

Full Appropriations Council on Education & Economic Development

**Wednesday, October 7, 2009
8:00 AM – 10:00 AM
212 Knott Building**

COUNCIL MEETING PACKET

**Larry Cretul
Speaker**

**David Rivera
Chair**



AGENDA

Full Appropriations Council on Education & Economic Development

October 7, 2009

8:00 a.m. – 10:00 a.m.

212 Knott Building

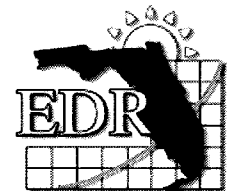
- I. Call to order/Roll Call
- II. Opening Remarks by Chair Rivera
- III. Introduction of University Chancellor Frank Brogan
- IV. Overview of the Long Range Financial Outlook by Amy Baker,
Coordinator of Economic & Demographic Research
- V. Budget Overview and Update
- VI. Closing Remarks and Adjournment

**Florida: An Economic
Overview (EDR)**

Florida: An Economic Overview

October 7, 2009

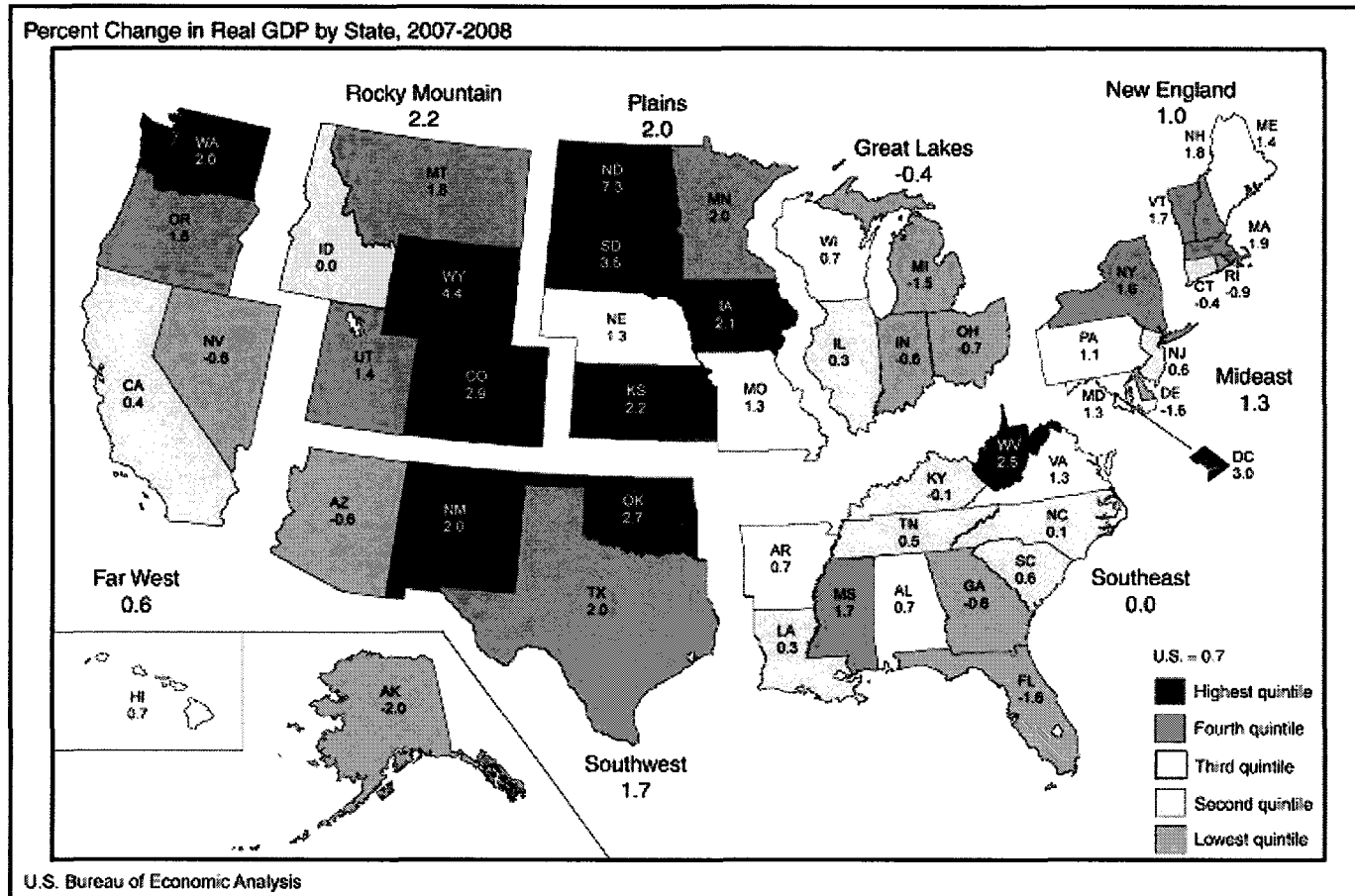
Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

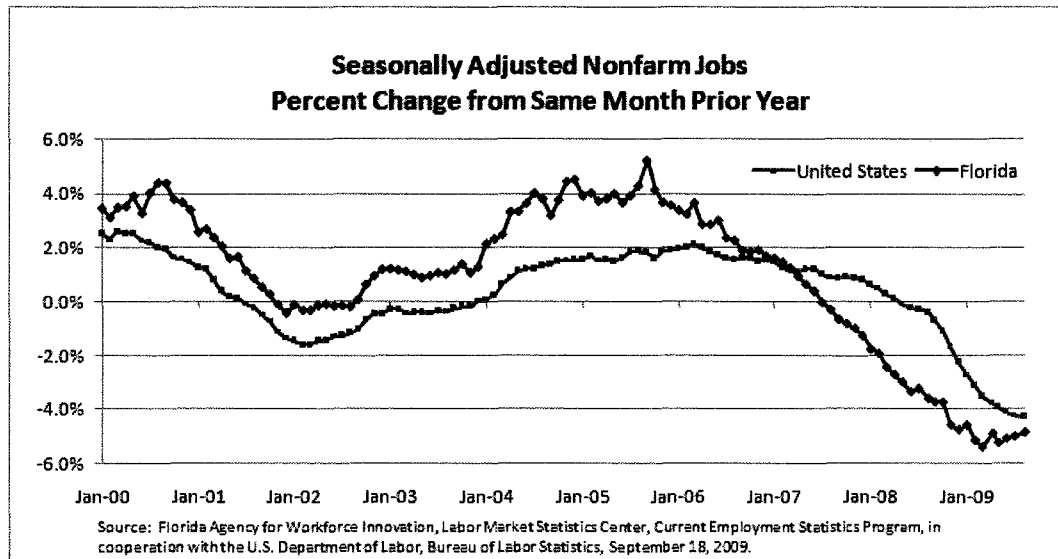
Economy Lost Ground in 2008

- Florida's growth is now declining. State Gross Domestic Product (GDP) ranked us 48th in the nation in real growth with a decline of (-1.6%) in 2008. In 2005, we were ranked 2nd in the nation.



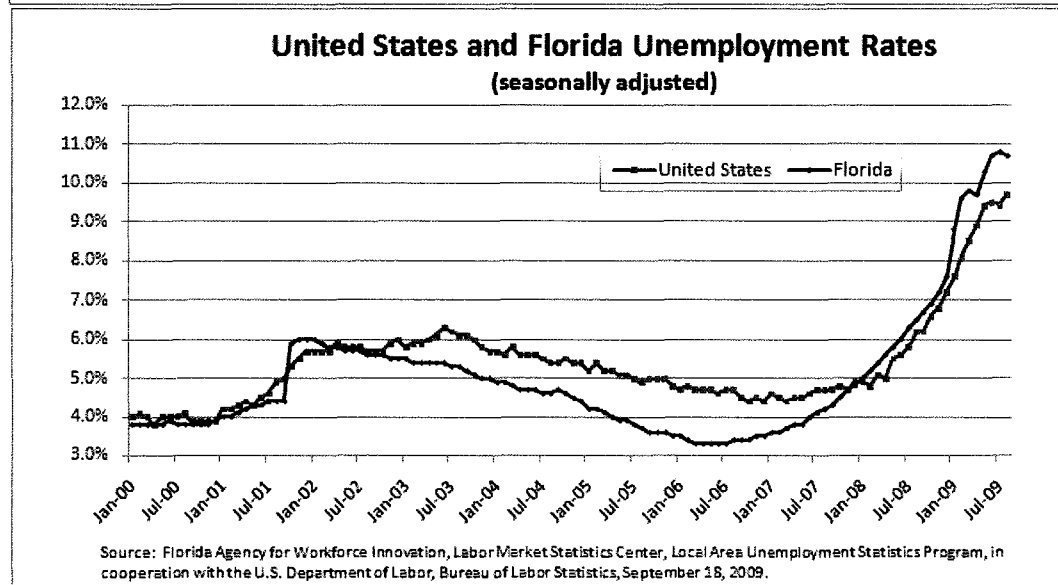
Employment Worsens

Last Comparable
1975



August (YOY)

US -4.3%
FL -4.8%
(-372,700 jobs)



August

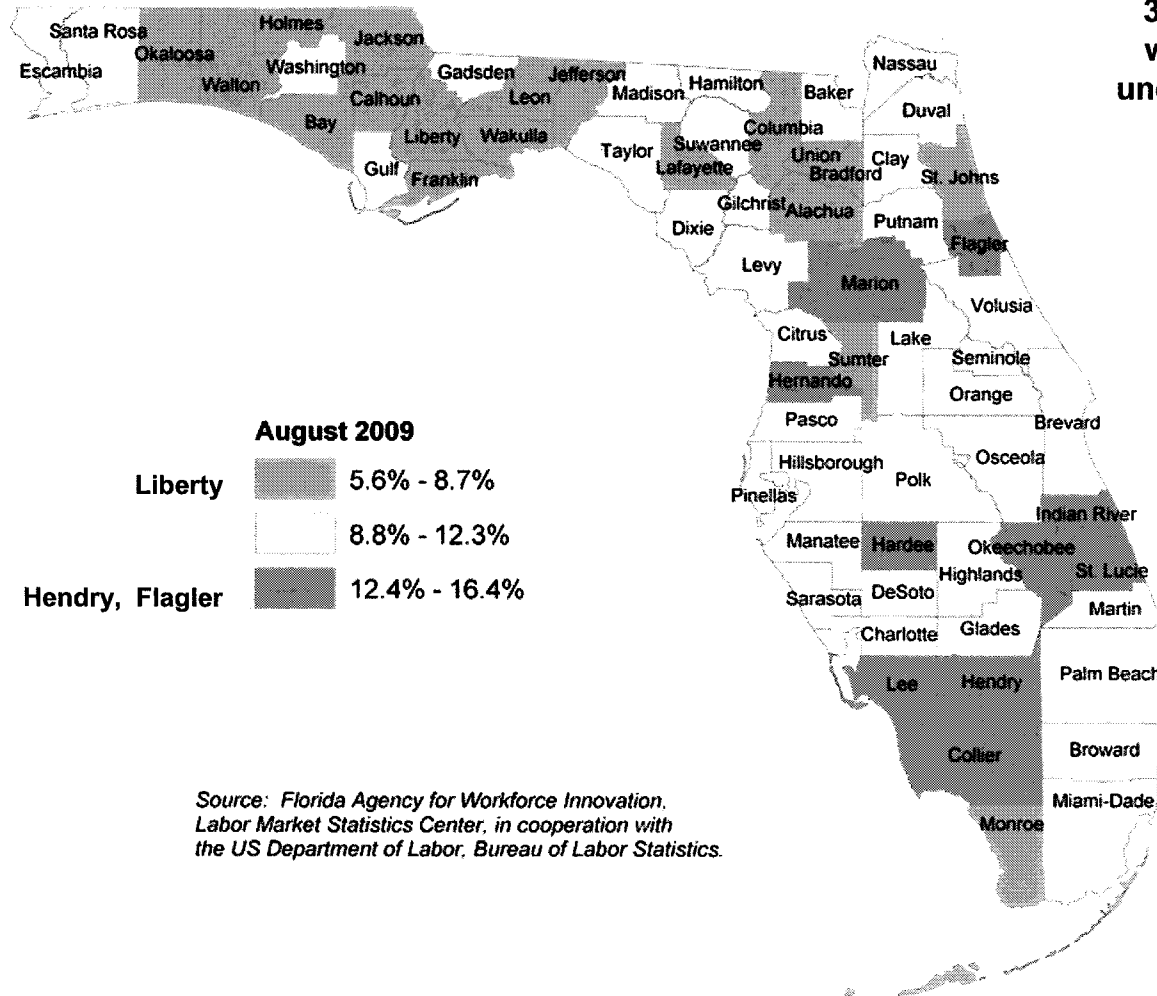
US 9.7%
FL 10.7%
(984,000 people)

Projected

FL 11.0%
Spring, 2010



Unemployment Rates



39 of 67 counties
with double-digit
unemployment rates

Source: Florida Agency for Workforce Innovation,
Labor Market Statistics Center, in cooperation with
the US Department of Labor, Bureau of Labor Statistics.

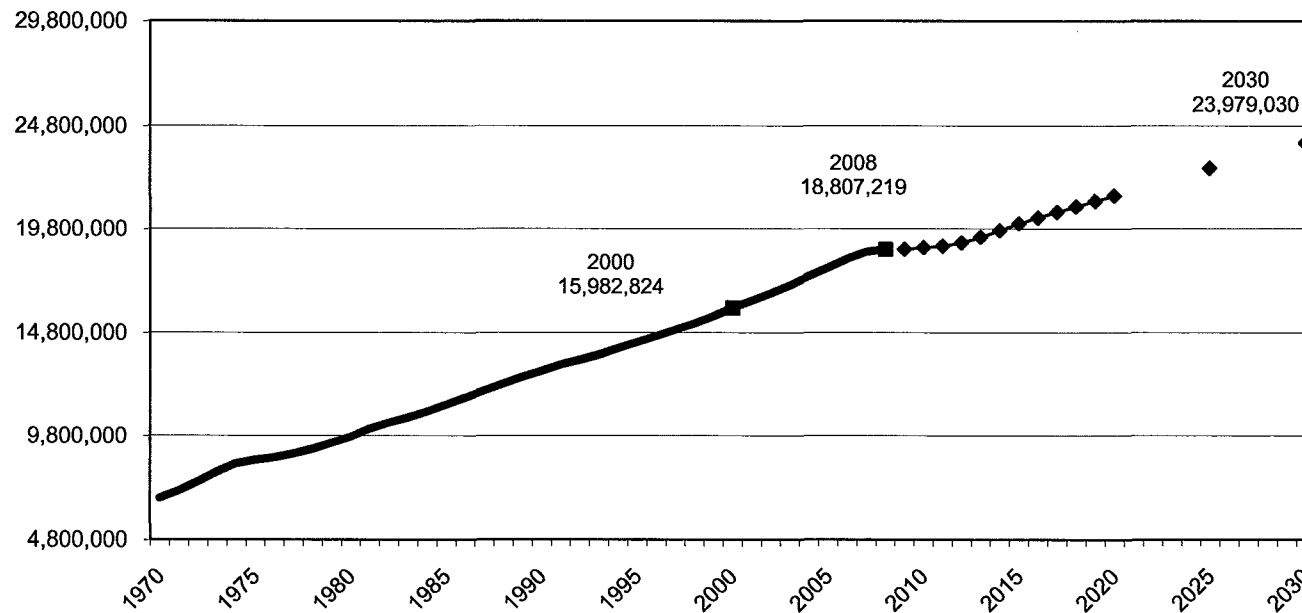


Population Growth Slowing

- Population growth is the state's primary engine of economic growth, fueling both employment and income growth.
- Population growth hovered between 2.0% and 2.6% from the mid 1990's to 2006, then began to slow – only reaching 0.7% in 2008. In the short term, population growth is forecast to remain relatively flat – averaging 0.4% between 2008 and 2012. Population growth is expected to rebound in the future – averaging 1.1% between 2025 and 2030.
- Florida is still on track to break the 20 million mark in 2015, becoming the third most populous state sometime before then – surpassing New York.



