

## Committee Substitute for Senate Bill No. 2610

An act relating to the management of state financial matters; amending s. 14.2015, F.S.; requiring the Office of Tourism, Trade, and Economic Development and the Florida Commission on Tourism to advise and consult with the Consensus Estimating Conference principals concerning certain duties; amending s. 20.19, F.S.; eliminating certain transfer authority of district administrators in the Department of Children and Family Services; amending s. 20.316, F.S., relating to the Department of Juvenile Justice information systems; correcting a reference; amending s. 45.062, F.S.; limiting the ability of agencies to settle lawsuits in certain circumstances; requiring that certain legislative officers and the Attorney General receive prior notice concerning settlement negotiations and presettlement agreements or orders; providing certain exceptions; requiring that moneys paid in settlement of a legal action be placed into the General Revenue Fund or an appropriate trust fund; amending s. 110.1239, F.S.; correcting a cross-reference; amending s. 110.1245, F.S., relating to a savings sharing program; correcting a reference; amending s. 215.32, F.S.; providing for unallocated general revenue; revising a provision relating to the restoration of expenditures from the Budget Stabilization Fund; revising requirements and uses of Working Capital Fund moneys; amending s. 215.5601, F.S.; revising provisions relating to appropriations to and uses of the Lawton Chiles Endowment Fund; amending ss. 215.93 and 215.94, F.S.; revising duties of the Financial Management Information Board, the functional owners of information subsystems, and the Auditor General relating to the Florida Financial Management Information System; amending s. 215.97, F.S., relating to the Florida Single Audit Act; revising and providing definitions; revising the uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities; requiring the Department of Financial Services to adopt rules and perform additional duties with respect to the provision of financial assistance to carry out state projects; revising duties of the Executive Office of the Governor and Chief Financial Officer and specifying duties of coordinating agencies; exempting certain nonstate entities from the requirements of the Florida Single Audit Act; amending s. 216.011, F.S.; revising and providing definitions; amending s. 216.013, F.S.; revising requirements for the long-range program plans developed by state agencies and the judicial branch; providing for the preparation of form, manner, and timeframe instructions for such plans; revising the plan submission date; revising the date by which to submit adjustments to such plans; requiring the plans to be posted on the Internet; providing that long-range program plans are exempt from ch. 120; amending s. 216.023, F.S.; providing for alternate dates for agencies to submit legislative budget requests; changing the requirements for an annual inventory of certain litigation; requiring and specifying additional information in legislative budget requests; revising requirements of the judicial branch's legislative budget requests; revising

duties of the Executive Office of the Governor, the Legislature, and the Chief Justice relating to legislative budget requests; amending s. 216.031, F.S.; revising requirements for target budget requests; amending s. 216.052, F.S.; deleting certain requirements relating to community budget requests; amending s. 216.053, F.S.; deleting the requirement that the General Appropriations Act contain summary information concerning performance-based program budgets; amending s. 216.065, F.S.; revising requirements relating to fiscal impact statements on actions affecting the budget; amending s. 216.081, F.S.; providing data requirements for the Governor's recommended budget under certain circumstances; amending s. 216.133, F.S.; deleting references to conform; amending s. 216.134, F.S.; stipulating that consensus estimating conferences are within the legislative branch; revising provisions relating to public meetings of consensus estimating conferences; amending s. 216.136, F.S.; deleting provisions for the Child Welfare System Estimating Conference and the Juvenile Justice Estimating Conference; revising provisions relating to the principals of the Self-Insurance Estimating Conference and the Florida Retirement System Actuarial Assumption Conference; amending s. 216.162, F.S.; revising the date for the Governor to submit the recommended budget to the Legislature; amending s. 216.163, F.S.; authorizing the Governor's budget recommendation to include an alternative recommendation for operating and fixed capital outlay appropriations to that of the Chief Justice; amending s. 216.167, F.S.; deleting references to the Working Capital Fund, to conform; amending s. 216.168, F.S.; deleting provisions exempting the Governor from a requirement to submit amended recommendations; amending s. 216.177, F.S.; revising notice and review requirements for actions taken under ch. 216, F.S., to provide for funds expended in settlement of agency litigation; deleting an obsolete provision; amending s. 216.181, F.S.; requiring approval of certain amendments to an approved operating budget by the Legislative Budget Commission; revising requirements for determining salary rates; authorizing the Legislative Budget Commission to approve salary rates; revising provisions relating to how the annual salary rate is determined and controlled; deleting certain notice requirements; requiring that the legislative appropriations committees approve certain nonoperating budgets; deleting the authority to advance certain contracted services funds in the Department of Children and Family Service and the Department of Health; amending s. 216.192, F.S.; deleting provisions authorizing the legislative appropriations committees to provide advice regarding the release of funds; authorizing the Executive Office of the Governor and the Chief Justice to place appropriations in mandatory reserve or budget reserve; amending s. 216.195, F.S.; deleting certain notice and review requirements for the impoundment of funds; amending s. 216.221, F.S.; authorizing the Legislature to direct the use of any state funds in an appropriations act to offset General Revenue Fund deficits; revising requirements for adjusting budgets in order to avoid or eliminate a deficit; revising procedures for certifying a budget deficit; revising requirements for the Governor and the Chief

Justice in developing plans of action; requiring that the Legislative Budget Commission implement certain reductions in appropriations; revising requirements for resolving deficits; requiring that certain actions to resolve a deficit be approved by the Legislative Budget Commission; amending s. 216.231, F.S., relating to the release of classified appropriations, to conform; amending s. 216.235, F.S.; limiting the funding of certain proposals under the Innovation Investment Program; correcting references; amending s. 216.241, F.S.; requiring that the initiation or commencement of new programs be approved by the Legislative Budget Commission; deleting certain notice requirements; amending s. 216.251, F.S.; correcting a reference; revising requirements for establishing certain salaries; amending s. 216.262, F.S.; requiring the Legislative Budget Commission to approve certain increases in the number of positions for authorized programs; deleting provisions authorizing an agency to retain salary dollars under certain circumstances; amending s. 216.292, F.S.; revising provisions relating to the transferability of appropriations; revising limitations on the transferability of appropriations; prohibiting spending fixed capital outlay for other purposes; providing notice and review requirements prior to implementation of certain transfers; prohibiting transferring appropriations except as otherwise provided by law; providing certain exceptions; amending s. 216.301, F.S.; revising requirements for continuing unexpended balances of appropriations for fixed capital outlay; requiring approval by the Executive Office of the Governor; authorizing the President of the Senate and the Speaker of the House of Representatives to provide for the retention of certain balances from legislative budget entities; revising the certification forward process for operating appropriations; amending s. 218.60, F.S.; deleting an obsolete provision; amending ss. 252.37 and 265.55, F.S.; deleting certain references to the Working Capital Fund, to conform; amending s. 288.7091, F.S.; correcting a cross-reference; amending s. 320.20, F.S.; providing duties of the Chief Financial Officer with respect to the deposit of certain trust fund moneys; amending s. 337.023, F.S.; correcting a cross-reference; amending s. 339.135, F.S.; revising requirements for the tentative work programs submitted by the Department of Transportation; specifying procedures by which unexpended balances in certain appropriations may be certified forward as fixed capital outlay; requiring that the Legislative Budget Commission approve certain extensions of spending authority; revising requirements for amending certain work programs; requiring approval of the Legislative Budget Commission for certain work program amendments; amending 373.6065, F.S.; correcting a cross-reference; amending s. 381.0303, F.S.; authorizing the Department of Health to obtain reimbursement for special needs shelters from unappropriated moneys in the General Revenue Fund; amending s. 392.69, F.S.; correcting a cross-reference; amending s. 409.906, F.S.; deleting provisions authorizing the Department of Children and Family Services to transfer certain funds in excess of the amount specified in the General Appropriations Act; amending s. 409.912, F.S., relating to the transfer of certain funds from the Department

of Elderly Affairs to the Agency for Health Care Administration, to conform; amending s. 409.16745, F.S.; eliminating 72-hour notification for transfer of budget authority for the community partnership matching grant program; amending ss. 468.392 and 475.484, F.S.; deleting provisions exempting funds in the Auctioneer Recovery Fund and the Real Estate Recovery Fund from limitations imposed by an appropriation act; amending s. 631.141, F.S.; clarifying provisions requiring the Legislative Budget Commission to approve certain appropriations; amending s. 921.001, F.S.; requiring the Legislature to make certain determinations with respect to legislation affecting the prison population; amending s. 943.61, F.S.; deleting a provision requiring approval by the Governor and the Legislative Budget Commission for appropriations to the Capitol Police; amending s. 1003.03, F.S.; correcting a cross-reference; amending s. 1009.536, F.S.; deleting duties of the Workforce Estimating Conference with respect to certain career education programs; amending s. 1013.512, F.S.; requiring a recommendation by the Governor before placing certain school district funds in reserve; providing for references to the Working Capital Fund in certain legislation to be replaced with a reference to the General Revenue Fund; repealing s. 216.1825, F.S., relating to zero-based budgeting; repealing s. 216.183, F.S., relating to entities using performance-based program budgets; repealing s. 288.1234, F.S., relating to the guaranty of state obligations and the Olympic Games Guaranty Account; providing effective dates.

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

Section 1. Subsection (8) of section 14.2015, Florida Statutes, is amended to read:

14.2015 Office of Tourism, Trade, and Economic Development; creation; powers and duties.—

(8) The Office of Tourism, Trade, and Economic Development shall ensure that the contract between the Florida Commission on Tourism and the commission's direct-support organization contains a provision to provide the data on the visitor counts and visitor profiles used in revenue estimating, employing the same methodology used in fiscal year 1995-1996 by the Department of Commerce. The Office of Tourism, Trade, and Economic Development and the Florida Commission on Tourism must advise and consult ~~reach agreement~~ with the Consensus Estimating Conference principals before making any changes in methodology used or information gathered.

Section 2. Paragraph (b) of subsection (5) of section 20.19, Florida Statutes, is amended to read:

20.19 Department of Children and Family Services.—There is created a Department of Children and Family Services.

(5) SERVICE DISTRICTS.—

~~(b)1. The secretary shall appoint a district administrator for each of the service districts. The district administrator shall serve at the pleasure of the secretary and shall perform such duties as assigned by the secretary. Subject to the approval of the secretary, such duties shall include transferring up to 10 percent of the total district budget, the provisions of ss. 216.292 and 216.351 notwithstanding.~~

~~2. For the 2003-2004 fiscal year only, the transfer authority provided in this subsection must be specifically appropriated in the 2003-2004 General Appropriations Act and shall be pursuant to the requirements of s. 216.292. This subparagraph expires July 1, 2004.~~

~~3. For the 2004-2005 fiscal year only, the transfer authority provided in this subsection is available to the department without further restriction other than as contained in this subsection. This subparagraph expires July 1, 2005.~~

Section 3. Paragraph (d) of subsection (4) of section 20.316, Florida Statutes, is amended to read:

20.316 Department of Juvenile Justice.—There is created a Department of Juvenile Justice.

(4) INFORMATION SYSTEMS.—

(d) The management information system shall, at a minimum:

1. Facilitate case management of juveniles referred to or placed in the department's custody.

2. Provide timely access to current data and computing capacity to support outcome evaluation, legislative oversight, ~~the Juvenile Justice Estimating Conference,~~ and other research.

3. Provide automated support to the quality assurance and program review functions.

4. Provide automated support to the contract management process.

5. Provide automated support to the facility operations management process.

6. Provide automated administrative support to increase efficiency, provide the capability of tracking expenditures of funds by the department or contracted service providers that are eligible for federal reimbursement, and reduce forms and paperwork.

7. Facilitate connectivity, access, and utilization of information among various state agencies, and other state, federal, local, and private agencies, organizations, and institutions.

8. Provide electronic public access to juvenile justice information, which is not otherwise made confidential by law or exempt from the provisions of s. 119.07(1).

9. Provide a system for the training of information system users and user groups.

Section 4. Effective July 1, 2006, section 45.062, Florida Statutes, is amended to read:

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

(1) In any civil action in which a state executive branch agency or officer is a party in state or federal court, the officer, agent, official, or attorney who represents or is acting on behalf of such agency or officer may not settle such action, consent to any condition, or agree to any order in connection therewith, if the settlement, condition, or order requires the expenditure of or the obligation to expend any state funds or other state resources exceeding \$1 million, the refund or future loss of state revenues exceeding \$10 million, or the establishment of any new program, unless:

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

(b) At the time settlement negotiations have begun in earnest, written notification is given to the President of the Senate, the Speaker of the House of Representatives, the Senate and House of Representatives minority leaders, the chairs of the appropriations committees of the Legislature, and the Attorney General.

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

1. The Division of Risk Management need not give the notification required by this paragraph when settling any claim covered by the state self-insurance program for an amount less than \$250,000.

2. The notification specified in this paragraph is not required if:

a. The only settlement obligation of the state resulting from the claim is to pay court costs in an amount less than \$10,000;

b. Notification would preclude the state's participation in multistate litigation;

c. Notification is precluded by federal law or regulation; d. Notification is precluded by court rule or sanction;

e. The head of the primary state agency involved in the litigation certifies to the President of the Senate and the Speaker of the House of Representa-

tives, in writing within 5 days after the settlement, the specific reasons prior notification could not be provided;

f. Settlement or presettlement negotiations are being conducted with fewer than all of the opposing parties; or

g. The President of the Senate and the Speaker of the House of Representatives or the chairs of the appropriations committees of the Legislature, acting in the best interest of the state, waive notification.

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

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

(4) Any settlement that commits the state to spending in excess of current appropriations or to policy changes inconsistent with current state law shall be contingent upon and subject to legislative appropriation or statutory amendment. The state agency or officer may agree to use all efforts to procure legislative funding or statutory amendment.

(5) When a state agency or officer settles an action or legal claim in which the state asserted a right to recover money, all moneys paid to the state by a party in full or partial exchange for a release of the state's claim shall be placed into the General Revenue Fund or the appropriate trust fund.

~~(6)~~(5) State executive branch agencies and officers shall report to each substantive and fiscal committee of the Legislature having jurisdiction over the reporting agency on all potential settlements that may commit the state to:

- (a) Spend in excess of current appropriations; or
- (b) Make policy changes inconsistent with current state law.

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

Section 5. Subsection (1) of section 110.1239, Florida Statutes, is amended to read:

110.1239 State group health insurance program funding.—It is the intent of the Legislature that the state group health insurance program be managed, administered, operated, and funded in such a manner as to maximize the protection of state employee health insurance benefits. Inherent in this intent is the recognition that the health insurance liabilities attributable to the benefits offered state employees should be fairly, orderly, and equitably funded. Accordingly:

(1) The division shall determine the level of premiums necessary to fully fund the state group health insurance program for the next fiscal year. Such

determination shall be made after each Self-Insurance Estimating Conference as provided in s. 216.136(9)(11), but not later than December 1 and April 1 of each fiscal year.

Section 6. Paragraph (b) of subsection (1) of section 110.1245, Florida Statutes, is amended to read:

110.1245 Savings sharing program; bonus payments; other awards.—

(1)

(b) Each agency head shall recommend employees individually or by group to be awarded an amount of money, which amount shall be directly related to the cost savings realized. Each proposed award and amount of money must be approved by the Legislative Budget ~~Budgeting~~ Commission.

Section 7. Section 215.32, Florida Statutes, is amended to read:

215.32 State funds; segregation.—

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

(a) General Revenue Fund.

(b) Trust funds.

~~(c) Working Capital Fund.~~

(c)(d) Budget Stabilization Fund.

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

(a) The General Revenue Fund shall consist of all moneys received by the state from every source whatsoever, except as provided in paragraphs (b) and (c). Such moneys shall be expended pursuant to General Revenue Fund appropriations acts, ~~or transferred as provided in paragraph (c), or maintained as unallocated general revenue. Unallocated general revenue shall be considered the working capital balance of the state and shall consist of moneys in the General Revenue Fund that are in excess of the amount needed to meet General Revenue Fund appropriations for the current fiscal year. Annually, at least 5 percent of the estimated increase in General Revenue Fund receipts for the upcoming fiscal year over the current year General Revenue Fund effective appropriations shall be appropriated for state-level capital outlay, including infrastructure improvement and general renovation, maintenance, and repairs.~~

(b)1. The trust funds shall consist of moneys received by the state which under law or under trust agreement are segregated for a purpose authorized by law. The state agency or branch of state government receiving or collecting such moneys shall be responsible for their proper expenditure as provided by law. Upon the request of the state agency or branch of state govern-



ment responsible for the administration of the trust fund, the Chief Financial Officer may establish accounts within the trust fund at a level considered necessary for proper accountability. Once an account is established within a trust fund, the Chief Financial Officer may authorize payment from that account only upon determining that there is sufficient cash and releases at the level of the account.

