



The Florida Senate

Interim Project Report 2000-40

September 1999

Committee on Fiscal Policy

Senator Roberto Casas, Chairman

IMPROVING THE QUALITY AND EFFICIENCY OF THE MEMBER PROJECT PROCESS

SUMMARY

A fundamental aspect of representative democracy is the right of citizens to bring their concerns to their elected representatives with the expectation that those concerns will receive attention and, when appropriate, redress. Many concerns voiced by the electorate involve unmet funding needs that, in their view, require the application of state revenue. Some of those needs are recognized by state agencies that include funding for them in their Legislative Budget Requests. Others, however, are not recognized or addressed by state agencies, for reasons that may have little to do with their significance to local citizens. When this occurs, the vehicle available to members of the Legislature is the member project budgeting process.

Senators view the member project process as an appropriate mechanism for addressing local needs in the state budget and that needs identified through this process are as valid as those identified by state agencies.

However, this view of member projects is not reflected in the media or through public opinion polls. To change public perception that all member project requests, irrespective of public benefit, are "turkeys," the Legislature will need to redesign its approach and strategy for addressing priority local budget needs.

A survey was conducted of Senators, district staff and staff of the Senate's Budget and Fiscal Policy Committees to gather information upon which to base recommendations for change in the definition, application form, criteria, analysis process, tracking and reporting systems, and review procedures for member projects. Through the survey, Senators and staff indicated the following:

- C Member projects should be local or regional in scope, but should be based on need and linked to a statewide interest.
- C In making member project funding decisions, the Legislature should determine if the project would meet a documented need, provide a public benefit,

protect the state's investment and produce measurable results.

- C Member projects that address a priority statewide interest and meet established criteria should be subjected to the same budgeting strategy as similar projects submitted by executive or judicial branch agencies.
- C The application form should be simplified and redesigned for completion and transmission electronically.
- C Members should present their priority projects in public hearings before legislative committees.
- C To the greatest extent possible, the Senate and House should use the same definition, application form and tracking process for member projects. Coordination with the Governor on project criteria might be useful to reduce the magnitude of future veto actions.

BACKGROUND

The practice of addressing local needs through Florida's state budget dates back at least to the beginning of this century. The 1901 edition of Laws of Florida includes a general law appropriating funds to secure evidence of selling liquor without a license in Leesburg. The number of appropriations bills for what today would be called "member projects" increased from three in 1911 to fifteen in 1931. However, in the late 1930s and early 1940s, the number of separate appropriation bills for local issues decreased as those issues were incorporated into the General Appropriations Act (GAA). By 1971 the incorporation process was virtually complete, and the only appropriations made outside the GAA were in claim bills.

The number of specific appropriations for local issues increased steadily over the next 20 years. By 1991 the number and dollar value of requests for these appropriations had reached a magnitude that caused the

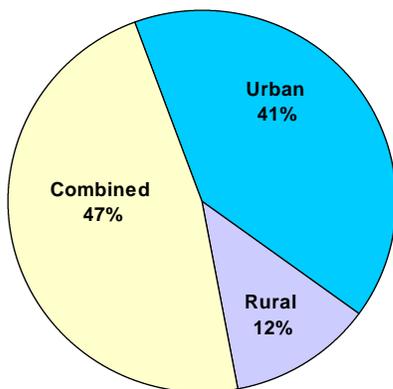
leadership of both houses to collaborate on a member project application and review process that included a definition, application form, review criteria and hearings. This joint process was used for two Sessions, after which both houses took separate paths.

During the first administration of Senate President Toni Jennings (1996-1998), Appropriations Committee Chair Senator Donald Sullivan developed several options for consideration by the members to bring better focus to the member project process. Upon beginning her second term as Senate President, Senator Jennings charged the newly-established Committee on Fiscal Policy to propose a better member project process for the Senate. Using the process developed in 1991 as a starting point, the Committee produced a definition, application form, review criteria and a public review process that were subsequently adopted for the 1999 Session. Members and staff agree that this process was labor intensive and frustrating. However, it produced better documentation and tracking of member project requests.

The purpose of this interim project is to improve all aspects of the 1999 process to achieve a result that is more reflective of member priority concerns and more credible to the public.

METHODOLOGY

A survey was conducted of members and district staff to assess the 1999 member project process. Responses were received from 23 Senators and 38 district legislative assistants. The characteristics of districts served by survey respondents are depicted in the following chart:



Survey results are summarized as findings for this report.

To identify opportunities for improved efficiency and productivity, a survey was also conducted of Senate Fiscal Group staff. Results of this survey are also included as findings.