Florida's April 1 Population

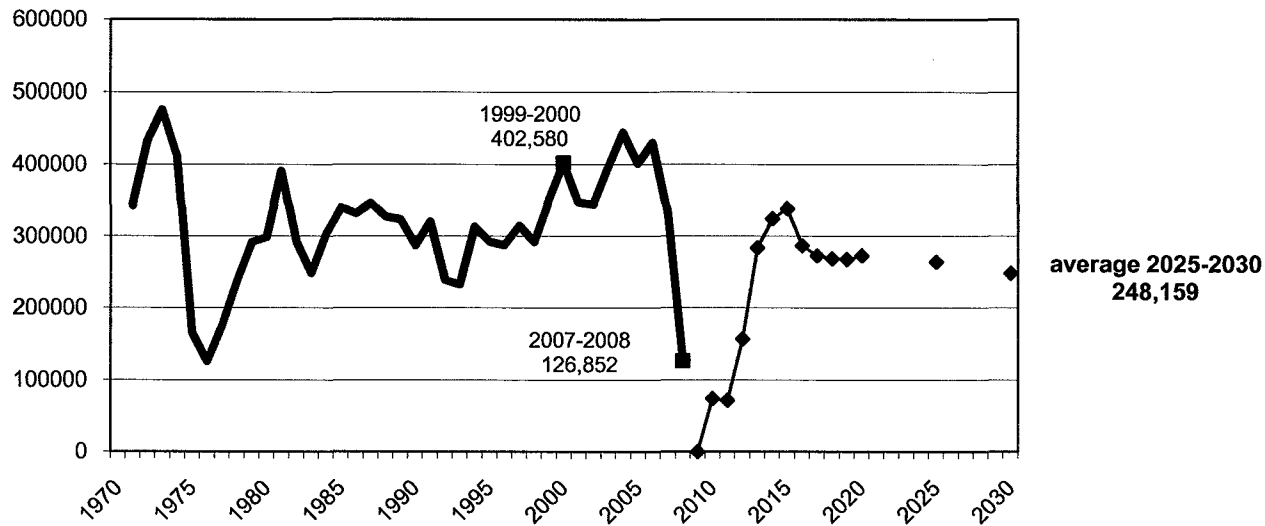


Florida's population:

- was 15,982,824 in 2000
- was 18,807,219 in 2008
- is forecast to grow to 23,979,030 by 2030



Florida's Population Growth



Population increased by:

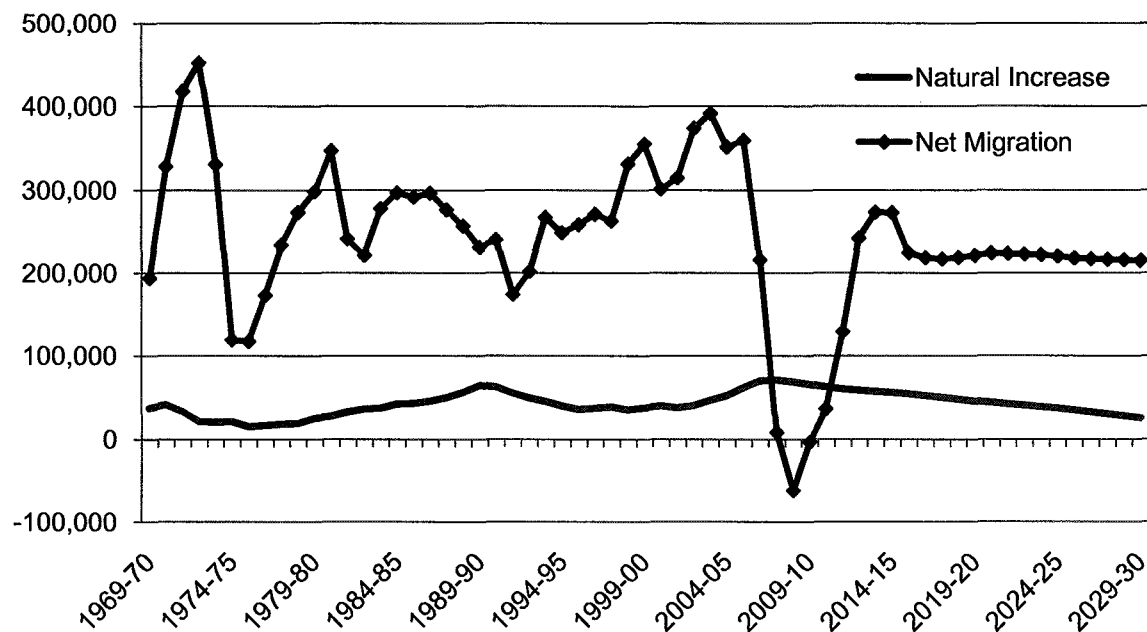
- 445,224 between 2003 and 2004
- 126,852 between 2007 and 2008

Population is forecast to increase on average by:

- -0- between 2008 and 2009 (likely revised to -58,000)
- 74,226 between 2009 and 2010
- 71,705 between 2010 and 2011
- 156,825 between 2011 and 2012
- 283,580 between 2012 and 2013



Population Components



- Typically, most of Florida's population growth is from net migration. However, between 2007 and 2008, net migration represented only 10.5 percent of Florida's population growth.
- In 2030, net migration is forecast to represent 89.2 percent of Florida's population growth.



Recession – A Little Longer

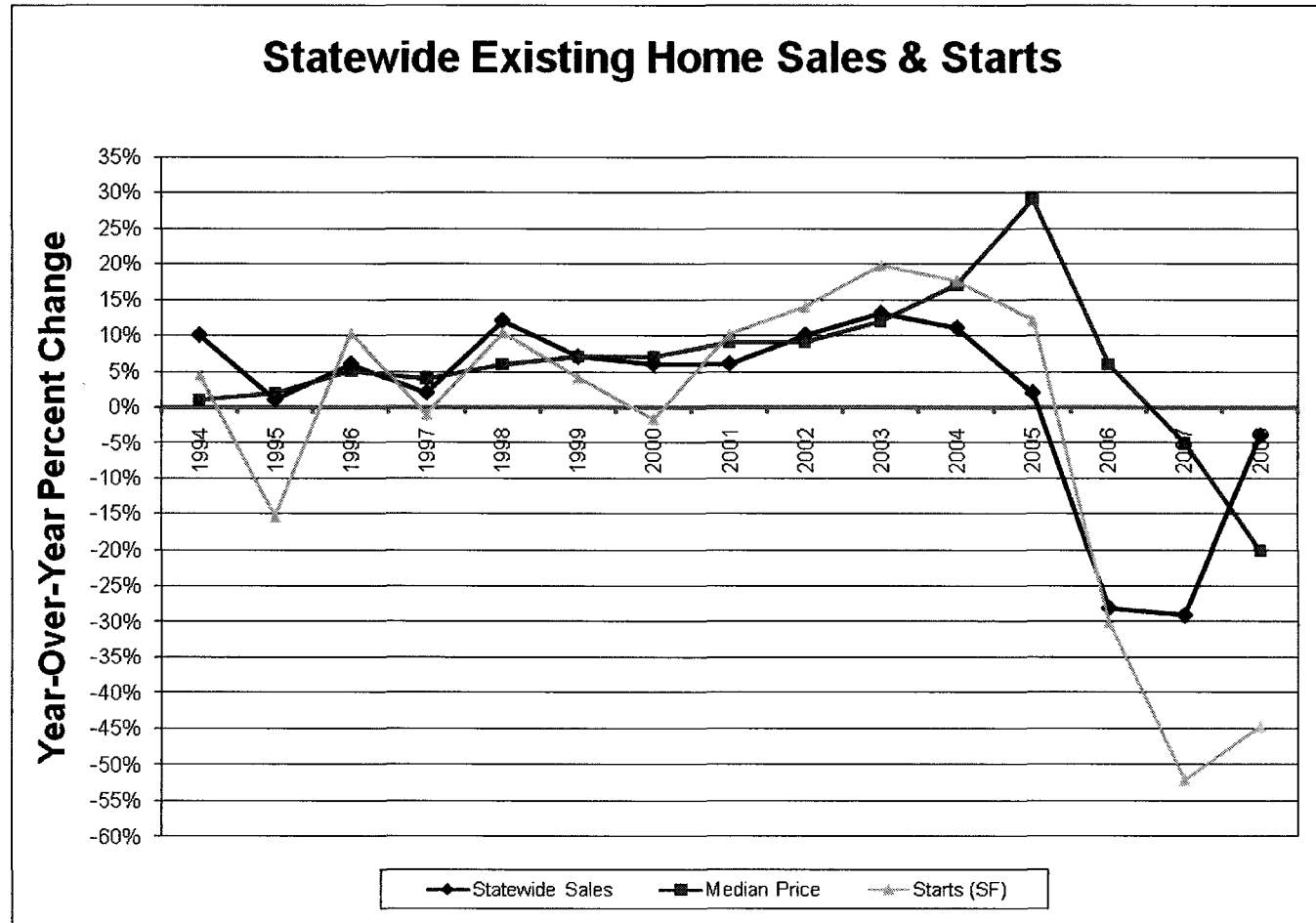
- United States economy has officially been in a recession since December 2007.
- The longest recession now on record – and projected to last until the Spring of 2010.

Recessions since the Great Depression

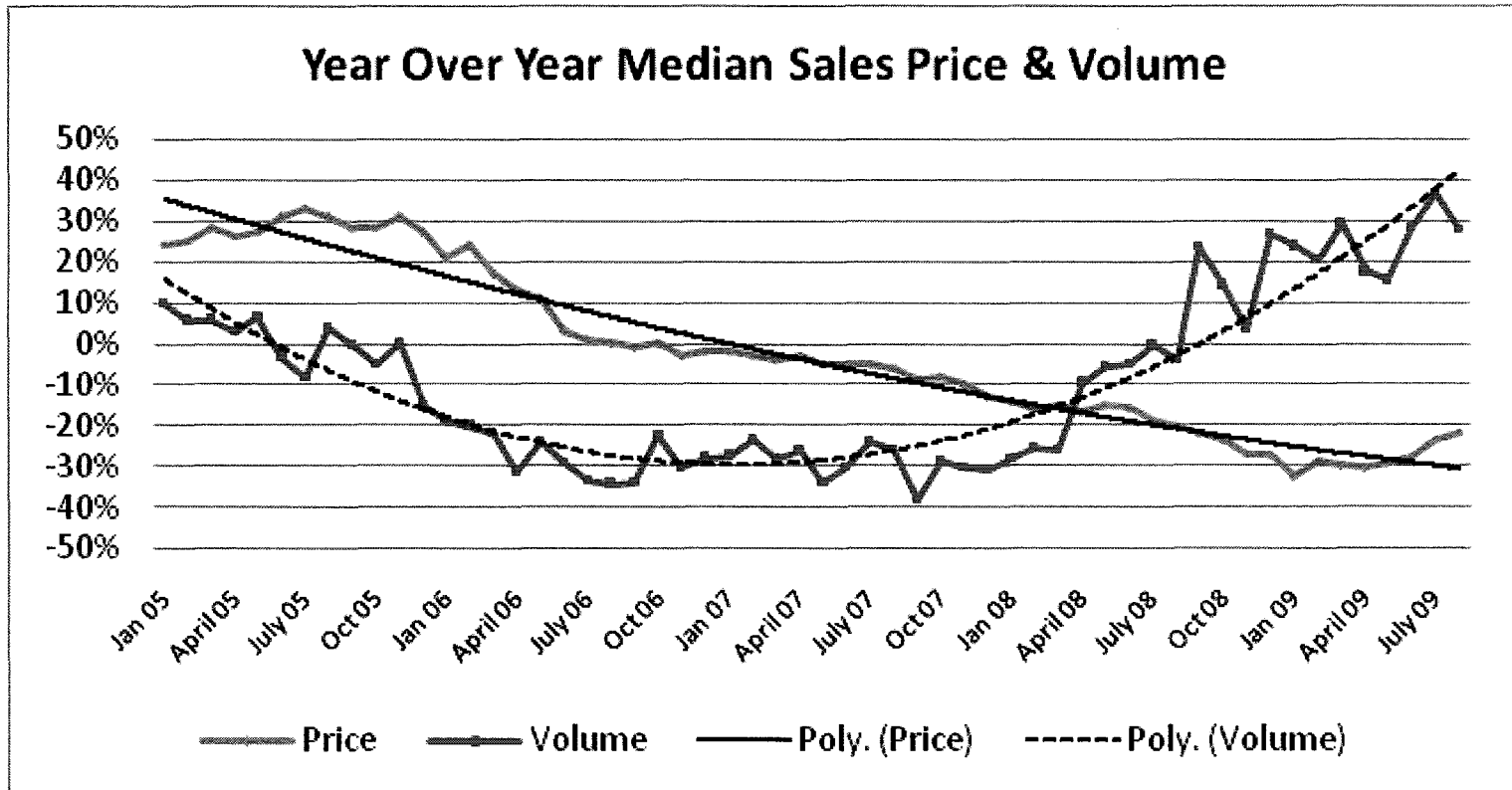
<u>Recession</u>	<u>Duration</u>	<u>Recession</u>	<u>Duration</u>
2001	8 mos	1960-1961	10 mos
1990-1991	8 mos	1957-1958	8 mos
1981-1982	16 mos	1953-1954	10 mos
1980	6 mos	1948-1949	11 mos
1973-1975	16 mos	1945	8 mos
1969-1970	11 mos	1937-1938	13 mos