2. In addition to other trust funds created by law, to the extent possible, each agency shall use the following trust funds as described in this subparagraph for day-to-day operations:

a. Operations or operating trust fund, for use as a depository for funds to be used for program operations funded by program revenues, with the exception of administrative activities when the operations or operating trust fund is a proprietary fund.

b. Operations and maintenance trust fund, for use as a depository for client services funded by third-party payors.

c. Administrative trust fund, for use as a depository for funds to be used for management activities that are departmental in nature and funded by indirect cost earnings and assessments against trust funds. Proprietary funds are excluded from the requirement of using an administrative trust fund.

d. Grants and donations trust fund, for use as a depository for funds to be used for allowable grant or donor agreement activities funded by restricted contractual revenue from private and public nonfederal sources.

e. Agency working capital trust fund, for use as a depository for funds to be used pursuant to s. 216.272.

f. Clearing funds trust fund, for use as a depository for funds to account for collections pending distribution to lawful recipients.

g. Federal grant trust fund, for use as a depository for funds to be used for allowable grant activities funded by restricted program revenues from federal sources.

To the extent possible, each agency must adjust its internal accounting to use existing trust funds consistent with the requirements of this subparagraph. If an agency does not have trust funds listed in this subparagraph and cannot make such adjustment, the agency must recommend the creation of the necessary trust funds to the Legislature no later than the next scheduled review of the agency's trust funds pursuant to s. 215.3206.

3. All such moneys are hereby appropriated to be expended in accordance with the law or trust agreement under which they were received, subject always to the provisions of chapter 216 relating to the appropriation of funds and to the applicable laws relating to the deposit or expenditure of moneys in the State Treasury.

4.a. Notwithstanding any provision of law restricting the use of trust funds to specific purposes, unappropriated cash balances from selected trust

funds may be authorized by the Legislature for transfer to the Budget Stabilization Fund and General Revenue Working Capital Fund in the General Appropriations Act.

b. This subparagraph does not apply to trust funds required by federal programs or mandates; trust funds established for bond covenants, indentures, or resolutions whose revenues are legally pledged by the state or public body to meet debt service or other financial requirements of any debt obligations of the state or any public body; the State Transportation Trust Fund; the trust fund containing the net annual proceeds from the Florida Education Lotteries; the Florida Retirement System Trust Fund; trust funds under the management of the State Board of Education Board of Regents, where such trust funds are for auxiliary enterprises, self-insurance, and contracts, grants, and donations, as those terms are defined by general law; trust funds that serve as clearing funds or accounts for the Chief Financial Officer or state agencies; trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units; and other trust funds authorized by the State Constitution.

(c)1. The Budget Stabilization Fund shall consist of amounts equal to at least 5 percent of net revenue collections for the General Revenue Fund during the last completed fiscal year. The Budget Stabilization Fund's principal balance shall not exceed an amount equal to 10 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund. As used in this paragraph, the term "last completed fiscal year" means the most recently completed fiscal year prior to the regular legislative session at which the Legislature considers the General Appropriations Act for the year in which the transfer to the Budget Stabilization Fund must be made under this paragraph.

2. By September 15 of each year, the Governor shall authorize the Chief Financial Officer to transfer, and the Chief Financial Officer shall transfer pursuant to appropriations made by law, to the Budget Stabilization Fund the amount of money needed for the balance of that fund to equal the amount specified in subparagraph 1., less any amounts expended and not restored. The moneys needed for this transfer may be appropriated by the Legislature from any funds.

3. Unless otherwise provided in this subparagraph, an expenditure from the Budget Stabilization Fund must be restored pursuant to a restoration schedule that provides for making five equal annual transfers from the General Revenue Fund, beginning in the third fiscal year following that in which the expenditure was made. For any Budget Stabilization Fund expenditure, the Legislature may establish by law a different restoration schedule and such change may be made at any time during the restoration period. Moneys are hereby appropriated for transfers pursuant to this subparagraph.

4. The Budget Stabilization Fund ~~and the Working Capital Fund~~ may be used as a revolving fund funds for transfers as provided in s. ~~215.18 17.61~~; however, any interest earned must be deposited in the General Revenue Fund.

5. The Chief Financial Officer and the Department of Management Services shall transfer funds to water management districts to pay eligible water management district employees for all benefits due under s. 373.6065, as long as funds remain available for the program described under s. 110.152 100.152.

~~(d) The Working Capital Fund shall consist of moneys in the General Revenue Fund which are in excess of the amount needed to meet General Revenue Fund appropriations for the current fiscal year. Each year, no later than the publishing date of the annual financial statements for the state by the Chief Financial Officer under s. 216.102, funds shall be transferred between the Working Capital Fund and the General Revenue Fund to establish the balance of the Working Capital Fund for that fiscal year at the amount determined pursuant to this paragraph.~~

Section 8. Paragraphs (a) and (f) of subsection (5) of section 215.5601, Florida Statutes, are amended to read:

215.5601 Lawton Chiles Endowment Fund.—

(5) AVAILABILITY OF FUNDS; USES.—

(a) Funds from the endowment which are available for legislative appropriation shall be transferred by the board to the Department of Financial Services Tobacco Settlement Clearing Trust Fund, created in s. 17.41, and disbursed in accordance with the legislative appropriation.

1. Appropriations by the Legislature to the Department of Health from endowment earnings from the principal set aside for biomedical research shall be from a category called the James and Esther King Biomedical Research Program and shall be deposited into the Biomedical Research Trust Fund in the Department of Health established in s. 20.435.

2. Appropriations by the Legislature to the Department of Children and Family Services, the Department of Health, or the Department of Elderly Affairs from endowment earnings for health and human services programs ~~shall be from a category called the Lawton Chiles Endowment Fund Programs~~ and shall be deposited into each department's respective Tobacco Settlement Trust Fund as appropriated.

~~(f) When advised by the Revenue Estimating Conference that a deficit will occur with respect to the appropriations from the tobacco settlement trust funds of the state agencies in any fiscal year, the Governor shall develop a plan of action to eliminate the deficit. Before implementing the plan of action, the Governor must comply with s. 216.177(2). In developing the plan of action, the Governor shall, to the extent possible, preserve legislative policy and intent, and, absent any specific directions to the contrary in the General Appropriations Act, any reductions in appropriations from the tobacco settlement trust funds of the state agencies for a fiscal year shall be prorated among the specific appropriations made from all tobacco settlement trust funds of the state agencies for that year.~~

Section 9. Subsection (3) of section 215.93, Florida Statutes, is amended to read:

## 215.93 Florida Financial Management Information System.—

(3) The Florida Financial Management Information System shall include financial management data and utilize the chart of accounts approved by the Chief Financial Officer. Common financial management data shall include, but not be limited to, data codes, titles, and definitions used by one or more of the functional owner subsystems. The Florida Financial Management Information System shall utilize common financial management data codes. The council shall recommend and the board shall adopt policies regarding the approval and publication of the financial management data. The Chief Financial Officer shall adopt policies regarding the approval and publication of the chart of accounts. The Chief Financial Officer's chart of accounts shall be consistent with the common financial management data codes established by the coordinating council. Further, all systems not a part of the Florida Financial Management Information System which provide information to the system shall use the common data codes from the Florida Financial Management Information System and the Chief Financial Officer's chart of accounts. Data codes that cannot be supplied by the Florida Financial Management Information System and the Chief Financial Officer's chart of accounts and that are required for use by the information subsystems shall be approved by the board upon recommendation of the coordinating council. ~~However, board approval shall not be required for those data codes specified by the Auditor General under the provisions of s. 215.94(6)(e).~~

Section 10. Subsection (6) of section 215.94, Florida Statutes, is amended to read:

## 215.94 Designation, duties, and responsibilities of functional owners.—

~~(6)(a) Consistent with the provisions of s. 215.86, the respective functional owner of each information subsystem shall be responsible for ensuring The Auditor General shall be advised by the functional owner of each information subsystem as to the date that the development or significant modification of its functional system specifications is to begin.~~

~~(b) Upon such notification, the Auditor General shall participate with each functional owner to the extent necessary to provide assurance that:~~

1. The accounting information produced by the information subsystem adheres to generally accepted accounting principles.
2. The information subsystem contains the necessary controls to maintain its integrity, within acceptable limits and at an acceptable cost.
3. The information subsystem is auditable.

~~(b)(e) The Auditor General shall be advised by the functional owner of each information subsystem as to the date that the development or significant modification of its functional system specifications is to begin. The Auditor General shall provide technical advice, as allowed by professional auditing standards, on specific issues relating to the design, implementation, and operation of each information subsystem specify those additional~~

features, characteristics, controls, and internal control measures deemed necessary to carry out the provisions of this subsection. Further, it shall be the responsibility of each functional owner to ensure installation and incorporation of such specified features, characteristics, controls, and internal control measures within each information subsystem.

Section 11. Section 215.97, Florida Statutes, is amended to read:

215.97 Florida Single Audit Act.—

(1) The purposes of the section are to:

(a) Establish uniform state audit requirements for state financial assistance provided by state agencies to nonstate entities to carry out state projects.

(b) Promote sound financial management, including effective internal controls, with respect to state financial assistance administered by nonstate entities.

(c) Promote audit economy and efficiency by relying to the extent possible on already required audits of federal financial assistance provided to nonstate entities.

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

(e) Promote improved coordination and cooperation within and between affected state agencies providing state financial assistance and nonstate entities receiving state assistance.

(f) Ensure, to the maximum extent possible, that state agencies monitor, use, and followup on audits of state financial assistance provided to nonstate entities.

(2) Definitions; as used in this section, the term:

(a) “Audit threshold” means the threshold amount used to determine to use in determining when a state single audit or project-specific audit of a nonstate entity shall be conducted in accordance with this section. Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of ~~\$500,000~~ \$300,000 in any fiscal year of such nonstate entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section. Every 2 years the Auditor General, after consulting with the Executive Office of the Governor, the Department of Financial Services Chief Financial Officer, and all state awarding agencies that provide state financial assistance to nonstate entities, shall review the threshold amount for requiring audits under this section and may adjust such threshold ~~dollar~~ amount consistent with the purposes ~~purpose~~ of this section.

(b) “Auditing standards” means the auditing standards as stated in the rules of the Auditor General as applicable to for-profit organizations, non-profit organizations, or local governmental entities.

(c) “Catalog of State Financial Assistance” means a comprehensive listing of state projects. The Catalog of State Financial Assistance shall be issued by the Department of Financial Services Executive Office of the Governor after conferring with the Executive Office of the Governor Chief Financial Officer and all state awarding agencies that provide state financial assistance to nonstate entities. The Catalog of State Financial Assistance shall include for each listed state project: the responsible state awarding agency; standard state project number identifier; official title; legal authorization; and description of the state project, including objectives, restrictions, application and awarding procedures, and other relevant information determined necessary.

(d) “Coordinating agency” means the state awarding agency that provides the predominant amount of state financial assistance expended by a recipient, as determined by the recipient’s Schedule of Expenditures of State Financial Assistance. To provide continuity, the determination of the predominant amount of state financial assistance shall be based upon state financial assistance expended in the recipient’s fiscal years ending in 2006, 2009, and 2012, and every third year thereafter.

(e)(d) “Financial reporting package” means the nonstate entities’ financial statements, Schedule of Expenditures of State Financial Assistance, auditor’s reports, management letter, auditee’s written responses or corrective action plan, correspondence on followup of prior years’ corrective actions taken, and such other information determined by the Auditor General to be necessary and consistent with the purposes of this section.

(f)(e) “Federal financial assistance” means financial assistance from federal sources passed through the state and provided to nonstate organizations entities to carry out a federal program. “Federal financial assistance” includes all types of federal assistance as defined in applicable United States Office of Management and Budget circulars.

(g)(f) “For-profit organization” means any organization or sole proprietor that but is not a local governmental entity or a nonprofit organization.

(h)(g) “Independent auditor” means an independent external state or local government auditor or a certified public accountant licensed under chapter 473 who meets the independence standards.

(i)(h) “Internal control over state projects” means a process, effected by a nonstate an entity’s management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

1. Effectiveness and efficiency of operations.
2. Reliability of financial operations.
3. Compliance with applicable laws and regulations.

(j)(i) “Local governmental entity” means a county as a whole agency, municipality, or special district or any other entity excluding (other than a

district school board, charter school, or community college), or public university, however styled, which independently exercises any type of governmental function within the state.

~~(k)(j)~~ “Major state project” means any state project meeting the criteria as stated in the rules of the Department of Financial Services Executive Office of the Governor. Such criteria shall be established after consultation with all the Chief Financial Officer and appropriate state awarding agencies that provide state financial assistance and shall consider the amount of state project expenditures and or expenses or inherent risks. Each major state project shall be audited in accordance with the requirements of this section.

~~(l)(k)~~ “Nonprofit organization” means any corporation, trust, association, cooperative, or other organization that:

1. Is operated primarily for scientific, educational service, charitable, or similar purpose in the public interest.;
2. Is not organized primarily for profit.;
3. Uses net proceeds to maintain, improve, or expand the operations of the organization.;
~~and~~4. Has no part of its income or profit distributable to its members, directors, or officers.

~~(m)(l)~~ “Nonstate entity” means a local governmental entity, nonprofit organization, or for-profit organization that receives state financial assistance resources.

~~(n)(m)~~ “Recipient” means a nonstate entity that receives state financial assistance directly from a state awarding agency.

~~(o)(n)~~ “Schedule of Expenditures of State Financial Assistance” means a document prepared in accordance with the rules of the Department of Financial Services Chief Financial Officer and included in each financial reporting package required by this section.

~~(p)(o)~~ “State awarding agency” means a the state agency, as defined in s. 216.011, that is primarily responsible for the operations and outcomes of a state project, regardless of the state agency that actually provides provided state financial assistance to a the nonstate entity.

~~(q)(p)~~ “State financial assistance” means ~~financial assistance from state resources, not including federal financial assistance and state matching on federal programs, provided to a nonstate entity entities to carry out a state project.~~ “State financial assistance” includes ~~the all~~ types of state resources ~~assistance as stated in the rules of the Department of Financial Services Executive Office of the Governor established in consultation with all the Chief Financial Officer and appropriate state awarding agencies that provide state financial assistance.~~ It includes State financial assistance may be provided directly by state awarding agencies or indirectly by nonstate entities recipients of state awards or subrecipients. “State financial assistance”

It does not include procurement contracts used to buy goods or services from vendors and ~~audits of such procurement contracts with vendors are outside of the scope of this section. Also, audits of contracts to operate state-owned state-government-owned and contractor-operated facilities are excluded from the audit requirements of this section.~~

~~(r)(q)~~ “State matching” means state resources provided to a nonstate entity ~~entities to be used to meet federal financial participation matching requirements of federal programs.~~

~~(s)~~ “State program” means a set of special-purpose activities undertaken to realize identifiable goals and objectives in order to achieve a state agency’s mission and legislative intent requiring accountability for state resources.

~~(t)(r)~~ “State project” means a state program that provides all state financial assistance to a nonstate organization and that must be entity assigned a single state project number identifier in the Catalog of State Financial Assistance.

~~(u)(s)~~ “State Projects Compliance Supplement” means a document issued by the Department of Financial Services Executive Office of the Governor, in consultation with the Chief Financial Officer and all state awarding agencies that provide state financial assistance. The State Projects Compliance Supplement shall identify state projects, the significant compliance requirements, eligibility requirements, matching requirements, suggested audit procedures, and other relevant information determined necessary.

~~(v)(t)~~ “State project-specific audit” means an audit of one state project performed in accordance with the requirements of subsection ~~(10)(9).~~

~~(w)(u)~~ “State single audit” means an audit of a nonstate entity’s financial statements and state financial assistance. Such audits shall be conducted in accordance with the auditing standards as stated in the rules of the Auditor General.

~~(x)(v)~~ “Subrecipient” means a nonstate entity that receives state financial assistance through another nonstate entity.

~~(y)(w)~~ “Vendor” means a dealer, distributor, merchant, or other seller providing goods or services that are required for the conduct of a state project. These goods or services may be for an organization’s own use or for the use of beneficiaries of the state project.

