



Full Appropriations Council on Education & Economic Development

March 5, 2009

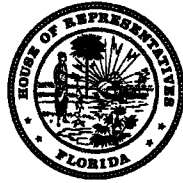
9:00 a.m.

Morris Hall, 17 House Office Building

Meeting Packet

**Larry Cretul
Speaker**

**David Rivera
Chair**



The Florida House of Representatives
Full Appropriations Council on Education & Economic Development

Larry Cretul
Speaker

David Rivera
Chair

Meeting Agenda
Thursday, March 5, 2009
Morris Hall, 17 House Office Building
9:00 a.m.

- I. Call to Order**

- II. Roll Call**

- III. Presentation of Governor's Recommended Budget for
FY 2009-2010**

Jerry McDaniel, Director, Governor's Office of Policy and Budget

- IV. Adjournment**

Governor Charlie Crist

Lt. Governor Jeff Kottkamp

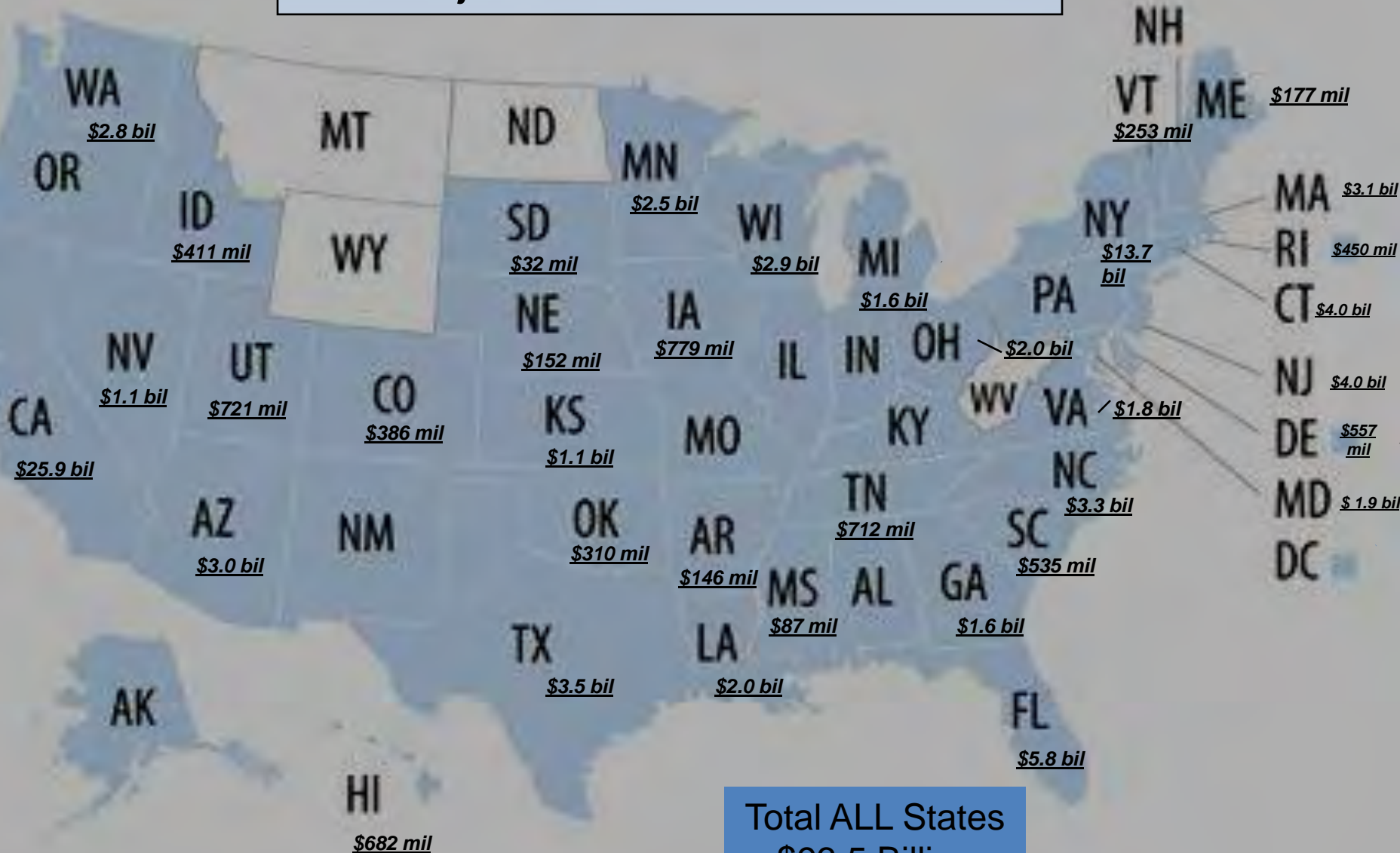
The People's Governor



The People's Budget

Policy and Budget Recommendations
Fiscal Year 2009-10

States with Budget Gaps Projected Fiscal Year 2010

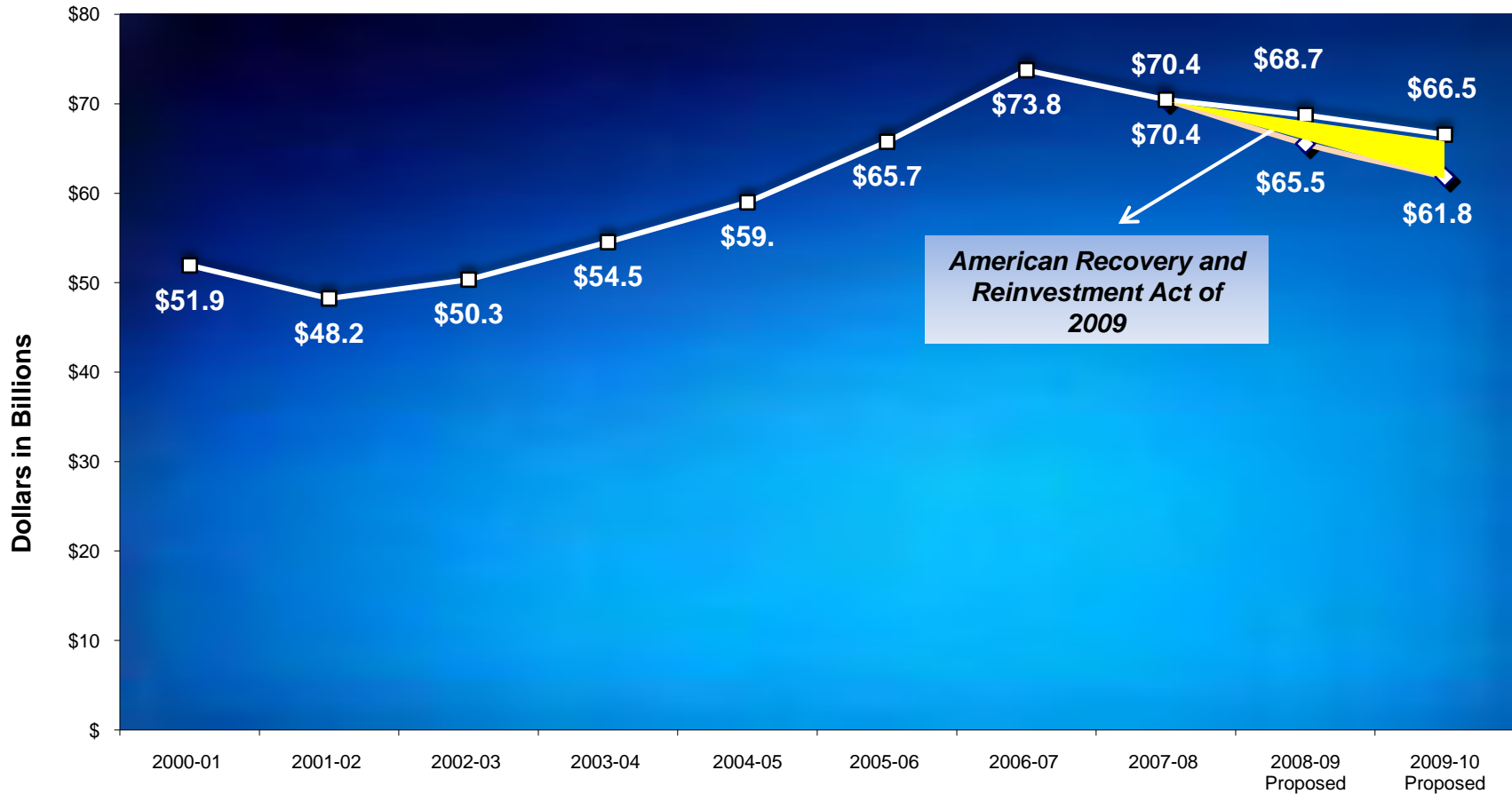


The Governor's Approach:

Building a Bridge to Better Economic Times

- A path to economic recovery through the following principles:
 - Continuing to move Florida forward
 - Continuing critical services to Florida's most vulnerable
 - Continuing our investment in Florida's classrooms and teachers
 - Creating and maintaining jobs for hardworking Floridians
- The proposed budget addresses the people's priorities and
 - Spurs the economy with federal stimulus funding
 - Preserves critical health care programs for our citizens
 - Increases funding for education
 - Keeps our people and communities safe
 - Protects Florida's natural resources

Ten-Year History of Appropriations



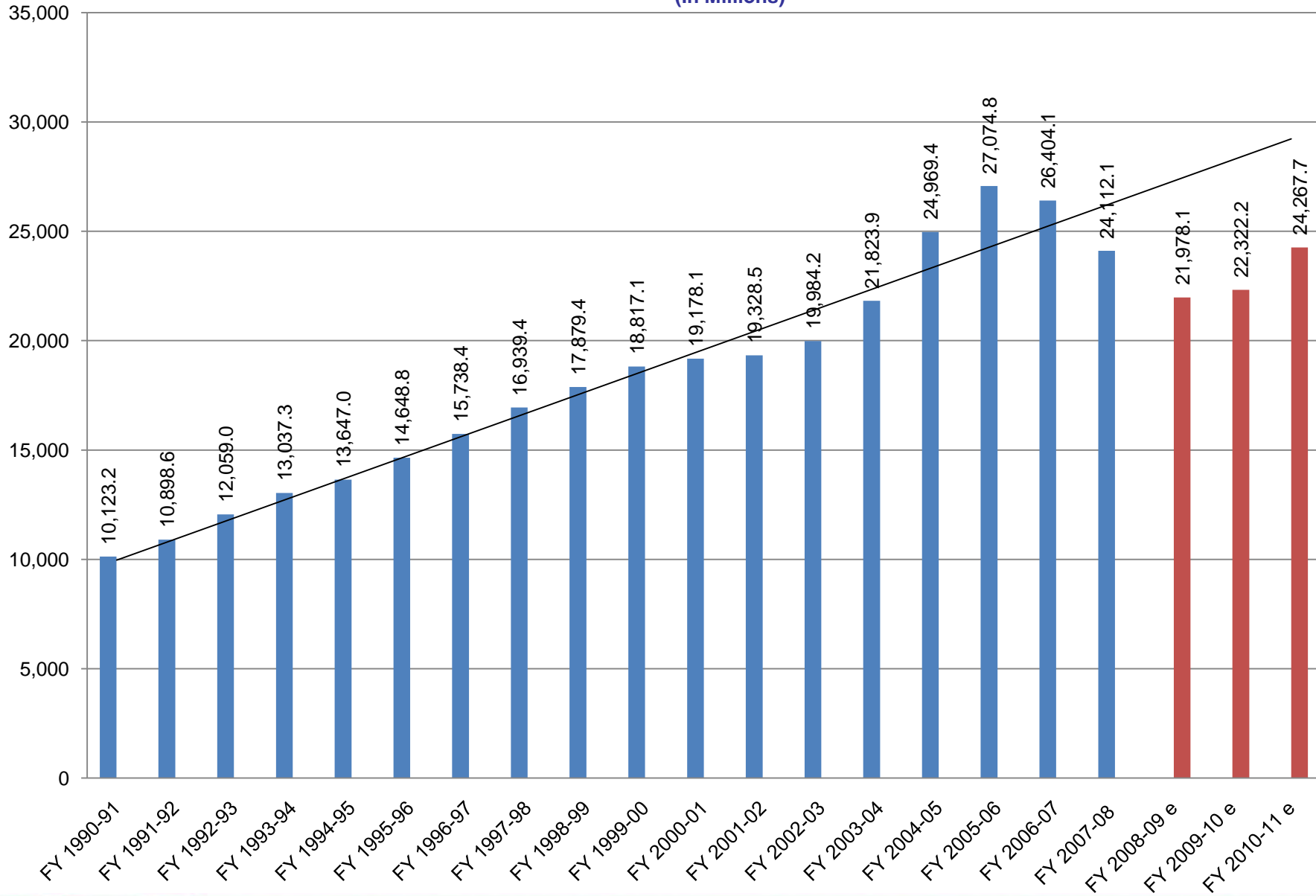
American Recovery and Reinvestment Act of 2009

Fiscal Year

Note: Beginning in Fiscal Year 2001-2002, statutorily required distributions totaling \$6,367.9 million were removed from the General Appropriations Act.
 Note: Includes funding anticipated from the American Recovery and Reinvestment Act of 2009 for Fiscal Years 2008-09 and 2009-10.