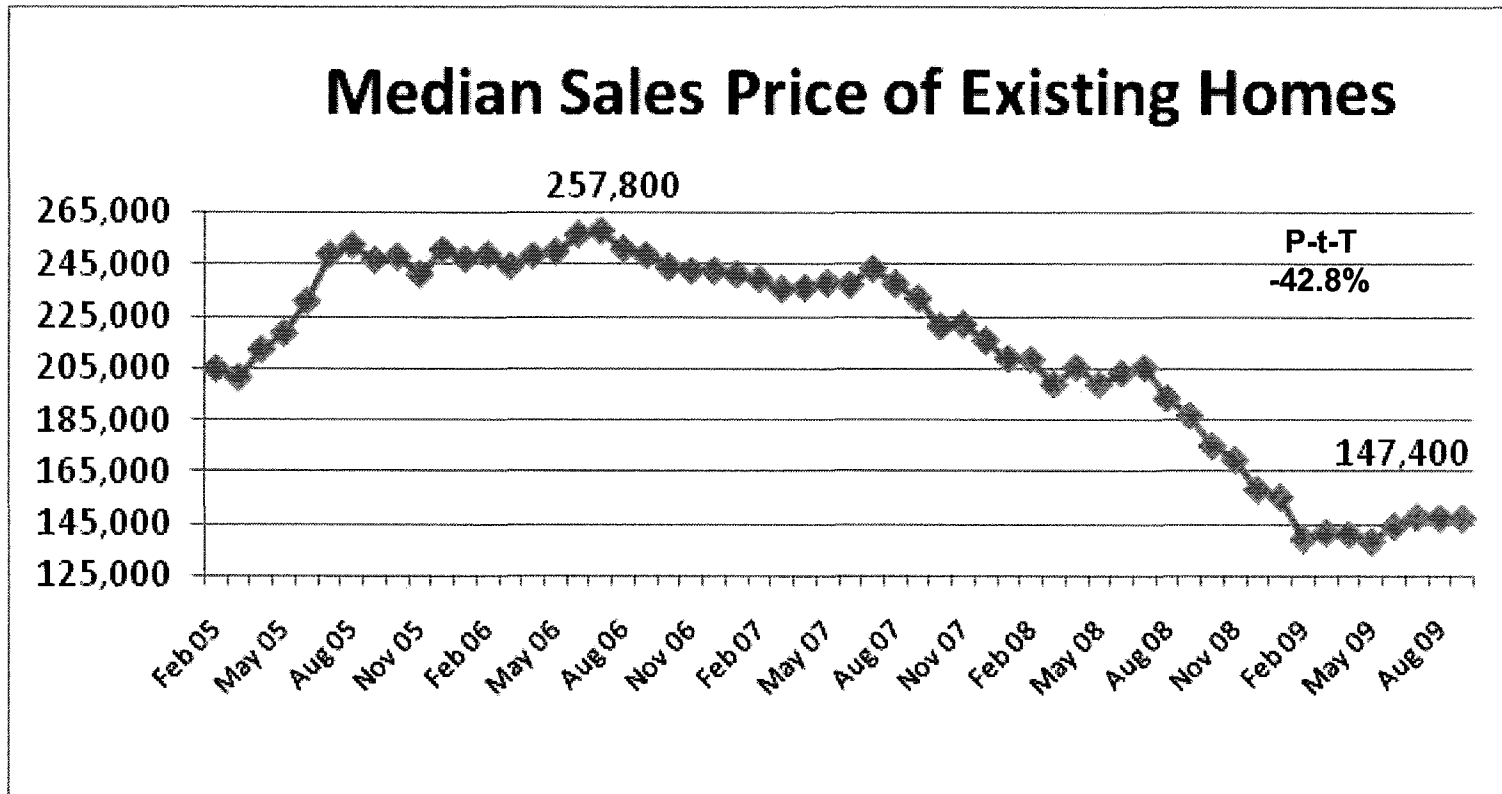
Florida Housing is Improving



Existing Homes Sales Growing



Existing Home Prices Flattening



Foreclosure Filings Bottoming?

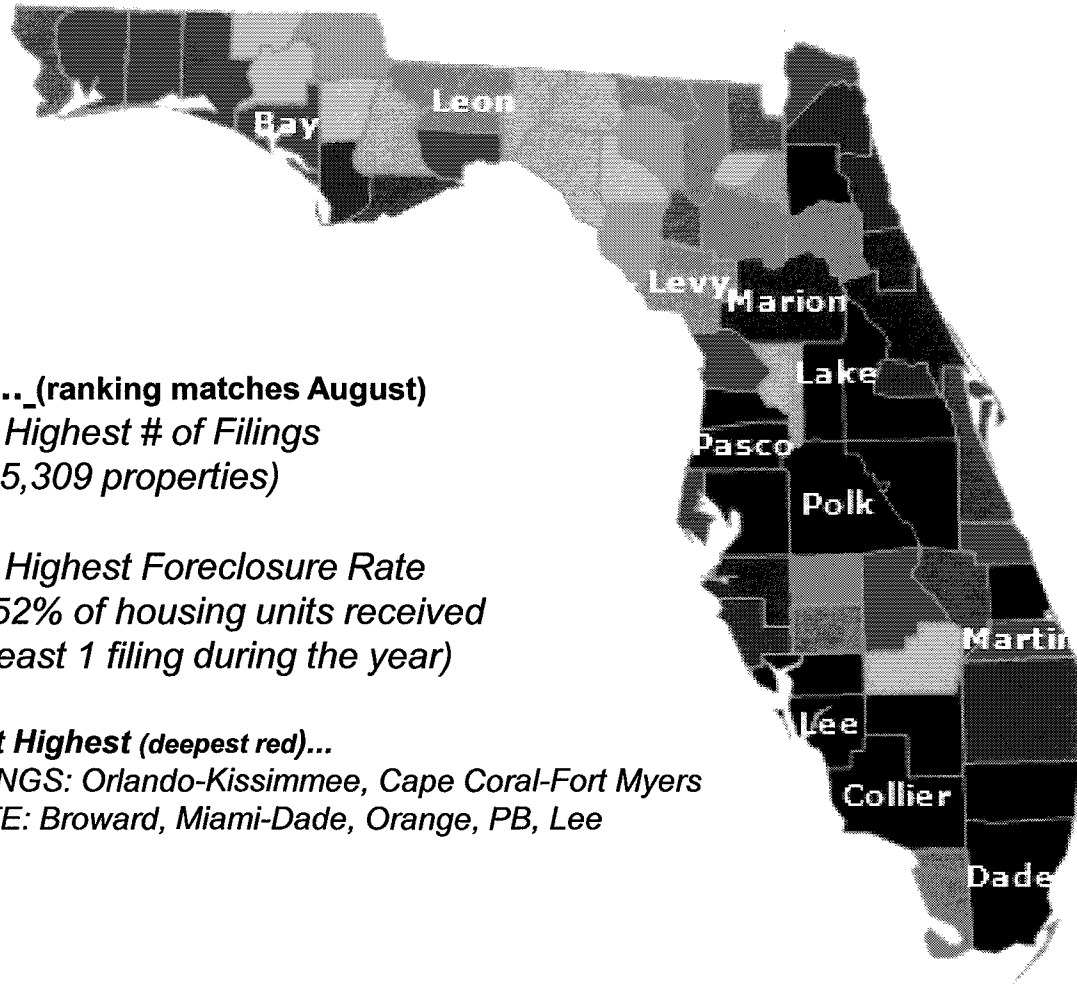
2008... (ranking matches August)

*2nd Highest # of Filings
(385,309 properties)*

*2nd Highest Foreclosure Rate
(4.52% of housing units received
at least 1 filing during the year)*

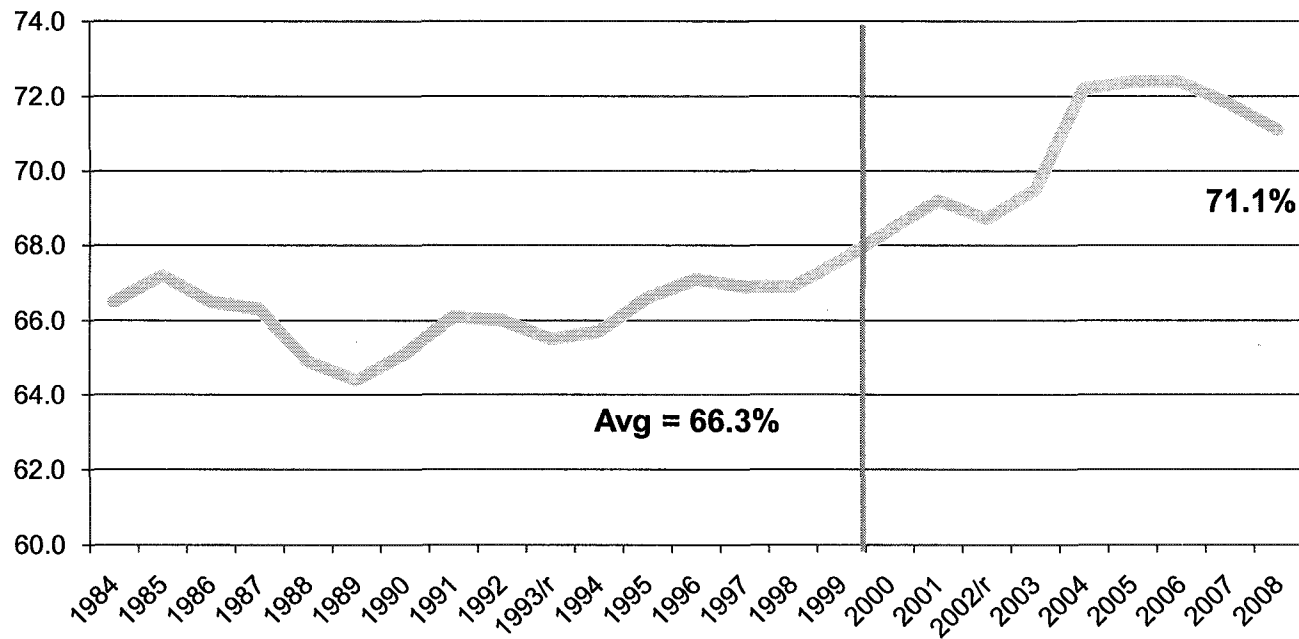
August Highest (deepest red)...

*FILINGS: Orlando-Kissimmee, Cape Coral-Fort Myers
RATE: Broward, Miami-Dade, Orange, PB, Lee*



Vulnerability

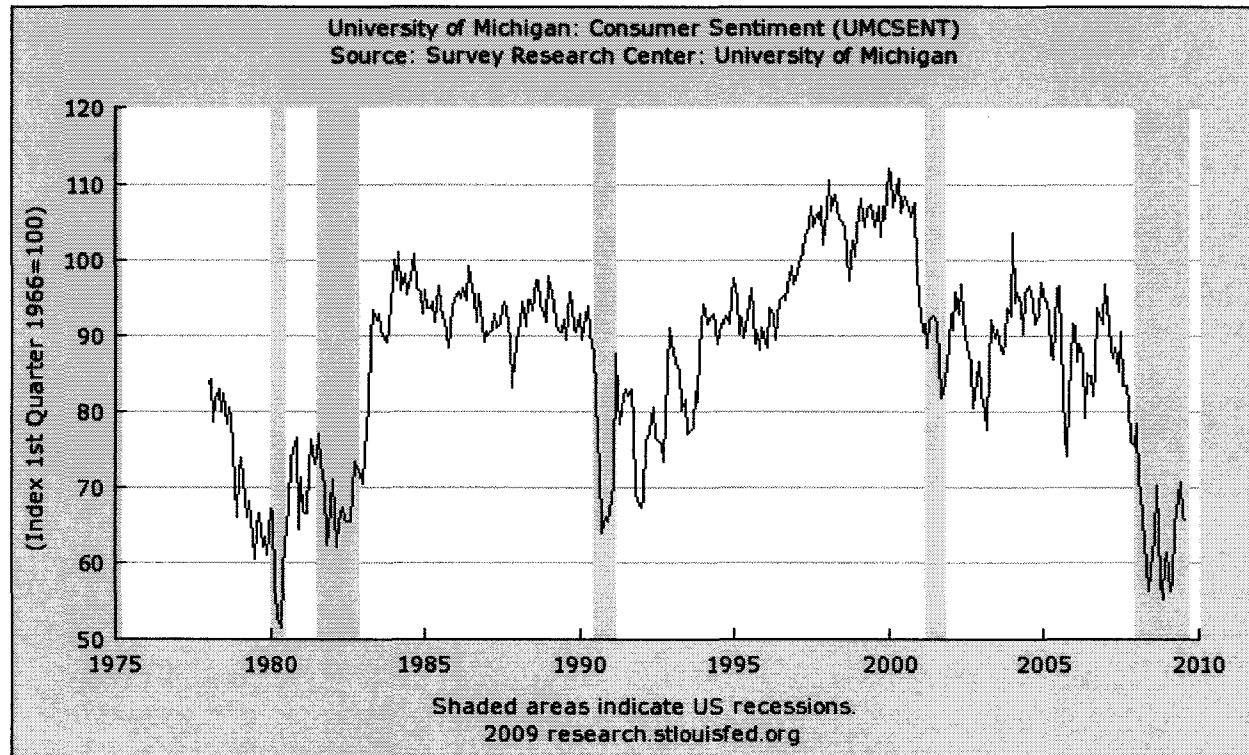
Florida Homeownership Rate



If the 2008 rate dropped immediately back to the long-run average, 359,990 homeowners would be affected and over \$74 billion of value.



Sentiment is Stabilizing

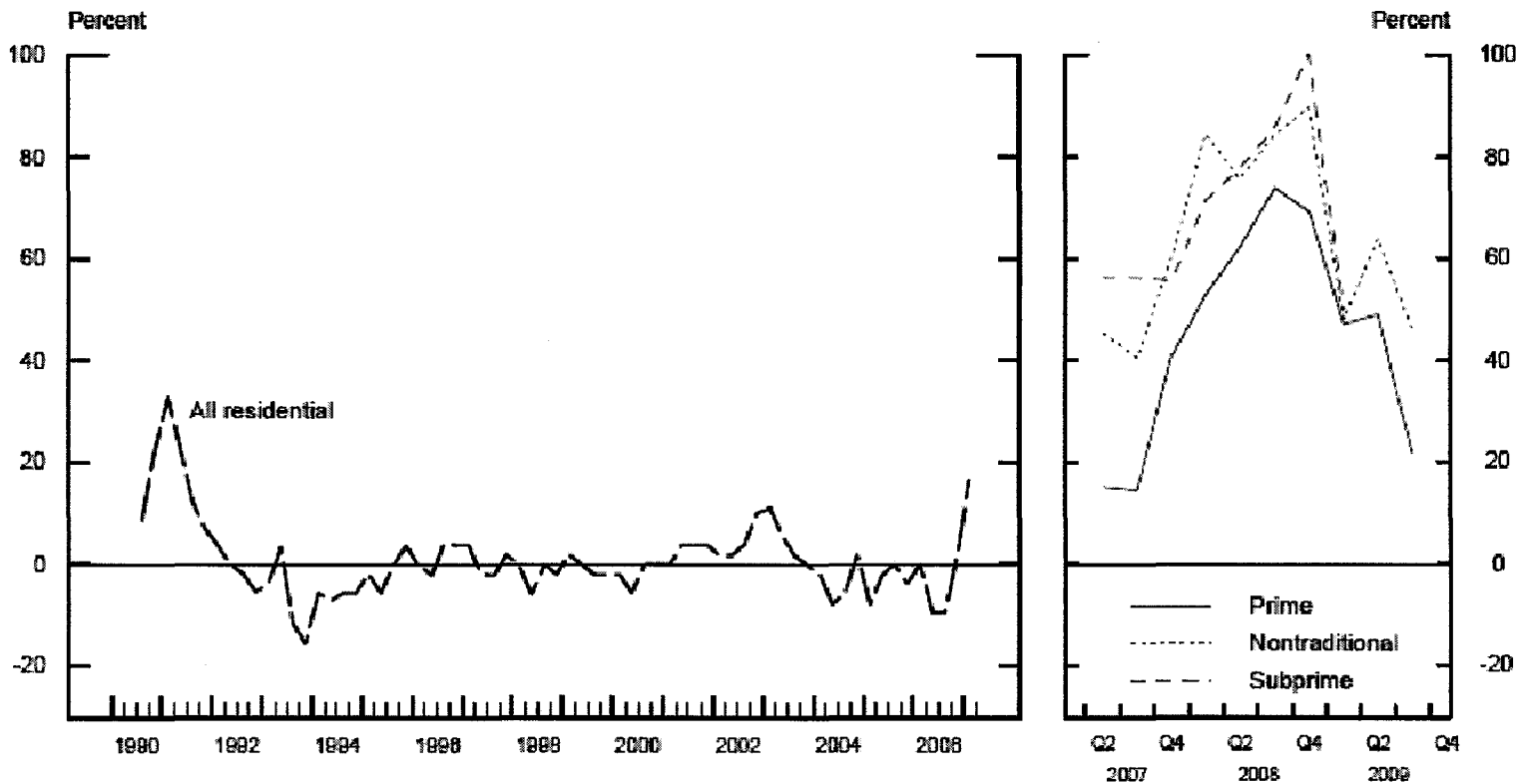


- Consumer sentiment can be a leading indicator of recession: nationally, it is improving from near the lowest levels ever obtained (65.7 in August versus 51.7 in May 1980), but still fluctuating.
- Florida's consumer confidence (August: 70 versus a record low 59 fourteen months ago) is following the national trend.



