

1                                   A bill to be entitled  
 2           An act relating to the Florida Savings Fund; amending s.  
 3           215.32, F.S.; establishing the Florida Savings Fund;  
 4           conforming provisions; specifying that the fund balance is  
 5           part of the working capital balance of the state;  
 6           providing for the calculation of the required fund  
 7           balance; providing for transfer of funds from the General  
 8           Revenue Fund to the Florida Savings Fund; requiring that  
 9           interest earned by the Florida Savings Fund be deposited  
 10          in the General Revenue Fund; providing for the use of  
 11          funds in the Florida Savings Fund; amending s. 216.221,  
 12          F.S.; specifying conditions for determining when a deficit  
 13          in the General Revenue Fund is deemed to occur for  
 14          purposes of adjusting appropriations to prevent such a  
 15          deficit; authorizing the Chief Financial Officer to  
 16          transfer funds from the Florida Savings Fund to the  
 17          General Revenue Fund under certain circumstances;  
 18          conforming cross-references; amending s. 216.222, F.S.;  
 19          revising the conditions for determining when a deficit in  
 20          the General Revenue Fund is deemed to occur for purposes  
 21          of transferring funds from the Budget Stabilization Fund  
 22          to offset such a deficit; amending s. 252.37, F.S.;  
 23          authorizing funds in the Florida Savings Fund to be  
 24          transferred and expended under certain emergency  
 25          conditions; providing an effective date.

26  
 27   Be It Enacted by the Legislature of the State of Florida:  
 28

29 Section 1. Subsection (1) and paragraph (a) of subsection  
 30 (2) of section 215.32, Florida Statutes, are amended, and  
 31 paragraph (d) is added to subsection (2) of that section, to  
 32 read:

33 215.32 State funds; segregation.—

34 (1) All moneys received by the state shall be deposited in  
 35 the State Treasury unless specifically provided otherwise by law  
 36 and shall be deposited in and accounted for by the Chief  
 37 Financial Officer within the following funds, which funds are  
 38 hereby created and established:

- 39 (a) General Revenue Fund.
- 40 (b) Trust funds.
- 41 (c) Budget Stabilization Fund.
- 42 (d) Florida Savings Fund.

43 (2) The source and use of each of these funds shall be as  
 44 follows:

45 (a) The General Revenue Fund shall consist of all moneys  
 46 received by the state from every source whatsoever, except as  
 47 provided in paragraphs (b), ~~and~~ (c), and (d). Such moneys shall  
 48 be expended pursuant to General Revenue Fund appropriations  
 49 acts, transferred as provided in paragraph (c) or paragraph (d),  
 50 or maintained as unallocated general revenue. Unallocated  
 51 general revenue shall be considered the working capital balance  
 52 of the state and shall consist of moneys in the General Revenue  
 53 Fund that are in excess of the amount needed to meet General  
 54 Revenue Fund appropriations for the current fiscal year and the  
 55 balance of the Florida Savings Fund.

56 (d)1. The Florida Savings Fund shall consist of amounts

57 equal to the difference between 5 percent of the official  
 58 estimate of total funds available for appropriation from the  
 59 General Revenue Fund for a fiscal year and the balance of the  
 60 Lawton Chiles Endowment Fund, which shall be calculated  
 61 according to the following formula:

$$\text{FSF} = (0.05 \times \text{AGR}) - \text{LCE}$$

65 Where:

66 FSF = the required balance of the Florida Savings Fund  
 67 established pursuant to this subparagraph.

68 AGR = the official estimate of total funds available for  
 69 appropriation from the General Revenue Fund according  
 70 to the most recent financial outlook statement adopted  
 71 by the Revenue Estimating Conference before the  
 72 Legislature's enactment of the General Appropriations  
 73 Act.

74 LCE = the balance of the Lawton Chiles Endowment Fund as of  
 75 the date that the Revenue Estimating Conference  
 76 certifies the required balance of the Florida Savings  
 77 Fund pursuant to subparagraph 2.

79 2. Before the effective date of the General Appropriations  
 80 Act for a fiscal year, the Revenue Estimating Conference shall  
 81 certify the required balance of the Florida Savings Fund for  
 82 that fiscal year, calculated as provided in subparagraph 1., and  
 83 the amount needed for transfer to the fund for its balance to  
 84 equal the required balance.

85           3. The Chief Financial Officer, once each calendar  
 86 quarter, shall transfer from the General Revenue Fund to the  
 87 Florida Savings Fund an amount equal to 25 percent of the amount  
 88 certified by the Revenue Estimating Conference as needed for  
 89 transfer to the Florida Savings Fund pursuant to subparagraph 2.

