriate federal taxpayer documentation in order to remedy the error. The provisions of this paragraph do not apply when the filing requirement under subsection (1) or subsection (2) has been waived in whole by the Department of Financial Services. The various state agencies and the judicial branch shall be responsible for initiating the penalty payments required by this subsection and shall use this subsection as authority to make such payments. The budget request submitted to the Legislature shall specifically disclose the amount of any interest paid by any agency or the judicial branch pursuant to this subsection. The temporary unavailability of funds to make a timely payment due for goods or services does not relieve an agency or the judicial branch from the obligation to pay interest penalties under this section.

(6) The Department of Financial Services shall monitor each agency's and the judicial branch's compliance with the time limits and interest penalty provisions of this section. The department shall provide a report to an agency or to the judicial branch if the department determines that the agency or the judicial branch has failed to maintain an acceptable rate of compliance with the time limits and interest penalty provisions of this section. The department shall establish criteria for determining acceptable rates of compliance. The report shall also include a list of late invoices ~~coupons~~ or payments, the amount of interest owed or paid, and any corrective actions recommended. The department shall perform monitoring responsibilities, pursuant to this section, using the Department of Financial Services' financial systems Management Services and Purchasing Subsystem ~~or the Florida Accounting Information Resource Subsystem~~ provided in s. 215.94. Each agency and the judicial branch shall be responsible for the

accuracy of information entered into the Department of Management Services' procurement system ~~Management Services and Purchasing Subsystem~~ and the Department of Financial Services' financial systems ~~Florida Accounting Information Resource Subsystem~~ for use in this monitoring.

Section 14. Paragraph (d) of subsection (1) of section 215.97, Florida Statutes, is amended to read:

215.97 Florida Single Audit Act.—

(1) The purposes of the section are to:

(d) Provide for identification of state financial assistance transactions in the ~~appropriations act~~, state accounting records, and recipient organization records.

Section 15. Effective upon this act becoming a law, paragraphs (bb) and (ss) of subsection (1) of section 216.011, Florida Statutes, are amended, and paragraphs (tt) and (uu) are added to that subsection, 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 under s. 273.025, ~~according to the value or cost specified in s. 273.02~~.

(ss) “Qualified expenditure category” means the appropriations category used to fund specific activities and projects which must be transferred to one or more appropriation categories for expenditure upon recommendation by the Governor or Chief Justice, as appropriate, and subject to approval by the Legislative Budget Commission. The Legislature by law may provide that a specific portion of the funds appropriated in this category be transferred to one or more appropriation categories without approval by the commission and may provide that requirements or contingencies be satisfied prior to the transfer.

(tt) “Incurred obligation” means a legal obligation for goods or services that have been contracted for, referred to as an encumbrance in the state's financial system, or received or incurred by the state and referred to as a payable in the state's financial system.

(uu) “Salary rate reserve” means the withholding of a portion of the annual salary rate for a specific purpose.

Section 16. Paragraph (o) is added to subsection (8) of section 215.97, Florida Statutes, to read:

215.97 Florida Single Audit Act.—

(8) Each recipient or subrecipient of state financial assistance shall comply with the following:

(o) A contract involving the State University System or the Florida Community College System funded by state financial assistance may be in the form of:

1. A fixed-price contract that entitles the provider to receive full compensation for the fixed contract amount upon completion of all contract deliverables;

2. A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided;

3. A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables; or

4. A combination of the contract forms described in subparagraphs 1., 2., and 3.

Section 17. Section 216.346, Florida Statutes, as amended by section 7 of chapter 2005-358, Laws of Florida, is repealed.

Section 18. Subsection (4) of section 215.559, Florida Statutes, is amended to read:

215.559 Hurricane Loss Mitigation Program.—

(4) Forty percent of the total appropriation in paragraph (2)(a) shall be used to inspect and improve tie-downs for mobile homes. Within 30 days after the effective date of that appropriation, the department shall contract with a public higher educational institution in this state which has previous experience in administering the programs set forth in this subsection to serve as the administrative entity and fiscal agent pursuant to s. 216.346 for the purpose of administering the programs set forth in this subsection in accordance with established policy and procedures. The administrative entity working with the advisory council set up under subsection (6) shall develop a list of mobile home parks and counties that may be eligible to participate in the tie-down program.

Section 19. Subsection (5) of section 331.368, Florida Statutes, is amended to read:

331.368 Florida Space Research Institute.—

~~(5) For the purposes of contracts and grants, s. 216.346 shall apply to the institute's programs with state universities and community colleges.~~

Section 20. Paragraph (c) of subsection (2) of section 443.1316, Florida Statutes, is amended to read:

443.1316 Unemployment tax collection services; interagency agreement.—

(2)

(c) ~~Notwithstanding s. 216.346,~~ The Department of Revenue may charge no more than 10 percent of the total cost of the interagency agreement for the overhead or indirect costs, or for any other costs not required for the payment of the direct costs, of providing unemployment tax collection services.

