

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.)

BILL: SB 1808

SPONSOR: Senator Posey

SUBJECT: State Planning and Budgeting

DATE: March 23, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wilson</u>	<u>Wilson</u>	<u>GO</u>	<u>Favorable</u>
2.	<u> </u>	<u> </u>	<u>JU</u>	<u> </u>
3.	<u> </u>	<u> </u>	<u>AGG</u>	<u> </u>
4.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>
5.	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6.	<u> </u>	<u> </u>	<u> </u>	<u> </u>

I. Summary:

The bill amends the state planning and budgeting statutes to provide additional reporting requirements for the executive and judicial branch agencies of state government on substantive and financial accountability measures.

This bill substantially amends section 216.023, Florida Statutes.

II. Present Situation:

Chapter 216, along with its companion ch. 215, Florida Statutes, set forth the financial and organizational underpinnings of revenue recognition and expenditure categories for both the operating and non-operating accounts of State of Florida agencies. Chapter 216, F.S., since its revision two years ago, is organized in a sequential fashion. Beginning with a definition of terms the chapter establishes the several process for the estimation of available revenues; specifies the respective duties of the Governor; the agencies reporting financial information to the Executive Office of the Governor; the Legislature in its deliberation over these amounts and recommendations; and adjustments and restrictions on the expenditure of funds from an appropriated budget. The chapter also creates the several trust funds established in Art. III, State Constitution.

Several sections of ch. 216, F.S., create the infrastructure for the development of five-year program plans along with their necessary input, output, and outcome expectations. These plans cover not only the operating needs of the agencies but also their capital requirements. Separate submissions are made by the executive and judicial branch agencies.

For the past several years the Legislature has engaged in a variety of planning and budgeting techniques, all of which attempt different strategies in the achievement of forecasting integrity, expenditure discipline, and achievement-based accountability. Chief among these has been Performance-Based Program Budgeting, or PB² and Zero-Based Budgeting, or ZBB. Both PB² and ZBB attempt to quantify results in terms of compliance with or departure from a baseline standard rather than in traditional money terms. ZBB takes this analysis one-step further and theoretically reshapes the agency's entire mission each budget cycle based upon documented needs, rather than increments of past appropriations practice.

III. **Effect of Proposed Changes:**

The bill amends s. 216.023, F.S., to amend the required information elements that are to be submitted in legislative budget requests. Each state agency and the judicial branch additionally shall submit a **one-page** summary of total accountability measures, as follows:

1. The final budget;
2. Total funds from the General Appropriations Act;
3. Adjustments to the General Appropriations Act;
4. A line-item listing 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. Administrative activities not aligned with output measures must be allocated prior to the computation of unit costs;
7. The cost per unit for each activity; and
8. The total amount of reversions and pass-through expenditures omitted from calculation data.

The bill also changes the time frame for the submission of a performance-based program budget request from the judicial branch from the current "prior to September 15" to a time specified in the legislative budget instructions sufficient for its inclusion in the Governor's Recommended Budget.

The act takes effect July 1, 2003.

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. Related Issues:

None.

VIII. Amendments:

None.

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