(3) The Executive Office of the Governor is responsible for notifying the Department of Financial Services of any actions during the budgetary process that impact the Catalog of State Financial Assistance. ~~shall:~~

~~(a) Upon conferring with the Chief Financial Officer and all state awarding agencies, adopt rules necessary to provide appropriate guidance to state awarding agencies, recipients and subrecipients, and independent auditors of state financial assistance relating to the requirements of this section, including:~~



~~1. The types or classes of financial assistance considered to be state financial assistance which would be subject to the requirements of this section. This would include guidance to assist in identifying when the state agency or recipient has contracted with a vendor rather than with a recipient or subrecipient.~~

~~2. The criteria for identifying a major state project.~~

~~3. The criteria for selecting state projects for audits based on inherent risk.~~

~~(b) Be responsible for coordinating the initial preparation and subsequent revisions of the Catalog of State Financial Assistance after consultation with the Chief Financial Officer and all state awarding agencies.~~

~~(c) Be responsible for coordinating the initial preparation and subsequent revisions of the State Projects Compliance Supplement, after consultation with the Chief Financial Officer and all state awarding agencies.~~

~~(4) The Department of Financial Services Chief Financial Officer shall:~~

~~(a) Upon conferring with the Executive Office of the Governor and all state awarding agencies, adopt rules necessary to provide appropriate guidance to state awarding agencies, nonstate entities, and independent auditors of state financial assistance relating to the requirements of this section, including:~~

~~1. The types or classes of state resources considered to be state financial assistance that would be subject to the requirements of this section. This would include guidance to assist in identifying when the state awarding agency or a nonstate entity has contracted with a vendor rather than with a recipient or subrecipient.~~

~~2. The criteria for identifying a major state project.~~

~~3. The criteria for selecting state projects for audits based on inherent risk.~~

~~(b) Be responsible for coordinating revisions to the Catalog of State Financial Assistance after consultation with the Executive Office of the Governor and all state awarding agencies.~~

~~(c) Be responsible for coordinating with the Executive Office of the Governor actions affecting the budgetary process under paragraph (b).~~

~~(d) Be responsible for coordinating revisions to the State Projects Compliance Supplement, after consultation with the Executive Office of the Governor and all state awarding agencies.~~

~~(e)(a) Make enhancements to the state's accounting system to provide for the:~~

~~1. Recording of state financial assistance and federal financial assistance appropriations and expenditures within the state awarding agencies' operating funds.~~

2. Recording of state project number identifiers, as provided in the Catalog of State Financial Assistance, for state financial assistance.

3. Establishment and recording of an identification code for each financial transaction, including awarding state agencies' disbursements of state financial assistance and federal financial assistance, as to the corresponding type or organization that is party to the transaction (e.g., other governmental agencies, nonprofit organizations, and for-profit organizations), and disbursements of federal financial assistance, as to whether the party to the transaction is or is not a nonstate entity recipient or subrecipient.

(f)(b) Upon conferring with the Executive Office of the Governor and all state awarding agencies, adopt rules necessary to provide appropriate guidance to state awarding agencies, nonstate entities recipients and subrecipients, and independent auditors of state financial assistance relating to the format for the Schedule of Expenditures of State Financial Assistance.

(g)(e) Perform any inspections, reviews, investigations, or audits of state financial assistance considered necessary in carrying out the Department of Financial Services' Chief Financial Officer's legal responsibilities for state financial assistance or to comply with the requirements of this section.

(5) Each state awarding agency shall:

(a) Provide to each a recipient information needed by the recipient to comply with the requirements of this section, including:

1. The audit and accountability requirements for state projects as stated in this section and applicable rules of the ~~Executive Office of the Governor~~, rules of the Department of Financial Services Chief Financial Officer, and rules of the Auditor General.

2. Information from the Catalog of State Financial Assistance, including the standard state project number identifier; official title; legal authorization; and description of the state project including objectives, restrictions, and other relevant information determined necessary.

3. Information from the State Projects Compliance Supplement, including the significant compliance requirements, eligibility requirements, matching requirements, suggested audit procedures, and other relevant information determined necessary.

(b) Require the recipient, as a condition of receiving state financial assistance, to allow the state awarding agency, the Department of Financial Services Chief Financial Officer, and the Auditor General access to the recipient's records and the recipient's independent auditor's working papers as necessary for complying with the requirements of this section.

(c) Notify the recipient that this section does not limit the authority of the state awarding agency to conduct or arrange for the conduct of additional audits or evaluations of state financial assistance or limit the authority of any state awarding agency inspector general, the Auditor General, or any other state official.

(d) Be provided one copy of each financial reporting package prepared in accordance with the requirement of this section.

(e) Review the recipient's recipient financial reporting package, including the management letters and corrective action plans, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance that are specific to provided by the state awarding agency.

(f) Designate within the state awarding agency an organizational unit that will be responsible for reviewing financial reporting packages pursuant to paragraph (e).

If the state awarding agency is not the coordinating agency as defined in paragraph (2)(d), the state awarding agency's designated organizational unit shall communicate to the coordinating agency the state awarding agency's approval of the recipient's corrective action plan with respect to findings and recommendations that are not specific to the state awarding agency.

(6) Each coordinating agency shall:

(a) Review the recipient's financial reporting package, including the management letter and corrective action plan, to identify audit findings and recommendations that affect state financial assistance that are not specific to a particular state awarding agency.

(b) For any findings and recommendations identified pursuant to paragraph (a):

1. Determine whether timely and appropriate corrective action has been taken.

2. Promptly inform the state awarding agency, as provided in paragraph (5)(f), of actions taken by the recipient to comply with the approved corrective action plan.

(c) Maintain records of followup actions taken for the use of any succeeding coordinating agency.

~~(7)~~(6) As a condition of receiving state financial assistance, each nonstate entity recipient that provides state financial assistance to a subrecipient shall:

(a) Provide to each a subrecipient information needed by the subrecipient to comply with the requirements of this section, including:

1. Identification of the state awarding agency.

2. The audit and accountability requirements for state projects as stated in this section and applicable ~~rules of the Executive Office of the Governor,~~ rules of the Department of Financial Services Chief Financial Officer, and rules of the Auditor General.

3. Information from the Catalog of State Financial Assistance, including the standard state project number identifier; official title; legal authorization; and description of the state project, including objectives, restrictions, and other relevant information.

4. Information from the State Projects Compliance Supplement including the significant compliance requirements, eligibility requirements, matching requirements, and suggested audit procedures, and other relevant information determined necessary.

(b) Review the financial reporting package of the subrecipient audit reports, including the management letter and corrective action plan letters, to the extent necessary to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations pertaining to state financial assistance provided by a the state awarding agency or nonstate entity.

(c) Perform any such other procedures as specified in terms and conditions of the written agreement with the state awarding agency or nonstate entity, including any required monitoring of the subrecipient's use of state financial assistance through onsite visits, limited scope audits, or other specified procedures.

(d) Require subrecipients, as a condition of receiving state financial assistance, to permit the independent auditor of the nonstate entity recipient, the state awarding agency, the Department of Financial Services Chief Financial Officer, and the Auditor General access to the subrecipient's records and the subrecipient's independent auditor's working papers as necessary to comply with the requirements of this section.

~~(8)(7)~~ Each recipient or subrecipient of state financial assistance shall comply with the following:

(a) Each nonstate entity that ~~receives state financial assistance and~~ meets the audit threshold requirements, in any fiscal year of the nonstate entity, ~~as stated in the rules of the Auditor General~~, shall have a state single audit conducted for such fiscal year in accordance with the requirements of this act and with additional requirements established in ~~rules of the Executive Office of the Governor~~, rules of the Department of Financial Services Chief Financial Officer, and rules of the Auditor General. If only one state project is involved in a nonstate entity's fiscal year, the nonstate entity may elect to have only a state project-specific audit ~~of the state project for that fiscal year~~.

(b) Each nonstate entity that ~~receives state financial assistance and~~ does not meet the audit threshold requirements, in any fiscal year of the nonstate entity, ~~as stated in this law or the rules of the Auditor General~~ is exempt for such fiscal year from the state single audit requirements of this section. However, such nonstate entity must meet terms and conditions specified in the written agreement with the state awarding agency or nonstate entity.

(c) If a nonstate entity has extremely limited or no required activities related to the administration of a state project, and only acts as a conduit

of state financial assistance, none of the requirements of this section apply to the conduit nonstate entity. However, the nonstate entity that is provided state financial assistance by the conduit nonstate entity is subject to the requirements of this section.

~~(d)~~<sup>(e)</sup> Regardless of the amount of the state financial assistance, ~~the provisions of this section~~ does ~~do~~ not exempt a nonstate entity from compliance with provisions of law relating to maintaining records concerning state financial assistance to such nonstate entity or allowing access and examination of those records by the state awarding agency, the nonstate entity, the Department of Financial Services Chief Financial Officer, or the Auditor General.

~~(e)~~<sup>(d)</sup> Audits conducted pursuant to this section shall be performed annually.

~~(f)~~<sup>(e)</sup> Audits conducted pursuant to this section shall be conducted by independent auditors in accordance with auditing standards ~~as~~ stated in rules of the Auditor General.

~~(g)~~<sup>(f)</sup> Upon completion of the audit ~~as~~ required by this section, a copy of the recipient's financial reporting package shall be filed with the state awarding agency and the Auditor General. Upon completion of the audit ~~as~~ required by this section, a copy of the subrecipient's financial reporting package shall be filed with the nonstate entity recipient that provided the state financial assistance and the Auditor General. The financial reporting package shall be filed in accordance with the rules of the Auditor General.

~~(h)~~<sup>(g)</sup> All financial reporting packages prepared pursuant to ~~the requirements of~~ this section shall be available for public inspection.

~~(i)~~<sup>(h)</sup> If an audit conducted pursuant to this section discloses any significant audit findings relating to state financial assistance, including material noncompliance with individual state project compliance requirements or reportable conditions in internal controls of the nonstate entity, the nonstate entity shall submit as part of the financial reporting audit package to the state awarding agency or nonstate entity a plan for corrective action to eliminate such audit findings or a statement describing the reasons that corrective action is not necessary.

~~(j)~~<sup>(i)</sup> An audit conducted in accordance with this section is in addition to any audit of federal awards required by the federal Single Audit Act and other federal laws and regulations. To the extent that such federally required audits provide the state awarding agency or nonstate entity with information it requires to carry out its responsibilities under state law or other guidance, ~~the a state awarding agency or nonstate entity~~ shall rely upon and use that information.

~~(k)~~<sup>(j)</sup> Unless prohibited by law, the ~~costs cost~~ of audits pursuant to this section are ~~is~~ allowable charges to state projects. However, any charges to state projects should be limited to those incremental costs incurred as a result of the audit requirements of this section in relation to other audit

requirements. The nonstate entity should allocate such incremental costs to all state projects for which it expended state financial assistance.

~~(l)(k)~~ Audit costs may not be charged to state projects when audits required by this section have not been made or have been made but not in accordance with this section. If a nonstate entity fails to have an audit conducted consistent with this section, a state awarding agency or nonstate entity agencies may take appropriate corrective action to enforce compliance.

~~(m)(l)~~ This section does not prohibit the state awarding agency or nonstate entity from including terms and conditions in the written agreement which require additional assurances that state financial assistance meets the applicable requirements of laws, regulations, and other compliance rules.

~~(n)(m)~~ A state awarding agency or nonstate entity that ~~provides state financial assistance to nonstate entities and~~ conducts or arranges for audits of state financial assistance that are in addition to the audits conducted under this act, including audits of nonstate entities that do not meet the audit threshold requirements, shall, consistent with other applicable law, arrange for funding the full cost of such additional audits.

~~(9)(8)~~ The independent auditor when conducting a state single audit of a nonstate entity recipients or subrecipients shall:

(a) Determine whether the nonstate entity's financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.

(b) Determine whether state financial assistance shown on the Schedule of Expenditures of State Financial Assistance is presented fairly in all material respects in relation to the nonstate entity's financial statements taken as a whole.

(c) With respect to internal controls pertaining to each major state project:

1. Obtain an understanding of internal controls;<sub>;</sub>
2. Assess control risk;<sub>;</sub>
3. Perform tests of controls unless the controls are deemed to be ineffective;<sub>;</sub> ~~and~~
4. Determine whether the nonstate entity has internal controls in place to provide reasonable assurance of compliance with the provisions of laws and rules pertaining to state financial assistance that have a material effect on each major state project.

(d) Determine whether each major state project complied with the provisions of laws, rules, and guidelines as identified in the State Projects Compliance Supplement, or otherwise identified by the state awarding agency, which have a material effect on each major state project. When major state

projects are less than 50 percent of the nonstate entity's total expenditures for all state financial assistance, the auditor shall select and test additional state projects as major state projects as necessary to achieve audit coverage of at least 50 percent of the expenditures for all state financial assistance provided to the nonstate entity. Additional state projects needed to meet the 50-percent requirement may be selected on an inherent risk basis as stated in the rules of the Department of Financial Services Executive Office of the Governor.

(e) Report on the results of any audit conducted pursuant to this section in accordance with the ~~rules of the Executive Office of the Governor~~, rules of the Department of Financial Services Chief Financial Officer, and rules of the Auditor General. Financial reporting packages shall ~~Audit reports shall~~ include summaries of the auditor's results regarding the nonstate entity's financial statements; Schedule of Expenditures of State Financial Assistance; internal controls; and compliance with laws, rules, and guidelines.

(f) Issue a management letter as prescribed in the rules of the Auditor General.

(g) Upon notification by the nonstate entity, make available the working papers relating to the audit conducted pursuant to ~~the requirements of this section to the state awarding agency~~, the Department of Financial Services Chief Financial Officer, or the Auditor General for review or copying.

~~(10)~~(9) The independent auditor, when conducting a state project-specific audit of a nonstate entity recipients or subrecipients, shall:

(a) Determine whether the nonstate entity's schedule of Expenditure of State Financial Assistance is presented fairly in all material respects in conformity with stated accounting policies.

(b) Obtain an understanding of internal controls ~~control~~ and perform tests of internal controls ~~control~~ over the state project consistent with the requirements of a major state project.

(c) Determine whether or not the auditee has complied with applicable provisions of laws, rules, and guidelines as identified in the State Projects Compliance Supplement, or otherwise identified by the state awarding agency, which could have a direct and material effect on the state project.

(d) Report on the results of ~~the~~ a state project-specific audit consistent with the requirements of the state single audit and issue a management letter as prescribed in the rules of the Auditor General.

(e) Upon notification by the nonstate entity, make available the working papers relating to the audit conducted pursuant to ~~the requirements of this section to the state awarding agency~~, the Department of Financial Services Chief Financial Officer, or the Auditor General for review or copying.

~~(11)~~(10) The Auditor General shall:

(a) Have the authority to audit state financial assistance provided to any nonstate entity when determined necessary by the Auditor General or when directed by the Legislative Auditing Committee.

(b) Adopt rules that state the auditing standards that independent auditors are to follow for audits of nonstate entities required by this section.

(c) Adopt rules that describe the contents and the filing deadlines for the financial reporting package.

(d) Provide technical advice upon request of the Department of Financial Services Chief Financial Officer, Executive Office of the Governor, and state awarding agencies relating to financial reporting and audit responsibilities contained in this section.

(e) Be provided one copy of each financial reporting package prepared in accordance with ~~the requirements of~~ this section.

(f) Perform ongoing reviews of a sample of financial reporting packages filed pursuant to ~~the requirements of~~ this section to determine compliance with the reporting requirements of this section and applicable ~~rules of the Executive Office of the Governor~~, rules of the Department of Financial Services Chief Financial Officer, and rules of the Auditor General.

Section 12. Paragraphs (a), (b), (gg), (hh), and (jj) of subsection (1) of section 216.011, Florida Statutes, are amended, paragraphs (rr) and (ss) are added to said subsection, and paragraph (c) is added to subsection (3) of said section, 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:

(a) “Annual salary rate” means the monetary compensation authorized to be paid a position on an annualized basis. The term does not include moneys authorized for benefits associated with the position. ~~In calculating salary rate, a vacant position shall be calculated at the minimum of the pay grade for that position.~~

(b) “Appropriation” means a legal authorization to make expenditures for specific purposes within the amounts authorized by law in the appropriations act.

(gg) “Mandatory reserve” means the reduction of an appropriation by the Governor or the Legislative Budget Commission due to an anticipated deficit in a fund, pursuant to s. 216.221. Action may not be taken to restore a mandatory reserve either directly or indirectly. ~~“Performance-based program appropriation” means the appropriation category used to fund a specific set of activities or classification of expenditure within an approved performance-based program.~~



(hh) “Budget reserve” means the withholding, as authorized by the Legislature, of an appropriation, or portion thereof. The need for a budget reserve may exist until certain conditions set by the Legislature are met by the affected agency, or such need may exist due to financial or program changes that have occurred since, and were unforeseen at the time of, passage of the General Appropriations Act. “Performance-based program budget” means a budget that incorporates approved programs and performance measures.

(jj) “Program” means a set of services and activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives based on legislative authorization.

(rr) “Activity” means a unit of work that has identifiable starting and ending points, consumes resources, and produces outputs.

(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.

(3) For purposes of this chapter, the term:

(c) “Statutorily authorized entity” means any entity primarily acting as an instrumentality of the state, any regulatory or governing body, or any other governmental or quasi-governmental organization that receives, disburses, expends, administers, awards, recommends expenditure of, handles, manages, or has custody or control of funds appropriated by the Legislature and:

1. Is created, organized, or specifically authorized to be created or established by general law; or

2. Assists a department, as defined in s. 20.03(2), or other unit of state government in providing programs or services on a statewide basis with a statewide service area or population.

