

## House Joint Resolution

A joint resolution proposing an amendment to Section 19 of Article III of the State Constitution to increase the amount of funds that may be retained in the budget stabilization fund, require an annual transfer to the budget stabilization fund unless certain conditions are met, and allow the legislature to withdraw funds for critical state needs.

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

That the following amendment to Section 19 of Article III of the State Constitution is agreed to and shall be submitted to the electors of this state for approval or rejection at the next general election or at an earlier special election specifically authorized by law for that purpose:

## ARTICLE III

## LEGISLATURE

SECTION 19. State Budgeting, Planning and Appropriations Processes.—

(a) ANNUAL BUDGETING.

(1) General law shall prescribe the adoption of annual state budgetary and planning processes and require that detail reflecting the annualized costs of the state budget and reflecting the nonrecurring costs of the budget requests shall

26 accompany state department and agency legislative budget  
27 requests, the governor's recommended budget, and appropriation  
28 bills.

29       (2) Unless approved by a three-fifths vote of the  
30 membership of each house, appropriations made for recurring  
31 purposes from nonrecurring general revenue funds for any fiscal  
32 year shall not exceed three percent of the total general revenue  
33 funds estimated to be available at the time such appropriation  
34 is made.

35       (3) As prescribed by general law, each state department  
36 and agency shall be required to submit a legislative budget  
37 request that is based upon and that reflects the long-range  
38 financial outlook adopted by the joint legislative budget  
39 commission or that specifically explains any variance from the  
40 long-range financial outlook contained in the request.

41       (4) For purposes of this section, the terms department and  
42 agency shall include the judicial branch.

43       (b) APPROPRIATION BILLS FORMAT. Separate sections within  
44 the general appropriation bill shall be used for each major  
45 program area of the state budget; major program areas shall  
46 include: education enhancement "lottery" trust fund items;  
47 education (all other funds); human services; criminal justice  
48 and corrections; natural resources, environment, growth  
49 management, and transportation; general government; and judicial  
50 branch. Each major program area shall include an itemization of

51 expenditures for: state operations; state capital outlay; aid to  
52 local governments and nonprofit organizations operations; aid to  
53 local governments and nonprofit organizations capital outlay;  
54 federal funds and the associated state matching funds; spending  
55 authorizations for operations; and spending authorizations for  
56 capital outlay. Additionally, appropriation bills passed by the  
57 legislature shall include an itemization of specific  
58 appropriations that exceed one million dollars (\$1,000,000.00)  
59 in 1992 dollars. For purposes of this subsection, "specific  
60 appropriation," "itemization," and "major program area" shall be  
61 defined by law. This itemization threshold shall be adjusted by  
62 general law every four years to reflect the rate of inflation or  
63 deflation as indicated in the Consumer Price Index for All Urban  
64 Consumers, U.S. City Average, All Items, or successor reports as  
65 reported by the United States Department of Labor, Bureau of  
66 Labor Statistics or its successor. Substantive bills containing  
67 appropriations shall also be subject to the itemization  
68 requirement mandated under this provision and shall be subject  
69 to the governor's specific appropriation veto power described in  
70 Article III, Section 8.

71 (c) APPROPRIATIONS PROCESS.

72 (1) No later than September 15 of each year, the joint  
73 legislative budget commission shall issue a long-range financial  
74 outlook setting out recommended fiscal strategies for the state  
75 and its departments and agencies in order to assist the

76 legislature in making budget decisions. The long-range financial  
77 outlook must include major workload and revenue estimates. In  
78 order to implement this paragraph, the joint legislative budget  
79 commission shall use current official consensus estimates and  
80 may request the development of additional official estimates.

81       (2) The joint legislative budget commission shall seek  
82 input from the public and from the executive and judicial  
83 branches when developing and recommending the long-range  
84 financial outlook.

85       (3) The legislature shall prescribe by general law  
86 conditions under which limited adjustments to the budget, as  
87 recommended by the governor or the chief justice of the supreme  
88 court, may be approved without the concurrence of the full  
89 legislature.

90       (d) SEVENTY-TWO HOUR PUBLIC REVIEW PERIOD. All general  
91 appropriation bills shall be furnished to each member of the  
92 legislature, each member of the cabinet, the governor, and the  
93 chief justice of the supreme court at least seventy-two hours  
94 before final passage by either house of the legislature of the  
95 bill in the form that will be presented to the governor.