General Revenue Collections - November 2008

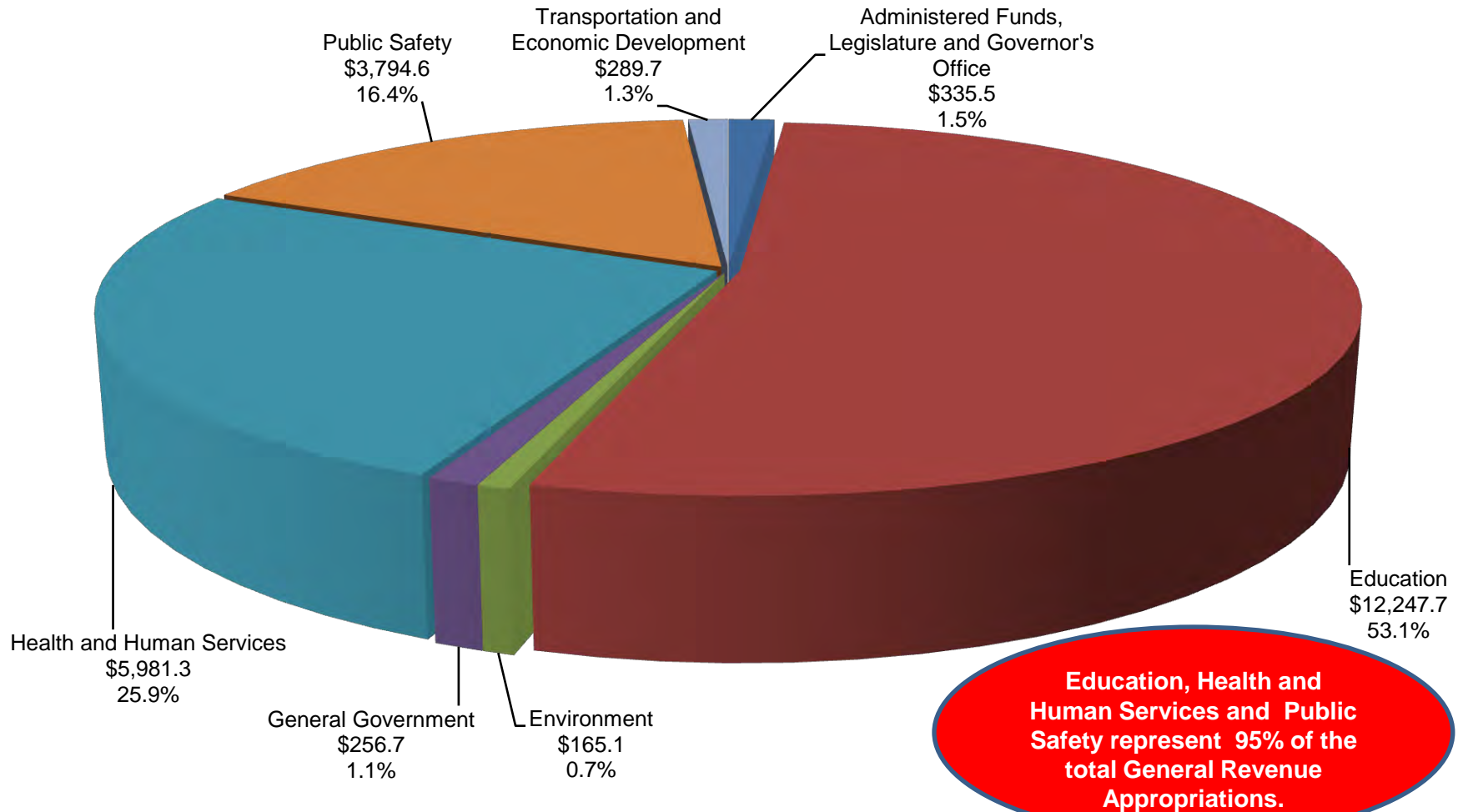
(In Millions)

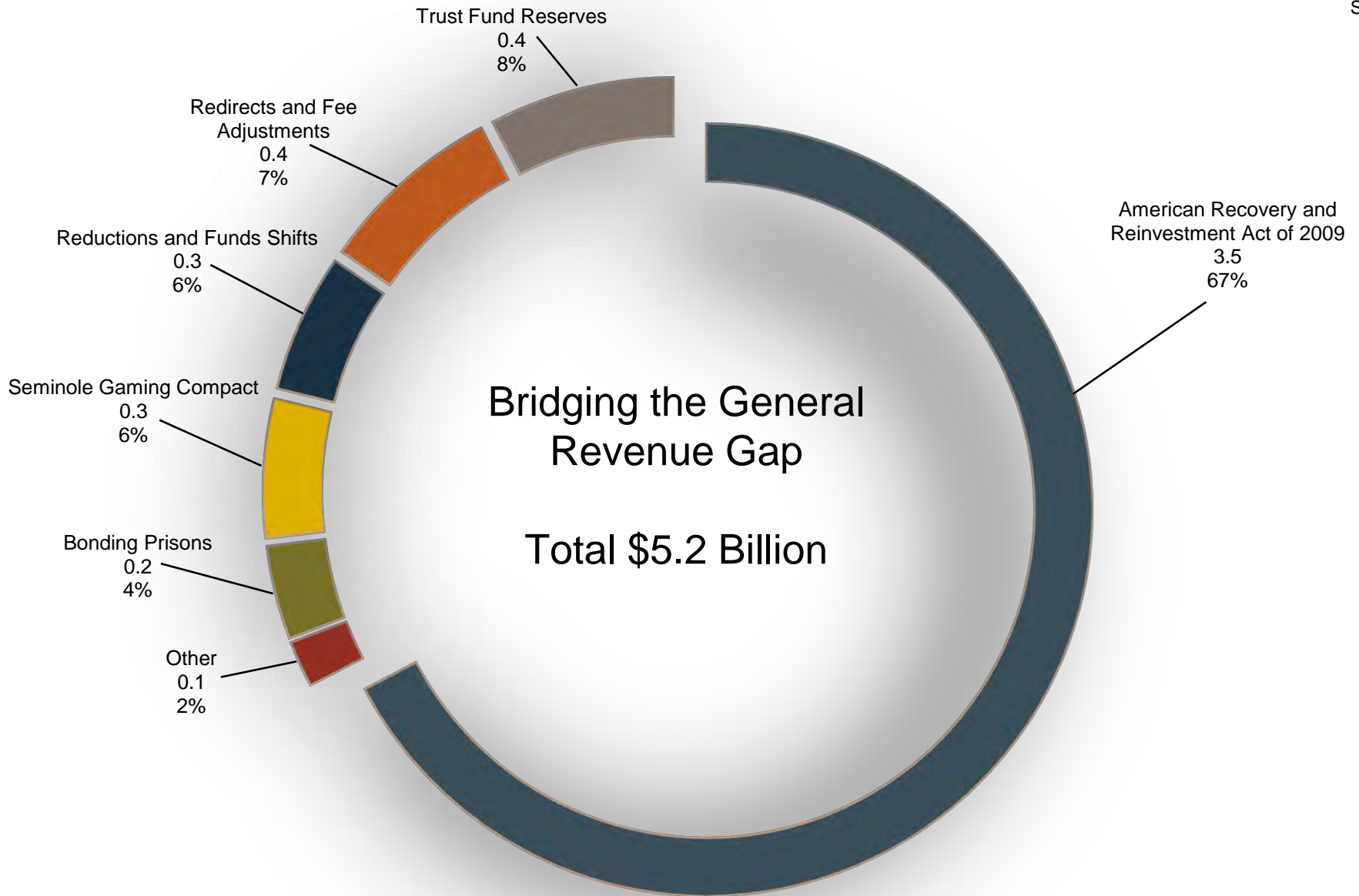


Governor's Recommended Budget -- FY 2009-10

General Revenue Fund -- Allocation by Policy Area --

Total: \$23.1 Billion





Governor's Recommended Budget General Revenue Balance Sheet (\$ in mil)