Section 13. Effective July 1, 2006, paragraph (n) of subsection (1) of section 216.011, Florida Statutes, is amended to read:

216.011 Definitions.—

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

(n) “Expense” means the appropriation category used to fund the usual, ordinary, and incidental expenditures by an agency or the judicial branch, including such items as ~~contractual services~~, commodities, and supplies of a consumable nature, current obligations, and fixed charges, and excluding expenditures classified as operating capital outlay. Payments to other funds or local, state, or federal agencies may be included in this category.

Section 14. Section 216.013, Florida Statutes, is amended to read:

216.013 Long-range program plan.—

(1) 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. ~~The plan shall cover a period of 5 fiscal years and shall become effective July 1 each year.~~

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

(a) The mission of the agency or judicial branch.

(b) The goals established to accomplish the mission.

(c) The objectives developed to achieve state goals.

(d) The trends and conditions relevant to the mission, goals, and objectives.

~~(e)(a) Identify agency programs and address how agency~~ The agency or judicial branch programs that will be used to implement state policy and achieve state goals and ~~program component objectives.;~~

(f) The program outcomes and standards to measure progress toward program objectives.

~~(b) Identify and describe agency functions and how they will be used to achieve designated outcomes;~~

~~(c) Identify demand, output, total costs, and unit costs for each function;~~

~~(g)(d) Provide~~ Information regarding performance measurement, which includes, but is not limited to, how data is collected, the methodology used to measure a performance indicator, the validity and reliability of a measure, the appropriateness of a measure, and whether, in the case of agencies, the agency inspector general has assessed the reliability and validity of agency performance measures, pursuant to s. 20.055(2).;

~~(e) Identify and justify facility and fixed capital outlay projects and their associated costs; and~~

~~(f) Identify and justify information technology infrastructure and applications and their associated costs for information technology projects or initiatives.~~

(2) ~~All agency functions and their costs shall be carefully evaluated and justified by the agency. The justification must clearly demonstrate the needs of agency customers and clients and why the agency is proposing functions and their associated costs to address the needs based on state priorities, the~~

agency mission, and legislative authorization. Further, the justification must show how agency functions are integrated and contribute to the overall achievement of state goals. Facilities, fixed capital outlay and information technology infrastructure, and applications shall be evaluated pursuant to ss. 216.0158, 216.043, and 216.0446, respectively.

(2) Each long-range program plan shall cover a period of 5 fiscal years, be revised annually, and remain in effect until replaced or revised.

(3) Long-range program plans or revisions shall be presented by state agencies and the judicial branch in a form, manner, and timeframe prescribed in written instructions prepared by submitted to the Executive Office of the Governor in consultation with by August 1 of each year in a form and manner prescribed by the Executive Office of the Governor and the chairs of the legislative appropriations committees. Such long-range program plans for the Judicial Branch shall be submitted by the Chief Justice of the Supreme Court to the President of the Senate and the Speaker of the House of Representatives, and a copy shall be provided to the Executive Office of the Governor.

(4) The Executive Office of the Governor shall review the long-range program plans for executive agencies to ensure that they are consistent with the state's goals and objectives and other requirements as specified in the written instructions and that they provide the framework and context for the agency's budget request.

(5) Executive agencies shall incorporate all revisions required by the Governor within 14 working days.

(6) Any differences between executive agencies regarding the programs, policies, or long-range program plans of such agencies shall be mediated by the Executive Office of the Governor.

(4)(7) Each state executive agency and the judicial branch shall post their long-range program plan on their Internet website transmit copies of its long-range program plan and all written comments on its plan to the President of the Senate and the Speaker of the House of Representatives not later than September 30th of each year, and provide written notice to the Governor and the Legislature that the plans have been posted 60 days prior to the next regular session of the Legislature.

(8) Long-range program plans developed pursuant to this chapter are not rules and therefore are not subject to the provisions of chapter 120.

(5)(9) 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 to be consistent with the appropriations and performance measures in the General Appropriations Act and legislation implementing the General Appropriations Act. Agencies and the judicial branch have until June 30 15 to make adjustments to their plans as posted on their Internet websites and submit the adjusted plans to the Executive Office of the Governor for review.

(6) Long-range program plans developed pursuant to this chapter are not rules and therefore are not subject to the provisions of chapter 120.

Section 15. Section 216.023, Florida Statutes, is amended to read:

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

(1) The head of each state agency, except as provided in subsection (2), shall submit a final legislative budget request to the Legislature and to the Governor, as chief budget officer of the state, in the form and manner prescribed in the budget instructions and at such time as specified by the Executive Office of the Governor, based on the agency's independent judgment of its needs. However, ~~a no~~ state agency may not shall submit its complete legislative budget request, including all supporting forms and schedules required by this chapter, later than October ~~September~~ 15 of each year unless an alternative date is agreed to be in the best interest of the state by the Governor and the chairs of the legislative appropriations committees.

(2) The judicial branch and the Division of Administrative Hearings shall submit their complete legislative budget requests directly to the Legislature with a copy to the Governor, as chief budget officer of the state, in the form and manner as prescribed in the budget instructions. However, the complete legislative budget requests, including all supporting forms and schedules required by this chapter, shall be submitted no later than October ~~September~~ 15 of each year unless an alternative date is agreed to be in the best interest of the state by the Governor and the chairs of the legislative appropriations committees.

(3) The Executive Office of the Governor and the appropriations committees of the Legislature shall jointly develop legislative budget instructions for preparing the exhibits and schedules that make up the agency budget from which each agency and the judicial branch shall prepare their budget request. The budget instructions shall be consistent with s. 216.141 and shall be transmitted to each agency and to the judicial branch no later than July ~~June~~ 15 of each year unless an alternative date is agreed to be in the best interest of the state by the Governor and the chairs of the legislative appropriations committees. In the event that agreement cannot be reached between the Executive Office of the Governor and the appropriations committees of the Legislature regarding legislative budget instructions, the issue shall be resolved by the Governor, the President of the Senate, and the Speaker of the House of Representatives.

(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.

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.

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.

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

1. The final budget for the agency and the judicial branch.
2. Total funds from the General Appropriations Act.
3. Adjustments to the General Appropriations Act.
4. The line-item listings of all activities.
5. The number of activity units performed or accomplished.
6. Total expenditures for each activity, including amounts paid to contractors and subordinate entities. Expenditures related to administrative

activities not aligned with output measures must consistently be allocated to activities with output measures prior to computing unit costs.

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

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

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

~~(5) At the time specified in the legislative budget instructions and in sufficient time to be included in the Governor's recommended budget, the judicial branch is required to submit a performance-based program budget request. The Chief Justice of the Supreme Court shall identify and, after consultation with the Office of Program Policy Analysis and Government Accountability, submit to the President of the Senate and the Speaker of the House of Representatives a list of proposed programs and associated performance measures. The judicial branch shall provide documentation to accompany the list of proposed programs and performance measures as provided under subsection (4). The judicial branch shall submit a performance-based program agency budget request using the programs and performance measures adopted by the Legislature. The Chief Justice may propose revisions to approved programs or performance measures for the judicial branch. The Legislature shall have final approval of all programs and associated performance measures and standards for the judicial branch through the General Appropriations Act or legislation implementing the General Appropriations Act. By September 15, 2001, the Chief Justice of the Supreme Court shall submit to the President of the Senate and the Speaker of the House of Representatives a performance-based program budget request for programs of the judicial branch approved by the Legislature and provide a copy to the Executive Office of the Governor.~~

~~(5)(6)~~ 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)(7)~~ 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 ~~Senate Committee on Fiscal Policy and the House of Representatives Fiscal Responsibility Council~~ 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 ~~both~~ the official record of adjustments to the performance standards ~~as part of the agency's approved operating budget and the official performance ledger~~. As used in this section, the term "official record" "performance ledger" 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.

~~(7)~~(8) As a part of the legislative budget request, the head of each state agency and the Chief Justice of the Supreme Court for the judicial branch shall include an inventory of all litigation in which the agency is involved that may require additional appropriations to the agency, ~~that may significantly affect revenues received or anticipated to be received by the state, or that may require~~ or amendments to the law under which the agency operates. No later than March 1 following the submission of the legislative budget request, the head of the state agency and the Chief Justice of the Supreme Court shall provide an update of any additions or changes to the inventory. Such inventory shall include information specified annually in the legislative budget instructions and, within the discretion of the head of the state agency or the Chief Justice of the Supreme Court, may contain only information found in the pleadings.

~~(8)~~(9) 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 Senate Committee on Fiscal Policy and the House Fiscal Responsibility Council~~ shall advise Senate substantive committees and House substantive committees, respectively, of all adjustments made to performance standards or measures.

~~(9)~~(10) The Executive Office of the Governor shall review the legislative budget request for technical compliance with the budget format provided for in the budget instructions. The Executive Office of the Governor shall notify the agency or the judicial branch of any adjustment required. The agency or judicial branch shall make the appropriate corrections as requested. If the appropriate technical corrections are not made as requested, the Executive Office of the Governor shall adjust the budget request to incorporate the appropriate technical corrections in the format of the request.

~~(10)~~(11) At any time after the Governor submits his or her ~~and the Chief Justice submit their~~ recommended budget ~~budgets~~ to the Legislature, the head of the agency or judicial branch may amend his or her request by transmitting to the Governor and the Legislature an amended request in the form and manner prescribed in the legislative budget instructions.

~~(11)~~(12) The legislative budget request from each agency and from the judicial branch shall be reviewed by the Legislature. The review may allow

for the opportunity to have information or testimony by the agency, the judicial branch, the Auditor General, the Office of Program Policy Analysis and Government Accountability, the Governor's Office of Planning and Budgeting, and the public regarding the proper level of funding for the agency in order to carry out its mission.

(12)(13) In order to ensure an integrated state planning and budgeting process, the agency long-range plan should be reviewed by the Legislature.

Section 16. Section 216.031, Florida Statutes, is amended to read:

216.031 Target budget request.—Either chair of a legislative appropriations committee, or the Executive Office of the Governor for state agencies, may require the agency or the Chief Justice to address major issues separate from those outlined in s. 216.023, this section, and s. 216.043 for inclusion in the requests of the agency or of the judicial branch. The issues shall be submitted to the agency no later than July 30 of each year and shall be displayed in its requests as provided in the budget instructions. The Executive Office of the Governor may request an agency, or the chair of an the appropriations ~~committee~~ committees of the Senate or the House of Representatives may request any agency or the judicial branch, to submit ~~no later than September 30 of each year~~ a budget plan with respect to targets established by the Governor or either chair. The target budget shall require each entity to establish an order of priorities for its budget issues and may include requests for multiple options for the budget issues. ~~The target budget may also require each entity to submit a program budget or a performance-based budget in the format prescribed by the Executive Office of the Governor or either chair; provided, however,~~ The target budget format shall be compatible with the planning and budgeting system requirements set out in s. 216.141. Such a request shall not influence the agencies' or judicial branch's independent judgment in making legislative budget requests, as required by law.

Section 17. Section 216.052, Florida Statutes, is amended to read:

216.052 Community budget requests; appropriations; ~~grants~~.—

(1) A local, county, or regional governmental entity, private organization, or nonprofit organization may submit a request for a state appropriation for a program, service, or capital outlay initiative that is local or regional in scope, is intended to meet a documented need, addresses a statewide interest, is intended to produce measurable results, and has tangible community support to members of the Legislature, a state agency, or the Governor.

(2) ~~Each appropriation to a local government, a private organization, or a nonprofit organization made pursuant to a community budget request shall require that the community's support be tangibly demonstrated by evidence that the program or service will operate in a financially sound manner. Any appropriation to a local government, a private organization, or a nonprofit organization made pursuant to this section should require local matching funds. The match must be based on the size and scope of the project and the applicant's ability to provide the match. In addition, the granting of state funds shall be used to encourage the establishment of~~



~~community-based partnerships between the public sector and the private sector.~~

~~(3) Each community budget request submitted pursuant to this section must receive a hearing before a body of duly elected public officials before being submitted for consideration.~~

~~(2)(4) For requests submitted to members of the Legislature, community budget requests shall be submitted in the form and manner prescribed jointly by the President of the Senate and the Speaker of the House of Representatives. If the President of the Senate and the Speaker of the House of Representatives do not agree on a form and manner of submission to be used by both houses, each may prescribe a form and manner of submission to be used in his or her house.~~

~~(3)(5) Community budget requests shall be submitted to the chairs of the legislative appropriations committees in accordance with the schedule established jointly by the President of the Senate and the Speaker of the House of Representatives. If the President of the Senate and the Speaker of the House of Representatives do not agree on a schedule to be used by both houses, each may prescribe a schedule to be used in his or her house.~~

~~(4)(6) The Executive Office of the Governor shall prescribe the form and manner of submission of requests to state agencies and to the Governor.~~

~~(5)(7) The retention of interest earned on state funds or the amount of interest income earned shall be applied against the state entity's obligation to pay the appropriated amount.~~

~~(8) Whenever possible, a loan must be made in lieu of a grant to a local government, a private organization, or a nonprofit organization. It is the intent of the Legislature that a revolving loan program shall be established so that the loan amount plus interest is paid back by the recipient to the state.~~

~~(9) Any private or nonprofit organization that is to receive funds through a community budget request shall, at the time of application for such funds, provide information regarding its organization, including a copy of its current budget, a list of its board of directors, and, if available, a copy of its most recent annual audit report prepared by an independent certified public accountant licensed in this state, including management letters or other documents associated with the audit report.~~

Section 18. Subsection (5) of section 216.053, Florida Statutes, is amended to read:

216.053 Summary Information in the General Appropriations Act; construction of such information.—

~~(5) For programs operating under performance-based program budgets, the General Appropriations Act shall contain summary information that covers specific appropriations and summarizes programs and performance.~~

Section 19. Section 216.065, Florida Statutes, is amended to read:

216.065 Fiscal impact statements on actions affecting the budget.—In addition to the applicable requirements of chapter 120, before the Governor, ~~or Governor~~ and Cabinet as a body, performing any constitutional or statutory duty, ~~or before any state agency or statutorily authorized entity takes take~~ any final action that will affect revenues, directly require a request for an increased or new appropriation in the following fiscal year, ~~or that will transfer current year funds, it they~~ shall first provide the legislative appropriations committees with a fiscal impact statement that details the effects of such action on the budget. The fiscal impact statement must specify the estimated budget and revenue impacts for the current year and the 2 subsequent fiscal years at the same level of detail required to support a legislative budget request, including amounts by appropriation category and fund.

Section 20. Subsection (3) is added to section 216.081, Florida Statutes, to read:

216.081 Data on legislative and judicial branch expenses.—

(3) If the Governor does not receive timely estimates of the financial needs of the legislative branch, the Governor's recommended budget shall include the amounts appropriated and budget entity structure established in the most recent General Appropriations Act.

Section 21. Subsection (1) of section 216.133, Florida Statutes, is amended to read:

216.133 Definitions; ss. 216.133-216.137.—As used in ss. 216.133-216.137:

(1) “Consensus estimating conference” includes the Economic Estimating Conference, the Demographic Estimating Conference, the Revenue Estimating Conference, the Education Estimating Conference, the Criminal Justice Estimating Conference, ~~the Juvenile Justice Estimating Conference, the Child Welfare System Estimating Conference,~~ the Occupational Forecasting Conference, the Early Learning Programs Estimating Conference, the Self-Insurance Estimating Conference, the Florida Retirement System Actuarial Assumption Conference, and the Social Services Estimating Conference.

Section 22. Subsections (4) and (5) of section 216.134, Florida Statutes, are amended 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.

(b) A participant is any person who is invited to participate in the consensus estimating conference by a principal. A participant shall, at the request of any principal before or during any session of the conference, develop alternative forecasts, collect and supply data, perform analyses, or provide other information needed by the conference. The conference shall consider information provided by participants in developing its official information.

(5) All sessions and meetings of a consensus estimating conference shall be open to the public as ~~provided in chapter 286. The President of the Senate and the Speaker of the House of Representatives, jointly, shall be the sole judge for the interpretation, implementation, and enforcement of this subsection.~~

Section 23. Subsections (7) through (12) of section 216.136, Florida Statutes, are amended to read:

216.136 Consensus Estimating Conferences; duties and principals.—

~~(7) CHILD WELFARE SYSTEM ESTIMATING CONFERENCE.—~~

~~(a) Duties.—The Child Welfare System Estimating Conference shall develop such official information relating to the child welfare system of the state, including forecasts of child welfare caseloads, as the conference determines is needed for the state planning and budgeting system. Such official information may include, but is not limited to:~~

~~1.—Estimates and projections of the number of initial and additional reports of child abuse, abandonment, or neglect made to the central abuse hotline maintained by the Department of Children and Family Services as established in s. 39.201(4). Projections may take into account other factors that may influence the number of future reports to the abuse hotline.~~

~~2.—Estimates and projections of the number of children who are alleged to be victims of child abuse, abandonment, or neglect and are in need of emergency shelter, foster care, residential group care, adoptive services, or other appropriate care.~~

~~In addition, the conference shall develop other official information relating to the child welfare system of the state which the conference determines is needed for the state planning and budgeting system. The Department of Children and Family Services shall provide information on the child welfare system requested by the Child Welfare System Estimating Conference, or individual conference principals, in a timely manner.~~

~~(b) Principals.—The Executive Office of the Governor, the coordinator of the Office of Economic and Demographic Research, and professional staff who have forecasting expertise from the Department of Children and Family Services, the Senate, and the House of Representatives, or their designees, are the principals of the Child Welfare System Estimating Conference. The~~

principal representing the Executive Office of the Governor shall preside over sessions of the conference.