Section 21. Paragraph (c) of subsection (9) of section 1002.32, Florida Statutes, is amended to read:

1002.32 Developmental research (laboratory) schools.—

(9) FUNDING.—Funding for a lab school, including a charter lab school, shall be provided as follows:

(c) All operating funds provided under this section shall be deposited in a Lab School Trust Fund and shall be expended for the purposes of this section. The university assigned a lab school shall be the fiscal agent for these funds, and all rules of the university governing the budgeting and expenditure of state funds shall apply to these funds unless otherwise provided by law or rule of the State Board of Education. The university board of trustees shall be the public employer of lab school personnel for collective bargaining purposes for lab schools in operation prior to the 2002-2003 fiscal year. Employees of charter lab schools authorized prior to June 1, 2003, but not in operation prior to the 2002-2003 fiscal year shall be employees of the entity holding the charter and must comply with the provisions of s. 1002.33(12). ~~Lab schools are not subject to the payment of overhead or indirect costs as described in s. 216.346.~~

Section 22. Section 255.258, Florida Statutes, is repealed.

Section 23. Subsection (5) is added to section 287.063, Florida Statutes, to read:

287.063 Deferred-payment commodity contracts; preaudit review.—

(5) For purposes of this section, any such deferred payment commodity contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, that the Chief Financial Officer has determined is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.

Section 24. Subsection (11) is added to section 287.064, Florida Statutes, to read:

287.064 Consolidated financing of deferred-payment purchases.—

(11) For purposes of consolidated financing of deferred payment commodity contracts under this section by a state agency, any such contract must be supported from available recurring funds appropriated to the agency in an appropriation category, other than the expense appropriation category as defined in chapter 216, that the Chief Financial Officer has determined

is appropriate or that the Legislature has designated for payment of the obligation incurred under this section.

Section 25. Paragraphs (h) through (k) are added to subsection (1) of section 216.013, Florida Statutes, and subsection (5) of that section is amended, to read:

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

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

(h) Legislatively approved output and outcome performance measures.

(i) Performance standards for each performance measure and justification for the standards and the sources of data to be used for measurement.

(j) Prior-year performance data on approved performance measures and an explanation of deviation from expected performance. Performance data must be assessed for reliability in accordance with s. 20.055.

(k) Proposed performance incentives and disincentives.

~~(5) Following the adoption of the annual General Appropriations Act, The state agencies and the judicial branch shall make appropriate adjustments to their long-range program plans, excluding adjustments to performance measures and standards, 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 30 days subsequent to the effective date of the General Appropriations Act and implementing legislation until June 30 to make adjustments to their plans as posted on their Internet websites.~~

Section 26. Paragraph (a) of subsection (4) and subsections (5), (6), and (8) of section 216.023, Florida Statutes, are amended, and subsections (7), (9), (10), (11), and (12) are renumbered as subsections (5), (6), (7), (8), and (9), respectively, to read:

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

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

1. The constitutional or statutory authority for a program, a brief purpose statement, and approved program components.

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

3. Details on trust funds and fees.
4. The total number of positions (authorized, fixed, and requested).
5. An issue narrative describing and justifying changes in amounts and positions requested for current and proposed programs for the next fiscal year.
6. Information resource requests.
- ~~7. Legislatively approved Output and outcome performance measures and any proposed revisions to measures.~~
- ~~8. Proposed performance standards for each performance measure and justification for the standards and the sources of data to be used for measurement.~~
- ~~9. Prior-year performance data on approved performance measures and an explanation of deviation from expected performance. Performance data must be assessed for reliability in accordance with s. 20.055.~~
- ~~10. Proposed performance incentives and disincentives.~~
- ~~7.11.~~ Supporting information, including applicable cost-benefit analyses, business case analyses, performance contracting procedures, service comparisons, and impacts on performance standards for any request to outsource or privatize agency functions.
- ~~8.12.~~ An evaluation of any major outsourcing and privatization initiatives undertaken during the last 5 fiscal years having aggregate expenditures exceeding \$10 million during the term of the contract. The evaluation shall include an assessment of contractor performance, a comparison of anticipated service levels to actual service levels, and a comparison of estimated savings to actual savings achieved. Consolidated reports issued by the Department of Management Services may be used to satisfy this requirement.
9. Supporting information for any proposed consolidated financing of deferred-payment commodity contracts including guaranteed energy performance savings contracts. Supporting information must also include narrative describing and justifying the need, baseline for current costs, estimated cost savings, projected equipment purchases, estimated contract costs, and return on investment calculation.
- ~~(5) Agencies must maintain a comprehensive performance accountability system and provide a list of performance measures maintained by the agency which are in addition to the measures approved by the Legislature.~~
- ~~(6) Annually, by June 30, executive agencies shall submit to the Executive Office of the Governor adjustments to their performance standards based on the amounts appropriated for each program by the Legislature. When such an adjustment is made, all performance standards, including any adjustments made, shall be reviewed and revised as necessary by the~~