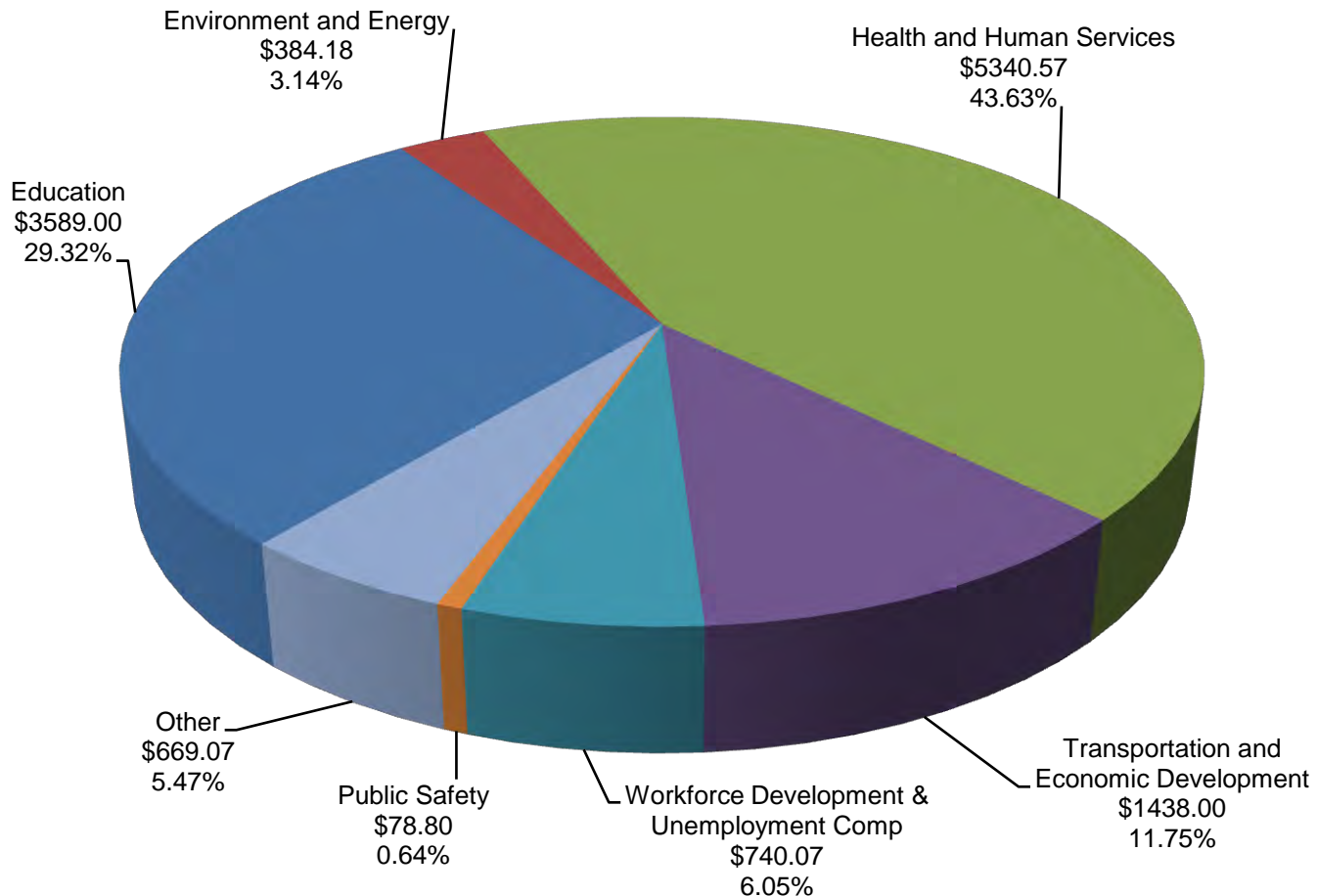
	FY 2008-09	FY 2009-10
1 Beginning Balance	320.9	844.1
2 Revenue Estimating Conference Sources of Funds	24,943.3	22,463.4
3 Uses of Funds (Base Budget)	(24,897.6)	(24,095.7)
4 Total Funds Available	366.6	(788.2)
5 Recommended Adjustment to Funds Available		
6 American Recovery and Reinvestment Act of 2009	1,223.0	2,238.7
7 Trust Fund Reserves		400.3
8 Redirects and Fee Adjustments		397.3
9 Reductions and Fund Shifts		348.4
10 Education FCO Reversions	96.2	
11 Bonding Prisons	165.5	
12 Other Misc Revenue Adjustments		18.0
13 New Money to Bridge the General Revenue Gap	1,484.7	3,402.7
14 Allowance for March 2009 REC Impact	(700.0)	(1,200.0)
15 New Expenditures	307.2	1,306.8
16 Ending Balance	844.1	107.7

**\$5.2 Billion to bridge the
General Revenue Gap**
Includes \$287.5 from the Seminole
Gaming Compact not shown on this
balance sheet.

American Recovery and Reinvestment Act of 2009

State Fiscal Years 2008-09 through 2010-11

\$12.2 Billion



American Recovery and Reinvestment Act of 2009

■ A Bridge To Better Economic Times

- Provides funding to State's over three (3) state fiscal years.
- Funds will predominately flow through state agencies through currently established funding formulas
- State will need to meet special provisions
 - Maintenance of Effort
 - Supplanting
 - Immediate Use
 - No Direct or Indirect Replacement of State Reserves

American Recovery and Reinvestment Act of 2009

Funding critical state programs

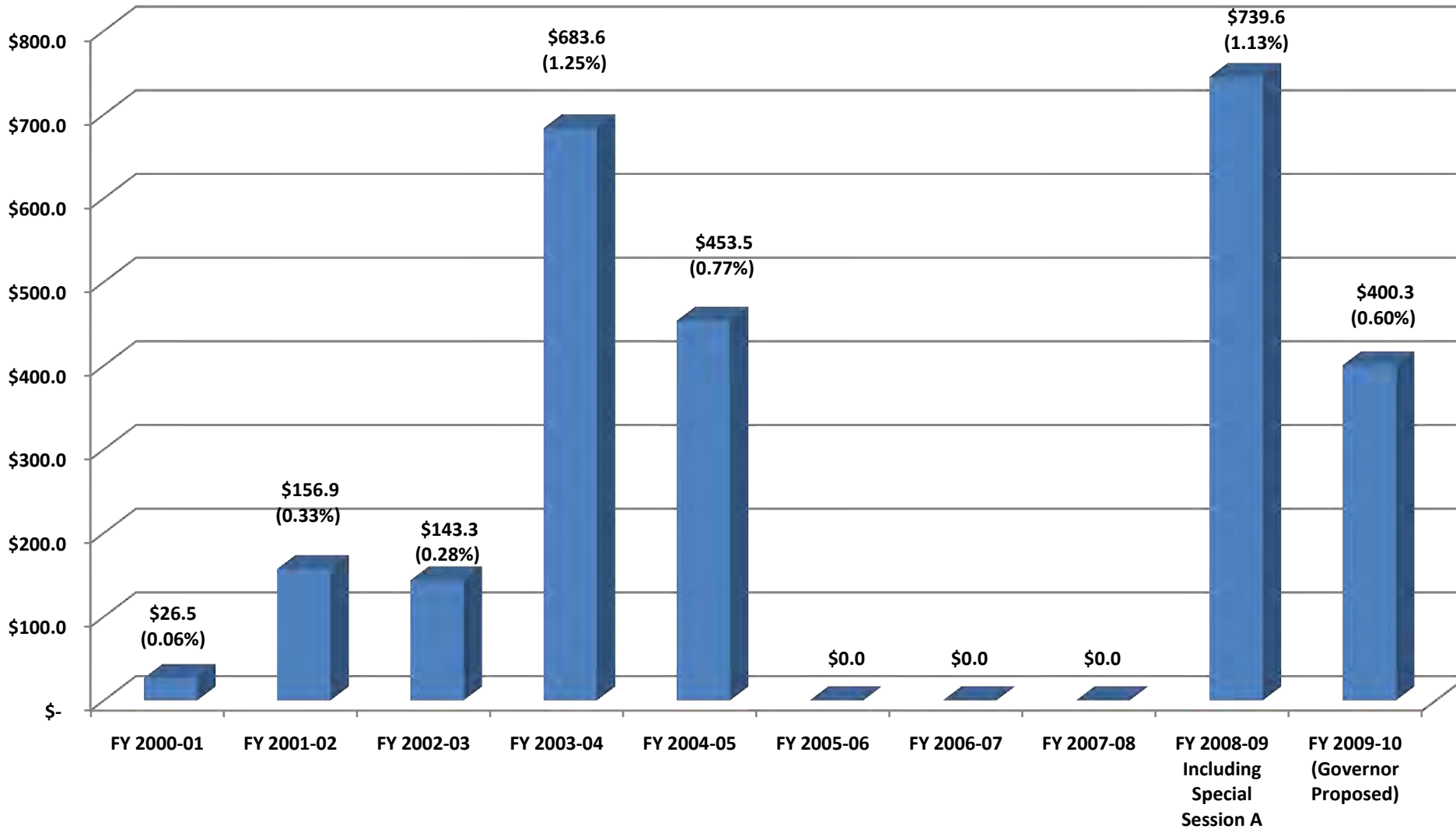
Programs/Services	FY 2008-09	FY 2009-10
Public Schools		880.6 mil
Title I and Special Education		673.6 mil
Higher Education		225.1 mil
Water Resources and Restoration Programs	223.1 mil	
Medically Needy		470 mil
Meds AD Program		294 mil
Increase Capitation Rates Paid to Medicaid Prepaid Health Plans		91 mil
Increase Fees Paid to Medicaid Dentists		16.1 mil
Increase Fees Paid to Medicaid Physicians		34.8 mil
Maintenance Adoption Subsidy Program		12.1 mil
Transportation Work Program	1,438 mil	
Training and Job Placement Services for Florida Workers	81.0 mil	77.8 mil
Energy Program	4.4 mil	143.6 mil

Trust Fund Reserves

- \$400 mil of Trust Fund Reserves Redirected to General Revenue
 - \$1.1 bil Current Trust Fund Reserve Balance
 - \$824 mil Balance After Proposed 'sweep' and Governor Recommended Appropriations
 - Thorough Trust Fund Cash Flow and Expenditure Analyses Were Performed

Ten Year History of Trust Fund Sweeps (Includes Sweeps as a Percent of Total Appropriations)

(\$ in millions)



Redirect Revenues to the General Revenue Fund

- \$274 mil of Tax Revenues Redirected to General Revenue
 - Sales Tax & Doc Stamp Revenue to General Revenue \$32 mil
 - Increase General Revenue Service Charge \$66 mil
 - Distribution Date Change for Insurance Premium Tax \$90 mil
 - Clerk of Courts Budget \$83 mil
 - Misc \$ 3 mil

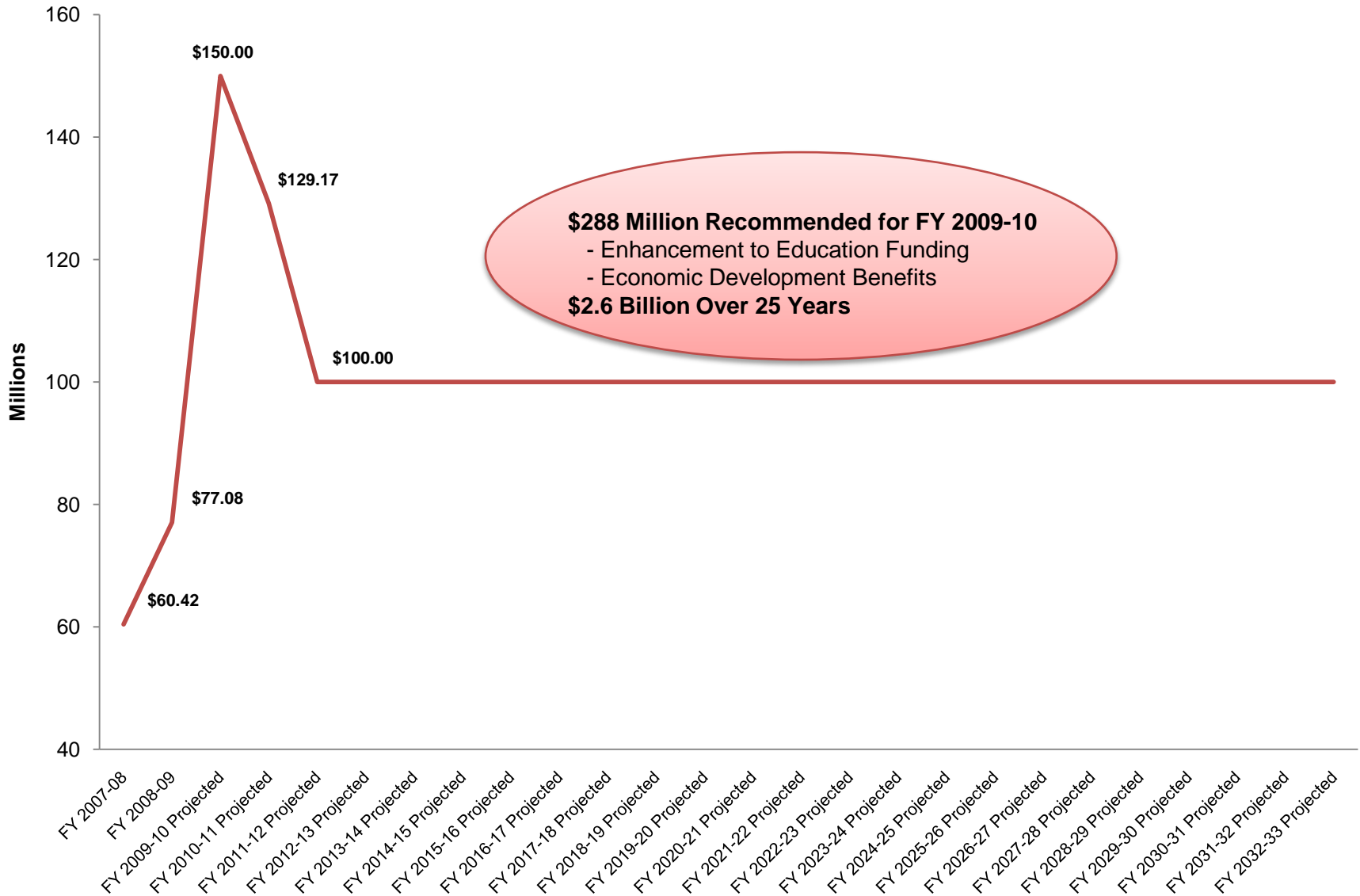
Fees

- \$529 mil of Fee Proposals – Newly Created and Increases
 - Brings Programs Closer to Self Sufficiency
 - Lessens Reliance on General Revenue
 - Enables Fund Shifts
 - Shores up Trust Funded Programs and Provides General Revenue Assistance