FINDINGS

C Definition

Chapter 216.052(3), Florida Statutes, contains the following language that formed the basis for the definition of “member project” that was used for the 1999 Session:

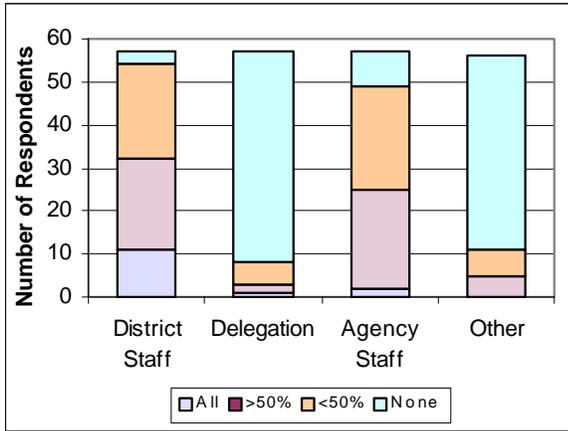
“...a state appropriation for a program, service, or capital outlay initiative that has not been formally recommended under procedures established by law or that has been formally recommended under such procedures but has not been recommended by an agency or by the judicial branch, or that promotes only a local or regional interest . . .”

Only 36% of the Senators who responded to the survey were satisfied with this definition. No agreement was evident among those dissatisfied as to whether the definition was too broad or too narrow. However, all Senators and most of the district staff who indicated dissatisfaction provided suggestions for modifying the definition. The themes emerging from their suggestions can be summarized as:

1. *Member projects should be local or regional in scope but should address statewide priority interests.*
2. *It should not matter whether or not an executive branch agency includes the project in its legislative budget request (LBR).*
3. *Each project should be expected to produce measurable results, and*
4. *Projects should have tangible community support.*

C Application Form

As reflected in the following chart, most member project application forms were completed by district staff or staff of the requesting agency.



Of those respondents who said that they had personally completed the member project form, nearly half indicated that they had some difficulty, most often with the financial section. Although an electronic version of the form was available, only nine of 61 respondents reported using it. A majority of those who did not use the electronic form indicated that they did not know it was available. The rest stated a preference for the paper version of the form.

Reaction of Senate Fiscal Group (SFG) staff to the application form was similar to that from members and district staff. Most were dissatisfied with the current form, particularly in the financial section. However, a more pressing concern for SFG staff was that the time required to reenter data from paper forms to the tracking system meant that little analysis could be done on the project applications. This problem could be eliminated by converting to an electronic form that could be used by district offices and by other local entities who may prepare applications for members to submit.

C Criteria

Seven criteria were used to review member projects for the 1999 Session:

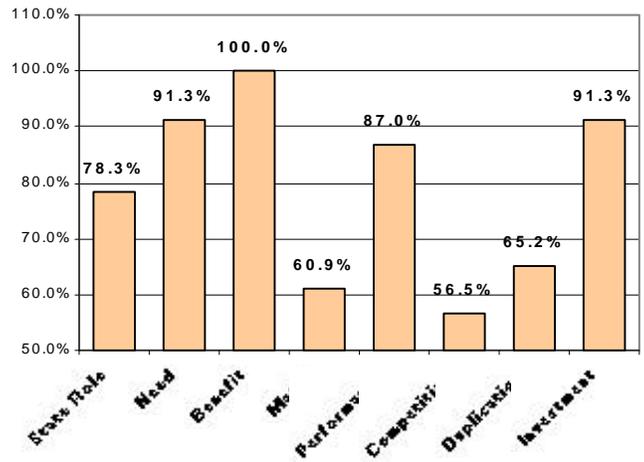
- Need
- Public Review
- Funding (match, previous funding history)
- Performance Record of agency receiving funds
- Impact on Competition
- Duplication of Services
- Protecting State's Investment

The survey presented members and district staff a similar list of criteria and asked them to rate their

degree of agreement with applying each of the criteria to member projects for the 2000 Session. The criteria choices offered the members were:

- Appropriate Role for State Government
- Need
- Public Benefit
- Availability of Matching Funds
- Performance Record of Recipient Agency
- Impact on Competition
- Duplication of Services
- Protecting the State's Investment

The following chart shows the percentage of members who agree or strongly agree that a particular criterion should be applied:



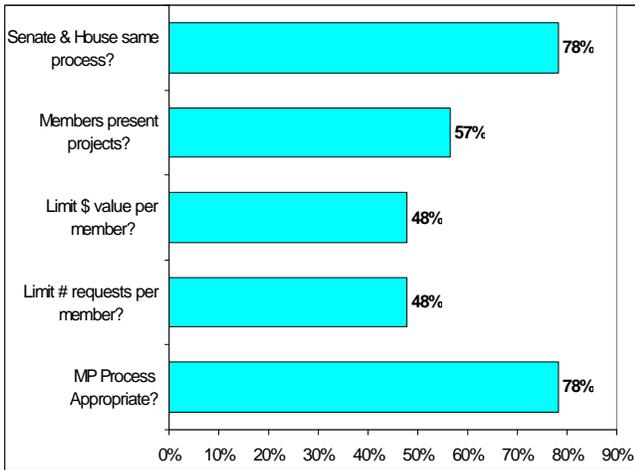
Through their responses, members indicated that each project application should be evaluated based on the degree to which it addresses documented need, produces public benefit, supports agencies with positive performance records, and protects the state's investment.

C Process

Members and district staff were given five process options to consider.

1. Is the member project process an appropriate way for local and regional funding needs to be addressed by the Senate?
2. Should there be a limit on the number of project requests each Senator can submit?
3. Should there be a limit on the total dollar value of projects each Senator can submit?
4. Should Senators present their project requests to the appropriate fiscal committee(s) in a public hearing?

5. Should the Senate and House use the same definition, form and criteria for member projects?



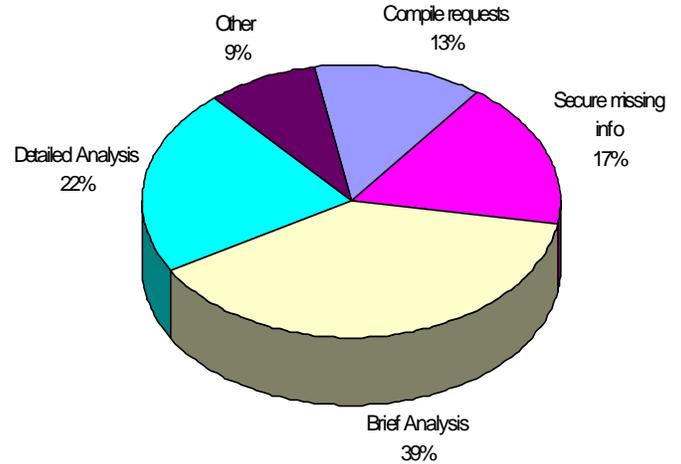
As reflected in the chart above, *there was only modest support by members and district staff (48%) for limiting the number or dollar value of a Senator’s member project requests. A majority (57%) of members favor having members present their project requests in a public committee hearing. Seventy-eight percent (78%) of the members agree or strongly agree that the member project process is an appropriate way for local and regional funding needs to be addressed, and that the House and Senate should use the same definition, form and criteria for member projects.*

C Staff Analysis

Members and district staff were given several options to consider regarding the breadth and depth of staff analysis for member projects which reflect a gradually increasing level of complexity:

1. Compile and report member project requests.
2. Secure information missing from requests.
3. Prepare a brief analysis.
4. Prepare a detailed analysis.
5. Other analysis. (Respondents were asked to specify any other type of analysis they desired.)

The distribution of Senators’ preferences regarding analysis is shown in the chart below:



A majority(67%) of Senators opted for either a brief or detailed analysis. It should be noted that members who chose “Other Analysis” most often described “other” as a combination of the other four options.

C Other Findings

Time Frame

Survey responses from members, district staff and Fiscal Group staff included numerous complaints regarding the compressed time frame followed in 1999 for requesting and reviewing member projects and suggestions that an expanded schedule would produce better results.

Legislative Role in Appropriations

There were also many comments on the importance of the legislative role in making appropriations decisions versus the role of executive agencies, particularly from the perspective that agency recommendations are accorded validity by the public and the media that is inappropriately denied to member budget projects.

Structure of Member Project Process

Frustration was expressed by members and district staff that all member projects are defined as “turkeys” regardless of the need for or quality of the request. Several members expressed a desire to create a more open and objective process, and others included suggestions for changing the way projects are displayed in the GAA.

Coordination with Governor on Criteria

The Governor’s vetoes engendered several suggestions for better coordination with his office on the criteria for member projects, so that members will know what types of projects have the best chance of avoiding veto. Two members expressed the opinion that the member project process had brought more attention to them and had made the projects easier for the Governor to veto.