~~Executive Office of the Governor and, upon approval, submitted to the Legislature pursuant to the review and approval process provided in s. 216.177. The Senate and the House of Representatives appropriations committees shall advise Senate substantive committees and House of Representatives substantive committees, respectively, of all adjustments made to performance standards or measures. The Executive Office of the Governor shall maintain the official record of adjustments to the performance standards. As used in this section, the term “official record” means the official compilation of information about state agency performance-based programs and measures, including approved programs, approved outputs and outcomes, baseline data, approved standards for each performance measure and any approved adjustments thereto, as well as actual agency performance for each measure.~~

~~(8) Annually, by June 30, the judicial branch shall make adjustments to any performance standards for approved programs based on the amount appropriated for each program, which shall be submitted to the Legislature pursuant to the notice and review process provided in s. 216.177. The Senate and the House of Representatives appropriations committees shall advise Senate substantive committees and House substantive committees, respectively, of all adjustments made to performance standards or measures.~~

Section 27. Paragraph (a) of subsection (4) of section 216.134, Florida Statutes, is amended, and paragraph (c) is added to that subsection, to read:

216.134 Consensus estimating conferences; general provisions.—

(4) Consensus estimating conferences are within the legislative branch. The membership of each consensus estimating conference consists of principals and participants.

(a) A person designated by law as a principal may preside over conference sessions, convene conference sessions, request information, specify topics to be included on the conference agenda, agree or withhold agreement on whether information is to be official information of the conference, release official information of the conference, interpret official information of the conference, and monitor errors in official information of the conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals.

(c) The principals of each conference shall be professional staff of the Executive Office of the Governor designated by the Governor, the coordinator of the Office of Economic and Demographic Research, professional staff of the Senate designated by the President of the Senate, and professional staff of the House of Representatives designated by the Speaker of the House of Representatives. The coordinator of the Office of Economic and Demographic Research may designate other professional staff within that office to act as principals on the conferences.

Section 28. Section 216.136, Florida Statutes, is amended to read:

216.136 Consensus estimating conferences; duties and principals.—

## (1) ECONOMIC ESTIMATING CONFERENCE.—

(a) ~~Duties.~~—The Economic Estimating Conference shall develop such official information with respect to the national and state economies as the conference determines is needed for the state planning and budgeting system. The basic, long-term forecasts which are a part of its official information shall be trend forecasts. However, the conference may include cycle forecasts as a part of its official information if the subject matter of the forecast warrants a cycle forecast and if such forecast is developed in a special impact session of the conference.

(b) ~~Principals.~~—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting expertise, or their designees, are the principals of the Economic Estimating Conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals.

## (2) DEMOGRAPHIC ESTIMATING CONFERENCE.—

(a) ~~Duties.~~—The Demographic Estimating Conference shall develop such official information with respect to the population of the nation and state by age, race, and sex as the conference determines is needed for the state planning and budgeting system. The conference shall use the official population estimates provided under s. 186.901 in developing its official information.

(b) ~~Principals.~~—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting expertise, or their designees, are the principals of the Demographic Estimating Conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals.

## (3) REVENUE ESTIMATING CONFERENCE.—

(a) ~~Duties.~~—The Revenue Estimating Conference shall develop such official information with respect to anticipated state and local government revenues as the conference determines is needed for the state planning and budgeting system. Any principal may request the conference to review and estimate revenues for any trust fund.

(b) ~~Principals.~~—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting expertise, or their designees, are the principals of the Revenue Estimating Conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals.

## (4) EDUCATION ESTIMATING CONFERENCE.—

(a) ~~Duties.~~—The Education Estimating Conference shall develop such official information relating to the state public and private educational system, including forecasts of student enrollments, the number of students

qualified for state financial aid programs and for the William L. Boyd, IV, Florida Resident Access Grant Program and the appropriation required to fund the full award amounts for each program, fixed capital outlay needs, and Florida Education Finance Program formula needs, as the conference determines is needed for the state planning and budgeting system. The conference's initial projections of enrollments in public schools shall be forwarded by the conference to each school district no later than 2 months prior to the start of the regular session of the Legislature. Each school district may, in writing, request adjustments to the initial projections. Any adjustment request shall be submitted to the conference no later than 1 month prior to the start of the regular session of the Legislature and shall be considered by the principals of the conference. A school district may amend its adjustment request, in writing, during the first 3 weeks of the legislative session, and such amended adjustment request shall be considered by the principals of the conference. For any adjustment so requested, the district shall indicate and explain, using definitions adopted by the conference, the components of anticipated enrollment changes that correspond to continuation of current programs with workload changes; program improvement; program reduction or elimination; initiation of new programs; and any other information that may be needed by the Legislature. For public schools, the conference shall submit its full-time equivalent student consensus estimate to the Legislature no later than 1 month after the start of the regular session of the Legislature. No conference estimate may be changed without the agreement of the full conference.