~~(8) JUVENILE JUSTICE ESTIMATING CONFERENCE.—~~

~~(a) Duties.—The Juvenile Justice Estimating Conference shall develop such official information relating to the juvenile justice system of the state as is determined by the conference principals to be needed for the state planning and budgeting system. This information shall include, but is not limited to: estimates of juvenile delinquency caseloads and workloads; estimates for secure, nonsecure, and home juvenile detention placements; estimates of workloads in the juvenile sections in the offices of the state attorneys and public defenders; estimates of mental health and substance abuse treatment relating to juveniles; and such other information as is determined by the conference principals to be needed for the state planning and budgeting system.~~

~~(b) Principals.—The Executive Office of the Governor, the Office of Economic and Demographic Research, and professional staff who have forecasting expertise from the Department of Juvenile Justice, the Department of Children and Family Services Substance Abuse and Mental Health Program Offices, the Department of Law Enforcement, the Senate Appropriations Committee staff, the House of Representatives Appropriations Committee staff, or their designees, are the principals of the Juvenile Justice Estimating Conference. The responsibility of presiding over sessions of the conference shall be rotated among the principals. To facilitate policy and legislative recommendations, the conference may call upon the appropriate legislative staff.~~

~~(7)(9) WORKFORCE ESTIMATING CONFERENCE.—~~

~~(a) Duties.—~~

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.

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.

4. Notwithstanding subparagraph 3., the Workforce Estimating Conference, for the purposes described in 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)(10)~~ EARLY LEARNING PROGRAMS ESTIMATING CONFERENCE.—

(a) Duties.—

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 Pre-kindergarten Education Program in accordance with s. 1002.53(2), as the conference determines are needed to support the state planning, budgeting, and appropriations processes.

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)~~(11) 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 ~~directors of the committees of the Senate and the House of Representatives who have forecasting and substantive experience which have primary responsibility for legislation dealing with taxation,~~ 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)~~(12) 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 24. Subsection (1) of section 216.162, Florida Statutes, is amended to read:

216.162 Governor's recommended budget to be furnished Legislature; copies to members.—

(1) At least ~~30~~ 45 days before the scheduled annual legislative session, the Governor shall furnish each senator and representative a copy of his or her recommended balanced budget for the state, based on the Governor's own conclusions and judgment; ~~provided, however, that~~ in his or her first year in office a new Governor may request, subject to approval of the President of the Senate and the Speaker of the House of Representatives, that his or her recommended balanced budget be submitted at a later time prior to the Governor's first regular legislative session.

Section 25. Subsection (2) and paragraph (b) of subsection (4) of section 216.163, Florida Statutes, are amended to read:

216.163 Governor's recommended budget; form and content; declaration of collective bargaining impasses.—

(2) The Governor's recommended budget shall also include:

(a) The Governor's recommendations for operating each state agency, and those of the Chief Justice of the Supreme Court for operating the judicial branch, for the next fiscal year. These recommendations shall be displayed by appropriation category within each budget entity and shall also include the legislative budget request of the corresponding agency. In order to present a balanced budget as required by s. 216.162, the Governor's recommendations for operating appropriations may include an alternative recommendation to that of the Chief Justice.

(b)1. The Governor's recommendations and those of the Chief Justice for fixed capital outlay appropriations for the next fiscal year. These recommendations shall be displayed by budget entity and shall also include the legislative budget request of the corresponding agency. In order to present a balanced budget as required by s. 216.162, the Governor's recommendations for fixed capital outlay appropriations may include an alternative recommendation to that of the Chief Justice.

2. For each specific fixed capital outlay project or group of projects or operating capital outlay requests recommended to be funded from a proposed state debt or obligation, he or she shall make available pursuant to s. 216.164(1)(a) the documents set forth in s. 216.0442(2).

(c) The evaluation of the fixed capital outlay request of each agency and the judicial branch and alternatives to the proposed projects as made by the Department of Management Services pursuant to s. 216.044.

(d) A summary statement of the amount of appropriations requested by each state agency and as recommended by the Governor and by the judicial branch.

(e) A distinct listing of all nonrecurring appropriations recommended by the Governor or the Chief Justice.

(f) The Governor's recommendations for high-risk information technology projects which should be subject to monitoring under s. 282.322. These recommendations shall include proviso language which specifies whether funds are specifically provided to contract for project monitoring, or whether the Auditor General will conduct such project monitoring. When funds are recommended for contracting with a project monitor, such funds may equal 1 percent to 5 percent of the project's estimated total costs. These funds shall be specifically appropriated and nonrecurring.

(g) Any additional information which the Governor or Chief Justice feels is needed to justify his or her recommendations.

(4) The Executive Office of the Governor shall review the findings of the Office of Program Policy Analysis and Government Accountability, to the extent they are available, request any reports or additional analyses as necessary, and submit a recommendation for executive agencies, which may include a recommendation regarding incentives or disincentives for agency performance. Incentives or disincentives may apply to all or part of a state agency. The Chief Justice shall review the findings of the Office of Program Policy Analysis and Government Accountability regarding judicial branch performance and make appropriate recommendations for the judicial branch.

(b) Disincentives may include, but are not limited to:

1. Mandatory quarterly reports to the Executive Office of the Governor and the Legislature on the agency's progress in meeting performance standards.

2. Mandatory quarterly appearances before the Legislature, the Governor, or the Governor and Cabinet to report on the agency's progress in meeting performance standards.

3. Elimination or restructuring of the program, which may include, but not be limited to, transfer of the program or outsourcing all or a portion of the program.

4. Reduction of total positions for a program.

5. Restriction on or reduction of the spending authority provided in s. 216.292(2)(b).

6. Reduction of managerial salaries.

Section 26. Subsections (1) through (4) of section 216.167, Florida Statutes, are amended to read:

216.167 Governor's recommendations.—The Governor's recommendations shall include a financial schedule that provides:

(1) The Governor's estimate of the recommended recurring revenues available in the Budget Stabilization Fund, ~~the Working Capital Fund,~~ and the General Revenue Fund.



(2) The Governor's estimate of the recommended nonrecurring revenues available in the Budget Stabilization Fund, ~~the Working Capital Fund,~~ and the General Revenue Fund.

(3) The Governor's recommended recurring and nonrecurring appropriations from the Budget Stabilization Fund, ~~the Working Capital Fund,~~ and the General Revenue Fund.

(4) The Governor's estimates of any interfund loans or temporary obligations of the Budget Stabilization Fund, the General Revenue Working Capital Fund, or trust funds, which loans or obligations are needed to implement his or her recommended budget.

Section 27. Subsection (4) of section 216.168, Florida Statutes, is amended to read:

216.168 Governor's amended revenue or budget recommendations; optional and mandatory.—

(4) If the Governor determines, at any time after he or she has furnished the Legislature with his or her recommendations or amended recommendations, that the revenue estimates upon which the Governor's recommendations were based are insufficient to fund these recommendations, the Governor shall amend his or her revenues or appropriations recommendations to bring the Governor's recommended budget into balance. ~~On or after March 1, if the Governor determines that there is insufficient time to provide the information for the amended recommendations required in ss. 216.164 and 216.166, he or she shall be exempt from such requirement.~~

Section 28. Subsections (2), (3), and (4) of section 216.177, Florida Statutes, are 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 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. 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.

(b) If the chair and vice chair of the Legislative Budget Commission or the President of the Senate and the Speaker of the House of Representatives timely advise, in writing, the Executive Office of the Governor or the Chief Justice of the Supreme Court that an action or a proposed action, including any expenditure of funds resulting from the settlement of litigation involv-

ing a state agency or officer, whether subject to the notice and review requirements of this chapter or not, exceeds the delegated authority of the Executive Office of the Governor for the executive branch or the Chief Justice for the judicial branch, respectively, or is contrary to legislative policy and intent, the Governor or the Chief Justice of the Supreme Court shall void such action and instruct the affected state agency or entity of the judicial branch to change immediately its spending action or spending proposal until the Legislative Budget Commission or the Legislature addresses the issue. The written documentation shall indicate the specific reasons that an action or proposed action exceeds the delegated authority or is contrary to legislative policy and intent.

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

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

~~(4) Notwithstanding the 14-day notice requirements of this section, the Department of Children and Family Services is required to provide notice of proposed transfers submitted pursuant to s. 20.19(5)(b) to the Executive Office of the Governor and the chairs of the legislative appropriations committees at least 3 working days prior to their implementation.~~

Section 29. Subsections (1), (2), (4), (6), (8), (9), (10), (12), and (16) of section 216.181, Florida Statutes, are amended to read:

216.181 Approved budgets for operations and fixed capital outlay.—

(1) The General Appropriations Act and any other acts containing appropriations shall be considered the original approved operating budgets for operational and fixed capital expenditures. Amendments to the approved operating budgets for operational and fixed capital outlay expenditures from state agencies may be requested only through the Executive Office of the Governor and approved by the Governor and the Legislative Budget Commission as provided in this chapter. Amendments from the judicial branch may be requested only through, and approved by, the Chief Justice of the Supreme Court and must be approved by the Chief Justice and the Legislative Budget Commission as provided in this chapter. This includes amendments which are necessary to implement the provisions of s. 216.212 or s. 216.221.

(2) Amendments to the original approved operating budgets for operational and fixed capital outlay expenditures must comply with the following guidelines in order to be approved by the Governor and the Legislative Budget Commission ~~as provided in this chapter~~ for the executive branch and the Chief Justice and the Legislative Budget Commission for the judicial branch:

- (a) The amendment must be consistent with legislative policy and intent.
- (b) The amendment may not initiate or commence a new program, except as authorized by this chapter, or eliminate an existing program.
- (c) Except as authorized in s. 216.292 or other provisions of this chapter, the amendment may not provide funding or increased funding for items which were funded by the Legislature in an amount less than that requested by the agency or Governor in the legislative budget request or recommended by the Governor, or which were vetoed by the Governor.
- (d) For amendments that involve trust funds, there must be adequate and appropriate revenues available in the trust fund and the amendment must be consistent with the laws authorizing such trust funds and the laws relating to the use of the trust funds. However, a trust fund shall not be increased in excess of the original approved budget, except as provided in subsection (11).
- (e) The amendment shall not conflict with any provision of law.
- (f) The amendment must not provide funding for any issue which was requested by the agency or branch in its legislative budget request and not funded in the General Appropriations Act.
- (g) The amendment must include a written description of the purpose of the proposed change, an indication of why interim budget action is necessary, and the intended recipient of any funds for contracted services.
- (h) The amendment must not provide general salary increases which the Legislature has not authorized in the General Appropriations Act or other laws.
- (4) To the extent possible, individual members of the Senate and the House of Representatives should be advised of budget amendments requested by the executive branch and judicial branch.
- (6)(a) The Executive Office of the Governor or the Chief Justice of the Supreme Court may require the submission of a detailed plan from the agency or entity of the judicial branch affected, consistent with the General Appropriations Act, special appropriations acts, and statements the statement of intent before transferring and releasing the balance of a lump-sum appropriation. ~~The provisions of this paragraph are subject to the notice and review procedures set forth in s. 216.177.~~
- (b) The Executive Office of the Governor and the Chief Justice of the Supreme Court may amend, without approval of the Legislative Budget Commission, state agency and judicial branch entity budgets, respectively, to reflect the transferred funds and to provide the associated increased salary rate based on the approved plans for lump-sum appropriations. 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~~ Calculated based on the actual salary rate in effect on June 30, and the salary policy and the number of authorized positions as 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 special appropriations acts, or as provided pursuant to s. 216.177.

(b) Controlled by department or agency; except for the Department of Education, which shall be controlled by division and for the judicial branch, which shall be controlled at the branch level.

(c) Assigned to the number of authorized positions.

~~(9)(a) The calculation for the annual salary rate for vacant and newly authorized positions shall be at no more than the midpoint of the range of the pay grade for the position or as provided in the General Appropriations Act.~~

~~(b) No agency or the judicial branch may exceed its maximum approved annual salary rate for the fiscal year. However, at any time during the fiscal year, an agency or entity of the judicial branch may exceed its approved rate for all budget entities by no more than 5 percent, provided that, by June 30 of every fiscal year, the agency or entity of the judicial branch has reduced its salary rate so that the salary rate for each department budget entity is within the approved rate limit for that department budget entity.~~

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

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

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

(d) The salary rate provisions of subsections (8) and (9) and this subsection do not apply to the general office program of the Executive Office of the Governor.

(12) There is appropriated nonoperating budget for refunds, payments to the United States Treasury, and payments of the service charge to the General Revenue Fund, and transfers of funds specifically required by law. Such authorized budget, together with related releases, shall be transmitted by the state agency or by the judicial branch to the Chief Financial Officer for entry in his or her records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Chief Financial Officer. A copy of such authorized budgets shall be furnished to the Executive Office of the Governor or the Chief Justice, the chairs of the legislative committees responsible for developing the general appropriations acts, and the Auditor General. Notwithstanding the duty specified for each state agency in s. 17.61(3), the Governor may withhold approval of nonoperating investment authority for certain trust funds when deemed in the best interest of the state. The Governor for the executive branch, and the Chief Justice for the judicial branch, may establish nonoperating budgets, with the approval of the chairs of the Senate and the House of Representatives appropriations committees, for transfers, purchase of investments, special expenses, distributions, transfers of funds specifically required by law, and any other nonoperating budget categories they deem necessary and in the best interest of the state and consistent with legislative intent and policy. The provisions of this subsection are subject to the notice, review, and objection procedures set forth in s. 216.177. For purposes of this section, the term “nonoperating budgets” means nonoperating disbursement authority for purchase of investments, refunds, payments to the United States Treasury, transfers of funds specifically required by law, distributions of assets held by the state in a trustee capacity as an agent of fiduciary, special expenses, and other nonoperating budget categories, as determined necessary by the Executive Office of the Governor and the chairs of the Senate and the House of Representatives appropriations committees, not otherwise appropriated in the General Appropriations Act. The establishment of nonoperating budget authority shall be deemed approved by a chair of a legislative committee if written notice of the objection is not provided to the Governor or Chief Justice, as appropriate, within 14 days of the chair receiving notice of the action pursuant to the provisions of s. 216.177.

(16)(a) Funds provided in any specific appropriation in the General Appropriations Act may be advanced if the General Appropriations Act specifically so provides.

(b) Any agency, or the judicial branch, that has been authorized by the General Appropriations Act or expressly authorized by other law to make

advances for program startup or advances for contracted services, in total or periodically, shall limit such disbursements to other governmental entities and not-for-profit corporations. The amount ~~that~~ which may be advanced shall not exceed the expected cash needs of the contractor or recipient within the initial 3 months. Thereafter, disbursements shall only be made on a reimbursement basis. Any agreement that provides for advancements may contain a clause that permits the contractor or recipient to temporarily invest the proceeds, provided that any interest income shall either be returned to the agency or be applied against the agency's obligation to pay the contract amount. This paragraph does not constitute lawful authority to make any advance payment not otherwise authorized by laws relating to a particular agency or general laws relating to the expenditure or disbursement of public funds. The Chief Financial Officer may, after consultation with the legislative appropriations committees, advance funds beyond a 3-month requirement if it is determined to be consistent with the intent of the approved operating budget.

~~(e) Unless specifically prohibited in the General Appropriations Act, funds appropriated to the Department of Children and Family Services and the Department of Health may be advanced for those contracted services that were approved for advancement by the Comptroller in fiscal year 1993-1994, including those services contracted on a fixed-price or unit-cost basis.~~

Section 30. Section 216.192, Florida Statutes, is amended to read:

216.192 Release of appropriations; revision of budgets.—

(1) Unless otherwise provided in the General Appropriations Act, on July 1 of each fiscal year, up to 25 percent of the original approved operating budget of each agency and of the judicial branch may be released until such time as annual plans for quarterly releases for all appropriations have been developed, approved, and furnished to the Chief Financial Officer by the Executive Office of the Governor for state agencies and by the Chief Justice of the Supreme Court for the judicial branch. The plans, including appropriate plans of releases for fixed capital outlay projects that correspond with each project schedule, shall attempt to maximize the use of trust funds and shall be transmitted to the Chief Financial Officer by August 1 of each fiscal year. Such releases shall at no time exceed the total appropriations available to a state agency or to the judicial branch, or the approved budget for such agency or the judicial branch if less. The Chief Financial Officer shall enter such releases in his or her records in accordance with the release plans prescribed by the Executive Office of the Governor and the Chief Justice, unless otherwise amended as provided by law. The Executive Office of the Governor and the Chief Justice shall transmit a copy of the approved annual releases to the head of the state agency, the chair and vice chair of the Legislative Budget Commission, and the Auditor General. The Chief Financial Officer shall authorize all expenditures to be made from the appropriations on the basis of such releases and in accordance with the approved budget, and not otherwise. Expenditures shall be authorized only in accordance with legislative authorizations. Nothing herein precludes periodic reexamination and revision by the Executive Office of the Governor or by the Chief Justice of the annual plans for release of appropriations and the notifications of the parties of all such revisions.