Credit Market

Net Percentage of Domestic Respondents Tightening Standards for Residential Mortgage Loans



Note: For data starting in 2007:Q2, changes in standards for prime, nontraditional, and subprime mortgage loans are reported separately.



Revenue: Bringing It Together

- Drags are more persistent relative to some past events, and strength will be slow to return.
- Credit Market, while much improved, remains sluggish and still difficult to access.
- Global recessionary conditions affect international migration, tourism and spending decisions, as well as exports.
- U.S. Consumers are responding to massive wealth destruction and tighter credit conditions.
- Recovery in the Florida housing market is not anticipated to begin until the latter half of Fiscal Year 2010-11.



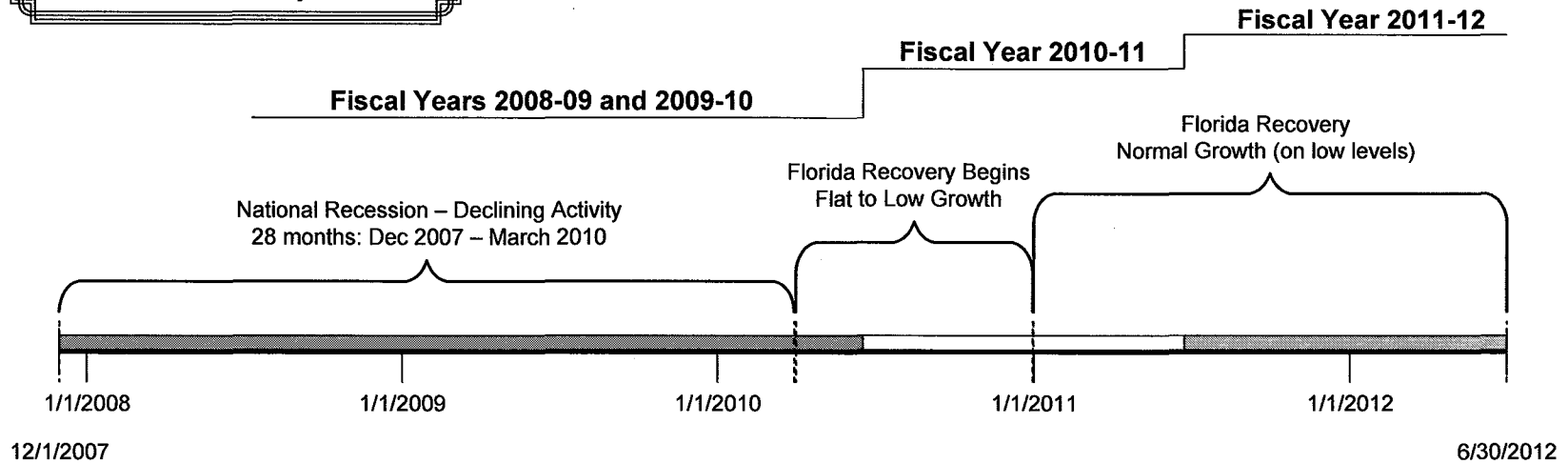
The Economy Will Rebound

By Summer 2010, growth rates will begin a slow return to more typical levels. In the meanwhile...

- The national economic contraction will run its course and, more importantly, the financial markets will recover stability.
- The subsequent turnaround in Florida housing will be led by:
 - Falling home prices that begin to attract buyers and clear the inventory (FL below the national average in July: \$178,300 nationally vs. \$147,600 in Florida...17.2% below)
 - Long-run sustainable demand caused by continued population growth and household formation.
 - Florida's unique demographics and the aging of the baby-boom generation.



Florida Recovery Timeline
Summer 2009 Projections



Fiscal Years 2008-09 and 2009-10

- National GDP has negative growth of -1.7%.
- National consumer price index is flat.
- National consumer spending is flat.
- Standard & Poor's Index is negative.
- Florida has virtually zero population growth.
- Florida personal income declines.
- Florida employment declines.
- Florida unemployment rate peaks at 10.9%.
- Florida housing starts decline.
- Florida registration of new light vehicles declines.
- Florida visitors decline.

Fiscal Year 2010-11

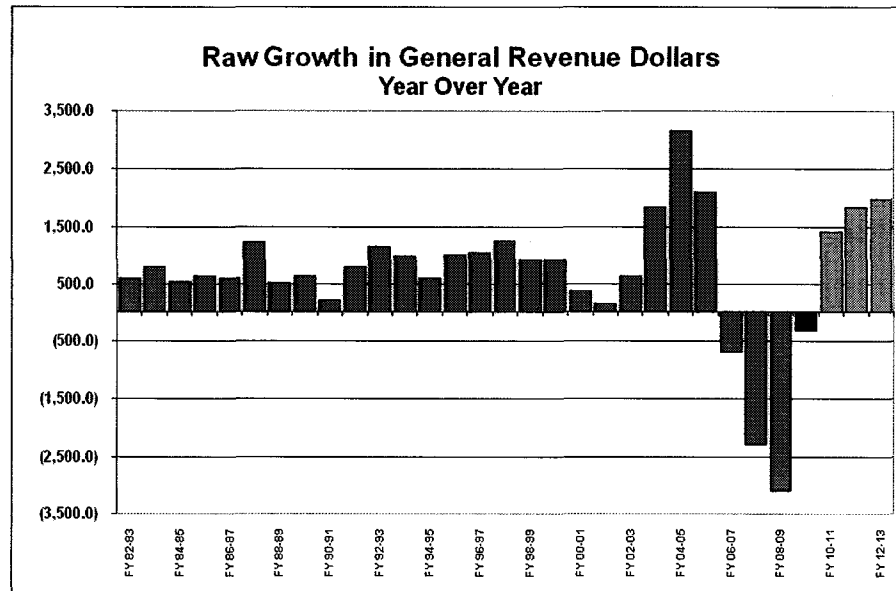
- National GDP has weak growth.
- Florida population still has virtually no growth.
- Florida personal income has weak growth.
- Florida employment has weak growth.
- Florida unemployment rate is only slightly off the peak.
- Florida private housing starts enter positive territory.

Fiscal Year 2011-12

- Most Florida measures return to normal or accelerated growth rates.
- Florida population growth is still weak.
- Florida unemployment rate improves slowly.



Lower General Revenue Estimate



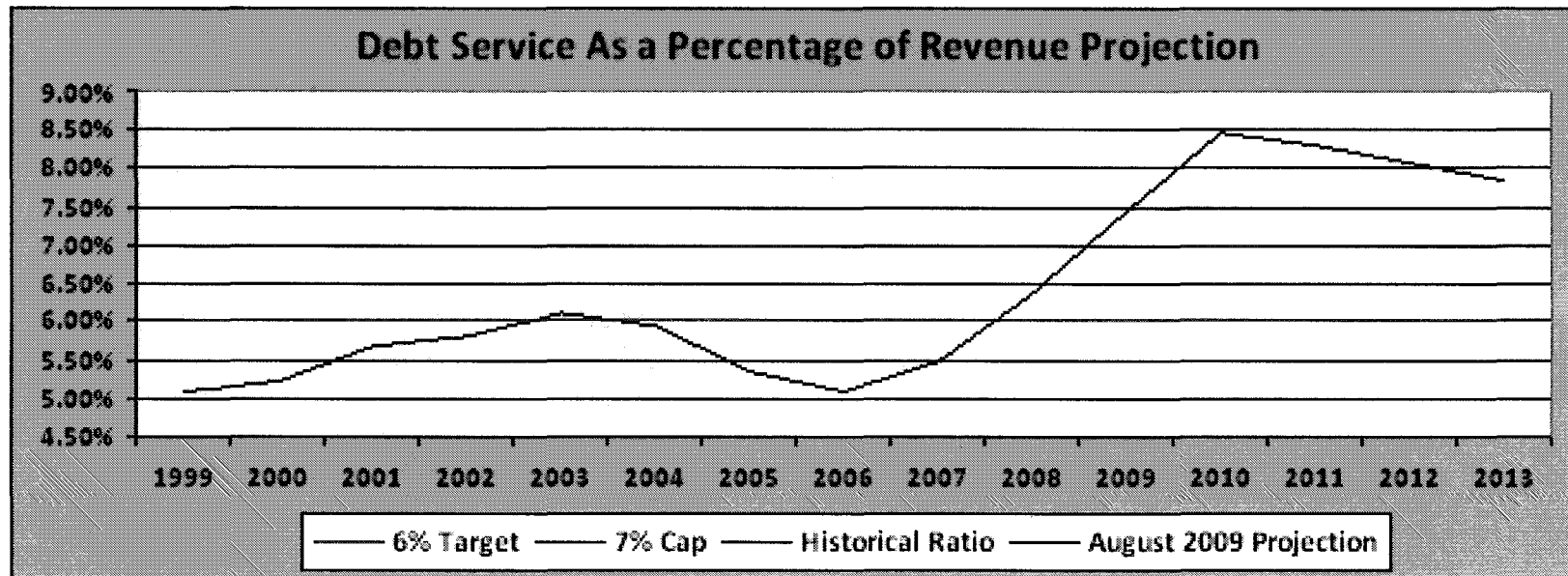
Fiscal Year	Original Forecast	Revised for Session	New Forecast	Difference (New - Rev)	Incremental Growth	Growth
2005-06	27074.8					8.4%
2006-07	26404.1					-2.5%
2007-08	24112.1					-8.7%
2008-09	20944.6	20944.6	21025.6	81.0	-3086.5	-12.8%
2009-10	19998.4	20840.3	20693.2	-147.1	-332.4	-1.6%
2010-11	21091.2	22141.2	22097.0	-44.2	1403.8	6.8%
2011-12	23007.9	24038.2	23914.8	-123.4	1817.8	8.2%
2012-13	24950.6	25991.2	25879.4	-111.8	1964.6	8.2%

Other Revenues

- The Educational Enhancement and Tobacco Settlement Trust Funds will have little or no long-term growth. Each fund begins the last year of the Outlook period with fewer total dollars for expenditure than were available in Fiscal Year 2009-10.
- Senate Bill 788 authorizes the ratification of an Indian Gaming Compact by the Florida Legislature after execution by the Governor. Revenue from the ratification that would be available for appropriation from the Educational Enhancement Trust Fund (EETF) is not included in the EETF projection of funds available.
- The Principal State School Trust Fund has a projected deficit in the current year that must be resolved prior to the end of the fiscal year (-\$38.1 million).



Debt Financing



Benchmark Ratio Estimated August 2009

Fiscal Year	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
August 2009 Debt Service as % of Revenue	7.46%	8.48%	8.32%	8.08%	7.83%



Current Year Deficits & Balance

Unallocated General Revenue (Current Outlook)	+\$667.1 million
• <i>Medicaid</i>	
• <i>FY 2008-09 & 2009-10</i>	<i>-\$224.8 million</i>
• <i>Principal State School Trust Fund</i>	
• <i>FY 2009-10</i>	<i>-\$ 38.1 million</i>
• <i>Risk Management Trust Fund</i>	
• <i>FY 2009-10</i>	<i>-\$ 5.3 million</i>
• <i>Voluntary Pre-Kindergarten</i>	
• <i>FY 2009-10</i>	<u><i>-\$ 17.5 million</i></u>
	+\$381.4 million



Presentation Framework

- The General Revenue Fund is solvent for Fiscal Year 2009-10, but has projected shortfalls in each of the three planning years despite the significant revenue growth projected for those years.
- The Long-Range Financial Outlook assumes that non-recurring solutions are used to address the budget gaps, meaning that each year stands alone, and:
 - *that the beginning balances for the subsequent years are zero;*
 - *there are no fiscal strategies deployed that cause permanent changes to revenues or expenditures; and,*
 - *there is no required repayment of funds in future years.*



Key Budget Drivers...

Critical Needs

	FY 2010-11		FY 2011-12		FY 2012-13	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
Critical Needs (Includes Annualizations, Mandatory Increases Based on Estimating Conferences, and Other Essential Needs)						
<i>Education - Stimulus Restoration</i>	0.0	0.0	1,216.9	0.0	0.0	0.0
<i>FEFP - Workload / Class Size Red</i>	515.8	(18.8)	(7.9)	7.2	23.3	7.8
<i>Education - Misc</i>	39.0	(2.6)	18.3	(1.6)	2.8	22.9
<i>State Government Operations</i>	317.7	81.6	132.6	63.4	151.8	72.5
<i>Medicaid</i>	1,608.7	191.5	1,130.7	(324.7)	285.6	285.3
<i>Health & Human Services</i>	80.0	32.5	31.2	50.8	28.8	46.6
<i>Judiciary</i>	62.0	(62.0)	27.0	(27.0)	9.7	(9.7)
<i>Criminal Justice & Corrections</i>	154.7	0.0	234.2	0.0	299.1	0.0
<i>State Disasters</i>	9.8	0.0	9.1	0.0	7.1	0.0
<i>Unemployment Compensation</i>	0.0	0.0	126.9	0.0	199.4	0.0
<i>General Government</i>	39.7	3.9	22.7	1.3	20.9	1.3
Subtotal Critical Needs	2,827.4	226.1	2,941.7	(230.6)	1,028.6	426.6



Outlook for Critical Needs

GENERAL REVENUE OUTLOOK - COMPARISON OF ESTIMATED REVENUES TO ESTIMATED EXPENDITURES

TIER 1 ISSUES - CRITICAL NEEDS

NO FISCAL STRATEGIES --- NO RESERVE

(\$ MILLIONS)

	FY 2009-10			FY 2010-11			FY 2011-12			FY 2012-13		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Funds Available:												
Balance Forward	0.0	300.7	300.7	0.0	381.4	381.4	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Estimate	20,883.9	-190.7	20,693.2	22,072.3	24.7	22,097.0	23,910.9	3.9	23,914.8	25,879.6	-0.2	25,879.4
Non-operating Funds	-4.3	272.8	268.5	-4.3	99.9	95.6	-4.3	99.9	95.6	-4.3	99.9	95.6
New Issues - Environmental Land Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer From Trust Funds	0.0	600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds Available	20,879.6	982.8	21,862.4	22,068.0	506.0	22,574.0	23,906.6	103.8	24,010.4	25,875.3	99.7	25,975.0
Estimated Expenditures:												
Base Budget				20,669.7	0.0	20,669.7	23,188.9	0.0	23,188.9	25,872.8	0.0	25,872.8
New Issues by GAA Section:												
Section 2 - Education	11,327.0	59.1	11,386.1	554.8	0.0	554.8	1,227.4	0.0	1,227.4	26.1	0.0	26.1
Section 3 - Human Services	4,910.1	291.5	5,201.6	1,438.5	250.2	1,688.7	1,161.8	0.0	1,161.8	314.4	0.0	314.4
Section 4 - Criminal Justice and Corrections	3,512.7	32.4	3,545.1	132.8	22.0	154.8	131.1	103.0	234.2	145.5	153.6	299.1
Section 5 - Natural Resources /Environment/Growth												
Management/Transportation	158.9	10.4	169.3	0.0	9.8	9.8	0.0	9.1	9.1	0.0	7.1	7.1
Section 6 - General Government	618.4	110.1	728.5	13.4	26.4	39.7	4.0	145.6	149.6	1.6	218.7	220.3
Section 7 - Judicial Branch	134.8	0.0	134.8	62.0	0.0	62.0	27.0	0.0	27.0	9.7	0.0	9.7
Administered Funds - Statewide Issues	7.8	22.1	30.0	317.7	0.0	317.7	132.6	0.0	132.6	151.8	0.0	151.8
Total New Issues				2,519.1	308.3	2,827.4	2,684.0	257.7	2,941.7	649.1	379.5	1,028.6
Medicaid Deficit (FY 2008-09 & FY 2009-10)		224.8	224.8									
Other Deficits (SSTF, RMTF and VPK)*		60.9	60.9									
Transfer to Budget Stabilization Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	214.5	214.5	0.0	214.5	214.5
Total Estimated Expenditures	20,669.7	811.3	21,481.0	23,188.9	308.3	23,497.2	25,872.8	472.2	26,345.1	26,522.0	594.0	27,115.9
Ending Balance	209.9	171.5	381.4	-1,120.9	197.7	-923.2	-1,966.2	-368.4	-2,334.7	-646.7	-494.3	-1,140.9

Note: Negative balances are not allowed to carry-forward to subsequent years; the assumption is that each year is addressed with a nonrecurring solution.