(b) ~~Adjustments.~~—No later than 2 months prior to the start of the regular session of the Legislature, the conference shall forward to each eligible postsecondary education institution its initial projections of the number of students qualified for state financial aid programs and the appropriation required to fund those students at the full award amount. Each postsecondary education institution may request, in writing, adjustments to the initial projection. Any adjustment request must be submitted to the conference no later than 1 month prior to the start of the regular session of the Legislature and shall be considered by the principals of the conference. For any adjustment so requested, the postsecondary education institution shall indicate and explain, using definitions adopted by the conference, the components of anticipated changes that correspond to continuation of current programs with enrollment changes, program reduction or elimination, initiation of new programs, award amount increases or decreases, and any other information that is considered by the conference. The conference shall submit its consensus estimate to the Legislature no later than 1 month after the start of the regular session of the Legislature. No conference estimate may be changed without the agreement of the full conference.

(c) ~~Principals.~~—~~The Commissioner of Education, the Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting expertise, or their designees, are the principals of the Education Estimating Conference. The Commissioner of Education or his or her designee shall preside over sessions of the conference.~~

## (5) CRIMINAL JUSTICE ESTIMATING CONFERENCE.—

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

~~(a)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, as the conference determines is needed for the state planning and budgeting system.

~~(b)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.

~~(c)3.~~ Develop official information relating to the number of sexual offenders and sexual predators who are required by law to be placed on community control, probation, or conditional release who are subject to electronic monitoring. ~~In addition, the Office of Economic and Demographic Research shall study the factors relating to the sentencing of sex offenders from the point of arrest through the imposition of sanctions by the sentencing court, including original charges, plea negotiations, trial dispositions, and sanctions. The Department of Corrections, the Office of the State Courts Administrator, the Florida Department of Law Enforcement, and the state attorneys shall provide information deemed necessary for the study. The final report shall be provided to the President of the Senate and the Speaker of the House of Representatives by March 1, 2006.~~

~~(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.~~—

~~(a)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 caseloads.

~~(b)2.~~ 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, 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.~~

(7) WORKFORCE ESTIMATING CONFERENCE.—

~~(a) Duties.—~~

~~(a)1.~~ The Workforce Estimating Conference shall develop such official information on the workforce development system planning process as it relates to the personnel needs of current, new, and emerging industries as the conference determines is needed by the state planning and budgeting system. Such information, using quantitative and qualitative research methods, must include at least: short-term and long-term forecasts of employment demand for jobs by occupation and industry; entry and average wage forecasts among those occupations; and estimates of the supply of trained and qualified individuals available or potentially available for employment in those occupations, with special focus upon those occupations and industries which require high skills and have high entry wages and experienced wage levels. In the development of workforce estimates, the conference shall use, to the fullest extent possible, local occupational and workforce forecasts and estimates.

~~(b)2.~~ The Workforce Estimating Conference shall review data concerning the local and regional demands for short-term and long-term employment in High-Skills/High-Wage Program jobs, as well as other jobs, which data is generated through surveys conducted as part of the state's Internet-based job matching and labor market information system authorized under s. 445.011. The conference shall consider such data in developing its forecasts for statewide employment demand, including reviewing the local and regional data for common trends and conditions among localities or regions which may warrant inclusion of a particular occupation on the statewide occupational forecasting list developed by the conference. Based upon its review of such survey data, the conference shall also make recommendations semiannually to Workforce Florida, Inc., on additions or deletions to lists of locally targeted occupations approved by Workforce Florida, Inc.

~~3.~~ During each legislative session, and at other times if necessary, the Workforce Estimating Conference shall meet as the Workforce Impact Conference for the purpose of determining the effects of legislation related to the state's workforce and economic development efforts introduced prior to and during such legislative session. In addition to the designated principals of the impact conference, nonprincipal participants of the impact conference shall include a representative of the Florida Chamber of Commerce and other interested parties. The impact conference shall use both quantitative

and qualitative research methods to determine the impact of introduced legislation related to workforce and economic development issues.

~~(c)4.~~ Notwithstanding ~~subparagraph 3,~~ The Workforce Estimating Conference, for the purposes described in paragraph (a) ~~subparagraph 1,~~ shall meet no less than 2 times in a calendar year. The first meeting shall be held in February, and the second meeting shall be held in August. Other meetings may be scheduled as needed.