General Revenue Reductions and Fund Shifts

- Education - \$5.0 mil
- Environment - \$12.9 mil, 82 FTE
- General Government - \$16.9 mil, 95 FTE
- Health & Human Services - \$27.9 mil, 255 FTE
- Public Safety - \$218.7 mil, 111 FTE
- Transportation & Economic Development - \$63.0 mil, 159 FTE
- Other - \$4 mil
- Total Reductions and Fund Shifts - \$348.4 mil, 702 FTE

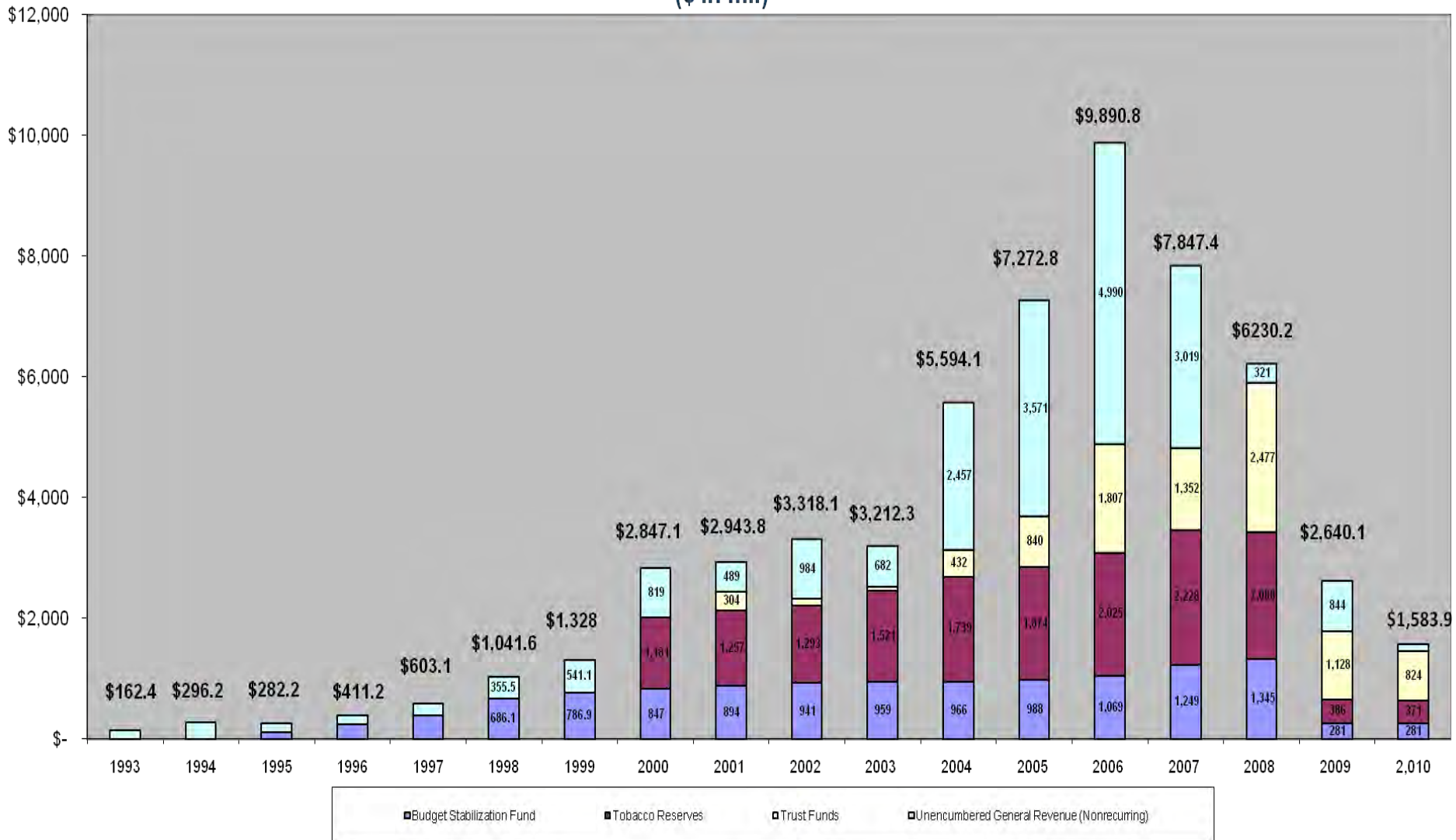
Compact Education Dollars



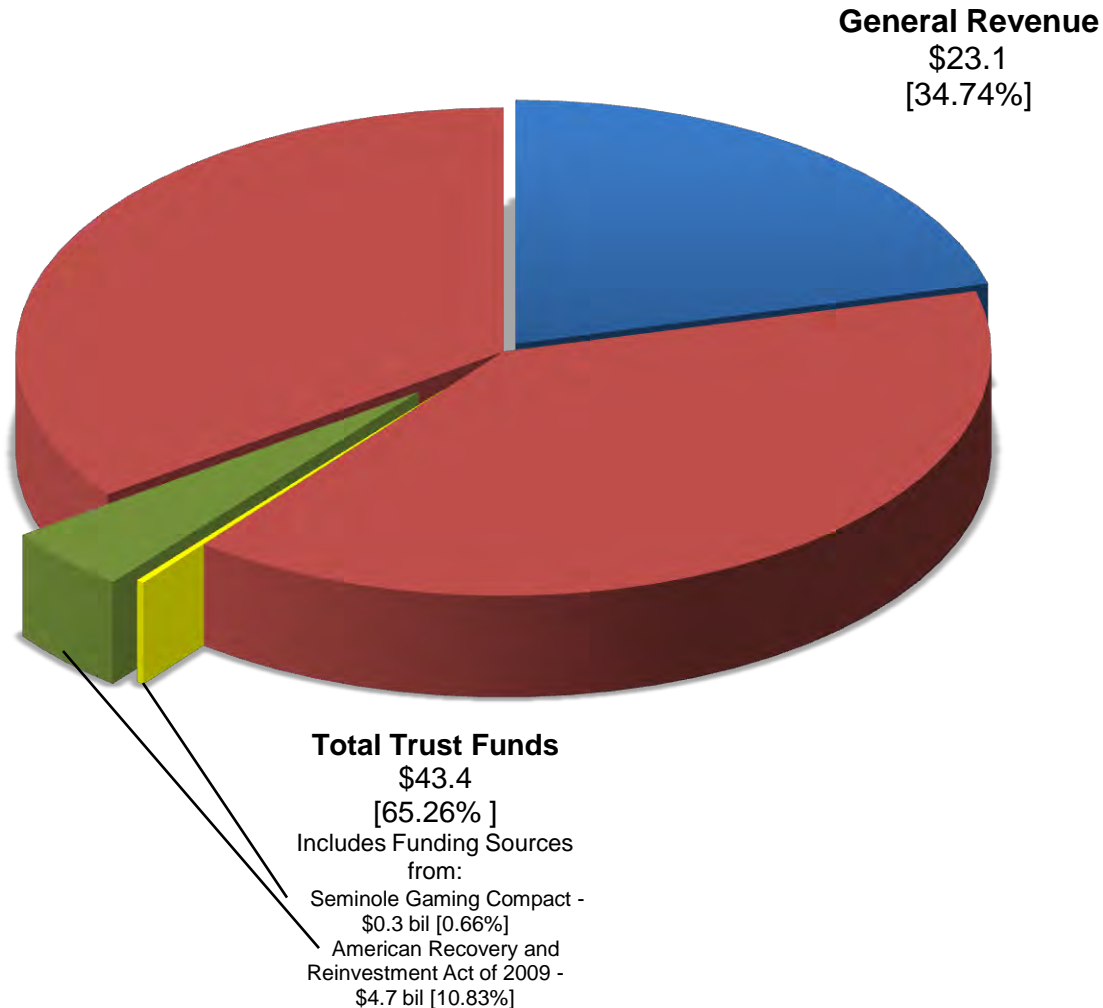
\$288 Million Recommended for FY 2009-10
 - Enhancement to Education Funding
 - Economic Development Benefits
\$2.6 Billion Over 25 Years

Florida Reserves

(\$ in mil)