(2) Any department under the direct supervision of a member of the Cabinet or of a board consisting of the Governor and members of the Cabinet which contends that the plan for releases of funds appropriated to it is contrary to the approved operating budget shall have the right to have the issue reviewed by the Administration Commission which shall decide such issue by majority vote. ~~The appropriations committees of the Legislature may advise the Administration Commission on the issue.~~

(3) The Executive Office of the Governor shall make releases within the amounts appropriated and as requested for all appropriations to the legislative branch, and the provisions of subsections (1) and (2) shall not apply to the legislative branch.

~~(4) The legislative appropriations committees may advise the Chief Financial Officer, the Executive Office of the Governor, or the Chief Justice relative to the release of any funds under this section.~~

~~(4)(5)~~ The annual plans of releases authorized by this section may be considered by the Revenue Estimating Conference in preparation of the statement of financial outlook.

(5) In order to implement directives contained in the General Appropriations Act or to prevent deficits pursuant to s. 216.221, the Executive Office of the Governor for the executive branch and the Chief Justice for the judicial branch may place appropriations in budget reserve or mandatory reserve.

(6) All budget actions taken pursuant to the provisions of this section are subject to the notice and review procedures set forth in s. 216.177.

Section 31. Section 216.195, Florida Statutes, is amended to read:

216.195 Impoundment of funds; restricted.—The Executive Office of the Governor, the Chief Justice of the Supreme Court, any member of the Cabinet, or any state agency shall not impound any appropriation except as necessary to avoid or eliminate a deficit pursuant to the provisions of s. 216.221. As used in this section, the term “impoundment” means the omission of any appropriation or part of an appropriation in the approved operating plan prepared pursuant to s. 216.181 or in the schedule of releases prepared pursuant to s. 216.192 or the failure of any state agency or the judicial branch to spend an appropriation for the stated purposes authorized in the approved operating budget. ~~The provisions of this section are subject to the notice and review procedures of s. 216.177.~~ The Governor or either house of the Legislature may seek judicial review of any action or proposed action which violates ~~the provisions of this section.~~

Section 32. Subsections (2), (3), (5), (7), (9), and (10) of section 216.221, Florida Statutes, are amended to read:

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

(2) The Legislature may annually provide direction in the General Appropriations Act regarding use of any state funds ~~the Budget Stabilization Fund and Working Capital Fund~~ to offset General Revenue Fund deficits.

(3) For purposes of preventing a deficit in the General Revenue Fund, all branches and agencies of government ~~that receive General Revenue Fund appropriations~~ shall participate in deficit reduction efforts. Absent specific legislative direction in the General Appropriations Act, when budget reductions are required in order to prevent a deficit under the provisions of subsection (7), each branch shall reduce its General Revenue Fund appropriations by a proportional amount.

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

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

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

~~1. Entire statewide programs previously established by the Legislature should not be eliminated.~~

1.2. Education budgets should not be reduced more than provided for in s. 215.16(2).

~~2.3.~~ The use of nonrecurring funds to solve recurring deficits should be minimized.

3.4. Newly created programs that are not fully implemented and programs with critical audits, evaluations, and reviews should receive first consideration for reductions.

~~4.5.~~ No agencies or branches of government receiving appropriations should be exempt from reductions.

5.6. When reductions in positions are required, the focus should be initially on vacant positions.



~~7. Any reductions applied to all agencies and branches should be uniformly applied.~~

~~6.8. Reductions that would cause substantial losses of federal funds should be minimized.~~

~~9. To the greatest extent possible, across the board, prorated reductions should be considered.~~

~~7.10. Reductions to statewide programs should occur only after review of programs that provide only local benefits.~~

~~8.11. Reductions in administrative and support functions should be considered before reductions in direct-support services.~~

~~9.12. Maximum reductions should be considered in budgets for expenses including travel and in budgets for equipment replacement, outside consultants, and contracts.~~

~~10.13. Reductions in salaries for elected state officials should be considered.~~

~~11.14. Reductions that adversely affect the public health, safety, and welfare should be minimized.~~

~~12.15. The Budget Stabilization Fund should not be reduced to a level that would impair the financial stability of this state.~~

~~13.16. Reductions in programs that are traditionally funded by the private sector and that may be assumed by private enterprise should be considered.~~

~~14.17. Reductions in programs that are duplicated among state agencies or branches of government should be considered.~~

(7) Deficits in the General Revenue Fund that do not meet the amounts specified by subsection (6) shall be resolved by the Governor ~~commission~~ for the executive branch and the Chief Justice of the Supreme Court for the judicial branch. The Governor ~~commission~~ and Chief Justice shall implement any directions provided in the General Appropriations Act related to eliminating deficits and to reducing agency and judicial branch budgets, including the use of those legislative appropriations voluntarily placed in reserve. In addition, the Governor and Chief Justice ~~commission~~ shall implement any directions in the General Appropriations Act relating to the resolution of deficit situations. When reducing state agency or judicial branch budgets, the Governor ~~commission~~ or the Chief Justice, respectively, shall use the guidelines prescribed in subsection (5). The Executive Office of the Governor ~~for the commission~~, and the Chief Justice for the judicial branch, shall implement the deficit reduction plans through amendments to the approved operating budgets in accordance with s. 216.181.

(9) If, in the opinion of the Chief Financial Officer, after consultation with the Revenue Estimating Conference, a deficit will occur, he or she shall report his or her opinion to the Governor, the President of the Senate, and

the Speaker of the House of Representatives in writing. In the event the Governor does not certify a deficit, or the President of the Senate and the Speaker of the House of Representatives do not certify a deficit within 10 days after the Chief Financial Officer's report, the Chief Financial Officer shall report his or her findings and opinion to the commission and the Chief Justice of the Supreme Court.

(10) When advised by the Revenue Estimating Conference, the Chief Financial Officer, or any agency responsible for a trust fund that a deficit will occur with respect to the appropriations from a specific trust fund in the current fiscal year, the Governor for the executive branch, or the Chief Justice for the judicial branch, shall develop a plan of action to eliminate the deficit. Before implementing the plan of action, the Governor or the Chief Justice must comply with the provisions of s. 216.177(2), and actions to resolve deficits in excess of \$1 million must be approved by the Legislative Budget Commission. In developing the plan of action, the Governor or the Chief Justice shall, to the extent possible, preserve legislative policy and intent, ~~and, absent any specific directions to the contrary in the General Appropriations Act, any reductions in appropriations from the trust fund for the fiscal year shall be prorated among the specific appropriations made from the trust fund for the current fiscal year.~~

Section 33. Subsection (2) of section 216.231, Florida Statutes, is amended to read:

216.231 Release of certain classified appropriations.—

(2) The release of appropriated funds classified as “deficiency” shall be approved only when a General Revenue Fund appropriation for operations of a state agency or of the judicial branch is inadequate because the workload or cost of the operation exceeds that anticipated by the Legislature and a determination has been made by the Governor ~~commission~~ that the deficiency will result in an impairment of the activities of an agency or of the judicial branch to the extent that the agency is unable to carry out its program as provided by the Legislature in the general appropriations acts. These funds may not be used for creation of any new agency or program, for increases of salary, or for the construction or equipping of additional buildings.

Section 34. Subsections (3), (6), and (11) of section 216.235, Florida Statutes, are amended to read:

216.235 Innovation Investment Program.—

(3) For purposes of this section:

(a) “Agency” means an official, officer, commission, authority, council, committee, department, division, bureau, board, section, or other unit or entity of the executive branch.

~~(b) “Commission” means the Information Resource Commission.~~

~~(b)(e)~~ “Committee” means the State Innovation Committee.

(c)(d) “Office” means the Office of Tourism, Trade, and Economic Development within the Executive Office of the Governor.

(d)(e) “Review board” means a nonpartisan board composed of private citizens and public employees who evaluate the projects and make funding recommendations to the committee.

(6) Any agency developing an innovative investment project proposal that involves information technology resources may consult with and seek technical assistance from the State Technology Office ~~commission~~. The office shall consult with the State Technology Office ~~commission~~ for any project proposal that involves information resource technology. The State Technology Office ~~commission~~ is responsible for evaluating these projects and for advising the committee and review board of the technical feasibility and any transferable benefits of the proposed technology. In addition to the requirements of subsection (5), the agencies shall provide to the State Technology Office ~~commission~~ any information requested by the State Technology Office ~~commission~~ to aid in determining that the proposed technology is appropriate for the project’s success.

(11) Funds appropriated for the Innovation Investment Program shall be distributed by the Executive Office of the Governor subject to notice, review, and objection procedures set forth in s. 216.177. The office may transfer funds from the annual appropriation as necessary to administer the program. Proposals considered but not funded by the Legislature as part of an agency legislative budget request or the Governor’s budget recommendation are not eligible to receive funding under the Innovation Investment Program.

Section 35. Section 216.241, Florida Statutes, is amended to read:

216.241 Initiation or commencement of new programs; approval; expenditure of certain revenues.—

(1) A state agency or the judicial branch may not initiate or commence any new program, including any new federal program or initiative, or make changes in its current programs, as provided for in the appropriations act, that require additional financing unless funds have been specifically appropriated by the Legislature or unless the Legislative Budget Commission ~~or the Chief Justice of the Supreme Court~~ expressly approves such new program or changes. ~~The commission and the Chief Justice shall give notice as provided in s. 216.177 prior to approving such new program or changes.~~

(2) ~~No Changes that which~~ are inconsistent with the approved ~~operating~~ budget ~~may not shall~~ be made to existing programs unless such changes are recommended to the Legislative Budget Commission by the Governor or the Chief Justice and the Legislative Budget Commission expressly approves such program changes. ~~The provisions of This subsection is are~~ subject to the notice, review, and objection procedures set forth in s. 216.177.

(3) Any revenues generated by any tax or fee imposed by amendment to the State Constitution after October 1, 1999, shall not be expended by any

agency, as defined in s. 120.52(1), except pursuant to appropriation by the Legislature.

Section 36. Subsection (2) of section 216.251, Florida Statutes, is amended to read:

216.251 Salary appropriations; limitations.—

(2)(a) The salary for each position not specifically indicated in the appropriations acts shall be as provided in one of the following subparagraphs:

1. Within the classification and pay plans provided for in chapter 110.
2. Within the classification and pay plans established by the Board of Trustees for the Florida School for the Deaf and the Blind of the Department of Education and approved by the State Board of Education for academic and academic administrative personnel.
3. Within the classification and pay plan approved and administered by the State Board of Education and the Board of Governors ~~Board of Regents~~ for those positions in the State University System.
4. Within the classification and pay plan approved by the President of the Senate and the Speaker of the House of Representatives, as the case may be, for employees of the Legislature.
5. Within the approved classification and pay plan for the judicial branch.
6. ~~The salary of all positions not specifically included in this subsection shall be set by the commission or by the Chief Justice for the judicial branch.~~

(b) Salary payments shall be made only to employees filling established positions included in the agency's or in the judicial branch's approved budgets and amendments thereto as may be provided by law; provided, however:

1. Reclassification of established positions may be accomplished when justified in accordance with the established procedures for reclassifying positions; or
2. When the Division of Risk Management of the Department of Financial Services has determined that an employee is entitled to receive a temporary partial disability benefit or a temporary total disability benefit pursuant to the provisions of s. 440.15 and there is medical certification that the employee cannot perform the duties of the employee's regular position, but the employee can perform some type of work beneficial to the agency, the agency may return the employee to the payroll, at his or her regular rate of pay, to perform such duties as the employee is capable of performing, even if there is not an established position in which the employee can be placed. Nothing in this subparagraph shall abrogate an employee's rights under chapter 440 or chapter 447, nor shall it adversely affect the retirement credit of a member of the Florida Retirement System in the membership class he or she was in at the time of, and during, the member's disability.

Section 37. Paragraphs (a) and (c) of subsection (1) of section 216.262, Florida Statutes, are amended to read:

216.262 Authorized positions.—

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

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

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

(c)1. The Executive Office of the Governor, under such procedures and qualifications as it deems appropriate, shall, upon agency request, delegate to any state agency authority to add and delete authorized positions or transfer authorized positions from one budget entity to another budget entity within the same division, and may approve additions and deletions of authorized positions or transfers of authorized positions within the state agency when such changes would enable the agency to administer more effectively its authorized and approved programs. The additions or deletions must be consistent with the intent of the approved operating budget, must be consistent with legislative policy and intent, and must not conflict with specific spending policies specified in the General Appropriations Act.

2. The Chief Justice of the Supreme Court shall have the authority to establish procedures for the judicial branch to add and delete authorized positions or transfer authorized positions from one budget entity to another budget entity, and to add and delete authorized positions within the same

budget entity, when such changes are consistent with legislative policy and intent and do not conflict with spending policies specified in the General Appropriations Act.

~~3.a.— A state agency may be eligible to retain salary dollars for authorized positions eliminated after July 1, 2001. The agency must certify the eliminated positions to the Legislative Budgeting Commission.~~

~~b.— The Legislative Budgeting Commission shall authorize the agency to retain 20 percent of the salary dollars associated with the eliminated positions and may authorize retention of a greater percentage. All such salary dollars shall be used for permanent salary increases.~~

Section 38. Section 216.292, Florida Statutes, is amended to read:

(Substantial rewording of section. See s. 216.292, F.S., for present text.)

216.292 Appropriations nontransferable; exceptions.—

(1)(a) Funds provided in the General Appropriations Act or as otherwise expressly provided by law shall be expended only for the purpose for which appropriated, except that such moneys may be transferred as provided in this section when it is determined to be in the best interest of the state. Appropriations for fixed capital outlay may not be expended for any other purpose. Appropriations may not be transferred between state agencies, or between a state agency and the judicial branch, unless specifically authorized by law.

(b)1. Authorized revisions of the original approved operating budget, together with related changes in the plan for release of appropriations, if any, shall be transmitted by the state agency or by the judicial branch to the Executive Office of the Governor or the Chief Justice, respectively, the chairs of the Senate and the House of Representatives appropriations committees, the Office of Program Policy Analysis and Government Accountability, and the Auditor General. Such authorized revisions shall be consistent with the intent of the approved operating budget, shall be consistent with legislative policy and intent, and may not conflict with specific spending policies specified in the General Appropriations Act.

2. Authorized revisions, together with related changes, if any, in the plan for release of appropriations shall be transmitted by the state agency or by the judicial branch to the Chief Financial Officer for entry in the Chief Financial Officer's records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Chief Financial Officer.

3. The Executive Office of the Governor or the Chief Justice shall forward a copy of the revisions within 7 working days to the Chief Financial Officer for entry in his or her records in the manner and format prescribed by the Executive Office of the Governor in consultation with the Chief Financial Officer.

(2) The following transfers are authorized to be made by the head of each department or the Chief Justice of the Supreme Court whenever it is deemed necessary by reason of changed conditions:

(a) The transfer of appropriations funded from identical funding sources, except appropriations for fixed capital outlay, and the transfer of amounts included within the total original approved budget and plans of releases of appropriations as furnished pursuant to ss. 216.181 and 216.192, as follows:

1. Between categories of appropriations within a budget entity, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$250,000, whichever is greater, by all action taken under this subsection.

2. Between budget entities within identical categories of appropriations, if no category of appropriation is increased or decreased by more than 5 percent of the original approved budget or \$250,000, whichever is greater, by all action taken under this subsection.

3. Any agency exceeding salary rate established pursuant to s. 216.181(8) on June 30th of any fiscal year shall not be authorized to make transfers pursuant to subparagraphs 1. and 2. in the subsequent fiscal year.

4. Notice of proposed transfers under subparagraphs 1. and 2. shall be provided to the Executive Office of the Governor and the chairs of the legislative appropriations committees at least 3 days prior to agency implementation in order to provide an opportunity for review. The review shall be limited to ensuring that the transfer is in compliance with the requirements of this paragraph.