90           4. Interest earned by the Florida Savings Fund shall be  
 91 deposited in the General Revenue Fund.

92           5. Funds in the Florida Savings Fund may only be expended  
 93 or transferred as authorized in s. 216.221 and this section.  
 94 Except as provided in this section, an appropriation or transfer  
 95 may not be made from the Florida Savings Fund for any other  
 96 purpose.

97           a. Funds in the Florida Savings Fund may be expended  
 98 pursuant to s. 252.37 for an emergency as defined in s. 252.34  
 99 declared by the Governor under s. 252.36 or declared by law.

100           b. Funds in the Florida Savings Fund may be transferred to  
 101 the General Revenue Fund pursuant to s. 215.18.

102           Section 2. Section 216.221, Florida Statutes, is amended  
 103 to read:

104           216.221 Appropriations as maximum appropriations;  
 105 adjustment of budgets to avoid or eliminate deficits.—

106           (1) All appropriations shall be maximum appropriations,  
 107 based upon the collection of sufficient revenues to meet and  
 108 provide for such appropriations. It is the duty of the Governor,  
 109 as chief budget officer, to ensure that revenues collected will  
 110 be sufficient to meet the appropriations and that no deficit  
 111 occurs in any state fund.

112           (2) For purposes of this section, a deficit in the General

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113 Revenue Fund is deemed to occur when the official estimate of  
 114 funds available in the General Revenue Fund, combined with the  
 115 funds available in the Florida Savings Fund, for a fiscal year  
 116 falls below the total amount appropriated from the General  
 117 Revenue Fund for that fiscal year.

118 ~~(3)-(2)~~ The Legislature may annually provide direction in  
 119 the General Appropriations Act regarding use of any state funds  
 120 to offset General Revenue Fund deficits.

121 (4) If the Chief Financial Officer determines, in  
 122 consultation with the Revenue Estimating Conference, that the  
 123 total funds available in the General Revenue Fund for a fiscal  
 124 year fall below the total amount appropriated from the General  
 125 Revenue Fund for that fiscal year, the Chief Financial Officer  
 126 shall transfer an amount necessary to cover the shortfall from  
 127 the Florida Savings Fund to the General Revenue Fund.

128 ~~(5)-(3)~~ For purposes of preventing a deficit in the General  
 129 Revenue Fund, all branches and agencies of government shall  
 130 participate in deficit reduction efforts. Absent specific  
 131 legislative direction, when budget reductions are required in  
 132 order to prevent a deficit under the provisions of subsection  
 133 ~~(9) (7)~~, each branch shall reduce its General Revenue Fund  
 134 appropriations by a proportional amount.

135 ~~(6)-(4)~~ For purposes of preventing a deficit in the General  
 136 Revenue Fund, appropriations to the legislative branch that are  
 137 voluntarily placed in their reserve by the President of the  
 138 Senate or the Speaker of the House of Representatives, or by  
 139 both, may not be reduced, but may be included in any deficit  
 140 reduction plan.

141            (7)~~(5)~~ (a) If, in the opinion of the Governor, after  
 142 consultation with the Revenue Estimating Conference, a deficit  
 143 will occur in the General Revenue Fund, he or she shall so  
 144 certify to the commission and to the Chief Justice of the  
 145 Supreme Court. No more than 30 days after certifying that a  
 146 deficit will occur in the General Revenue Fund, the Governor  
 147 shall develop for the executive branch, and the Chief Justice of  
 148 the Supreme Court shall develop for the judicial branch, and  
 149 provide to the commission and to the Legislature plans of action  
 150 to eliminate the deficit.

151            (b) If, in the opinion of the President of the Senate and  
 152 the Speaker of the House of Representatives, after consultation  
 153 with the Revenue Estimating Conference, a deficit will occur in  
 154 the General Revenue Fund and the Governor has not certified the  
 155 deficit, the President of the Senate and the Speaker of the  
 156 House of Representatives shall so certify. Within 30 days after  
 157 such certification, the Governor shall develop for the executive  
 158 branch and the Chief Justice of the Supreme Court shall develop  
 159 for the judicial branch and provide to the commission and to the  
 160 Legislature plans of action to eliminate the deficit.