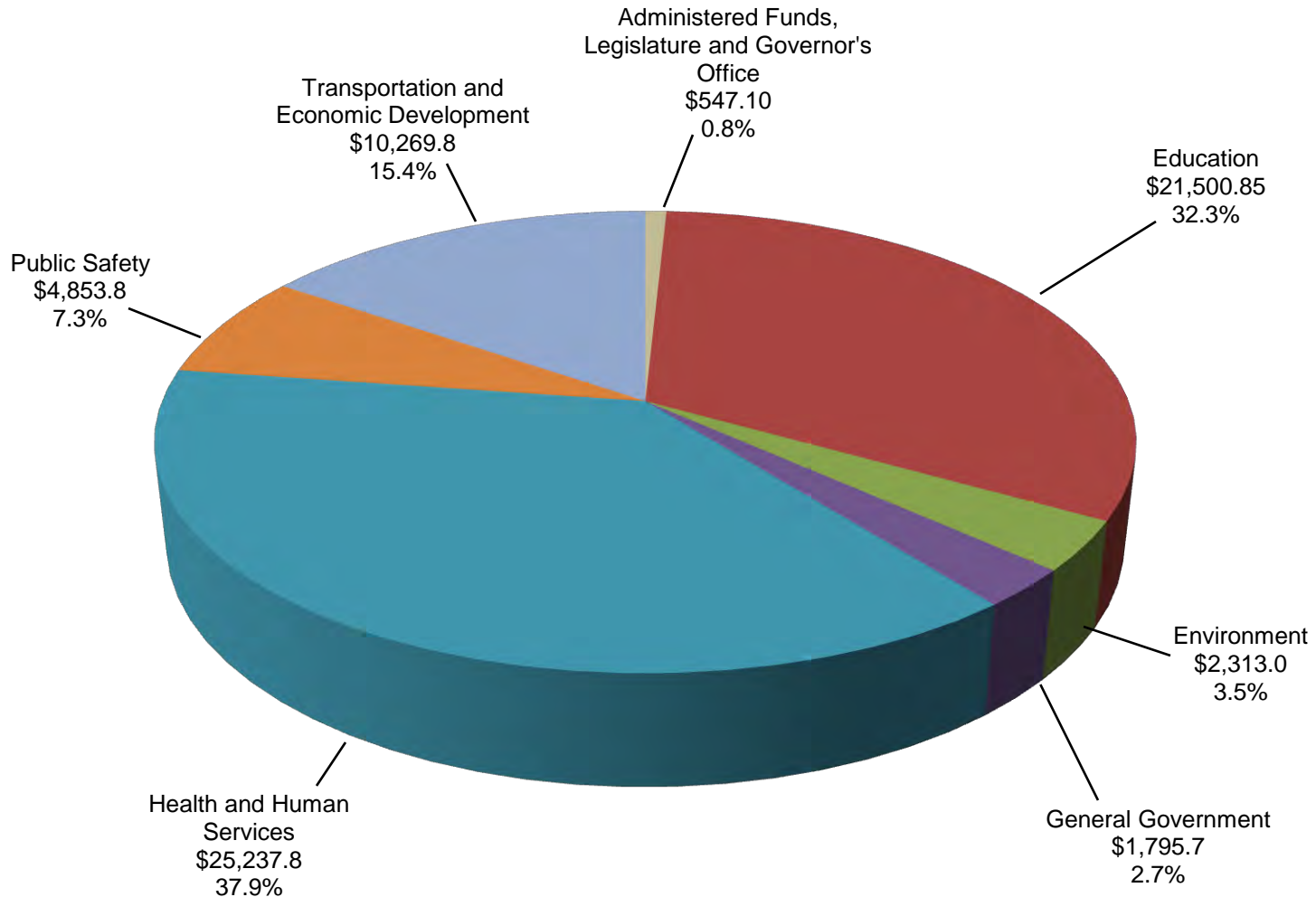


Governor's Recommended Budget -- FY 2009-10 --Total Budget: \$66.5 Billion



Governor's Recommended Budget -- FY 2009-10

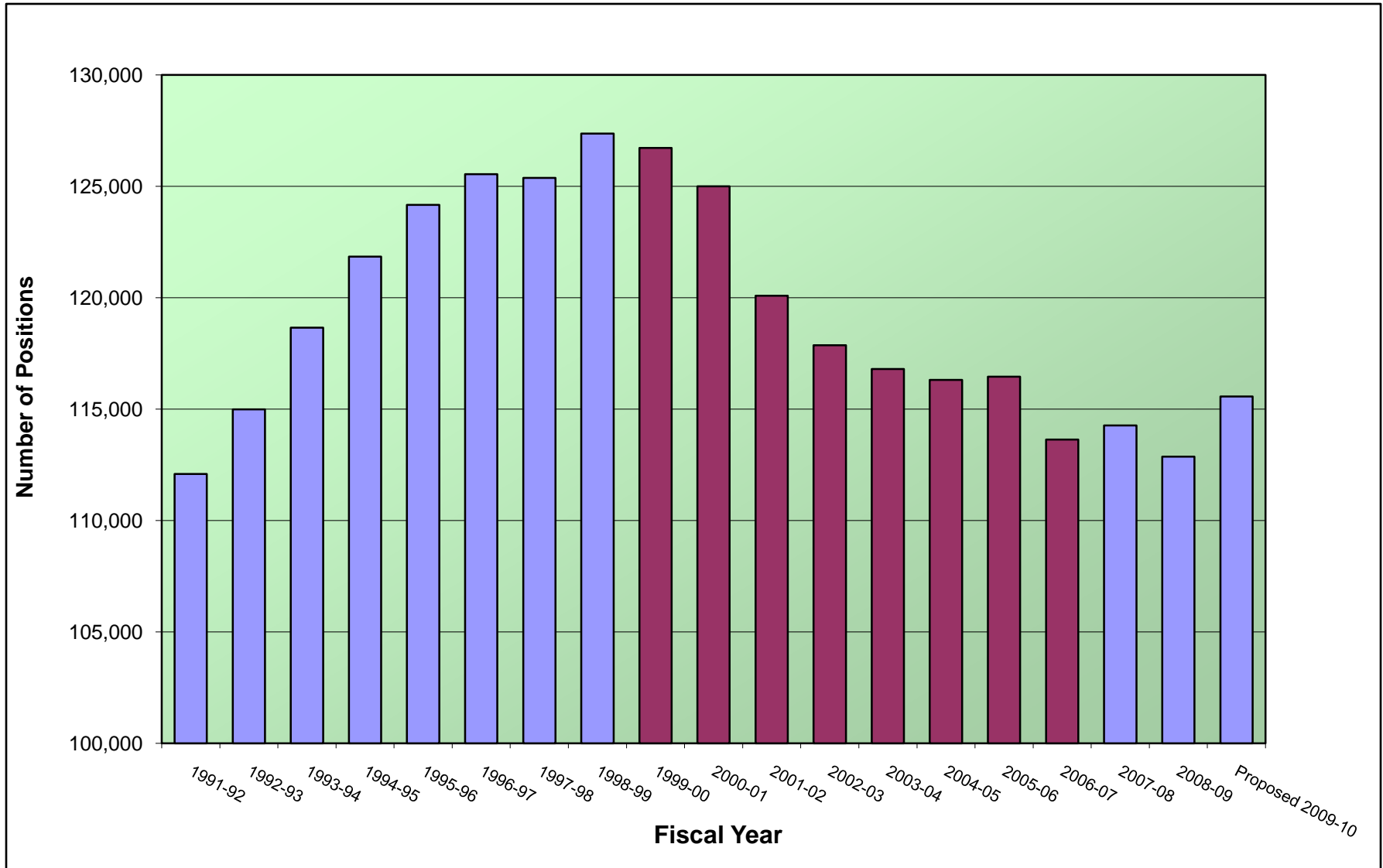
All Funds by Policy Area -- Total Budget: \$66.5 Billion



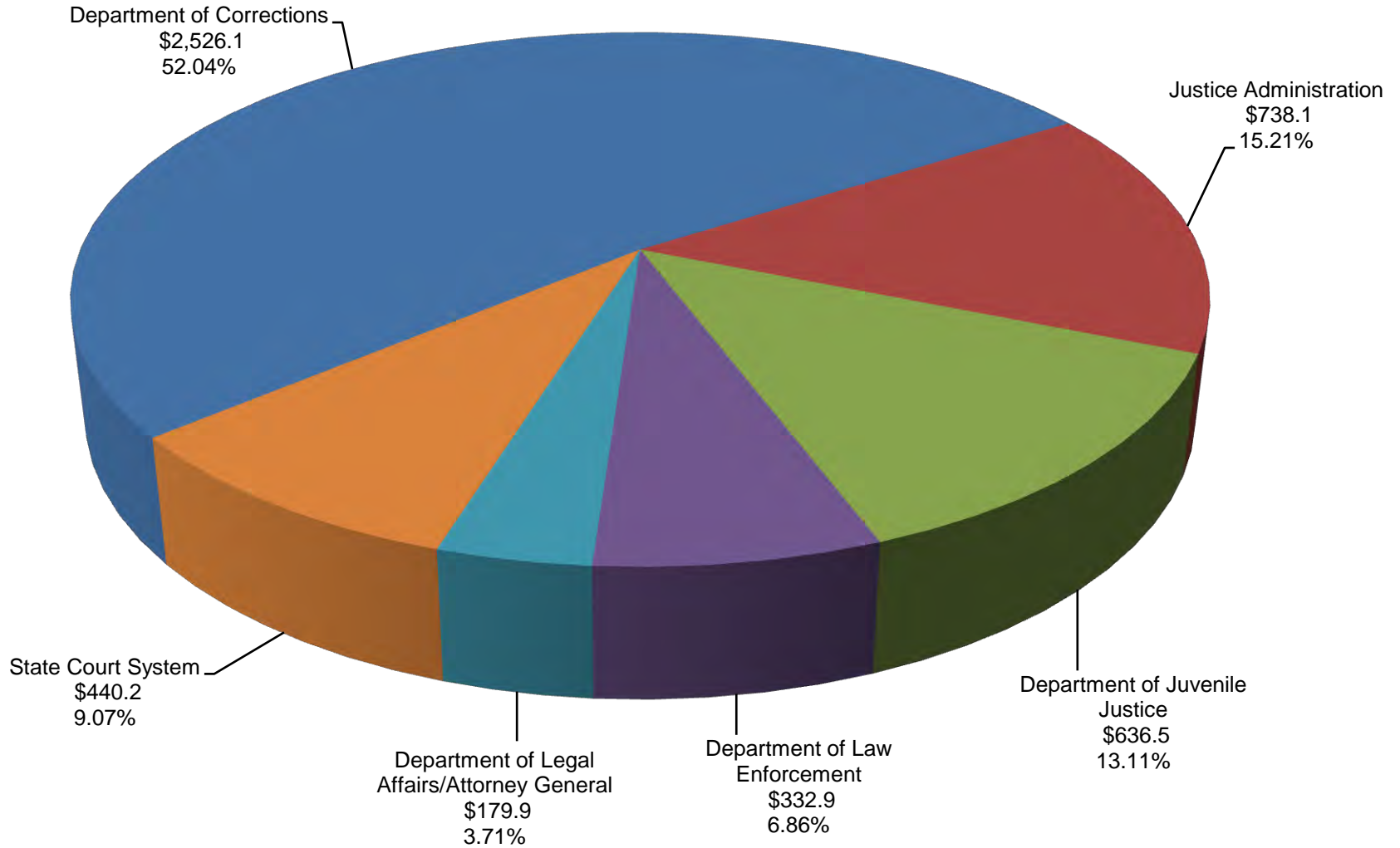
Governor's Priority: Recognizing Our State Employees

- Employee Bonuses – gives agency heads the authority to use existing appropriations to award deserving employees who meet their performance standards, a bonus of up to \$1,000. Included is a provision that would further allow the state to pay applicable federal taxes relating to the bonus for the employee.
- \$13.1 mil – State Employees Health Insurance – employee premiums remained unchanged.

State Workforce Positions (Since 1992)



Governor's Recommended Budget -- FY 2009-10 Public Safety Policy Area -- Total Budget: \$4.9 Billion



