

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: SJR 2506

SPONSOR: Senator Lee

SUBJECT: Constitutional Amendments or Revisions; Requirements for State Budget Planning, Spending, and Accountability

DATE: March 15, 2004 REVISED: 03/17/04 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rubinas	Rubinas	EE	Fav/1 amendment
2.			AP	
3.			RC	
4.				
5.				
6.				

I. Summary:

Senate Joint Resolution 2506 limits the amount of nonrecurring general revenue which may be appropriated for recurring purposes in any fiscal year to 3 percent of the total general revenue funds available, unless otherwise approved by a three-fifths vote of the Legislature. The joint resolution also establishes a Joint Legislative Budget Commission which shall issue long-range fiscal plans and hold public hearings.

If the joint resolution is adopted, each state department and agency shall be required to submit a legislative budget request that is based upon and reflects the long-range fiscal plan adopted by the Joint Legislative Budget Commission.

Senate Joint Resolution 2506 also provides requirements for the governor in submitting a recommended budget and for state agencies in preparing and submitting budget requests. The joint resolution further provides for limited adjustments in the state budget, as provided by general law.

The joint resolution requires an amount equal to at least 5% of the last completed fiscal year's net revenue collections for the general revenue fund be retained in a budget stabilization fund.

The joint resolution also requires termination of a trust fund 4 years following its initial creation. The joint resolution provides for the preparation and biennial revision of a long-range state planning document.

Senate Joint Resolution 2506 also establishes a Government Efficiency Task Force and specifies its duties.

If approved by the voters, the joint resolution will take effect on January 4, 2005.

This joint resolution substantially amends the following section of the Florida Constitution: Article III, Section 19.

II. Present Situation:

Currently, there is no prohibition or limitation on the Legislature appropriating nonrecurring general revenue for recurring purposes in any fiscal year. Neither does there exist a joint Legislative Budget Commission with the purpose of issuing a long-range plan setting out fiscal goals and objectives of the state and its departments and agencies.

Currently, general law prescribes requirements for each department and agency of state government 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.

At the present time there exists a standing committee of the Legislature designated as the Legislative Budget Commission. The commission annually reviews the amount of state debt outstanding and submit to the leaders of both houses an advisory, non-binding estimate of the maximum amount of additional debt that may be prudently authorized during the current fiscal year, in addition to other duties.

The Legislative Budget Commission also currently prescribes the format of the budget expenditure reports chief judges of each judicial circuit, each state attorney, and each public defender submit to the governor and the leader of each house of the legislature. The current Legislative Budget Commission also approves proposed awards and amounts of money recommended for employees by each agency head based upon costs savings realized as a result of an employee or group of employee's efforts. The current Legislative Budget Commission, additionally, is apprised of positions eliminated by state agencies and has the ability to authorize agencies to retain 20 percent of the salary dollars associated with eliminated positions and, in fact, may authorize a greater percentage which may be used for permanent salary increases.

The Legislative Budget Commission also performs other miscellaneous functions.

III. Effect of Proposed Changes:

Senate Joint Resolution 2506 establishes a Joint Legislative Budget Commission. It also provides that no later than August 15, of each year, the Joint Legislative Budgeting Commission shall issue, as prescribed by general law or joint rule, a long-range plan setting out fiscal goals and objectives for the state and its departments and agencies.

The Joint Legislative Budgeting Commission shall issue instructions to the departments and agencies for developing legislative budget requests which shall be submitted by September 15 or such other date as set by the commission. Any submitted budget must be consistent with the

long-range fiscal plan and shall contain a prioritized listing of planned expenditures for review and possible reduction in the event of revenue shortfalls, all of which shall be defined by general law. The Joint Legislative Budgeting Commission shall hold public hearings and seek public input to permit each department and agency to provide an independent assessment of the needs reflected in its current budget request. The commission shall also review department and agency performance standards to ensure adequate and necessary information is available to the legislature in making policy and budget decisions.

The governor shall furnish a recommended balanced budget and supporting legislation to the legislature at least 40 days before the convening of the regular session or at such other date as the commission may establish.

The legislature shall also prescribe by general law the conditions under which limited adjustments to the budget, as recommended by the Governor or the Chief Justice of the Supreme Court, may be approved without the concurrence of the full legislature.

The joint resolution clarifies that all trust funds shall terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund.

There is created a Government Efficiency Task Force which will meet in January 2007, and each four years thereafter with legislative and private sector membership. The task force shall develop recommendations for improving governmental operations and reducing costs. The task force shall have one year to complete its work and submit its recommendations to the Joint Legislative Budgeting Commission, Governor, and Chief Justice of the Supreme Court.

An amount equal to at least 5% of the last completed fiscal year's net revenue collections for the general revenue fund shall be retained in a budget stabilization fund.

The legislature by general law shall provide for a long-range state planning document. The governor shall recommend to the legislature any revisions to the long-range state planning document and then there shall be a biennial review and revision of the document. All departments and agencies of state government shall be required by the plan to develop planning documents that identify statewide strategic goals and objectives consistent with the long-range state planning document.

The Joint Legislative Budgeting Commission may provide policies and goals that shall be incorporated into the long-range state planning document. The plan must also include projections of future needs and resources of the state which are consistent with the long-range fiscal plan.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

The joint resolution provides that trust funds shall terminate not longer than four years after the effective date of the act authorizing the initial creation of the trust fund.

D. Other Constitutional Issues:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Each constitutional amendment is required to be published in a newspaper of general circulation in each county, once in the sixth week and once in the tenth week preceding the general election. Costs for advertising vary depending upon the length of the amendment; however, the cost per amendment is estimated to be approximately \$35,000.

There will be indeterminate costs associated with meetings of the government efficiency task force for member travel and per diem and, if meetings are held outside Tallahassee, for appropriate staff.

VI. Technical Deficiencies:

On page 1, line 1, the resolution number needs to be inserted.

VII. Related Issues:

This joint resolution is linked to Senate Bill 2508.

VIII. Amendments:

#1 by Ethics and Elections:

Technical; inserts missing bill number.