161            (c) In developing a plan of action to prevent deficits in  
 162 accordance with subsection (9) ~~(7)~~, the Governor and Chief  
 163 Justice shall, to the extent possible, preserve legislative  
 164 policy and intent, and, absent any specific direction to the  
 165 contrary in the General Appropriations Act, the Governor and  
 166 Chief Justice shall comply with the following guidelines for  
 167 reductions in the approved operating budgets of the executive  
 168 branch and the judicial branch:

- 169 |           1. Education budgets should not be reduced more than
- 170 | provided for in s. 215.16(2).
- 171 |           2. The use of nonrecurring funds to solve recurring
- 172 | deficits should be minimized.
- 173 |           3. Newly created programs that are not fully implemented
- 174 | and programs with critical audits, evaluations, and reviews
- 175 | should receive first consideration for reductions.
- 176 |           4. No agencies or branches of government receiving
- 177 | appropriations should be exempt from reductions.
- 178 |           5. When reductions in positions are required, the focus
- 179 | should be initially on vacant positions.
- 180 |           6. Reductions that would cause substantial losses of
- 181 | federal funds should be minimized.
- 182 |           7. Reductions to statewide programs should occur only
- 183 | after review of programs that provide only local benefits.
- 184 |           8. Reductions in administrative and support functions
- 185 | should be considered before reductions in direct-support
- 186 | services.
- 187 |           9. Maximum reductions should be considered in budgets for
- 188 | expenses including travel and in budgets for equipment
- 189 | replacement, outside consultants, and contracts.
- 190 |           10. Reductions in salaries for elected state officials
- 191 | should be considered.
- 192 |           11. Reductions that adversely affect the public health,
- 193 | safety, and welfare should be minimized.
- 194 |           12. The Budget Stabilization Fund should not be reduced to
- 195 | a level that would impair the financial stability of this state.
- 196 |           13. Reductions in programs that are traditionally funded

197 | by the private sector and that may be assumed by private  
 198 | enterprise should be considered.

199 |       14. Reductions in programs that are duplicated among state  
 200 | agencies or branches of government should be considered.

201 |       (8)~~(6)~~ If the Revenue Estimating Conference projects a  
 202 | deficit in the General Revenue Fund in excess of 1.5 percent of  
 203 | the moneys appropriated from the General Revenue Fund during a  
 204 | fiscal year or when the cumulative total of a series of  
 205 | projected deficits in the General Revenue Fund exceeds 1.5  
 206 | percent of the moneys appropriated from the General Revenue  
 207 | Fund, the deficit shall be resolved by the Legislature.

208 |       (9)~~(7)~~ Deficits in the General Revenue Fund that do not  
 209 | meet the amounts specified by subsection (8) ~~(6)~~ shall be  
 210 | resolved by the Governor for the executive branch and the Chief  
 211 | Justice of the Supreme Court for the judicial branch. The  
 212 | Governor and Chief Justice shall implement any directions  
 213 | provided in the General Appropriations Act related to  
 214 | eliminating deficits and to reducing agency and judicial branch  
 215 | budgets, including the use of those legislative appropriations  
 216 | voluntarily placed in reserve. In addition, the Governor and  
 217 | Chief Justice shall implement any directions in the General  
 218 | Appropriations Act relating to the resolution of deficit  
 219 | situations. When reducing state agency or judicial branch  
 220 | budgets, the Governor or the Chief Justice, respectively, shall  
 221 | use the guidelines prescribed in subsection (7) ~~(5)~~. The  
 222 | Executive Office of the Governor, and the Chief Justice for the  
 223 | judicial branch, shall implement the deficit reduction plans  
 224 | through amendments to the approved operating budgets in



225 accordance with s. 216.181.

226 (10)~~(8)~~ The Chief Financial Officer also has the duty to  
 227 ensure that revenues being collected will be sufficient to meet  
 228 the appropriations and that no deficit occurs in any fund of the  
 229 state.

230 (11)~~(9)~~ If, in the opinion of the Chief Financial Officer,  
 231 after consultation with the Revenue Estimating Conference, a  
 232 deficit will occur, he or she shall report his or her opinion to  
 233 the Governor, the President of the Senate, and the Speaker of  
 234 the House of Representatives in writing. In the event the  
 235 Governor does not certify a deficit, or the President of the  
 236 Senate and the Speaker of the House of Representatives do not  
 237 certify a deficit within 10 days after the Chief Financial  
 238 Officer's report, the Chief Financial Officer shall report his  
 239 or her findings and opinion to the commission and the Chief  
 240 Justice of the Supreme Court.