Governor's Priority: Public Safety

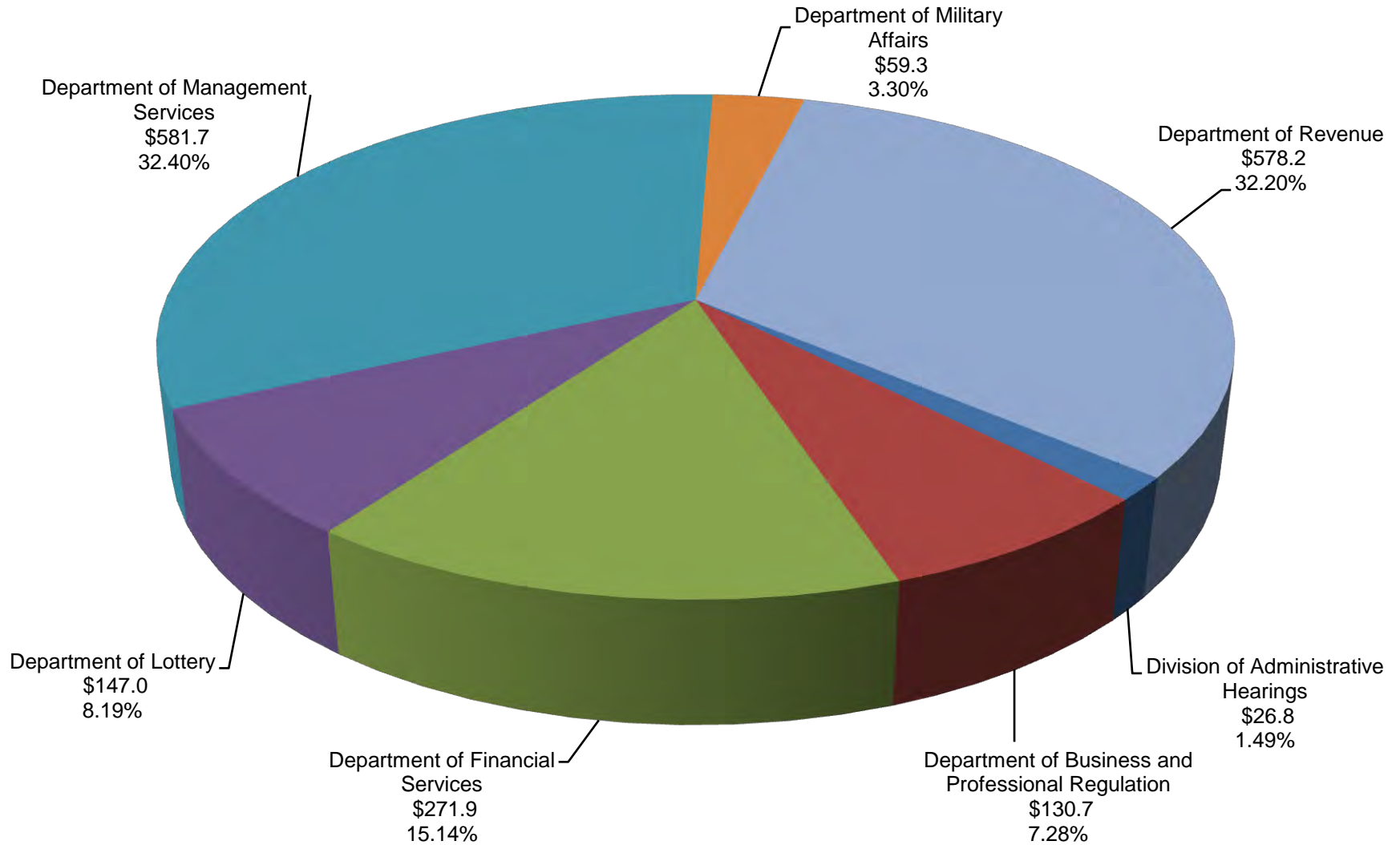
Ensuring the Continued Safety of Floridians

Includes:

- \$81.1 mil for prison operations and to bond for construction of 3,945 new prison beds (construction need based on October 2008 estimating conference figures)
- \$579k savings to administratively house the Parole Commission under the Department of Corrections (DOC)
- \$700k savings by providing full time positions for the delivery of health services to inmates in Region IV and at Taylor CI
- \$2.3 mil cost avoidance by providing food services in-house within the DOC and the Department of Juvenile Justice (DJJ)
- \$11 mil for projected Department of Corrections operating deficits
- \$23.3 mil from Byrne/Justice Assistance Grant
 - **Part of the American Recovery and Reinvestment Act of 2009**
 - Enhance DOC substance abuse and inmate transition services, enhance the Courts Judicial Inquiry System, expand DJJ's alternatives to detention program

Governor's Recommended Budget -- FY 2009-10

General Government Policy Area -- Total Budget: \$1.8 Billion

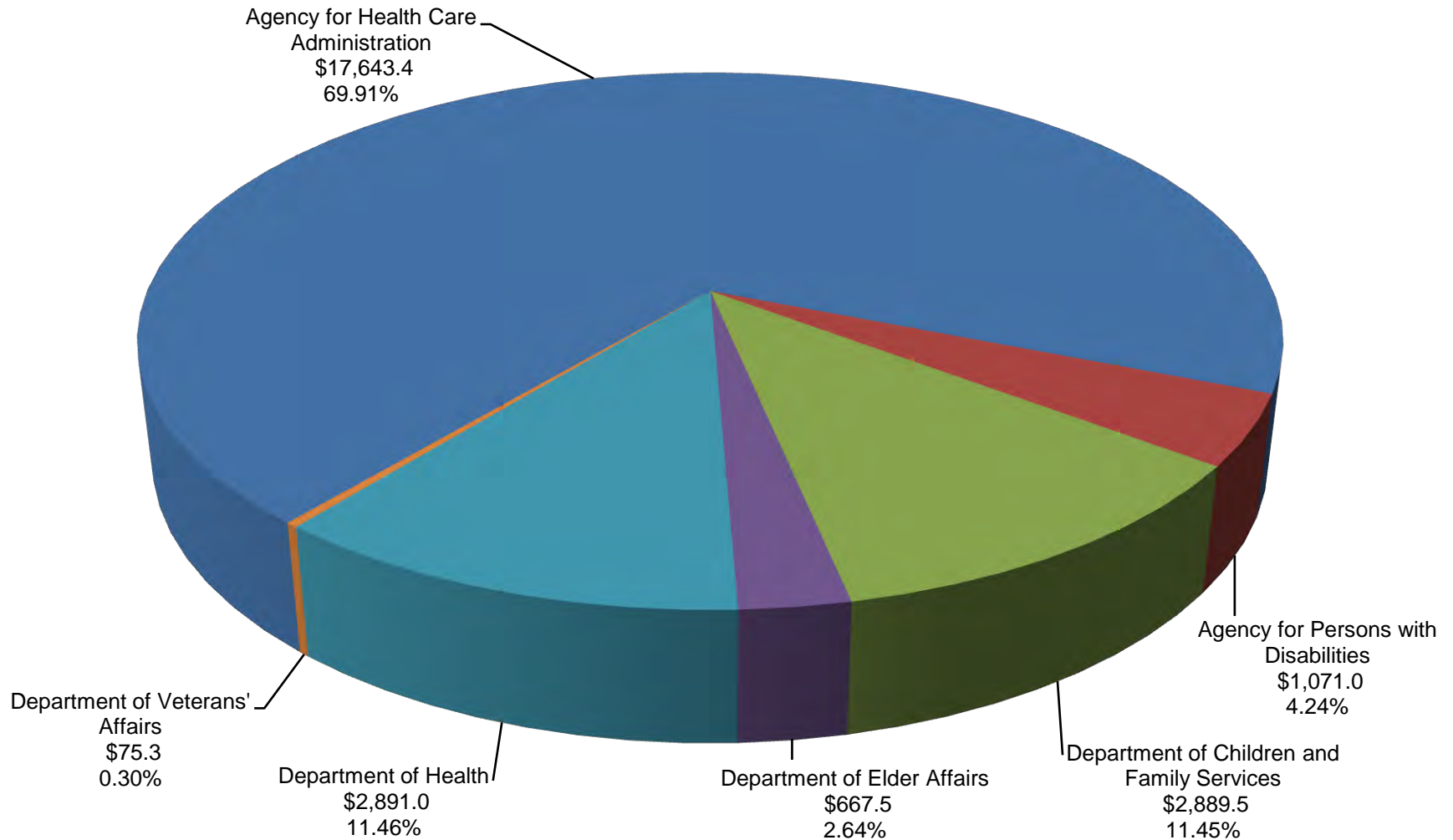


Governor's Priority: General Government

- Data Center Consolidation – Completes the consolidation of mainframe computing for the DOT, DHSMV, DMS, and AWI into the Southwood Shared Resource Center; consolidates the computing resources of the Parole Commission into the DOC; and initiates the development of a transition plan to consolidate the DJJ and DBPR data centers into the Northwood Shared Resource Center.
- \$7.2 mil – Supports increased workload in the Office of Financial Regulation due to recent federal legislation, and increased regulation of distressed financial institutions and securities entities due to economic conditions.
- \$2.5 mil – Supports the renovation of a National Guard armory.
- \$13 mil – Offsets reduced ad valorem collections in fiscally-constrained counties experienced due to the passage of Amendment 1.

Governor's Recommended Budget -- FY 2009-10

Health & Human Services Policy Area -- Total Budget: \$25.2 Billion



Governor's Priority: Health & Human Services

Helping our Most Vulnerable – Children, Elders, & the Disabled

- * \$34.8 mil to increase fees paid to Medicaid physicians that specialize in dermatology, neurology, neurosurgery and orthopedic surgery
- * \$16.1 mil to increase fees paid to Medicaid dentists
- * \$91 mil to increase capitation rates paid to Medicaid prepaid health plans
- * \$1.1 bil for the Medicaid entitlement program
- * \$470 mil to restore the Medically Needy program
- * \$294 mil to restore the Meds AD program
- * The American Recovery and Reinvestment Act of 2009 provides an enhanced Federal Medical Assistance Percentage resulting in more federal dollars available to fund the Medicaid program.

Governor's Priority: Health & Human Services

Helping our Most Vulnerable – Children, Elders, & the Disabled

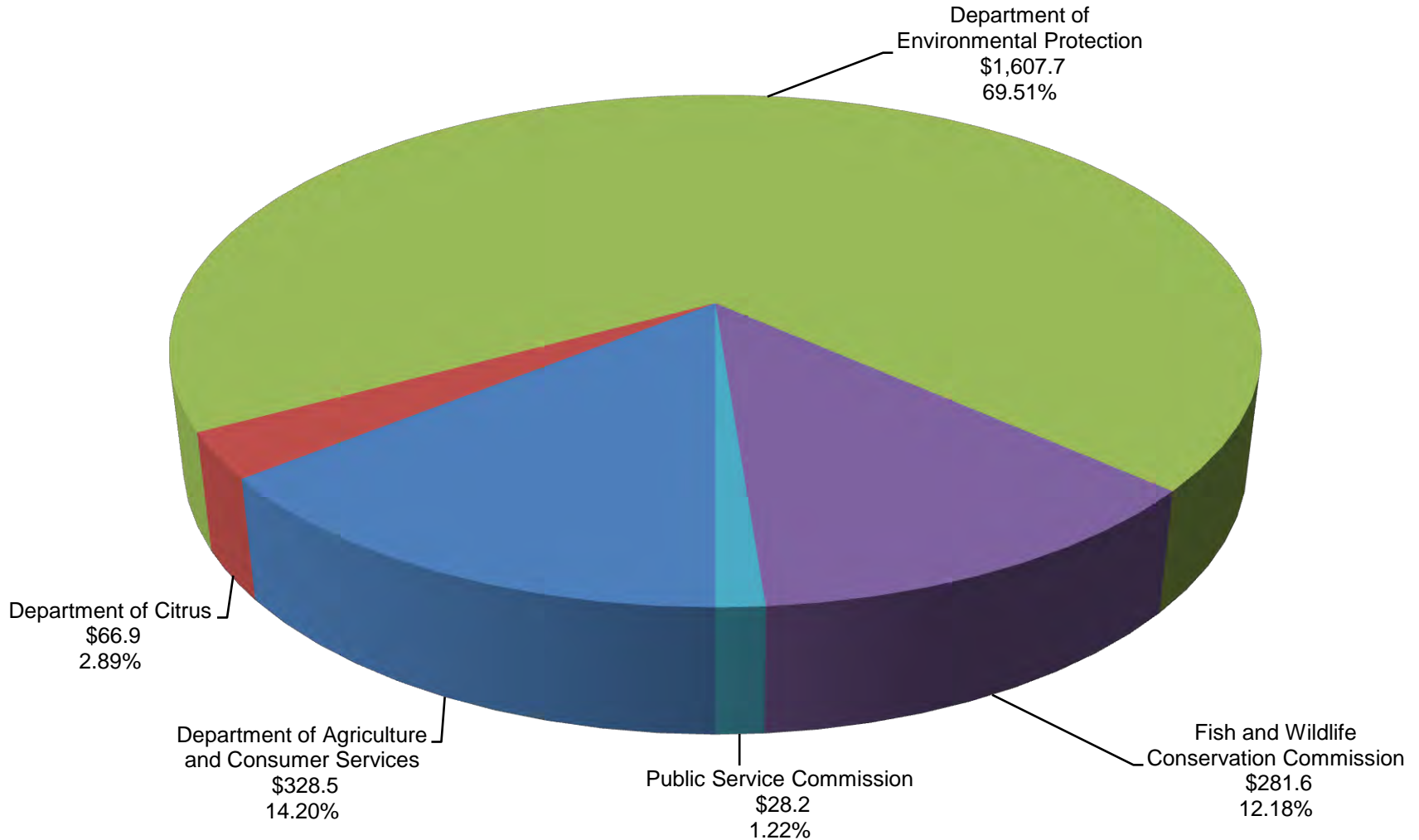
- \$52 mil for increased enrollment in the KidCare program to support an additional 46,000 children
- \$30 mil for the Child Nutrition program
- \$97.5 mil for the Women, Infants and Children program.
- \$8 mil to support Tobacco Education and Prevention
- \$9 mil to restore school health services
- \$1.8 mil for the Veterans' nursing home in St. John's County