~~(b) Principals.—The Commissioner of Education, the Executive Office of the Governor, the director of the Office of Tourism, Trade, and Economic Development, the director of the Agency for Workforce Innovation, the executive director of the Commission for Independent Education, the Chancellor of the State University System, the chair of Workforce Florida, Inc., the coordinator of the Office of Economic and Demographic Research, or their designees, and professional staff from the Senate and the House of Representatives who have forecasting and substantive expertise, are the principals of the Workforce Estimating Conference. In addition to the designated principals of the conference, nonprincipal participants of the conference shall include a representative of the Florida Chamber of Commerce and other interested parties. The principal representing the Executive Office of the Governor shall preside over the sessions of the conference.~~

(8) EARLY LEARNING PROGRAMS ESTIMATING CONFERENCE.—

~~(a) Duties.—~~

~~(a)1.~~ The Early Learning Programs Estimating Conference shall develop estimates and forecasts of the unduplicated count of children eligible for school readiness programs in accordance with the standards of eligibility established in s. 411.01(6), and of children eligible for the Voluntary Prekindergarten Education Program in accordance with s. 1002.53(2), as the conference determines are needed to support the state planning, budgeting, and appropriations processes.

~~(b)2.~~ The Agency for Workforce Innovation shall provide information on needs and waiting lists for school readiness programs, and information on the needs for the Voluntary Prekindergarten Education Program, as requested by the Early Learning Programs Estimating Conference or individual conference principals in a timely manner.

~~(b) Principals.—The Executive Office of the Governor, the Director of Economic and Demographic Research, and professional staff who have forecasting expertise from the Agency for Workforce Innovation, the Department of Children and Family Services, the Department of Education, the Senate, and the House of Representatives, or their designees, are the principals of the Early Learning Programs Estimating Conference. The principal representing the Executive Office of the Governor shall preside over sessions of the conference.~~

(9) SELF-INSURANCE ESTIMATING CONFERENCE.—

(a) ~~Duties.~~—The Self-Insurance Estimating Conference shall develop such official information on self-insurance related issues as the conference determines is needed by the state planning and budgeting system.

(b) ~~Principals.~~—~~The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and the House of Representatives who have forecasting and substantive experience, or their designees, are the principals of the Self-Insurance Estimating Conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals.~~

(10) FLORIDA RETIREMENT SYSTEM ACTUARIAL ASSUMPTION CONFERENCE.—

(a) ~~Duties.~~—The Florida Retirement System Actuarial Assumption Conference shall develop official information with respect to the economic and noneconomic assumptions and funding methods of the Florida Retirement System necessary to perform the system actuarial study undertaken pursuant to s. 121.031(3). Such information shall include: an analysis of the actuarial assumptions and actuarial methods used in the study and a determination of whether changes to the assumptions or methods need to be made due to experience changes or revised future forecasts.

(b) ~~Principals.~~—~~The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff of the Senate and House of Representatives who have forecasting and substantive expertise, or their designees, are the principals of the Florida Retirement System Actuarial Assumption Conference. The Executive Office of the Governor shall have the responsibility of presiding over the sessions of the conference. The State Board of Administration and the Division of Retirement shall be participants in the conference.~~

Section 29. Paragraph (a) of subsection (2) of section 216.177, Florida Statutes, is amended to read:

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

(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 law ~~this chapter~~, such notice shall be given to the chair and vice chair of the Legislative Budget Commission 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 and vice chair or a different period is specified by law. 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 appropriations committees without such notice having been provided, even though there may be good cause for considering such item.

Section 30. Subsections (3), (5), (6), paragraph (a) of subsection (8), paragraph (a) of subsection (10), and subsection (11) of section 216.181, Florida Statutes, are amended to read:

216.181 Approved budgets for operations and fixed capital outlay.—

(3) All amendments to original approved operating budgets, regardless of funding source, are subject to the notice and objection review procedures set forth in s. 216.177.

(5) An amendment to the original operating budget for an information technology project or initiative that involves more than one agency, has an outcome that impacts another agency, or exceeds \$500,000 in total cost over a 1-year period, except for those projects that are a continuation of hardware or software maintenance or software licensing agreements, or that are for desktop replacement that is similar to the technology currently in use must be reviewed by the Technology Review Workgroup pursuant to s. 216.0446 and approved by the Executive Office of the Governor for the executive branch or by the Chief Justice for the judicial branch, and shall be subject to the notice and objection review procedures set forth in s. 216.177.

(6)(a) A detailed plan allocating a lump-sum appropriation to traditional appropriations categories shall be submitted by the affected agency to the Executive Office of the Governor or the Chief Justice of the Supreme Court. The Executive Office of the Governor and the Chief Justice of the Supreme Court shall submit such plan to the chair and vice chair of the Legislative Budget Commission either before or concurrent with the submission of any budget amendment that recommends the transfer and release of 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 statements of intent before transferring and releasing the balance of a lump-sum appropriation.

(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 and to provide the associated increased salary rate based on the approved plans for lump-sum appropriations. Any action proposed pursuant to this paragraph is subject to the procedures set forth in s. 216.177.