241 (12)~~(10)~~ When advised by the Revenue Estimating  
 242 Conference, the Chief Financial Officer, or any agency  
 243 responsible for a trust fund that a deficit will occur with  
 244 respect to the appropriations from a specific trust fund in the  
 245 current fiscal year, the Governor for the executive branch, or  
 246 the Chief Justice for the judicial branch, shall develop a plan  
 247 of action to eliminate the deficit. Before implementing the plan  
 248 of action, the Governor or the Chief Justice must comply with  
 249 the provisions of s. 216.177(2), and actions to resolve deficits  
 250 in excess of \$1 million must be approved by the Legislative  
 251 Budget Commission. In developing the plan of action, the  
 252 Governor or the Chief Justice shall, to the extent possible,

253 preserve legislative policy and intent.

254 ~~(13)-(11)~~ Once a deficit is determined to have occurred and  
 255 action is taken to reduce approved operating budgets and release  
 256 authority, no action may be taken to restore the reductions,  
 257 either directly or indirectly.

258 Section 3. Paragraph (a) of subsection (1) of section  
 259 216.222, Florida Statutes, is amended to read:

260 216.222 Budget Stabilization Fund; criteria for  
 261 withdrawing moneys.—

262 (1) Moneys in the Budget Stabilization Fund may be  
 263 transferred to the General Revenue Fund for:

264 (a)1. Offsetting a deficit in the General Revenue Fund. A  
 265 deficit is deemed to occur when the official estimate of funds  
 266 available in the General Revenue Fund, combined with funds  
 267 available in the Florida Savings Fund, for a fiscal year falls  
 268 below the total amount appropriated from the General Revenue  
 269 Fund for that fiscal year. Such a transfer must be made pursuant  
 270 to s. 216.221, or pursuant to an appropriation by law.

271 2. Notwithstanding the requirements of s. 216.221, if,  
 272 after consultation with the Revenue Estimating Conference, the  
 273 Chief Financial Officer believes that a deficit will occur in  
 274 the General Revenue Fund and if:

275 a. Fewer than 30 but more than 4 days are left in the  
 276 fiscal year, the Legislature is not in session, and neither the  
 277 Legislature nor the Legislative Budget Commission is scheduled  
 278 to meet before the end of the fiscal year, or

279 b. Fewer than 5 days are left in the fiscal year and the  
 280 Governor and the Chief Justice, the Legislature, or the

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281 | Legislative Budget Commission have not implemented measures to  
 282 | resolve the deficit,  
 283 |  
 284 | the Chief Financial Officer shall certify the deficit to the  
 285 | Governor, the Chief Justice, the President of the Senate, and  
 286 | the Speaker of the House of Representatives, and may thereafter  
 287 | withdraw funds from the Budget Stabilization Fund to offset the  
 288 | projected deficit in the General Revenue Fund. The Chief  
 289 | Financial Officer shall consult with the Governor and the chair  
 290 | and vice chair of the Legislative Budget Commission before any  
 291 | funds may be withdrawn from the Budget Stabilization Fund. At  
 292 | the beginning of the next fiscal year, the Chief Financial  
 293 | Officer shall promptly determine the General Revenue Fund  
 294 | balance to be carried forward. The Chief Financial Officer shall  
 295 | immediately repay the Budget Stabilization Fund for the  
 296 | withdrawn amount, up to the amount of the balance. If the  
 297 | General Revenue Fund balance carried forward is not sufficient  
 298 | to fully repay the Budget Stabilization Fund, the repayment of  
 299 | the remainder of the withdrawn funds shall be as provided in s.  
 300 | 215.32(2)(c)3.

301 | Section 4. Subsection (2) of section 252.37, Florida  
 302 | Statutes, is amended to read:

303 | 252.37 Financing.—

304 | (2) It is the legislative intent that the first recourse  
 305 | be made to funds regularly appropriated to state and local  
 306 | agencies. If the Governor finds that the demands placed upon  
 307 | these funds in coping with a particular disaster declared by the  
 308 | Governor as a state of emergency are unreasonably great, she or

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309 | he may make funds available by transferring and expending moneys  
310 | appropriated for other purposes, by transferring and expending  
311 | moneys out of any unappropriated surplus funds, or from the  
312 | Budget Stabilization Fund or the Florida Savings Fund. Following  
313 | the expiration or termination of the state of emergency, the  
314 | Governor may transfer moneys with a budget amendment, subject to  
315 | approval by the Legislative Budget Commission, to satisfy the  
316 | budget authority granted for such emergency.

317 |       Section 5. This act shall take effect upon becoming law.