96       (e) FINAL BUDGET REPORT. A final budget report shall be  
97 prepared as prescribed by general law. The final budget report  
98 shall be produced no later than the 120th day after the  
99 beginning of the fiscal year, and copies of the report shall be  
100 furnished to each member of the legislature, the head of each

101 department and agency of the state, the auditor general, and the  
102 chief justice of the supreme court.

103 (f) TRUST FUNDS.

104 (1) No trust fund of the State of Florida or other public  
105 body may be created or re-created by law without a three-fifths  
106 vote of the membership of each house of the legislature in a  
107 separate bill for that purpose only.

108 (2) State trust funds shall terminate not more than four  
109 years after the effective date of the act authorizing the  
110 initial creation of the trust fund. By law the legislature may  
111 set a shorter time period for which any trust fund is  
112 authorized.

113 (3) Trust funds required by federal programs or mandates;  
114 trust funds established for bond covenants, indentures, or  
115 resolutions, whose revenues are legally pledged by the state or  
116 public body to meet debt service or other financial requirements  
117 of any debt obligations of the state or any public body; the  
118 state transportation trust fund; the trust fund containing the  
119 net annual proceeds from the Florida Education Lotteries; the  
120 Florida retirement trust fund; trust funds for institutions  
121 under the management of the Board of Governors, where such trust  
122 funds are for auxiliary enterprises and contracts, grants, and  
123 donations, as those terms are defined by general law; trust  
124 funds that serve as clearing funds or accounts for the chief  
125 financial officer or state agencies; trust funds that account

126 for assets held by the state in a trustee capacity as an agent  
127 or fiduciary for individuals, private organizations, or other  
128 governmental units; and other trust funds authorized by this  
129 Constitution, are not subject to the requirements set forth in  
130 paragraph (2) of this subsection.

131 (4) All cash balances and income of any trust funds  
132 abolished under this subsection shall be deposited into the  
133 general revenue fund.

134 (g) BUDGET STABILIZATION FUND.

135 (1) For purposes of this subsection, the term "revenue  
136 collections" means the last completed fiscal year's net revenue  
137 collections for the general revenue fund.

138 (2) Subject to the provisions of this subsection, an  
139 amount equal to at least 5% of ~~the last completed fiscal year's~~  
140 ~~net revenue collections for the general revenue fund~~ shall be  
141 retained in the budget stabilization fund. The budget  
142 stabilization fund's principal balance shall not exceed an  
143 amount equal to 25% ~~10% of the last completed fiscal year's net~~  
144 ~~revenue collections for the general revenue fund.~~

145 (3) The legislature shall transfer the lesser of \$750  
146 million or the amount required to increase the principal balance  
147 of the budget stabilization fund to an amount equal to 25% of  
148 revenue collections from the general revenue fund to the budget  
149 stabilization fund no later than June 30th of each fiscal year.  
150 The legislature may suspend this transfer in a fiscal year in

151 which:

152 a. Funds are withdrawn from the budget stabilization fund  
153 pursuant to paragraph (4);

154 b. Funds are withdrawn from the budget stabilization fund  
155 for the purpose of funding a critical state need pursuant to  
156 paragraph (5); or

157 c. The legislature determines there is a critical state  
158 need that requires the expenditure of general revenue funds in  
159 an amount that exceeds the transfer amount required by this  
160 paragraph. A suspension for a critical state need pursuant to  
161 this subparagraph must be approved by a two-thirds vote of the  
162 membership of each house of the legislature in a separate bill  
163 for that purpose only and may not occur more than once every  
164 five years.

165 (4) The legislature shall provide criteria for withdrawing  
166 funds from the budget stabilization fund in a separate bill for  
167 that purpose only and only for the purpose of covering revenue  
168 shortfalls of the general revenue fund or for the purpose of  
169 providing funding for an emergency, as defined by general law.