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

(8) As part of the approved operating budget, the Executive Office of the Governor shall furnish to each state agency, and the Chief Justice of the Supreme Court shall furnish to the entity of the judicial branch, an approved annual salary rate for each budget entity containing a salary appropriation. This rate shall be based upon the actual salary rate and shall be consistent with the General Appropriations Act or special appropriations acts. The annual salary rate shall be:

(a) Determined by the salary rate specified in the General Appropriations Act and adjusted for reorganizations authorized by law, for any other

appropriations made by law, and, subject to s. 216.177, for distributions of lump-sum appropriations and administered funds and for actions that require authorization of salary rate from salary rate reserve and placement of salary rate in salary rate reserve.

(10)(a) The Legislative Budget Commission may authorize increases or decreases in the approved salary rate, except as authorized in s. 216.181(8)(a), for positions 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.

(11) 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 31. Section 216.1811, Florida Statutes, is created to read:

216.1811 Approved operating budgets and appropriations for the legislative branch.—

(1) The Governor and the Chief Financial Officer shall each make changes to the original approved operating budgets for operational and fixed capital expenditures relating to the legislative branch as directed by the presiding officers of the legislative branch.

(2) The Governor and the Chief Financial Officer shall each ensure that any balances of appropriations made to the legislative branch are carried forward as directed by the presiding officers of the legislative branch.

Section 32. Subsection (2) of section 216.1815, Florida Statutes, is amended to read:

216.1815 Agency incentive and savings program.—

(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, including 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.

Section 33. Section 216.1827, Florida Statutes, is created to read:

216.1827 Requirements for performance measures and standards.—

(1) Agencies and the judicial branch shall maintain a comprehensive performance accountability system containing, at a minimum, a list of performance measures and standards that are adopted by the Legislature and subsequently amended pursuant to this section.

(2)(a) Agencies and the judicial branch shall submit output and outcome measures and standards, as well as historical baseline and performance data pursuant to s. 216.013.

(b) Agencies and the judicial branch shall also submit performance data, measures, and standards to the Office of Program Policy Analysis and Government Accountability upon request for review of the adequacy of the legislatively approved measures and standards.

(3)(a) An agency may submit requests to delete or amend its existing approved performance measures and standards or submit requests to create additional performance measures and standards to the Executive Office of the Governor for review and approval. The request shall document the justification for the change and ensure that the revision, deletion, or addition is consistent with legislative intent. Revisions or deletions to, or additions of performance measures and standards approved by the Executive Office of the Governor are subject to the review and objection procedure set forth in s. 216.177.

(b) The Chief Justice of the Supreme Court may submit deletions or amendments of the judicial branch's existing approved performance measures and standards or may submit additional performance measures and standards to the Legislature accompanied with justification for the change and ensure that the revision, deletion, or addition is consistent with legislative intent. Revisions or deletions to, or additions of performance measures and standards submitted by the Chief Justice of the Supreme Court are subject to the review and objection procedure set forth in s. 216.177.

(4)(a) The Legislature may create, amend, and delete performance measures and standards. The Legislature may confer with the Executive Office of the Governor for state agencies and the Chief Justice of the Supreme Court for the judicial branch prior to any such action.

(b) The Legislature may require state agencies to submit requests for revisions, additions, or deletions to approved performance measures and standards to the Executive Office of the Governor for review and approval, subject to the review and objection procedure set forth in s. 216.177.

(c) The Legislature may require the judicial branch to submit revisions, additions, or deletions to approved performance measures and standards to the Legislature, subject to the review and objection procedure set forth in s. 216.177.

(d) Any new agency created by the Legislature is subject to the initial performance measures and standards established by the Legislature. The Legislature may require state agencies and the judicial branch to provide any information necessary to create initial performance measures and standards.

Section 34. Subsection (3) is added to section 216.251, Florida Statutes, to read:

216.251 Salary appropriations; limitations.—

(3) An agency may not provide general salary increases or pay additives for a cohort of positions sharing the same job classification or job occupations which the Legislature has not authorized in the General Appropriations Act or other laws.

Section 35. Subsection (3), paragraph (b) of subsection (4), and subsection (5) of section 216.292, Florida Statutes, are amended, and subsection (7) is added to that section, to read:

216.292 Appropriations nontransferable; exceptions.—

(3) The following transfers are authorized with the approval of the Executive Office of the Governor for the executive branch or the Chief Justice for the judicial branch, subject to the notice and objection review provisions of s. 216.177:

(a) The transfer of appropriations for operations from trust funds in excess of those provided in subsection (2), up to \$1 million.

(b) The transfer of positions between budget entities.

(4) The following transfers are authorized with the approval of the Legislative Budget Commission. Unless waived by the chair and vice chair of the commission, notice of such transfers must be provided 14 days before the commission meeting:

(b) The transfer of appropriations for operations from trust funds in excess of those authorized provided in subsection (2) or subsection (3) ~~this~~

section that exceed the greater of 5 percent of the original approved budget or \$1 million, as recommended by the Executive Office of the Governor or the Chief Justice of the Supreme Court.