* State School Trust Fund (SSTF), Risk Management Trust Fund and Voluntary Pre-Kindergarten (VPK)

Key Budget Drivers...

Other High Priorities

	FY 2010-11		FY 2011-12		FY 2012-13	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
Other High Priority Needs (Includes Other Historically Funded Issues)						
<i>Statewide Buildings</i>	44.8	15.3	48.4	15.3	43.8	15.3
<i>Transportation & Environment</i>	201.2	5,831.3	236.5	5,827.1	212.4	5,952.4
<i>Environmental Land Acquisition</i>	0.0	300.0	0.0	300.0	0.0	300.0
<i>General Government</i>	120.8	42.9	110.8	38.9	100.3	22.7
<i>Education - Stimulus Restoration</i>	0.0	0.0	133.6	0.0	0.0	0.0
<i>FEFP - Enhancement</i>	498.5	0.0	516.6	0.0	551.0	0.0
<i>Education - Misc</i>	360.8	0.0	318.7	0.0	306.2	0.0
<i>State Government Operations</i>	133.7	63.5	137.0	65.0	140.3	66.6
<i>Medicaid -MEDS AD & Medically Needy</i>	250.2	424.0	582.8	784.2	582.8	784.2
<i>Health & Human Services</i>	72.7	84.7	12.0	19.5	22.2	24.1
<i>Criminal Justice & Corrections</i>	17.2	0.0	17.6	0.0	14.6	0.0
<i>Judiciary</i>	8.0	0.0	7.8	0.0	7.1	0.0
Subtotal Other High Priority Needs	1,707.9	6,761.8	2,121.6	7,050.0	1,980.8	7,165.3



Outlook for Critical & High Priority Needs

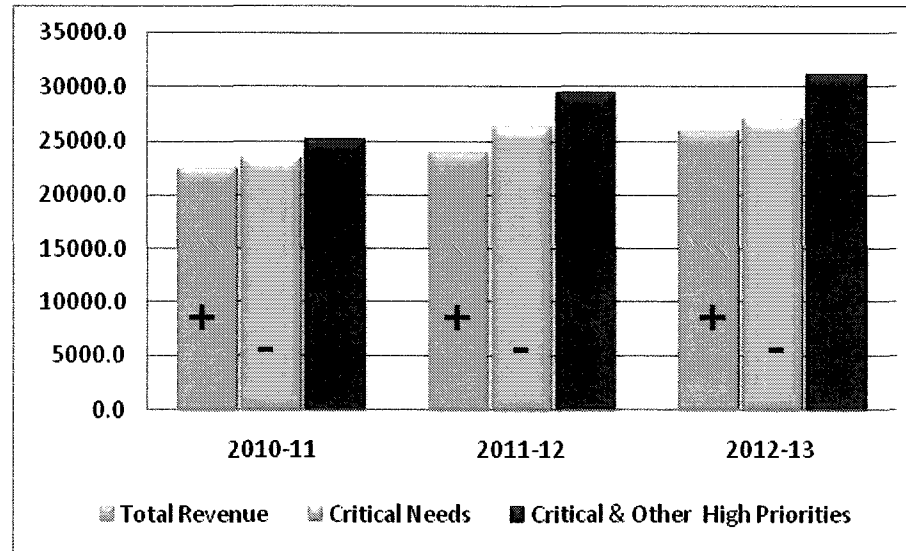
GENERAL REVENUE OUTLOOK - COMPARISON OF ESTIMATED REVENUES TO ESTIMATED EXPENDITURES
TIER 2 ISSUES - CRITICAL NEEDS AND OTHER HIGH PRIORITY NEEDS
NO FISCAL STRATEGIES --- NO RESERVE
(\$ MILLIONS)

	FY 2009-10			FY 2010-11			FY 2011-12			FY 2012-13		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
Funds Available:												
Balance Forward	0.0	300.7	300.7	0.0	381.4	381.4	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Estimate	20,883.9	-190.7	20,693.2	22,072.3	24.7	22,097.0	23,910.9	3.9	23,914.8	25,879.6	-0.2	25,879.4
Non-operating Funds	-4.3	272.8	268.5	-4.3	99.9	95.6	-4.3	99.9	95.6	-4.3	99.9	95.6
New Issues - Environmental Land Acquisition	0.0	0.0	0.0	-30.5	7.2	-23.3	-61.0	7.2	-53.8	-91.5	7.2	-84.3
Transfer From Trust Funds	0.0	600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Funds Available	20,879.6	982.8	21,862.4	22,037.5	513.2	22,550.7	23,845.6	111.0	23,956.6	25,783.8	106.9	25,890.7
Estimated Expenditures:												
Base Budget				20,669.7	0.0	20,669.7	24,152.0	0.0	24,152.0	27,895.4	0.0	27,895.4
New Issues by GAA Section:												
Section 2 - Education	11,327.0	59.1	11,386.1	1,303.5	110.5	1,414.0	2,085.7	110.5	2,196.2	772.9	110.5	883.3
Section 3 - Human Services	4,910.1	291.5	5,201.6	1,502.7	530.2	2,032.8	1,173.8	604.0	1,777.8	336.6	604.0	940.6
Section 4 - Criminal Justice and Corrections	3,512.7	32.4	3,545.1	144.2	39.4	183.6	142.9	121.0	263.9	154.1	169.1	323.2
Section 5 - Natural Resources /Environment/Growth Management/Transportation	158.9	10.4	169.3	1.1	217.5	218.6	35.4	219.9	255.3	0.0	229.7	229.7
Section 6 - General Government	618.4	110.1	728.5	13.4	147.1	160.5	4.0	256.3	260.4	1.6	319.0	320.6
Section 7 - Judicial Branch	134.8	0.0	134.8	66.0	8.5	74.4	32.0	8.2	40.2	13.7	6.1	19.7
Administered Funds - Statewide Issues	7.8	22.1	30.0	451.5	0.0	451.5	269.6	0.0	269.6	292.1	0.0	292.1
Total New Issues				3,482.3	1,053.1	4,535.4	3,743.4	1,319.9	5,063.3	1,571.1	1,438.3	3,009.4
Medicaid Deficit (FY 2008-09 & FY 2009-10)		224.8	224.8									
Other Deficits (SSTF, RMTF and VPK)*		60.9	60.9									
Transfer to Budget Stabilization Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	214.5	214.5	0.0	214.5	214.5
Total Estimated Expenditures	20,669.7	811.3	21,481.0	24,152.0	1,053.1	25,205.1	27,895.4	1,534.4	29,429.8	29,466.5	1,652.8	31,119.3
Ending Balance	209.9	171.5	381.4	-2,114.5	-539.9	-2,654.4	-4,049.8	-1,423.4	-5,473.2	-3,682.7	-1,545.9	-5,228.6

Note: Negative balances are not allowed to carry-forward to subsequent years; the assumption is that each year is addressed with a nonrecurring solution.

* State School Trust Fund (SSTF), Risk Management Trust Fund (RMTF) and Voluntary Pre-Kindergarten (VPK)

Near-Term Budget Impact



Long-Range Financial Outlook Projections

Fiscal Year	Available Revenues		Critical Needs			Critical & Other High Priorities		
	Total Revenue	Incremental Growth	Spending Level	Incremental Growth	Shortfall	Spending & Bonding	Incremental Growth	Shortfall
2009-10	21862.4		21481.0			21481.0		
2010-11	22574.0	3.3%	23497.2	9.4%	-923.2	25228.4	17.4%	-2654.4
2011-12	24010.4	6.4%	26345.1	12.1%	-2334.7	29483.6	16.9%	-5473.2
2012-13	25975.0	8.2%	27115.9	2.9%	-1140.9	31203.6	5.8%	-5228.6

Dollars in \$ Millions

Budget Overview & Update

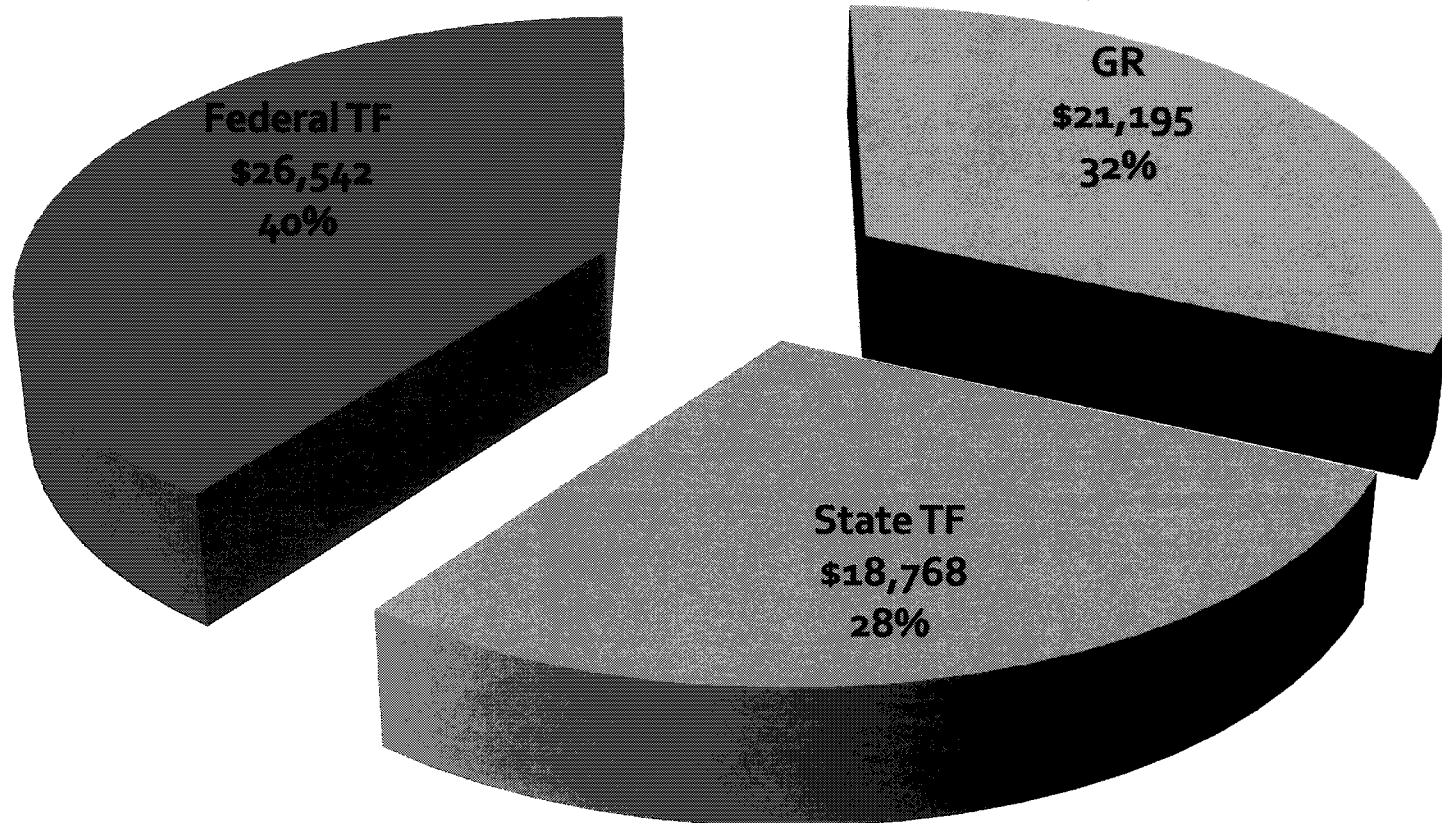
Presentation to the Full Appropriations Council on Education & Economic Development & the Full Appropriations Council on General Government & Health Care