Support from Fiscal Group Staff

There was some dissatisfaction noted by members and district staff with the support they received from staff of the Fiscal Group during the member project process. One member expressed the view that staff often opposed a member’s project(s) and that the member was not informed as to why the opposition existed. Specific suggestions for improving support included better staff availability for consultation while forms are being completed, improved tracking and progress reporting to members, and more public and objective critique of projects.

RECOMMENDATIONS

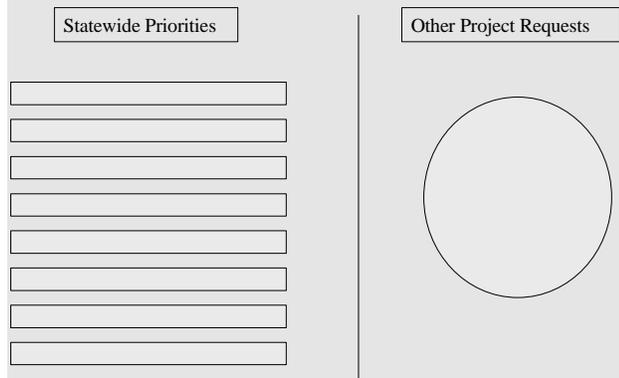
1. “Member Project” should be defined as: *A budget request that is local or regional in scope, addresses an issue of statewide concern, is intended to produce measurable results and has tangible local support.* (Evidence of tangible local support could be local match, either cash or in-kind.)
2. The criteria used to assess the appropriateness of a member project request should include:
 - C Need that is documented by a credible and objective source.
 - C Public benefit that will result from the project.
 - C Performance record of the organization that will receive the funds.
 - C Protection of the state’s investment.
3. The Senate’s process for member projects should include the following components:
 - C All proposed member projects should be approved by the appropriate legislative delegation prior to being submitted to the Senate.
 - C Only one member of each house should submit a request for a specific project.

- C Senators should present their priority member project requests at a meeting of the appropriate fiscal committee.
4. The application form should be redesigned to incorporate the following features:
 - C Electronic data entry and submission;
 - C Additional space for data entry;
 - C Simplified financial section;
 - C Collection of information related to Senate criteria for reviewing requests; and
 - C More complete and user-friendly instructions.
 5. Staff should prepare an analysis of each member project request that includes, but is not limited to:
 - C Anticipated fiscal impact of the project for the budget year and future years;
 - C Assessment of the degree to which the request conforms to Senate review criteria;
 - C Relevant Information about the fiscal or policy context for the request, i.e., funding history for similar requests, linkage to other funding initiatives, potential policy implications.
 6. Senators should be given a minimum of two months to submit requests for member projects. The period of November 15, 1999, to January 17, 2000, is proposed to synchronize with the probable schedule for budget production. This proposed time frame would allow three weeks for staff analysis prior to budget committee hearings in February.
 7. Fiscal Group staff should provide an initial summary report to each member after all member project requests have been entered into the tracking system. Members should be given ample time to review the report and identify any inaccuracies. Staff should correct the inaccuracies and provide a revised summary report to the member. After budget subcommittees have submitted their recommendations to the full Budget Committee, members should be provided a summary report that indicates the status of their requests.
 8. The Senate and House should endeavor to adopt the same definition, application form, review criteria, and budget presentation strategy for member projects. The Governor’s office should be advised of the Legislature’s member project approach for FY 2000-2001 as soon as decisions are reached and

should, in turn, be requested to share with the Legislature the approach he intends to take in evaluating the merits of member requests.

and legislators concerning local and regional priority issues that were not included in agency requests.

- 9. As to the structure of the member project process, it is recommended that a strategy be developed which links a member project request to a statewide budget priority to the greatest possible extent. Those project requests that cannot be clearly linked to a statewide budget priority should be associated with a single lump sum budget issue in each budget entity. This structure is depicted by the following graphic:



- 10. Chapter 216.052, Florida Statutes, should be revised to reflect changes in definition and process that are adopted by the House and Senate. Consideration should also be given to including language in the revision that would require the Governor’s budget recommendations to address member project requests in the same manner as agency budget requests are addressed. Inasmuch as member project requests have the same degree of statutory authorization as do agency requests, it is appropriate that the Governor’s recommendations address both types of requests. While this change would require the Legislature to accelerate its timetable for member project requests, it could result in better and earlier communication between the Governor

COMMITTEE(S) INVOLVED IN REPORT *(Contact first committee for more information.)*

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MEMBER OVERSIGHT

Senators Roberto Casas and Tom Rossin