(b) After providing notice at least 5 working days prior to implementation:

1. The transfer of funds within programs identified in the General Appropriations Act from identical funding sources between the following appropriation categories without limitation so long as such a transfer does not result in an increase, to the total recurring general revenue or trust fund cost of the agency or entity of the judicial branch in the subsequent fiscal year: other personal services, expenses, operating capital outlay, food products, state attorney and public defender operations, data processing services, operating and maintenance of patrol vehicles, overtime payments, salary incentive payments, compensation to retired judges, law libraries, and juror and witness payments.

2. The transfer of funds and positions from identical funding sources between salaries and benefits appropriation categories within programs identified in the General Appropriations Act. Such transfers must be consistent with legislative policy and intent and may not adversely affect achievement of approved performance outcomes or outputs in any program.

(c) The transfer of funds appropriated to accounts established for disbursement purposes upon release of such appropriation upon request of a department and approval by the Chief Financial Officer. Such transfer may

only be made to the same appropriation category and the same funding source from which the funds are transferred.

(d) The transfer of funds by the Executive Office of the Governor from appropriations for public school operations to a fixed capital outlay appropriation for class size reduction based on recommendations of the Florida Education Finance Program Appropriation Allocation Conference or the Legislative Budget Commission pursuant to s. 1003.03(4)(a). Actions by the Governor under this subsection are subject to the notice and review provisions of s. 216.177.

(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 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:

(a) The transfer of appropriations for operations from the General Revenue Fund in excess of those provided in this section but within a state agency or within the judicial branch, as recommended by the Executive Office of the Governor or the Chief Justice of the Supreme Court.

(b) The transfer of appropriations for operations from trust funds in excess of those provided in 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.

(c) The transfer of the portion of an appropriation for a named fixed capital outlay project found to be in excess of that needed to complete the project to another project for which there has been an appropriation in the same fiscal year from the same fund and within the same department where a deficiency is found to exist, at the request of the Executive Office of the Governor for state agencies or the Chief Justice of the Supreme Court for the judicial branch. The scope of a fixed capital outlay project may not be changed by any transfer of funds made pursuant to this subsection.

(d) The transfers necessary to accomplish the purposes of reorganization within state agencies or the judicial branch authorized by the Legislature when the necessary adjustments of appropriations and positions have not been provided in the General Appropriations Act.

(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.

(6) The Chief Financial Officer shall transfer from any available funds of an agency or the judicial branch the following amounts and shall report all such transfers and the reasons therefor to the legislative appropriations committees and the Executive Office of the Governor:

(a) The amount due to the Unemployment Compensation Trust Fund which is more than 90 days delinquent on reimbursements due to the Unemployment Compensation Trust Fund. The amount transferred shall be that certified by the state agency providing unemployment tax collection services under contract with the Agency for Workforce Innovation through an interagency agreement pursuant to s. 443.1316.

(b) The amount due to the Division of Risk Management which is more than 90 days delinquent in payment to the Division of Risk Management of the Department of Financial Services for insurance coverage. The amount transferred shall be that certified by the division.

(c) The amount due to the Communications Working Capital Trust Fund from moneys appropriated in the General Appropriations Act for the purpose of paying for services provided by the state communications system in the Department of Management Services which is unpaid 45 days after the billing date. The amount transferred shall be that billed by the department.

Section 39. Section 216.301, Florida Statutes, is amended to read:

216.301 Appropriations; undisbursed balances.—

(1)(a) Any balance of any appropriation, except an appropriation for fixed capital outlay, which is not disbursed but which is expended or contracted to be 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. On or before September 1 of each year, the Executive Office of the Governor shall review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the affected state agency and shall approve all items and amounts certified by the Chief Justice of the Supreme Court for the judicial branch and by the legislative branch and shall furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balance of such appropriation. The review shall assure that trust funds have been fully maximized. Any such encumbered balance remaining undisbursed on December 31 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.

(c) 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 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.

(b) The certification required in this subsection shall be in the form and on the date approved by the Executive Office of the Governor. Any balance that is not certified shall revert to the fund from which it was appropriated and be available for reappropriation.

(c) The balance of any appropriation for fixed capital outlay certified forward under paragraph (a) which is not disbursed but expended, contracted, or committed to be expended prior to the end 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, and any subsequent fiscal year, shall be certified by the head of the affected state agency or the legislative or judicial branch on or before

August 1 of each year to the Executive Office of the Governor, showing in detail the commitment or to whom obligated and the amount of such commitment or obligation. On or before September 1 of each year, the Executive Office of the Governor shall review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the affected state agency and shall approve all items and amounts certified by the Chief Justice of the Supreme Court and by the legislative branch and shall furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balances of such appropriations. If such certification is not made and the balance of the appropriation has reverted and the obligation is proven to be legal, due, and unpaid, the obligation shall be presented to the Legislature for its consideration.

(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.~~

~~(2)(a) Any balance of any appropriation for fixed capital outlay not disbursed but expended or contracted or committed to be expended shall, at the end of each fiscal year, be certified by the head of the affected state agency or the legislative or judicial branch, on or before August 1 of each year, to the Executive Office of the Governor, showing in detail the commitment or to whom obligated and the amount of such commitment or obligation. On or before September 1 of each year, the Executive Office of the Governor shall review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the affected state agency and shall approve all items and amounts certified by the Chief Justice of the Supreme Court and by the legislative branch and shall furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balances of such appropriations. In the event such certification is not made and the balance of the appropriation has reverted and the obligation is proven to be legal, due, and unpaid, then the same shall be presented to the Legislature for its consideration.~~

~~(b) Such certification as herein required shall be in the form and on the date approved by the Executive Office of the Governor. Any balance not so certified shall revert to the fund from which appropriated and shall be available for reappropriation.~~

~~(3) Notwithstanding the provisions of subsection (2), the unexpended balance of any appropriation for fixed capital outlay subject to but not under the terms of a binding contract or a general construction contract prior to February 1 of the second fiscal year, or the third fiscal year if it is for an educational facility as defined in chapter 1013 or a construction project of a state university, of the appropriation shall revert on February 1 of such year to the fund from which appropriated and shall be available for reappropriation. The Executive Office of the Governor shall, not later than February~~

~~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.~~

Section 40. Effective July 1, 2006, subsection (1) of section 216.301, Florida Statutes, as amended by this act, is amended to read:

216.301 Appropriations; undisbursed balances.—

(1)(a) Any balance of any appropriation, except an appropriation for fixed capital outlay, which is not disbursed but which is expended ~~or contracted to be 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. ~~On or before September 1 of each year, the Executive Office of the Governor shall review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the affected state agency and shall approve all items and amounts certified by the Chief Justice of the Supreme Court for the judicial branch and by the legislative branch and shall furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balance of such appropriation. The review shall assure that trust funds have been fully maximized.~~ Any such encumbered balance remaining undisbursed ~~on September 30~~ December 31 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.

(c) 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.

Section 41. Subsection (3) of section 218.60, Florida Statutes, is amended to read:

218.60 Definitions.—

~~(3) All estimates of moneys provided pursuant to this part utilized by participating units of local government in the first year of participation shall be equal to 95 percent of those projections made by the revenue estimating conference and provided to local governments by the Office of Economic and Demographic Research, in consultation with the Department of Revenue.~~

Section 42. 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 ~~or Working Capital Fund~~. Following the expiration or termination of the state of emergency, the Governor may 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 43. Subsection (3) of section 265.55, Florida Statutes, is amended to read:

265.55 Claims.—

(3) The authorization for payment delineated in subsection (2) shall be forwarded to the Chief Financial Officer. The Chief Financial Officer shall take appropriate action to execute authorized payment of the claim from unobligated, unappropriated moneys in the General Revenue Working Capital Fund, as defined in s. 215.32.

Section 44. Subsection (5) of section 288.7091, Florida Statutes, is amended to read:

288.7091 Duties of the Florida Black Business Investment Board, Inc.—The Florida Black Business Investment Board, Inc., shall:

(5) Include in the criteria for loan decisions, occupational forecasting results set forth in s. 216.136~~(7)~~(9) which target high growth jobs;

Section 45. Subsection (5) of section 320.20, Florida Statutes, is amended to read:

320.20 Disposition of license tax moneys.—The revenue derived from the registration of motor vehicles, including any delinquent fees and excluding

those revenues collected and distributed under the provisions of s. 320.081, must be distributed monthly, as collected, as follows:

(5)(a) Except as provided in paragraph (c), the remainder of such revenues must be deposited in the State Transportation Trust Fund.

(b) The Chief Financial Officer each month shall deposit in the State Transportation Trust Fund an amount, drawn from other funds in the State Treasury which are not immediately needed or are otherwise in excess of the amount necessary to meet the requirements of the State Treasury, which when added to such remaining revenues each month will equal one-twelfth of the amount of the anticipated annual revenues to be deposited in the State Transportation Trust Fund under paragraph (a) as determined by the Chief Financial Officer after consultation with the ~~estimated by the most recent~~ revenue estimating conference held pursuant to s. 216.136(3). The transfers required hereunder may be suspended by action of the Legislative Budget Commission in the event of a significant shortfall of state revenues.

(c) In any month in which the remaining revenues derived from the registration of motor vehicles exceed one-twelfth of those anticipated annual remaining revenues as determined by the Chief Financial Officer after consultation with the revenue estimating conference, the excess shall be credited to those state funds in the State Treasury from which the amount was originally drawn, up to the amount which was deposited in the State Transportation Trust Fund under paragraph (b). A final adjustment must be made in the last months of a fiscal year so that the total revenue deposited in the State Transportation Trust Fund each year equals the amount derived from the registration of motor vehicles, less the amount distributed under subsection (1). For the purposes of this paragraph and paragraph (b), the term “remaining revenues” means all revenues deposited into the State Transportation Trust Fund under paragraph (a) and subsections (2) and (3). In order that interest earnings continue to accrue to the General Revenue Fund, the Department of Transportation may not invest an amount equal to the cumulative amount of funds deposited in the State Transportation Trust Fund under paragraph (b) less funds credited under this paragraph as computed on a monthly basis. The amounts to be credited under this and the preceding paragraph must be calculated and certified to the Chief Financial Officer by the Executive Office of the Governor.

Section 46. Section 337.023, Florida Statutes, is amended to read:

337.023 Sale of building; acceptance of replacement building.—Notwithstanding the provisions of s. 216.292(2)(b)2. ~~(4)(b)~~, if the department sells a building, the department may accept the construction of a replacement building, in response to a request for proposals, totally or partially in lieu of cash, and may do so without a specific legislative appropriation. Such action is subject to the approval of the Executive Office of the Governor, and is subject to the notice, review, and objection procedures under s. 216.177. The replacement building shall be consistent with the current and projected needs of the department as agreed upon by the department and the Department of Management Services.

Section 47. Paragraph (a) of subsection (2), paragraphs (c) and (f) of subsection (6), and subsection (7) of section 339.135, Florida Statutes, are amended to read:

339.135 Work program; legislative budget request; definitions; preparation, adoption, execution, and amendment.—

(2) SUBMISSION OF LEGISLATIVE BUDGET REQUEST AND REQUEST FOR LIST OF ADDITIONAL TRANSPORTATION PROJECTS.—

(a) The department shall file the legislative budget request in the manner required by chapter 216, setting forth the department's proposed revenues and expenditures for operational and fixed capital outlay needs to accomplish the objectives of the department in the ensuing fiscal year. The right-of-way, construction, preliminary engineering, maintenance, and all grants and aids programs of the department shall be set forth only in program totals. The legislative budget request must include a balanced 36-month forecast of cash and expenditures and a 5-year finance plan. The legislative budget request shall be amended to conform to the tentative work program. Prior to the submission of the tentative work program pursuant to s. 339.135(4)(f), the department may amend its legislative budget request and the tentative work program for based on the most recent estimating conference estimate of revenues and the most recent federal aid apportionments.

(6) EXECUTION OF THE BUDGET.—

(c) Notwithstanding the provisions of ss. 216.301~~(2)~~(3) and 216.351, any unexpended balance remaining at the end of the fiscal year in the appropriations to the department for special categories; aid to local governments; lump sums for project phases which are part of the adopted work program, and for which contracts have been executed or bids have been let; and for right-of-way land acquisition and relocation assistance for parcels from project phases in the adopted work program for which appraisals have been completed and approved, may be certified forward as fixed capital outlay at the end of each fiscal year, to be certified by the head of the state agency on or before August 1 of each year to the Executive Office of the Governor, showing in detail the commitment or to whom obligated and the amount of such commitment or obligation. On or before September 1 of each year, the Executive Office of the Governor shall review and approve or disapprove, consistent with legislative policy and intent, any or all of the items and amounts certified by the head of the state agency and shall furnish the Chief Financial Officer, the legislative appropriations committees, and the Auditor General a detailed listing of the items and amounts approved as legal encumbrances against the undisbursed balances of such appropriations. In the event such certification is not made and the balance of the appropriation has reverted and the obligation is proven to be legal, due, and unpaid, then the same shall be presented to the Legislature for its consideration. Such certification as herein required shall be in the form and on the date approved by the Executive Office of the Governor under the provisions of s. 216.301(2)(a). Any project phases in the adopted work program not certified forward under the provisions of s. 216.301(2)(a) shall be available for roll

forward for the next fiscal year of the adopted work program. Spending authority associated with such project phases may be rolled forward to the next fiscal year upon approval by the Legislative Budget Commission pursuant to paragraph (f). Increases in spending authority shall be limited to amounts of unexpended balances by appropriation category. Any project phase certified forward for which bids have been let but subsequently rejected shall be available for roll forward in the adopted work program for the next fiscal year. Spending authority associated with such project phases may be rolled forward into the current year from funds certified forward ~~pursuant to paragraph (f).~~ The amount certified forward may include contingency allowances for right-of-way acquisition and relocation, asphalt and petroleum product escalation clauses, and contract overages, which allowances shall be separately identified in the certification detail. Right-of-way acquisition and relocation and contract overages contingency allowances shall be based on documented historical patterns. These contingency amounts shall be incorporated in the certification for each specific category, but when a category has an excess and another category has a deficiency, the Executive Office of the Governor is authorized to transfer the excess to the deficient account.

~~(f) Notwithstanding the provisions of ss. 216.181(1), 216.292, and 216.351, the Executive Office of the Governor may amend that portion of the department's original approved fixed capital outlay budget which comprises the work program pursuant to subsection (7). Increase in spending authority in paragraph (e) shall be limited to amounts of unexpended balances by appropriation category.~~

(7) AMENDMENT OF THE ADOPTED WORK PROGRAM.—

(a) Notwithstanding the provisions of ss. ~~216.181(1)~~, 216.292, and 216.351, the adopted work program may be amended only pursuant to the provisions of this subsection.

(b) The department may not transfer any funds for any project or project phase between department districts. However, a district secretary may agree to a loan of funds to another district, if:

1. The funds are used solely to maximize the use or amount of funds available to the state;

2. The loan agreement is executed in writing and is signed by the district secretaries of the respective districts;

3. Repayment of the loan is to be made within 3 years after the date on which the agreement was entered into; and

4. The adopted work program of the district loaning the funds would not be substantially impaired if the loan were made, according to the district secretary.

The loan constitutes an amendment to the adopted work program and is subject to the procedures specified in paragraph (b) ~~(e)~~.



(c) The department may amend the adopted work program to transfer fixed capital outlay appropriations for projects within the same appropriations category or between appropriations categories, including department, ~~except that~~ the following amendments which shall be subject to the procedures in paragraph (d):

1. Any amendment which deletes any project or project phase;
2. Any amendment which adds a project estimated to cost over \$150,000 in funds appropriated by the Legislature;
3. Any amendment which advances or defers to another fiscal year, a right-of-way phase, a construction phase, or a public transportation project phase estimated to cost over \$500,000 in funds appropriated by the Legislature, except an amendment advancing or deferring a phase for a period of 90 days or less; or
4. Any amendment which advances or defers to another fiscal year, any preliminary engineering phase or design phase estimated to cost over \$150,000 in funds appropriated by the Legislature, except an amendment advancing or deferring a phase for a period of 90 days or less.

(d)1. Whenever the department proposes any amendment to the adopted work program, which amendment is defined in subparagraph (c)1., subparagraph (c)2., subparagraph (c)3., or subparagraph (c)4., it shall submit the proposed amendment to the Governor for approval and shall immediately notify the chairs of the legislative appropriations committees, the chairs of the legislative transportation committees, each member of the Legislature who represents a district affected by the proposed amendment, each metropolitan planning organization affected by the proposed amendment, and each unit of local government affected by the proposed amendment. Such proposed amendment shall provide a complete justification of the need for the proposed amendment.

2. The Governor shall not approve a proposed amendment until 14 days following the notification required in subparagraph 1.