Governor's Priority: Health & Human Services

Helping our Most Vulnerable – Children, Elders, & the Disabled

- \$27.1 mil for the Maintenance Adoption Subsidy Program
 - \$12.1 mil from the American Recovery and Reinvestment Act of 2009
- \$21.4 mil to restore funding in Mental Health and Substance Abuse Services
- \$26.4 mil to meet the increased operating and housing needs at the Florida Civil Commitment Center
- \$42.7 mil to serve the developmentally disabled in the Home and Community Services Waiver

Governor's Recommended Budget -- FY 2009-10 Environmental Policy Area -- Total Budget: \$2.3 Billion



Governor's Priority: Environment

Protecting Florida's Natural Resources

Includes:

\$375 mil for Florida Forever & Everglades Restoration

- \$300 mil for Florida Forever Program (bonded)
- \$75 mil for Everglades Restoration (bonded)

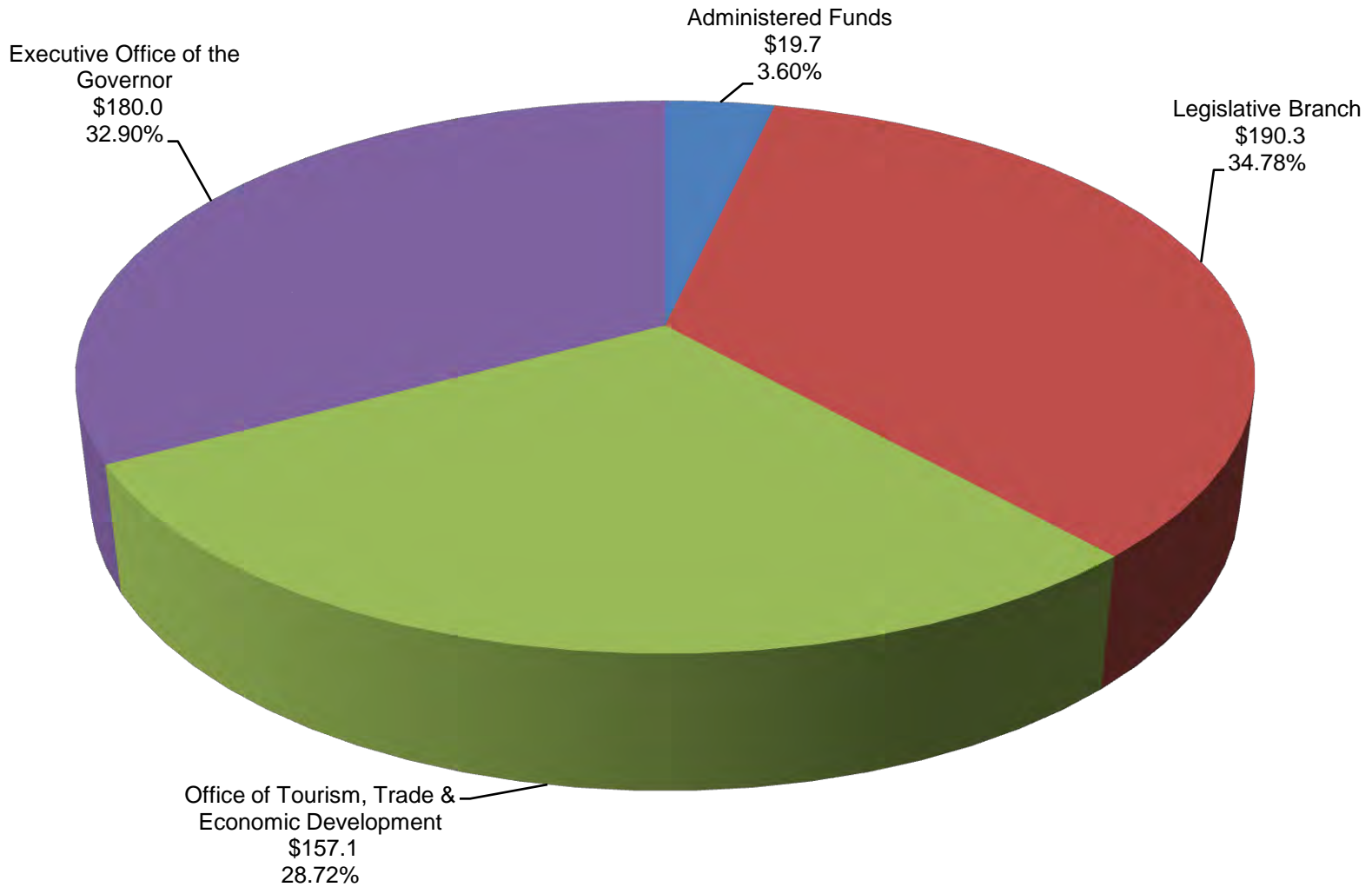
■ \$476.6 mil for Water Resource and Restoration Programs

- \$214.3 mil for Wastewater Treatment Facility - State Revolving Fund
 - \$134.3 mil in FY 2008-09 from the American Recovery and Reinvestment Act
- \$162.1 mil for Drinking Water Facility - State Revolving Fund
 - \$88.8 mil in FY 2008-09 from the American Recovery and Reinvestment Act
- \$69.5 mil for Water Protection and Sustainability
- \$15.7 mil for Mulberry/Piney Point Cleanup
- \$15 mil for Water Restoration Action Plan

Governor's Recommended Budget -- FY 2009-10

Executive Office of the Governor, Legislature and Administered Funds --

Total Budget: \$547.1 Million



Governor's Priority: Florida Energy and Climate Commission

Growing Florida's Low Carbon Economy

- \$5 mil – Solar Rebate Program - Provides rebates to consumers who install products such as solar water heaters and solar pool heaters. **Funding from the American Recovery and Reinvestment Act of 2009.**
- \$14.1 mil – Energy Efficiency Grants - Provides grants to small cities and counties for energy efficiency projects. **Funding from the American Recovery and Reinvestment Act of 2009.**
- \$124.5 mil – State Energy Program - Provides funding for the investment in renewable energy technologies, biofuel development and production, and the deployment of energy efficiency technologies to mitigate energy costs for households and Florida businesses. **Funding from the American Recovery and Reinvestment Act of 2009.**

Governor's Priority: Office of Tourism, Trade & Economic Development

Incentives help to foster a strong business environment

- \$10 mil - Economic Gardening Program – FY 2008-09 funding to stimulate investment in Florida's economy by providing low interest loans to expanding businesses.
- \$45 mil – Quick Action Closing Fund - provides incentives to recruit and retain industries providing high wage jobs.
- \$10 mil – Film and Entertainment Incentives – provides incentives to attract, maintain, and grow Florida's film and entertainment industry.
- \$21.1 mil – provides incentives under the *Qualified Target Industry* and *Qualified Defense Contractor Tax Refund* programs to create high-wage, high-quality jobs within the state.

Governor's Priority: Office of Tourism, Trade & Economic Development

Strategic partnerships to strengthen Florida's economic future

- \$35.5 mil – VISIT FLORIDA - promotes the state as a premier tourist destination.
- \$11.7 mil – Enterprise Florida – assists in the retention and expansion of existing businesses; and for marketing the state as a pro-business location.
- \$3.8 mil – Space Florida – promotes the growth of the aerospace industry and develops innovative math and science programs and workforce development strategies.
- \$2.7 mil – Florida Sports Foundation – promotes the state's sports industry and supports the Sunshine State Games.

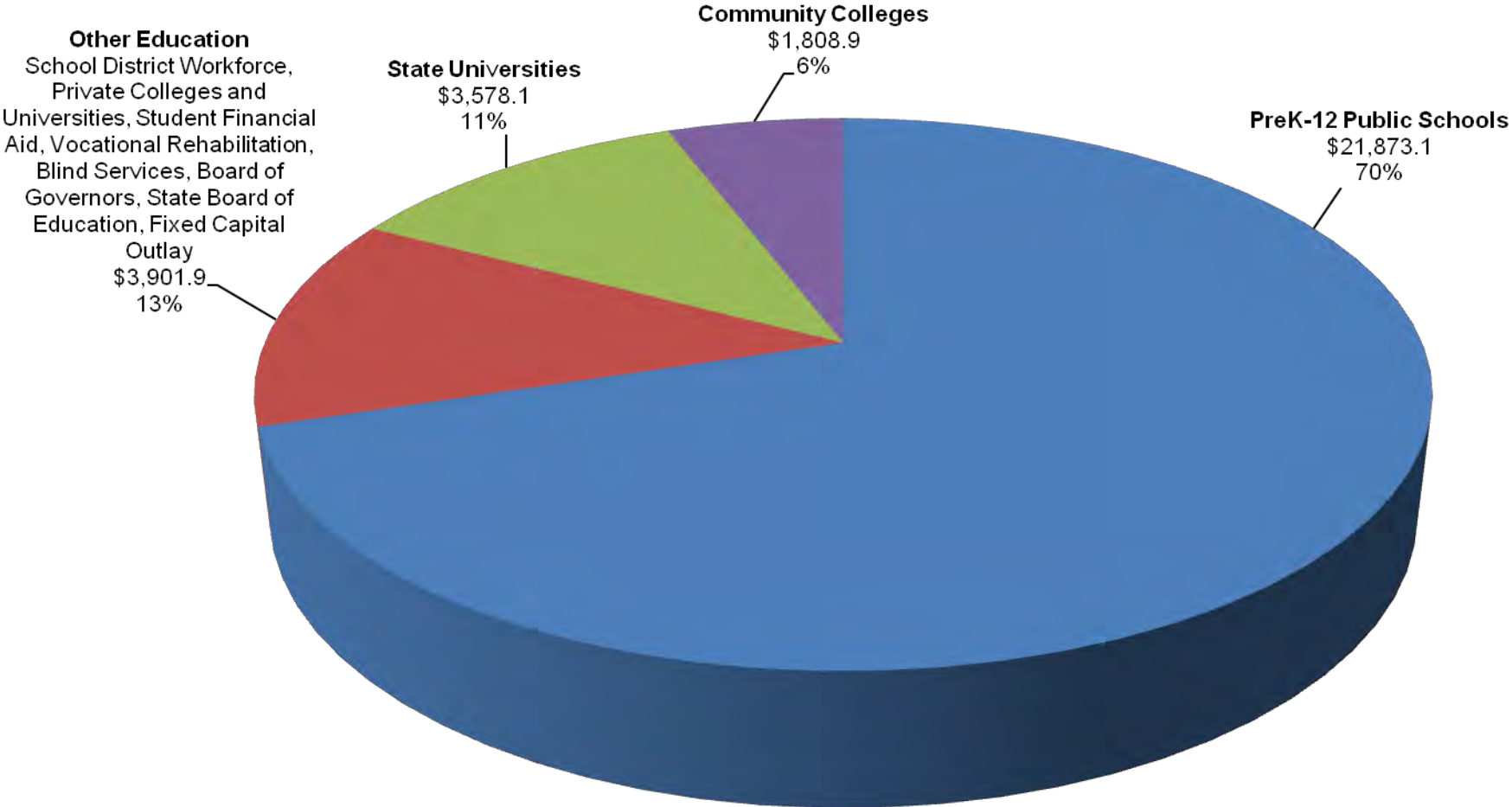
Governor's Priority: Office of Tourism, Trade & Economic Development

Additional Investment in Florida's economic growth

- \$16.2 mil – Supports space, defense, rural and transportation infrastructure projects.
- \$0.8 mil – Supports the state's commitment to advocating international relationships and promoting the state's unique geographic and cultural characteristics.
- \$3.9 mil – Improves the development of rural communities and brownfield areas and protects Florida's valuable military bases.
- \$2.8 mil – Enhances the entrepreneurial climate for minority businesses through support of the Black Business Investment Board, the Black Business Loan Program and the Hispanic Business Initiative Fund.