David Rivera, Chairman

October 7, 2009

Budget Overview & Update

**FY 2009-10 Appropriations
\$66.5 Billion
(dollars in millions)**

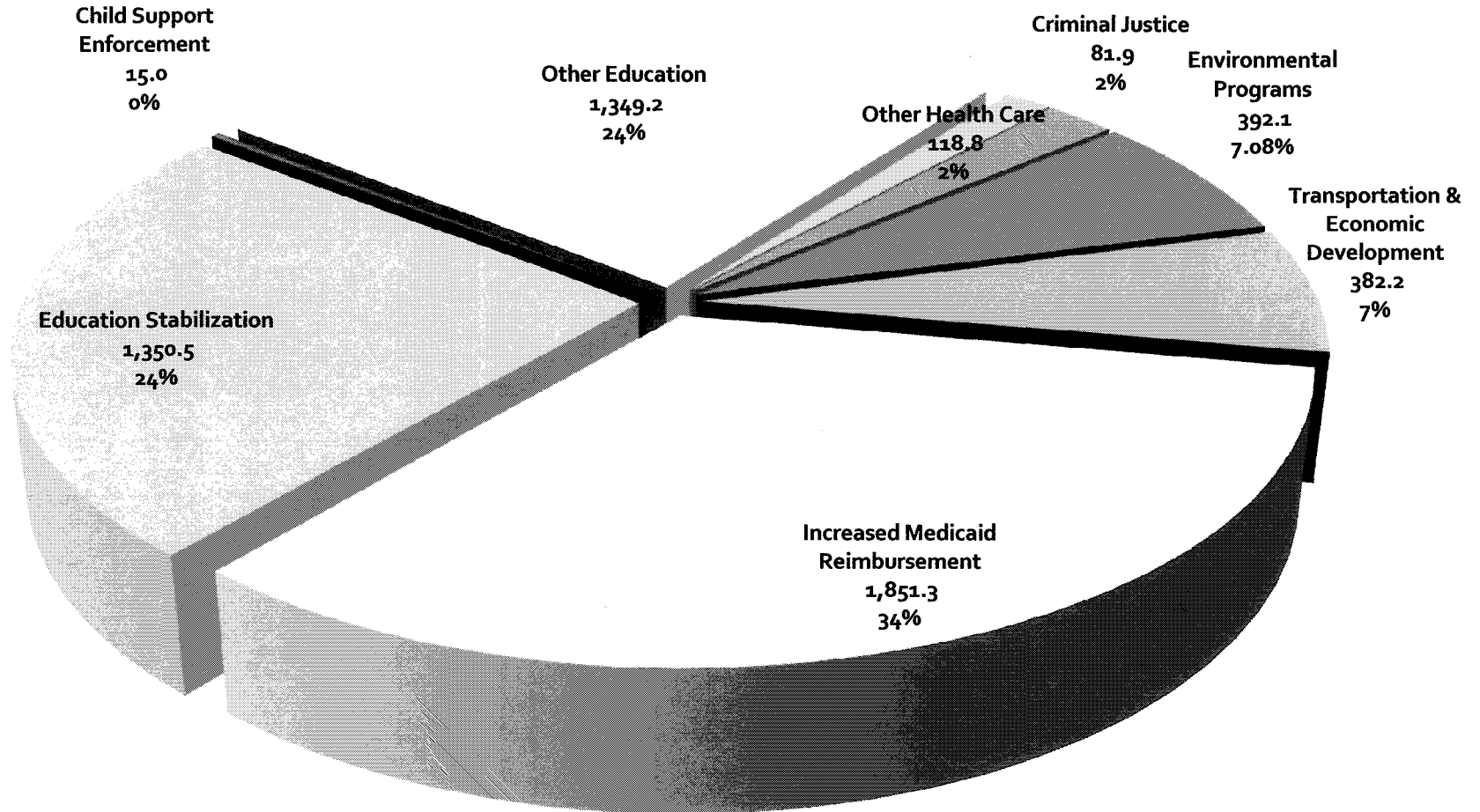


American Recovery and Reinvestment Act of 2009

Fiscal Year 2009-10

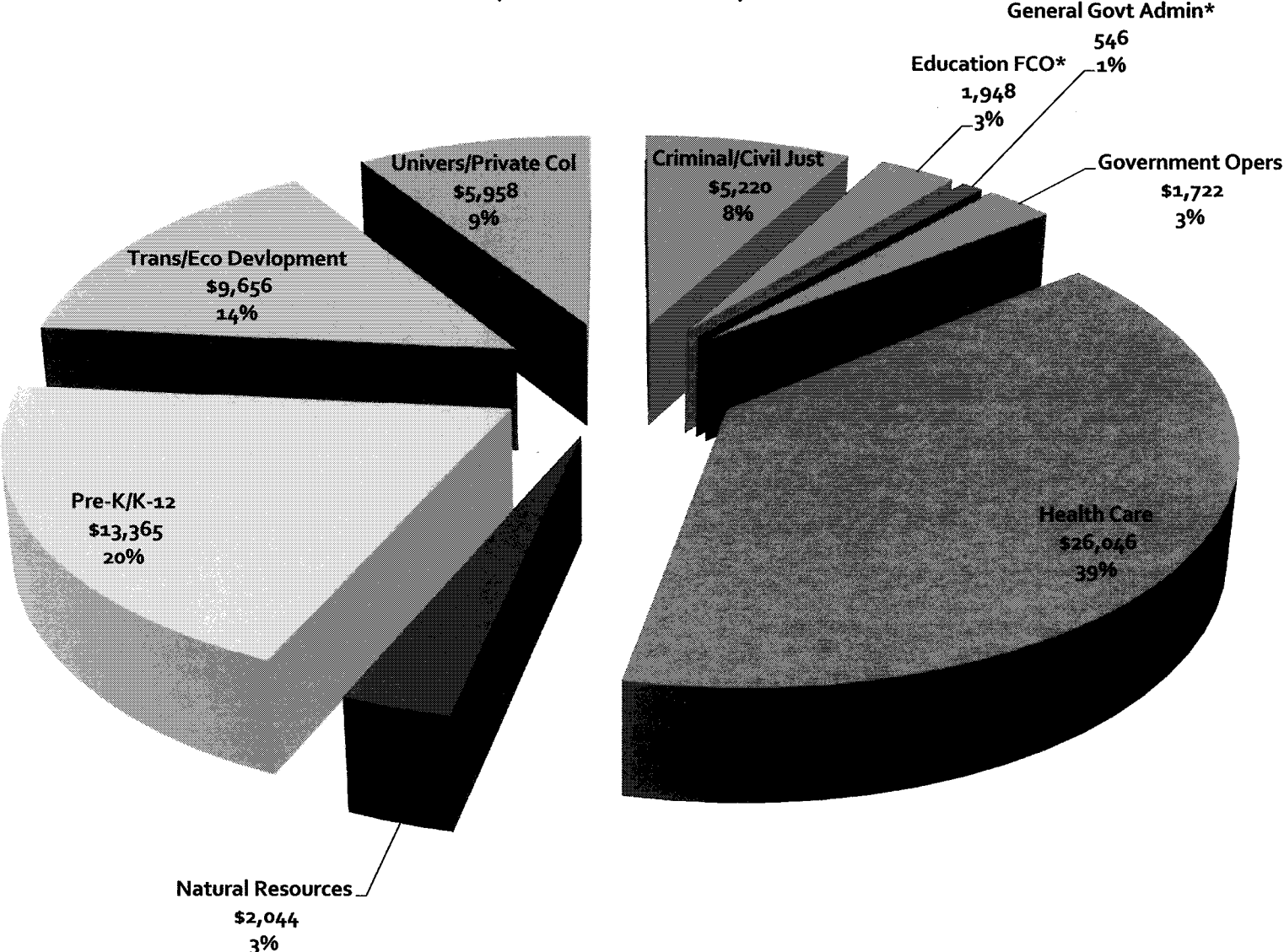
\$5,541.1 Million

Millions of Dollars



Note: In addition to the \$5.5 billion appropriated for FY 2009-10, the April 15, 2009 LBC authorized spending \$4.0 billion in FY

FY 2009-10 Appropriations by Committee
All Funds
\$66.5 Billion
(dollars in millions)

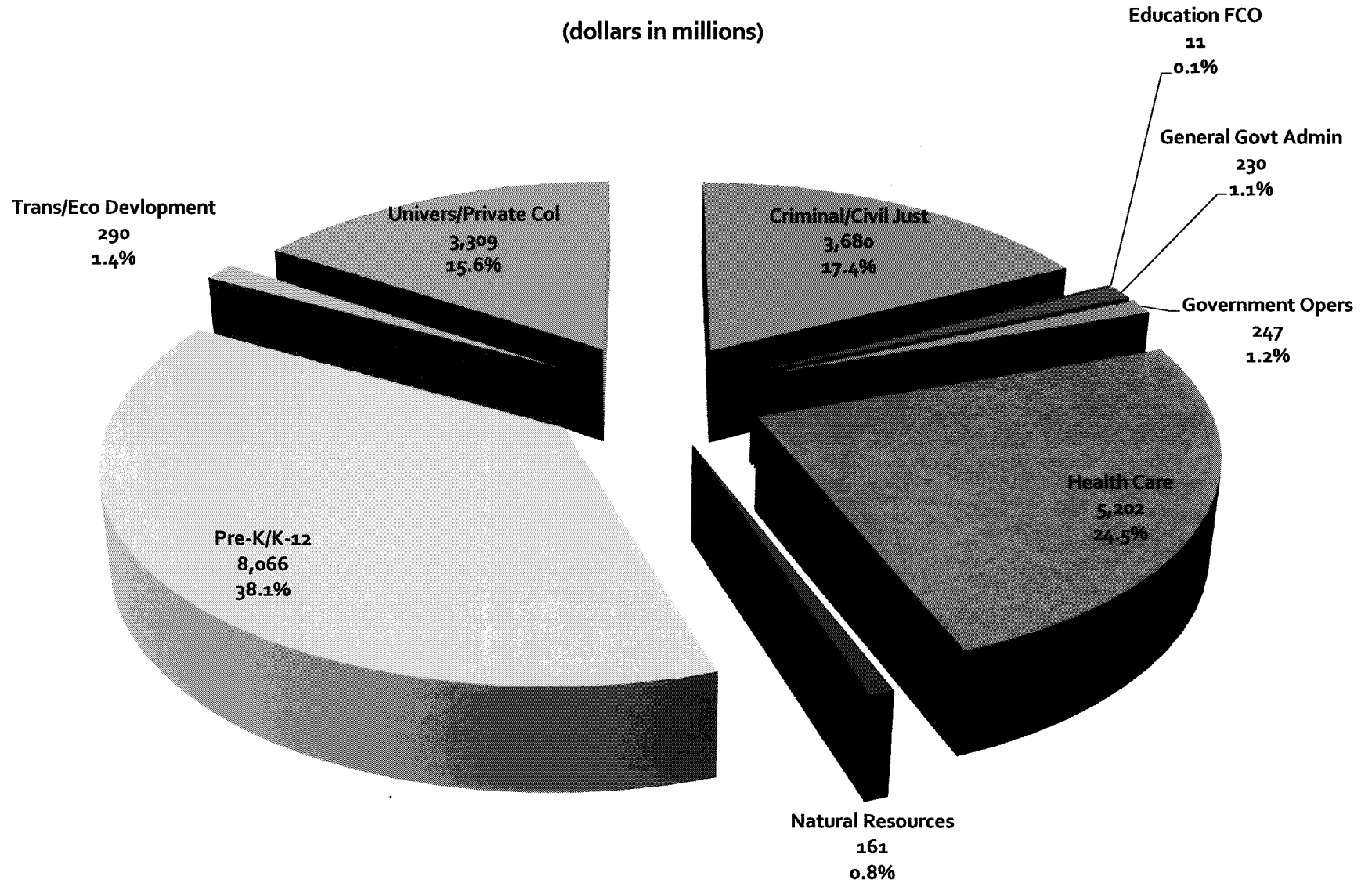


* Education FCO and General Govt Administration are budget areas addressed at the council level

FY 2009-10 Appropriations by Committee General Revenue

\$21.2 Billion

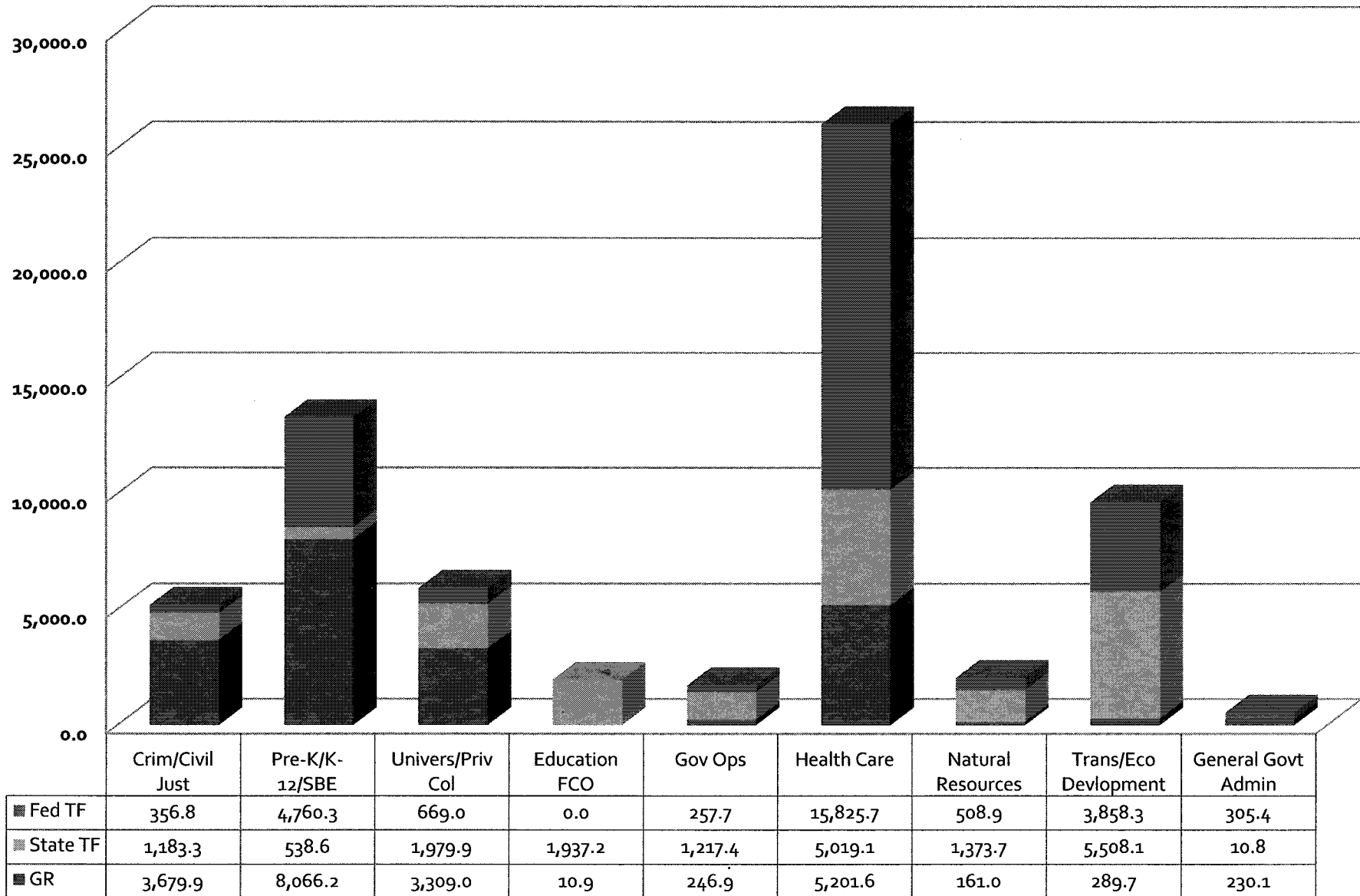
(dollars in millions)