(5) A transfer of funds may not result in the initiation of a fixed capital outlay project that has not received a specific legislative appropriation, except that 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, subject to the notice, review, and objection procedures set forth in s. 216.177.

(7) The provisions of this section do not apply to the budgets for the legislative branch.

Section 36. Effective upon this act becoming a law, subsections (1) and (3) and paragraph (a) of subsection (2) of section 216.301, Florida Statutes, as amended by section 40 of chapter 2005-152, Laws of Florida, are amended to read:

216.301 Appropriations; undisbursed balances.—

(1)(a) As of June 30th of each year, for appropriations for operations only, each department and the judicial branch shall identify in the state's financial system any incurred obligation which has not been disbursed, showing in detail the commitment or to whom obligated and the amounts of such commitments or obligations. Any appropriation not identified as an incurred obligation effective June 30th shall revert to the fund from which it was appropriated and shall be available for reappropriation by the Legislature.

(b) The undisbursed release balance of any authorized appropriation, except an appropriation for fixed capital outlay, for any given fiscal year remaining on June 30 of the fiscal year shall be carried forward in an amount equal to the incurred obligations identified in paragraph (a). Any such incurred obligations remaining undisbursed on September 30 shall revert to the fund from which appropriated and shall be available for reappropriation by the Legislature. The Chief Financial Officer will monitor changes made to incurred obligations prior to the September 30 reversion to ensure generally accepted accounting principles and legislative intent are followed.

(c) In the event an appropriate identification of an incurred obligation is not made and an incurred obligation is proven to be legal, due, and unpaid, then the incurred obligation shall be paid and charged to the appropriation for the current fiscal year of the state agency or judicial branch affected.

~~(1)(a) Any balance of any appropriation, except an appropriation for fixed capital outlay, which is not disbursed but which is expended shall, at the end of each fiscal year, be certified by the head of the affected state agency or the judicial or legislative branches, on or before August 1 of each year, to the Executive Office of the Governor, showing in detail the obligees to whom obligated and the amounts of such obligations. Any such encumbered balance remaining undisbursed on September 30 of the same calendar year in~~

~~which such certification was made shall revert to the fund from which appropriated, except as provided in subsection (3), and shall be available for reappropriation by the Legislature. In the event such certification is not made and an obligation is proven to be legal, due, and unpaid, then the obligation shall be paid and charged to the appropriation for the current fiscal year of the state agency or the legislative or judicial branch affected.~~

~~(b) Any balance of any appropriation, except an appropriation for fixed capital outlay, for any given fiscal year remaining after charging against it any lawful expenditure shall revert to the fund from which appropriated and shall be available for reappropriation by the Legislature.~~

~~(d)~~(e) Each department and the judicial branch shall maintain the integrity of the General Revenue Fund. Appropriations from the General Revenue Fund contained in the original approved budget may be transferred to the proper trust fund for disbursement. Any reversion of appropriation balances from programs which receive funding from the General Revenue Fund and trust funds shall be transferred to the General Revenue Fund within 15 days after such reversion, unless otherwise provided by federal or state law, including the General Appropriations Act. The Executive Office of the Governor or the Chief Justice of the Supreme Court shall determine the state agency or judicial branch programs which are subject to this paragraph. This determination shall be subject to the legislative consultation and objection process in this chapter. The Education Enhancement Trust Fund shall not be subject to the provisions of this section.

(2)(a) The balance of any appropriation for fixed capital outlay which is not disbursed but expended, contracted, or committed to be expended prior to February 1 of the second fiscal year of the appropriation, or the third fiscal year if it is for an educational facility as defined in chapter 1013 or for a construction project of a state university, shall be certified by the head of the affected state agency ~~or the legislative or judicial branch~~ on February 1 to the Executive Office of the Governor, showing in detail the commitment or to whom obligated and the amount of the commitment or obligation. The Executive Office of the Governor for the executive branch and the Chief Justice for the judicial branch shall review and approve or disapprove, consistent with criteria jointly developed by the Executive Office of the Governor and the legislative appropriations committees, the continuation of such unexpended balances. The Executive Office of the Governor shall, no later than February ~~28~~ 20 of each year, furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a report listing in detail the items and amounts reverting under the authority of this subsection, including the fund to which reverted and the agency affected.

~~(3) The President of the Senate and the Speaker of the House of Representatives may notify the Executive Office of the Governor to retain certified forward balances from legislative budget entities until June 30 of the following fiscal year.~~

Section 37. Subsection (2) of section 252.37, Florida Statutes, is amended to read:

## 252.37 Financing.—

(2) It is the legislative intent that the first recourse be made to funds regularly appropriated to state and local agencies. If the Governor finds that the demands placed upon these funds in coping with a particular disaster declared by the Governor as a state of emergency are unreasonably great, she or he may make funds available by transferring and expending moneys appropriated for other purposes, by transferring and expending moneys out of any unappropriated surplus funds, or from the Budget Stabilization Fund. Following the expiration or termination of the state of emergency, the Governor may transfer moneys with a budget amendment, subject to approval by the Legislative Budget Commission, process a budget amendment under the notice and review procedures set forth in s. 216.177 to transfer moneys to satisfy the budget authority granted for such emergency.