Governor's Recommended Budget -- FY 2009-10

Education Policy Area -- Total Budget \$31.2 Billion*



*(Includes State, Local, Federal Funds, plus Tuition and Fees)

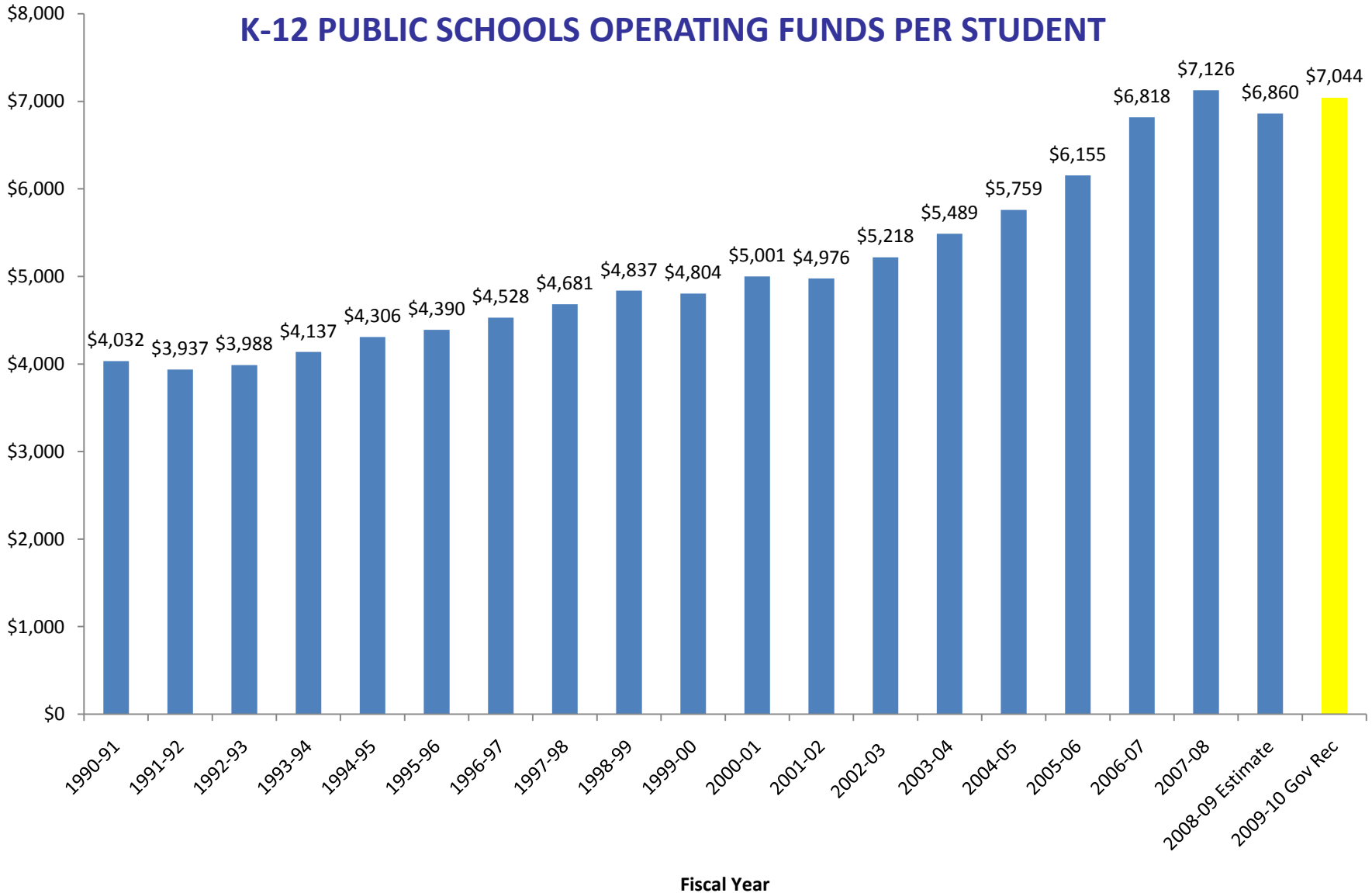
PreK-12 Public Schools

Almost \$22 bil for Florida PreK-12 Education —

Includes:

- \$369 mil for Voluntary Prekindergarten
 - \$2,575 Per Student for the School Year and \$2,190 Per Student for the Summer (\$0 increase)
- \$18.3 bil for Public Schools
 - \$7,044 Per Student (\$183 or 2.67% increase)
 - Includes \$2.8 bil for Class Size Compliance (\$89 mil or 3.27% increase)
 - Includes \$880.6 mil from the American Recovery and Reinvestment Act of 2009
- \$61.7 mil for Excellent Teaching Program (10% certification bonus)
- \$673.6 mil from the American Recovery Reinvestment Act of 2009 for Title I and Special Education

K-12 PUBLIC SCHOOLS OPERATING FUNDS PER STUDENT



Higher Education - *Workforce, Community Colleges, & State Universities*

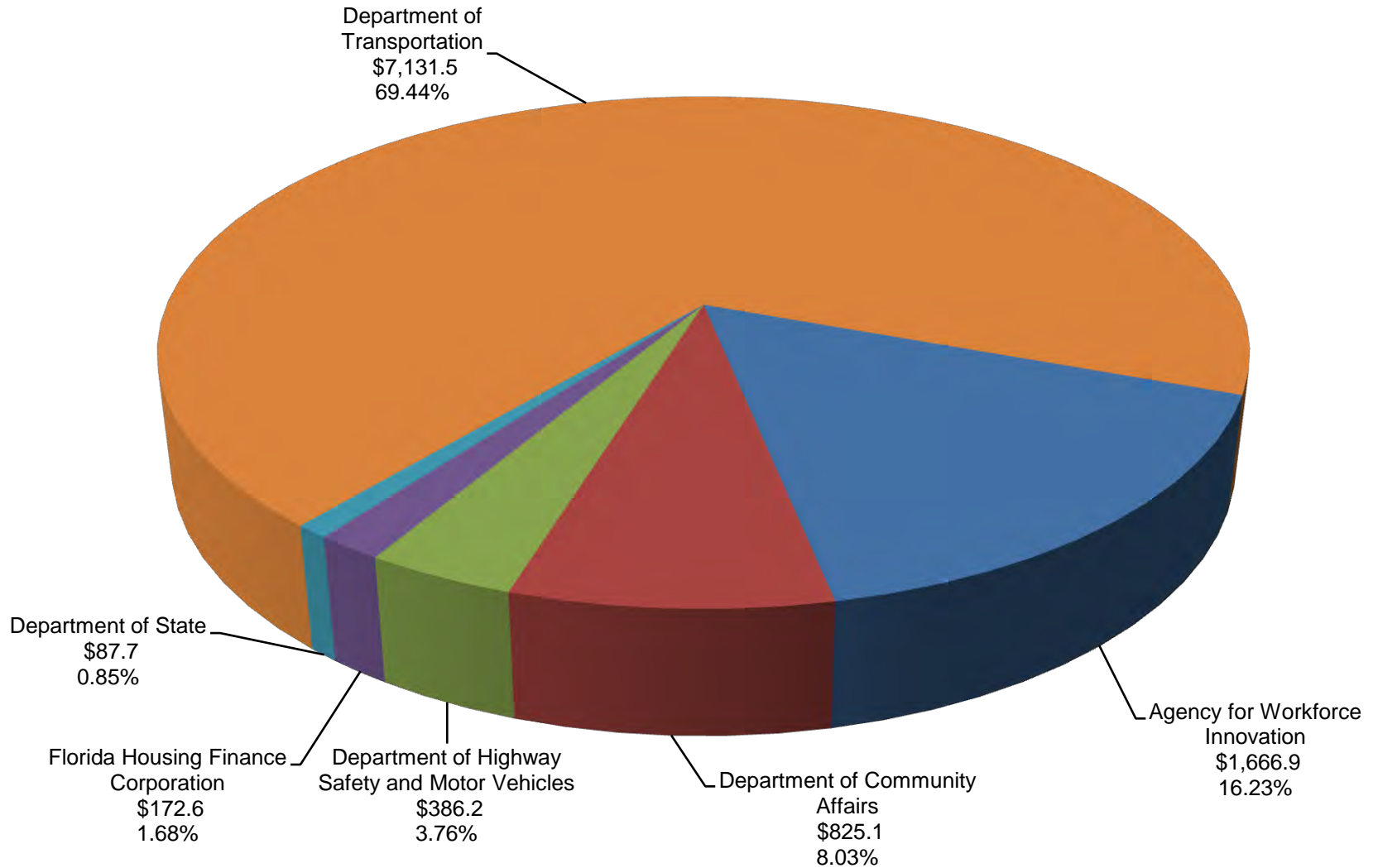
Almost \$6 bil for Higher Education

Includes:

- \$564 mil for Postsecondary Workforce Education by School Districts (\$25.0 mil or 4.6% increase)
 - Includes \$23.5 mil from the American Recovery and Reinvestment Act of 2009
- \$1.8 bil for Community Colleges and their Baccalaureate Degree Programs (\$146.8 mil or 8.8% increase)
 - Includes \$70.8 mil from the American Recovery and Reinvestment Act of 2009
- \$3.6 bil for State Universities and Medical Schools (\$191.2 mil or 5.6% increase)
 - Includes \$130.8 mil from the American Recovery and Reinvestment Act of 2009
- Tuition Policy: 5% Base Tuition Increase and a University Differential Fee
 - The Differential Can Be Applied to Result in a Maximum Tuition Increase of 15% for State Universities

Governor's Recommended Budget -- FY 2009-10

Transportation & Economic Development Policy Area -- Total Budget: \$10.3 Billion



Governor's Priority: Transportation & Economic Development

Stimulating Florida's Economic Recovery

Includes:

- \$6.2 bil for the Transportation Work Program
 - Plus \$1.4 bil in FY 2008-09 from the American Recovery and Reinvestment Act of 2009
- \$326.3 mil to serve unemployed and provide Florida workers with training and placement services (\$50.5 mil or 18.3% increase)
 - Includes \$77.8 mil from the American Recovery and Reinvestment Act of 2009; Plus \$81.0 mil in FY 2008-09
 - The American Recovery and Reinvestment Act of 2009 increases the weekly Unemployment Compensation benefit \$25 per week
- \$672.8 mil to provide affordable childcare to more families (\$26.9 mil or 4.2% increase)
 - Includes \$51.6 mil from the American Recovery and Reinvestment Act of 2009; Plus \$53.7 mil in FY 2008-09
- \$338.1 mil for infrastructure repairs, mitigation, community assistance and development (\$198.7 mil or 242.5% increase)
 - Includes \$148.2 mil in FY 2009-10 from the American Recovery and Reinvestment Act of 2009; Plus \$17.9 mil in FY 2008-09
- \$172.6 mil for affordable housing programs