FY 2009-10 Appropriations by Committee by Fund Type

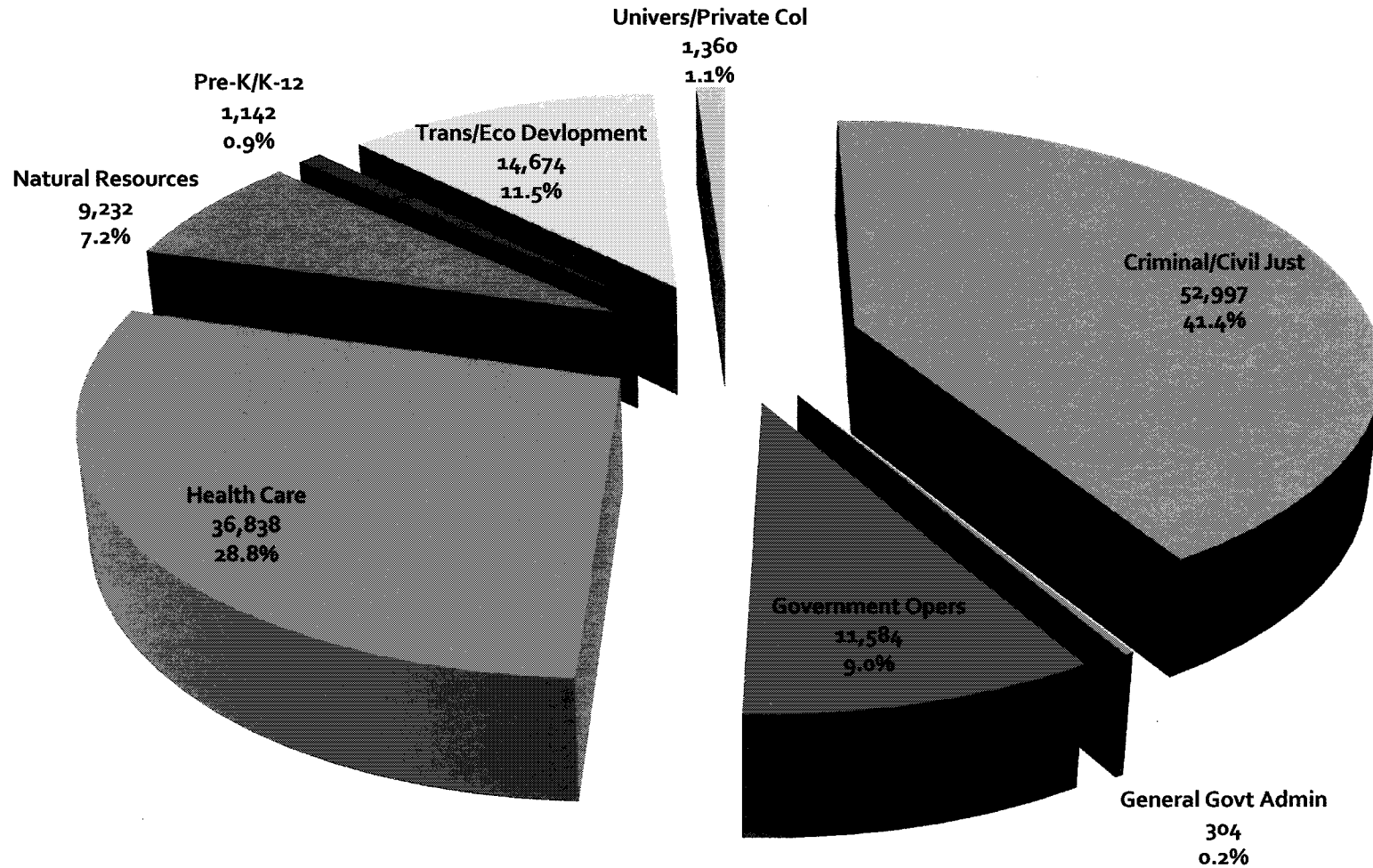
\$66.5 Billion

(dollars in millions)



FY 2009-10 Appropriated State Full Time Equivalent Positions By Committee

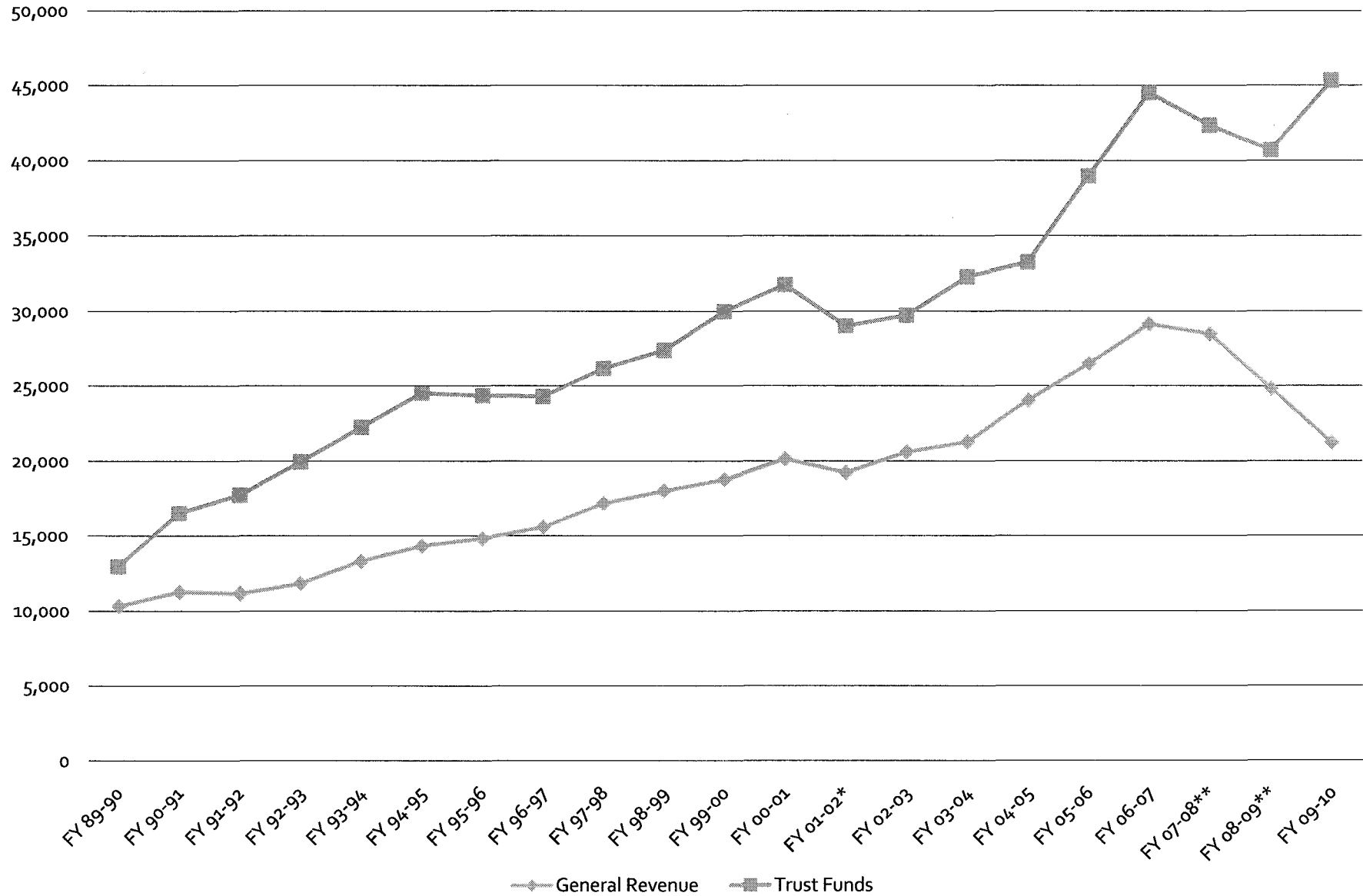
128,131



#	Department Title	FY 2009-10 GR Appropriations (dollars in millions)		
		General Revenue	Percent of General Revenue	Cumulative Percent
1	Education (PreK-12 & CC's)	9,522	44.9%	44.9%
2	Agency/Health Care Admin	2,684	12.7%	57.6%
3	Corrections	2,353	11.1%	68.7%
4	Universities/BOG	1,865	8.8%	77.5%
5	Children & Family Services	1,443	6.8%	84.3%
6	Justice Administration	630	3.0%	87.3%
7	Health	471	2.2%	89.5%
8	Juvenile Justice	426	2.0%	91.5%
9	Agency/Persons w/ Disabl	375	1.8%	93.3%
10	Elder Affairs	215	1.0%	94.3%
11	Revenue	196	0.9%	95.2%
12	Legislative Branch	175	0.8%	96.0%
13	Agency/Workforce Innovatn	147	0.7%	96.7%
14	State Court System	135	0.6%	97.4%
15	Agric/Consumer Svcs/Commr	102	0.5%	97.8%
16	Governor, Executive Office	92	0.4%	98.3%
17	Law Enforcement	91	0.4%	98.7%
18	State	51	0.2%	99.0%
19	Legal Affairs/Atty General	36	0.2%	99.1%
20	Fish/Wildlife Conserv Comm	32	0.2%	99.3%
21	Administered Funds	30	0.1%	99.4%
22	Management Svcs	28	0.1%	99.5%
23	Envir Protection	27	0.1%	99.7%
24	Financial Services	23	0.1%	99.8%
25	Military Affairs	17	0.1%	99.9%
26	Veterans' Affairs	13	0.1%	99.9%
27	Community Affairs	8	0.04%	99.96%
28	Parole Commission	8	0.04%	100%
29	Business/Professional Reg			
30	Citrus			
31	Hiway Safety/Mtr Veh			
32	Lottery			
33	Public Service Commission			
34	Transportation			
35	Grand Total	21,195	100%	100%

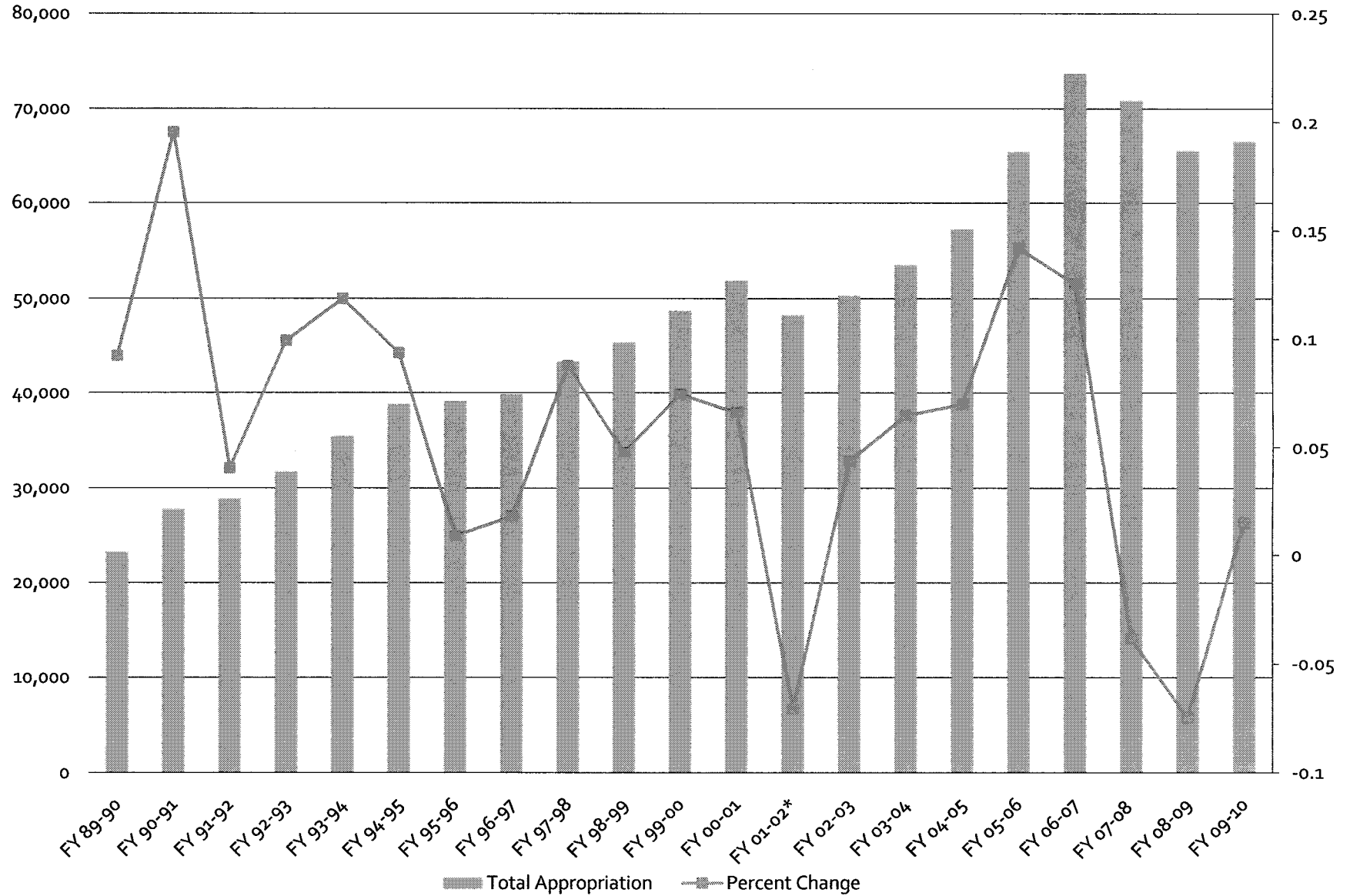
#	Department Title	FY 2009-10 State Funds Appropriations (dollars in millions)		
		All State Funds	Percent of All State Funds	Cumulative Percent
1	Education (PreK-12 & CCs)	12,588	31%	31%
2	Agency/Health Care Admin	6,308	16%	47%
3	Transportation	4,614	12%	59%
4	Universities	3,254	8%	67%
5	Corrections	2,398	6%	73%
6	Children & Family Services	1,662	4%	77%
7	Health	1,572	4%	81%
8	Justice Administration	1,164	3%	84%
9	Envir Protection	991	2%	86%
10	Management Svcs	597	1.5%	88%
11	Juvenile Justice	555	1.4%	89%
12	Agency/Workforce Innovatn	507	1.3%	91%
13	State Court System	424	1.1%	92%
14	Agency/Persons With Disabl	385	1.0%	93%
15	Hiway Safety/Mtr Veh	376	0.9%	94%
16	Revenue	300	0.8%	94%
17	Agric/Consumer Svcs/Commr	277	0.7%	95%
18	Financial Services	271	0.7%	95.7%
19	Elder Affairs	241	0.6%	96.3%
20	Fish/Wildlife Conserv Comm	207	0.5%	96.8%
21	Law Enforcement	181	0.5%	97.3%
22	Legislative Branch	178	0.4%	97.7%
23	Governor, Executive Office	153	0.4%	98.1%
24	Lottery	139	0.3%	98.4%
25	Legal Affairs/Atty General	133	0.3%	98.8%
26	Business/Professional Reg	130	0.3%	99.1%
27	Community Affairs	97	0.2%	99.3%
28	Citrus	60	0.2%	99.5%
29	State	60	0.1%	99.6%
30	Veterans' Affairs	52	0.1%	99.8%
31	Administered Funds	32	0.1%	99.9%
32	Public Service Commission	28	0.1%	99.9%
33	Military Affairs	21	0.1%	99.98%
34	Parole Commission	8	0.02%	100%
35	Grand Total	39,964	100%	100%