Section 38. Section 273.02, Florida Statutes, is amended to read:

273.02 Record and inventory of certain property.—The word “property” as used in this section means equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature. The Chief Financial Officer shall establish by rule the requirements for the recording of property in the state’s financial systems and for the periodic review of property for inventory purposes, the value or cost of which is \$1,000 or more and the normal expected life of which is 1 year or more, and hardback-covered bound books that are circulated to students or the general public, the value or cost of which is \$25 or more, and hardback-covered bound books, the value or cost of which is \$250 or more. Each item of property which it is practicable to identify by marking shall be marked in the manner required by the Auditor General. Each custodian shall maintain an adequate record of property in his or her custody, which record shall contain such information as shall be required by the Auditor General. Once each year, on July 1 or as soon thereafter as is practicable, and whenever there is a change of custodian, each custodian shall take an inventory of property in his or her custody. The inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled. All publicly supported libraries shall be exempt from marking hardback-covered bound books, as required by this section. The catalog and inventory control records maintained by each publicly supported library shall constitute the property record of hardback-covered bound books with a value or cost of \$25 or more included in each publicly supported library collection and shall serve as a perpetual inventory in lieu of an annual physical inventory. All books identified by these records as missing shall be traced and reconciled, and the library inventory shall be adjusted accordingly.

Section 39. Section 273.025, Florida Statutes, is created to read:

273.025 Financial reporting for recorded property.—The Chief Financial Officer shall establish by rule the requirements for the capitalization of property that has been recorded in the state’s financial systems.

Section 40. Subsections (2) and (5) of section 273.055, Florida Statutes, are amended to read:

273.055 Disposition of state-owned tangible personal property.—

(2) Custodians shall maintain records to identify each property item as to disposition. Such records shall comply with rules issued by the Chief Financial Officer Auditor General.

(5) All moneys received from the disposition of state-owned tangible personal property or from any agreement entered into under this chapter must be retained by the custodian and may be disbursed for the acquisition of exchange and surplus property and for all necessary operating expenditures, ~~and are appropriated for those purposes.~~ The custodian shall maintain records of the accounts into which the money is deposited.

Section 41. Section 274.02, Florida Statutes, is amended to read:

274.02 Record and inventory of certain property.—

(1) The word “property” as used in this section means fixtures and other tangible personal property of a nonconsumable nature ~~the value of which is \$1,000 or more and the normal expected life of which is 1 year or more.~~

(2) ~~The Chief Financial Officer shall establish by rule the requirements for the recording of property and for the periodic review of property for inventory purposes. Each item of property which it is practicable to identify by marking shall be marked in the manner required by the Auditor General. Each governmental unit shall maintain an adequate record of its property, which record shall contain such information as shall be required by the Auditor General. Each governmental unit shall take an inventory of its property in the custody of a custodian whenever there is a change in such custodian. A complete physical inventory of all property shall be taken annually, and the date inventoried shall be entered on the property record. The inventory shall be compared with the property record, and all discrepancies shall be traced and reconciled.~~

Section 42. Paragraph (b) of subsection (3) of section 338.2216, Florida Statutes, is amended to read:

338.2216 Florida Turnpike Enterprise; powers and authority.—

(3)

(b) Notwithstanding the provisions of s. 216.301 to the contrary and in accordance with s. 216.351, the Executive Office of the Governor shall, on July 1 of each year, certify forward all unexpended funds appropriated or provided pursuant to this section for the turnpike enterprise. Of the unexpended funds certified forward, any unencumbered amounts shall be carried forward. Such funds carried forward shall not exceed 5 percent of the original approved total operating budget as defined in s. 216.181(1) of the turnpike enterprise. Funds carried forward pursuant to this section may be used for any lawful purpose, including, but not limited to, promotional and market activities, technology, and training. Any certified forward funds remaining undisbursed on September 30 ~~December 31~~ of each year shall be carried forward.

Section 43. Subsection (4) of section 1011.57, Florida Statutes, is amended to read:

1011.57 Florida School for the Deaf and the Blind; board of trustees; management flexibility.—

(4) Notwithstanding the provisions of s. 216.301 to the contrary, ~~the Executive Office of the Governor shall, on July 1 of each year, certify forward~~ all unexpended funds appropriated for the Florida School for the Deaf and the Blind. ~~The unexpended amounts in any fund~~ shall be carried forward and included as the balance forward for that fund in the approved operating budget for the following year.

Section 44. Section 215.29, Florida Statutes, is repealed.

Section 45. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2006.

Approved by the Governor June 9, 2006.

Filed in Office Secretary of State June 9, 2006.