170 (5) If the principal balance of the budget stabilization  
171 fund exceeds an amount equal to 15% of revenue collections, the  
172 legislature may withdraw funds for the purpose of funding on a  
173 nonrecurring basis a critical state need. Such withdrawal must  
174 be approved by a two-thirds vote of the membership of each house  
175 of the legislature in a separate bill for that purpose only. The

176 withdrawal must not cause the principal balance of the budget  
177 stabilization fund to equal an amount that is less than 10% of  
178 revenue collections.

179 (6) General law shall provide for the restoration of this  
180 fund. The budget stabilization fund shall be comprised of funds  
181 not otherwise obligated or committed for any purpose.

182 (h) LONG-RANGE STATE PLANNING DOCUMENT AND DEPARTMENT AND  
183 AGENCY PLANNING DOCUMENT PROCESSES. General law shall provide  
184 for a long-range state planning document. The governor shall  
185 recommend to the legislature biennially any revisions to the  
186 long-range state planning document, as defined by law. General  
187 law shall require a biennial review and revision of the long-  
188 range state planning document and shall require all departments  
189 and agencies of state government to develop planning documents  
190 that identify statewide strategic goals and objectives,  
191 consistent with the long-range state planning document. The  
192 long-range state planning document and department and agency  
193 planning documents shall remain subject to review and revision  
194 by the legislature. The long-range state planning document must  
195 include projections of future needs and resources of the state  
196 which are consistent with the long-range financial outlook. The  
197 department and agency planning documents shall include a  
198 prioritized listing of planned expenditures for review and  
199 possible reduction in the event of revenue shortfalls, as  
200 defined by general law.



201           (i) GOVERNMENT EFFICIENCY TASK FORCE. No later than  
202       January of 2007, and each fourth year thereafter, the president  
203       of the senate, the speaker of the house of representatives, and  
204       the governor shall appoint a government efficiency task force,  
205       the membership of which shall be established by general law. The  
206       task force shall be composed of members of the legislature and  
207       representatives from the private and public sectors who shall  
208       develop recommendations for improving governmental operations  
209       and reducing costs. Staff to assist the task force in performing  
210       its duties shall be assigned by general law, and the task force  
211       may obtain assistance from the private sector. The task force  
212       shall complete its work within one year and shall submit its  
213       recommendations to the joint legislative budget commission, the  
214       governor, and the chief justice of the supreme court.

215           (j) JOINT LEGISLATIVE BUDGET COMMISSION. There is created  
216       within the legislature the joint legislative budget commission  
217       composed of equal numbers of senate members appointed by the  
218       president of the senate and house members appointed by the  
219       speaker of the house of representatives. Each member shall serve  
220       at the pleasure of the officer who appointed the member. A  
221       vacancy on the commission shall be filled in the same manner as  
222       the original appointment. From November of each odd-numbered  
223       year through October of each even-numbered year, the chairperson  
224       of the joint legislative budget commission shall be appointed by  
225       the president of the senate and the vice chairperson of the

commission shall be appointed by the speaker of the house of representatives. From November of each even-numbered year through October of each odd-numbered year, the chairperson of the joint legislative budget commission shall be appointed by the speaker of the house of representatives and the vice chairperson of the commission shall be appointed by the president of the senate. The joint legislative budget commission shall be governed by the joint rules of the senate and the house of representatives, which shall remain in effect until repealed or amended by concurrent resolution. The commission shall convene at least quarterly and shall convene at the call of the president of the senate and the speaker of the house of representatives. A majority of the commission members of each house plus one additional member from either house constitutes a quorum. Action by the commission requires a majority vote of the commission members present of each house. The commission may conduct its meetings through teleconferences or similar means. In addition to the powers and duties specified in this subsection, the joint legislative budget commission shall exercise all other powers and perform any other duties not in conflict with paragraph (c)(3) and as prescribed by general law or joint rule.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

## 251                                    CONSTITUTIONAL AMENDMENT

## 252                                    ARTICLE III, SECTION 19

253                BUDGET STABILIZATION FUND.—Proposing an amendment to the  
254    State Constitution to increase the amount of funds that may be  
255    retained in the budget stabilization fund from 10% to 25% of  
256    general revenue collections, require the legislature to transfer  
257    the lesser of \$750 million or the amount required to reach 25%  
258    of the general revenue collections each year unless certain  
259    conditions are met, and allow the legislature to withdraw funds  
260    for critical state needs.