3. If either of the chairs of the legislative appropriations committees or the President of the Senate or the Speaker of the House of Representatives objects in writing to a proposed amendment within 14 days following notification and specifies the reasons for such objection, the Governor shall disapprove the proposed amendment ~~or shall submit the proposed amendment to the Administration Commission. The proposed amendment may be approved by the Administration Commission by a two-thirds vote of the members present with the Governor voting in the affirmative. In the absence of approval by the commission, the proposed amendment shall be automatically disapproved.~~

(e) Notwithstanding the requirements in ~~paragraphs~~ paragraph (d) and (g) and ss. 216.177(2) and 216.351, the secretary may request the Executive Office of the Governor to amend the adopted work program when an emergency exists, as defined in s. 252.34(3), and the emergency relates to the repair or rehabilitation of any state transportation facility. The Executive

Office of the Governor may approve the amendment to the adopted work program and amend that portion of the department's approved budget in the event that the delay incident to the notification requirements in paragraph (d) would be detrimental to the interests of the state. However, the department shall immediately notify the parties specified in paragraph (d) and shall provide such parties written justification for the emergency action within 7 days of the approval by the Executive Office of the Governor of the amendment to the adopted work program and the department's budget. In no event may the adopted work program be amended under the provisions of this subsection without the certification by the comptroller of the department that there are sufficient funds available pursuant to the 36-month cash forecast and applicable statutes.

(f) The department may authorize the investment of the earnings accrued and collected upon the investment of the minimum balance of funds required to be maintained in the State Transportation Trust Fund pursuant to paragraph (b). Such investment shall be limited as provided in s. 288.9607(7).

(g) Any work program amendment which also requires the transfer of fixed capital outlay appropriations between categories within the department or the increase of an appropriation category is subject to the approval of the Legislative Budget Commission. If a meeting of the Legislative Budget Commission cannot be held within 30 days of the department submitting an amendment to the Legislative Budget Commission, then the chair and vice chair of the Legislative Budget Commission may authorize such amendment to be approved pursuant to the provisions of s. 216.177.

Section 48. Subsection (2) of section 373.6065, Florida Statutes, is amended to read:

373.6065 Adoption benefits for water management district employees.—

(2) The Chief Financial Officer and the Department of Management Services shall transfer funds to water management districts to pay eligible water management district employees for these child adoption monetary benefits in accordance with s. 215.32(2)(c)5,~~(1)(e)5~~, as long as funds remain available for the program described under s. 110.152.

Section 49. Subsection (3) of section 381.0303, Florida Statutes, is amended to read:

381.0303 Health practitioner recruitment for special needs shelters.—

(3) REIMBURSEMENT TO HEALTH CARE PRACTITIONERS.—The Department of Health shall reimburse, subject to the availability of funds for this purpose, health care practitioners, as defined in s. 456.001, provided the practitioner is not providing care to a patient under an existing contract, and emergency medical technicians and paramedics licensed pursuant to chapter 401 for medical care provided at the request of the department in special needs shelters or at other locations during times of emergency or major disaster. Reimbursement for health care practitioners, except for physicians licensed pursuant to chapter 458 or chapter 459, shall be based on

the average hourly rate that such practitioners were paid according to the most recent survey of Florida hospitals conducted by the Florida Hospital Association. Reimbursement shall be requested on forms prepared by the Department of Health. If a Presidential Disaster Declaration has been made, and the Federal Government makes funds available, the department shall use such funds for reimbursement of eligible expenditures. In other situations, or if federal funds do not fully compensate the department for reimbursement made pursuant to this section, the department shall process ~~submit to the Cabinet or Legislature, as appropriate,~~ a budget amendment to obtain reimbursement from unobligated, unappropriated moneys in the General Revenue working capital Fund. Travel expense and per diem costs shall be reimbursed pursuant to s. 112.061.

Section 50. Subsection (3) of section 392.69, Florida Statutes, is amended to read:

392.69 Appropriation, sinking, and maintenance trust funds; additional powers of the department.—

(3) In the execution of its public health program functions, notwithstanding s. 216.292(2)(b) ~~2.(4)(b)~~, the department is hereby authorized to use any sums of money which it may heretofore have saved or which it may hereafter save from its regular operating appropriation, or use any sums of money acquired by gift or grant, or any sums of money it may acquire by the issuance of revenue certificates of the hospital to match or supplement any state or federal funds, or any moneys received by said department by gift or otherwise, for the construction or maintenance of additional facilities or improvement to existing facilities, as the department deems necessary.

Section 51. Subsection (5) of section 409.906, Florida Statutes, is amended to read:

409.906 Optional Medicaid services.—Subject to specific appropriations, the agency may make payments for services which are optional to the state under Title XIX of the Social Security Act and are furnished by Medicaid providers to recipients who are determined to be eligible on the dates on which the services were provided. Any optional service that is provided shall be provided only when medically necessary and in accordance with state and federal law. Optional services rendered by providers in mobile units to Medicaid recipients may be restricted or prohibited by the agency. Nothing in this section shall be construed to prevent or limit the agency from adjusting fees, reimbursement rates, lengths of stay, number of visits, or number of services, or making any other adjustments necessary to comply with the availability of moneys and any limitations or directions provided for in the General Appropriations Act or chapter 216. If necessary to safeguard the state's systems of providing services to elderly and disabled persons and subject to the notice and review provisions of s. 216.177, the Governor may direct the Agency for Health Care Administration to amend the Medicaid state plan to delete the optional Medicaid service known as "Intermediate Care Facilities for the Developmentally Disabled." Optional services may include:

(5) CASE MANAGEMENT SERVICES.—The agency may pay for primary care case management services rendered to a recipient pursuant to a federally approved waiver, and targeted case management services for specific groups of targeted recipients, for which funding has been provided and which are rendered pursuant to federal guidelines. The agency is authorized to limit reimbursement for targeted case management services in order to comply with any limitations or directions provided for in the General Appropriations Act. ~~Notwithstanding s. 216.292, the Department of Children and Family Services may transfer general funds to the Agency for Health Care Administration to fund state match requirements exceeding the amount specified in the General Appropriations Act for targeted case management services.~~

Section 52. Subsection (11) of section 409.912, Florida Statutes, is amended to read:

409.912 Cost-effective purchasing of health care.—The agency shall purchase goods and services for Medicaid recipients in the most cost-effective manner consistent with the delivery of quality medical care. To ensure that medical services are effectively utilized, the agency may, in any case, require a confirmation or second physician's opinion of the correct diagnosis for purposes of authorizing future services under the Medicaid program. This section does not restrict access to emergency services or poststabilization care services as defined in 42 C.F.R. part 438.114. Such confirmation or second opinion shall be rendered in a manner approved by the agency. The agency shall maximize the use of prepaid per capita and prepaid aggregate fixed-sum basis services when appropriate and other alternative service delivery and reimbursement methodologies, including competitive bidding pursuant to s. 287.057, designed to facilitate the cost-effective purchase of a case-managed continuum of care. The agency shall also require providers to minimize the exposure of recipients to the need for acute inpatient, custodial, and other institutional care and the inappropriate or unnecessary use of high-cost services. The agency may mandate prior authorization, drug therapy management, or disease management participation for certain populations of Medicaid beneficiaries, certain drug classes, or particular drugs to prevent fraud, abuse, overuse, and possible dangerous drug interactions. The Pharmaceutical and Therapeutics Committee shall make recommendations to the agency on drugs for which prior authorization is required. The agency shall inform the Pharmaceutical and Therapeutics Committee of its decisions regarding drugs subject to prior authorization. The agency is authorized to limit the entities it contracts with or enrolls as Medicaid providers by developing a provider network through provider credentialing. The agency may limit its network based on the assessment of beneficiary access to care, provider availability, provider quality standards, time and distance standards for access to care, the cultural competence of the provider network, demographic characteristics of Medicaid beneficiaries, practice and provider-to-beneficiary standards, appointment wait times, beneficiary use of services, provider turnover, provider profiling, provider licensure history, previous program integrity investigations and findings, peer review, provider Medicaid policy and billing compliance records, clinical and medical record audits, and other factors. Providers shall not be entitled to enroll-

ment in the Medicaid provider network. The agency is authorized to seek federal waivers necessary to implement this policy.

(11) The agency, after notifying the Legislature, may apply for waivers of applicable federal laws and regulations as necessary to implement more appropriate systems of health care for Medicaid recipients and reduce the cost of the Medicaid program to the state and federal governments and shall implement such programs, after legislative approval, within a reasonable period of time after federal approval. These programs must be designed primarily to reduce the need for inpatient care, custodial care and other long-term or institutional care, and other high-cost services.

(a) Prior to seeking legislative approval of such a waiver as authorized by this subsection, the agency shall provide notice and an opportunity for public comment. Notice shall be provided to all persons who have made requests of the agency for advance notice and shall be published in the Florida Administrative Weekly not less than 28 days prior to the intended action.

~~(b) Notwithstanding s. 216.292, funds that are appropriated to the Department of Elderly Affairs for the Assisted Living for the Elderly Medicaid waiver and are not expended shall be transferred to the agency to fund Medicaid-reimbursed nursing home care.~~

Section 53. Section 409.16745, Florida Statutes, is amended to read:

409.16745 Community partnership matching grant program.—It is the intent of the Legislature to improve services and local participation in community-based care initiatives by fostering community support and providing enhanced prevention and in-home services, thereby reducing the risk otherwise faced by lead agencies. There is established a community partnership matching grant program to be operated by the Department of Children and Family Services for the purpose of encouraging local participation in community-based care for child welfare. Any children's services council or other local government entity that makes a financial commitment to a community-based care lead agency is eligible for a grant upon proof that the children's services council or local government entity has provided the selected lead agency at least \$250,000 from any local resources otherwise available to it. The total amount of local contribution may be matched on a two-for-one basis up to a maximum amount of \$2 million per council or local government entity. Awarded matching grant funds may be used for any prevention or in-home services provided by the children's services council or other local government entity that meets temporary-assistance-for-needy-families' eligibility requirements and can be reasonably expected to reduce the number of children entering the child welfare system. ~~To ensure necessary flexibility for the development, start up, and ongoing operation of community-based care initiatives, the notice period required for any budget action authorized by the provisions of s. 20.19(5)(b), is waived for the family safety program;~~ however, the Department of Children and Family Services must provide copies of all such actions to the Executive Office of the Governor and Legislature within 72 hours of their occurrence. Funding available for the matching grant program is subject to legislative appropriation of nonrecurring funds provided for the purpose.

Section 54. Subsection (2) of section 468.392, Florida Statutes, is amended to read:

468.392 Auctioneer Recovery Fund.—There is created the Auctioneer Recovery Fund as a separate account in the Professional Regulation Trust Fund. The fund shall be administered by the Florida Board of Auctioneers.

(2) All payments and disbursements from the Auctioneer Recovery Fund shall be made by the Chief Financial Officer upon a voucher signed by the Secretary of Business and Professional Regulation or the secretary's designee. ~~Amounts transferred to the Auctioneer Recovery Fund shall not be subject to any limitation imposed by an appropriation act of the Legislature.~~

Section 55. Subsection (6) of section 475.484, Florida Statutes, is amended to read:

475.484 Payment from the fund.—

(6) All payments and disbursements from the Real Estate Recovery Fund shall be made by the Chief Financial Officer upon a voucher signed by the secretary of the department. ~~Amounts transferred to the Real Estate Recovery Fund shall not be subject to any limitation imposed by an appropriation act of the Legislature.~~

Section 56. Paragraph (b) of subsection (7) of section 631.141, Florida Statutes, is amended to read:

631.141 Conduct of delinquency proceeding; domestic and alien insurers.—

(7)

(b) In the event that initiation of delinquency proceedings does not result in appointment of the department as receiver, or in the event that the funds or assets of an insurer for which the department is appointed as receiver are insufficient to cover the cost of compensation to special agents, counsel, clerks, or assistants and all expenses of taking, or attempting to take, possession of the insurer, and of conducting the proceeding, there is appropriated, upon approval of the Chief Financial Officer and of the Legislative Budget Commission pursuant to chapter 216, from the Insurance Regulation Trust Fund to the Division of Rehabilitation and Liquidation a sum that is sufficient to cover the unreimbursed costs.

Section 57. Paragraph (b) of subsection (9) of section 921.001, Florida Statutes, is amended to read:

921.001 Sentencing Commission and sentencing guidelines generally.—

(9)

(b) On or after January 1, 1994, any legislation which:

1. Creates a felony offense;

2. Enhances a misdemeanor offense to a felony offense;
3. Moves a felony offense from a lesser offense severity level to a higher offense severity level in the offense severity ranking chart in s. 921.0012; or
4. Reclassifies an existing felony offense to a greater felony classification

must provide that such a change result in a net zero sum impact in the overall prison population, as determined by the Legislature, considering the most recent estimates of the Criminal Justice Estimating Conference, unless the legislation contains a funding source sufficient in its base or rate to accommodate such change or a provision which specifically abrogates the application of this paragraph.

Section 58. Subsection (3) of section 943.61, Florida Statutes, is amended to read:

943.61 Powers and duties of the Capitol Police.—

(3) ~~Notwithstanding the provisions of chapter 216, no assets, personnel, or resources shall be taken from the Capitol Police, and no appropriation to the Capitol Police shall be reduced without the express approval of the Governor and the Legislative Budget Commission.~~ Nothing herein limits the ability of the Capitol Police to provide mutual aid to other law enforcement agencies as authorized by law unless such a limitation is expressly included in the operational security plans provided for herein.

Section 59. Paragraph (a) of subsection (4) of section 1003.03, Florida Statutes, is amended to read:

1003.03 Maximum class size.—

(4) ACCOUNTABILITY.—

(a) Beginning in the 2003-2004 fiscal year, if the department determines for any year that a school district has not reduced average class size as required in subsection (2) at the time of the third FEFP calculation, the department shall calculate an amount from the class size reduction operating categorical which is proportionate to the amount of class size reduction not accomplished. Upon verification of the department's calculation by the Florida Education Finance Program Appropriation Allocation Conference, the Executive Office of the Governor shall transfer undistributed funds equivalent to the calculated amount from the district's class size reduction operating categorical to an approved fixed capital outlay appropriation for class size reduction in the affected district pursuant to s. 216.292(2)(d)(13). The amount of funds transferred shall be the lesser of the amount verified by the Florida Education Finance Program Appropriation Allocation Conference or the undistributed balance of the district's class size reduction operating categorical. However, based upon a recommendation by the Commissioner of Education that the State Board of Education has reviewed evidence indicating that a district has been unable to meet class size reduction requirements despite appropriate effort to do so, the Legislative Budget Commission may approve an alternative amount of funds to be transferred from

the district's class size reduction operating categorical to its approved fixed capital outlay account for class size reduction.

Section 60. Paragraph (a) of subsection (1) of section 1009.536, Florida Statutes, is amended to read:

1009.536 Florida Gold Seal Vocational Scholars award.—The Florida Gold Seal Vocational Scholars award is created within the Florida Bright Futures Scholarship Program to recognize and reward academic achievement and career preparation by high school students who wish to continue their education.

(1) A student is eligible for a Florida Gold Seal Vocational Scholars award if the student meets the general eligibility requirements for the Florida Bright Futures Scholarship Program and the student:

(a) Completes the secondary school portion of a sequential program of studies that requires at least three secondary school career credits taken over at least 2 academic years, and is continued in a planned, related post-secondary education program. If the student's school does not offer such a two-plus-two or tech-prep program, the student must complete a job-preparatory career education program selected by ~~the Workforce Estimating Conference or~~ Workforce Florida, Inc., for its ability to provide high-wage employment in an occupation with high potential for employment opportunities. On-the-job training may not be substituted for any of the three required career credits.

Section 61. Subsection (2) of section 1013.512, Florida Statutes, is amended to read:

1013.512 Land Acquisition and Facilities Advisory Board.—

(2) If the director of the Office of Program Policy Analysis and Government Accountability (OPPAGA) or the Auditor General determines in a review or examination that significant deficiencies exist in a school district's land acquisition and facilities operational processes, he or she shall certify to the President of the Senate, the Speaker of the House of Representatives, the Legislative Budget Commission, and the Governor that the deficiency exists. Upon recommendation by the Governor, the Legislative Budget Commission shall approve or disapprove the placement of ~~determine whether funds for the school district funds will be placed~~ in reserve until the deficiencies are corrected.

Section 62. Any undisbursed appropriations made from the Working Capital Fund, previously created in section 215.32, Florida Statutes, are reappropriated from unallocated moneys in the General Revenue Fund; any appropriations made to the Working Capital Fund are reappropriated to the General Revenue Fund; and any references to the Working Capital Fund in SB 2600 or SB 2602, or similar legislation, shall be replaced with "the General Revenue Fund." It is the intent of the Legislature that the provisions of this section control in the event SB 2600 or SB 2602, or other similar legislation, are enacted subsequently during the 2005 Regular Session. This section expires July 1, 2006.



Section 63. Sections 216.1825, 216.183, and 288.1234, Florida Statutes, are repealed.

Section 64. Except as otherwise provided herein, this act shall take effect July 1, 2005.

Approved by the Governor June 8, 2005.

Filed in Office Secretary of State June 8, 2005.