

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Ways and Means Committee

BILL: CS/SB 2146

SPONSOR: Ways and Means Committee and Senator Atwater

SUBJECT: State Planning and Budgeting

DATE: March 31, 2005

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Gilreath</u>	<u>Johansen</u>	<u>GE</u>	Favorable
2.	<u>Herring</u>	<u>Coburn</u>	<u>WM</u>	Fav/CS
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill revises statutes relating to the Legislative Budget Commission to be consistent with Senate Joint Resolution 2144. The Commission will continue to operate essentially as it does now. Membership remains at 7 Senators and 7 Representatives. The chair of the commission will be appointed in alternate years by the President of the Senate and the vice chair appointed by the Speaker of the House of Representatives (instead of the chairs of the appropriations committees serving as chair and vice chair); in alternate years, appointing authority is reversed.

The bill directs the commission to develop a long-range 3-year financial outlook which will be updated each year with the assistance of each state agency providing information to support the commission's development and updates of the long-range financial outlook. The bill establishes a detailed calendar for commission development of the fiscal strategies of the financial outlook and the required agency response to the financial outlook. The bill prescribes a plan to ensure an integrated state planning and budget process to assure consistency between the agency's long-range plan and the agency's legislative budget request.

The bill also creates a Government Efficiency Task Force in 2007, and every 4 years thereafter, composed of legislators and private sector appointees, to make recommendations to improve government and reduce costs.

This bill takes effect upon the effective date of the amendment to the State Constitution contained in Senate Joint Resolution 2144, or a similar constitutional amendment.

This bill amends sections 11.90, 29.0095, 110.1245, 216.011, 216.012, 216.023, 216.065, 216.162, and 216.262; creates section 11.91; and repeals Section 409.912(5), Florida Statutes.

II. Present Situation:

The Legislative Budget Commission (Commission) was created in 2000 primarily to consider budget amendments proposed by the Governor and to conduct zero-based budget reviews of state agencies. Its authority has been expanded since then to encompass a number of actions that require legislative review during the interim between sessions. The most significant expansion of the Commission's authority occurred in 2001 when it was required to consider more budget amendments, including those increasing or transferring trust fund budget authority in excess of \$1 million.

Currently, the Commission is not charged with the responsibility or duty to issue a long-range financial outlook establishing fiscal strategies for the state and its departments and agencies. Each department and agency of state government is required to submit a planning document and supporting budget request for review by the appropriations committees of both houses. The present review only contemplates a comparison of the major issues in the planning document and budget requests to those major issues included in the governor's recommended budget.

The Commission also performs other miscellaneous functions.

III. Effect of Proposed Changes:

This bill conforms current statutes concerning the Commission to the provisions of Senate Joint Resolution 2144.

Section 1 amends s. 11.90, F.S., to revise the law creating the Legislative Budget Commission, consistent with the requirements of Senate Joint Resolution 2144. The Commission will continue to operate essentially as it does now. Membership remains at 7 Senators and 7 Representatives. The chairperson of the commission will be appointed by the President of the Senate and the vice chairperson appointed by the Speaker of the House of Representatives (instead of the chairs of the appropriations committees); in alternate years, the chairperson of the commission will be appointed by the Speaker of the House of Representatives and the vice chairperson appointed by the President of the Senate. The Commission will convene at the call of the presiding officers (instead of the chair and vice chair). A quorum will continue to be a majority of the members from each house plus one additional member of either house. The Commission will be staffed by legislative staff (instead of appropriations committee staff).

The Commission will have the power and duty to:

- 1) review and approve budget amendments proposed by the Governor or the Chief Justice of the Supreme Court as provided in Chapter 216, F.S.;
- 2) develop the long-range financial outlook required by the Senate Joint Resolution; and
- 3) review information resource management needs identified in agency long-range plans to ensure consistency with the State Annual Report on Enterprise Resource Planning and Management and statewide policies adopted by the State Technology Office; and
- 4) exercise all other powers and perform any other duties prescribed by the Legislature.

Section 2 creates s. 11.91, F.S., to create the Government Efficiency Task Force required in the Senate Joint Resolution. The task force will convene no later than January of 2007, and each

fourth year thereafter. The task force will be composed of 13 members. Five members will be appointed by the President of the Senate, 5 members will be appointed by the Speaker of the House of Representatives, and 3 members will be appointed by the Governor. Members of the task force may include private sector representatives. The joint task force will elect a chair from among its members. The joint task force will meet at least quarterly at the call of the chair and may conduct its meetings through teleconferences or other similar means. The task force staff will be assigned by the Governor, the President of the Senate, and the Speaker of the House of Representatives. The task force will develop recommendations for improving governmental operations and reducing costs and complete its work within one year. The task force may submit all or part of its recommendations at any time during the year but a final report summarizing its recommendations must be submitted at the completion of its work to the chair and vice-chair of the Legislative Budget Commission, the Governor, and the Chief Justice of the Supreme Court.

Section 3 amends s. 29.0095, F.S., to require the legislative appropriations committees, instead of the Commission, to set the format for budget expenditure reports.

Section 4 amends s. 110.1245, F.S., to correct references to the "Legislative Budgeting Commission."

Section 5 amends s. 216.011, F.S., to narrow the definition of "consultation" with the Governor to include only fiscal matters. In addition "long-range financial outlook" is defined consistent with the requirements of the Senate Joint Resolution as the 3-year plan, updated annually using official information on revenues and expenditures and used as the framework for agency legislative budget requests.

Section 6 amends s. 216.012, F.S., to require the Commission to develop the long-range financial outlook required in the Senate Joint Resolution. The Commission will provide fiscal strategies by July 1; the agencies will provide funding estimates by July 31; the Commission will accept, reject, or modify the estimates by August 15; agencies will provide required modifications by August 31; then the Commission will issue the final plan by September 15.

Section 7 amends s. 216.023, F.S., to specify that a state agency may not submit its complete legislative budget request later than October 15 of any year; the legislative budget request must reflect the long-range financial outlook adopted by the Commission; and the legislative budget instructions must provide for consistency between agency long-range plans and agency legislative budget requests.

Section 8 amends s. 216.065, F.S., requires that the Commission and legislative appropriations committees be provided a fiscal impact statement that details the effect of any action taken by the Governor, Governor and Cabinet, state agency, or statutorily authorized entity, that will affect revenues, require a request for an increased or new appropriation in the following 3 fiscal years, or transfer current years funds, before such action is taken

Section 9 amends s. 216.162, F.S., requires that the Governor's recommended budget be furnished to the Legislature at least 30 days before the scheduled annual legislative session or such later date as is requested by the Governor and approved in writing by the President of the Senate and the Speaker of the House of Representatives.

Section 10 amends s.216.178, F.S., to extend the time for the production of the final budget report to 120 days after the beginning of the fiscal year. The final budget report reflects net appropriations for each budget item, as well as expenditures, revenues, and cash balances for the prior two years and estimated expenditures, revenues, and cash balances for the current year.

Section 11 amends s. 216.262, F.S., to correct references to the "Legislative Budgeting Commission."

Section 12 provides that the bill will take effect on the effective date of Senate Joint Resolution 2144.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