APPROPRIATIONS HISTORY - GENERAL REVENUE AND TRUST FUNDS



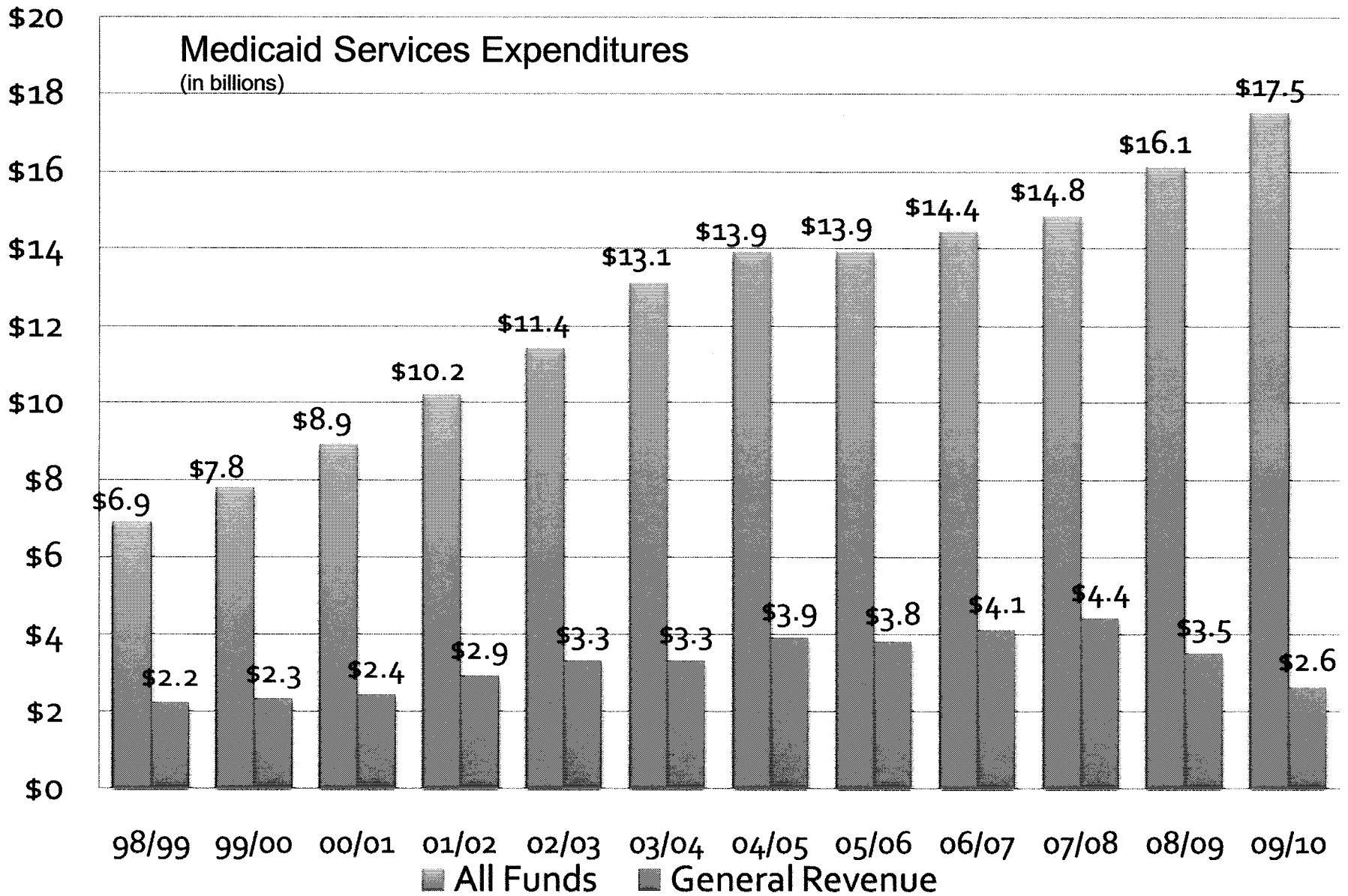
*FY 01-02 has been adjusted for a December special session and for \$6.4 billion transfer of operating budget to non-operating.
 ** FYs 07-08 & 08-09 include special sessions.

APPROPRIATIONS - 20 YEAR COMBINED TOTAL AND PERCENT CHANGE



*FY01-02 has been adjusted for a December special session and for \$6.4 billion transfer of operating budget to non-operating.

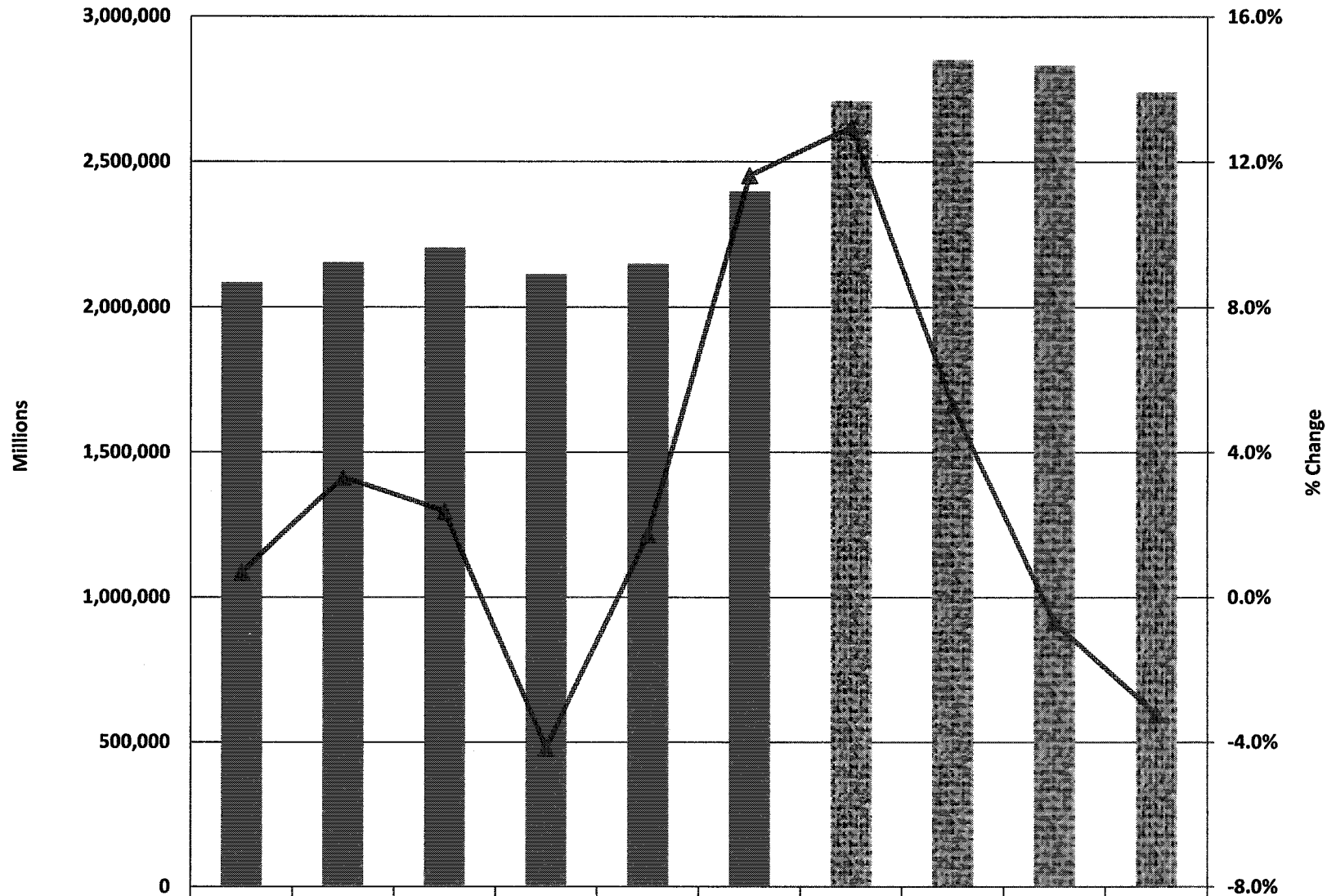
** FYs 07-08 & 08-09 include special sessions.



**Fiscal Years 2008-09 and 2009-10 include adjustments to General Revenue to reflect the impact of Federal Stimulus Funds and the increase in Tobacco Surcharge Receipts.

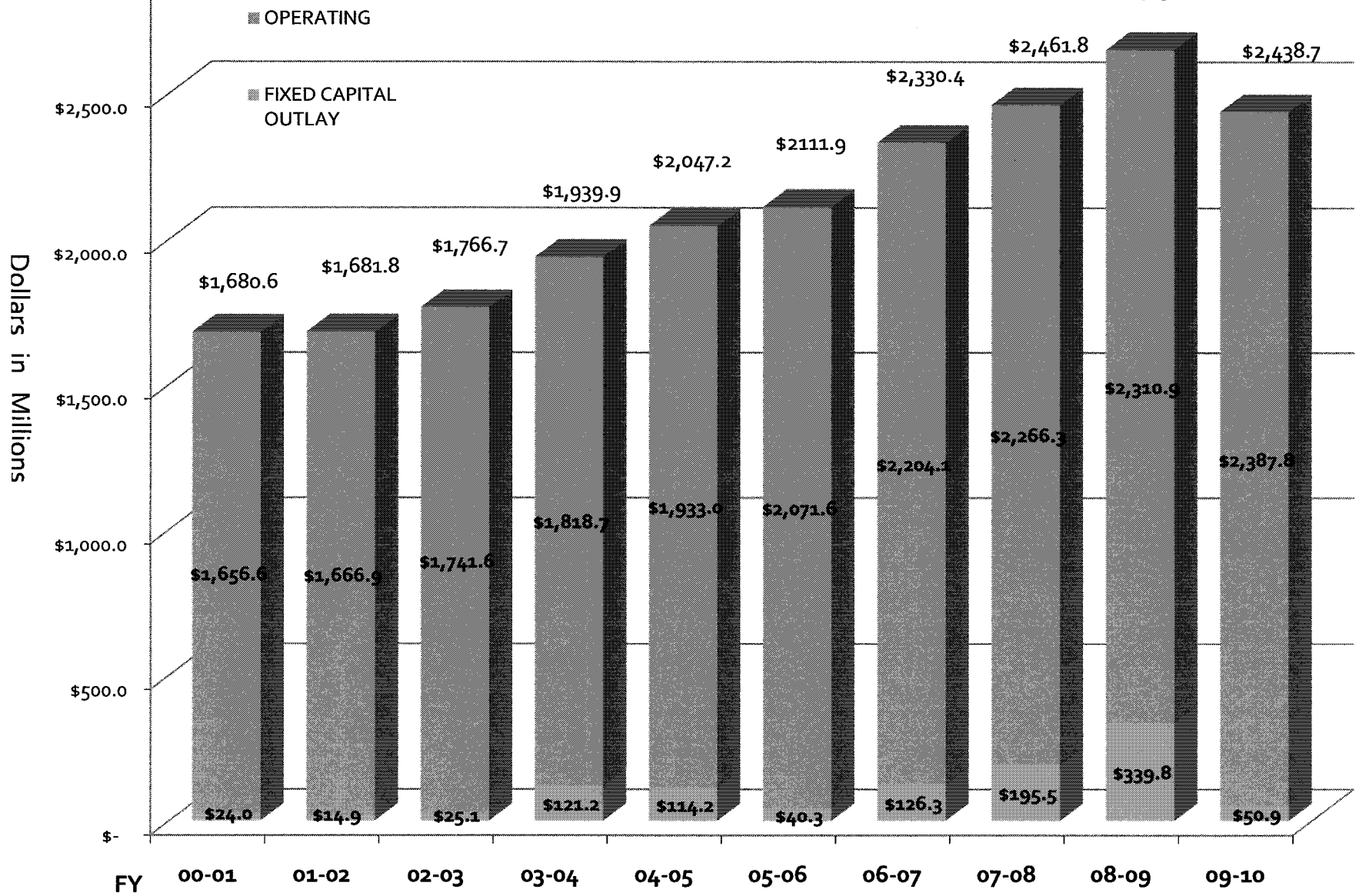
Health Care Appropriations

Growth in Medicaid Average Monthly Caseload

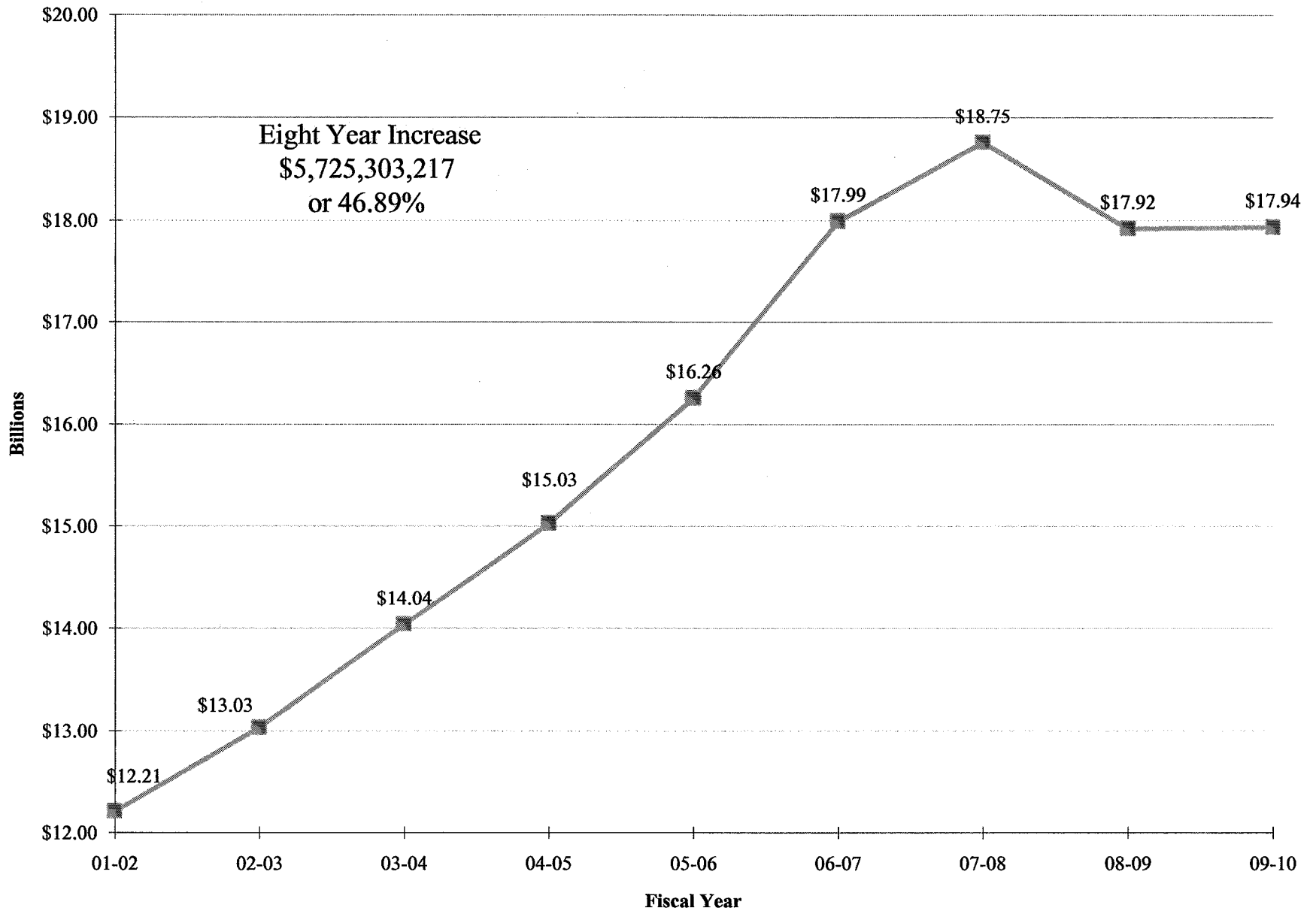


Caseload	2,083,689	2,152,601	2,203,599	2,112,306	2,148,707	2,398,613	2,709,460	2,852,876	2,833,171	2,741,092
% Change from Prior Year	0.7%	3.3%	2.4%	-4.1%	1.7%	11.6%	13.0%	5.3%	-0.7%	-3.3%

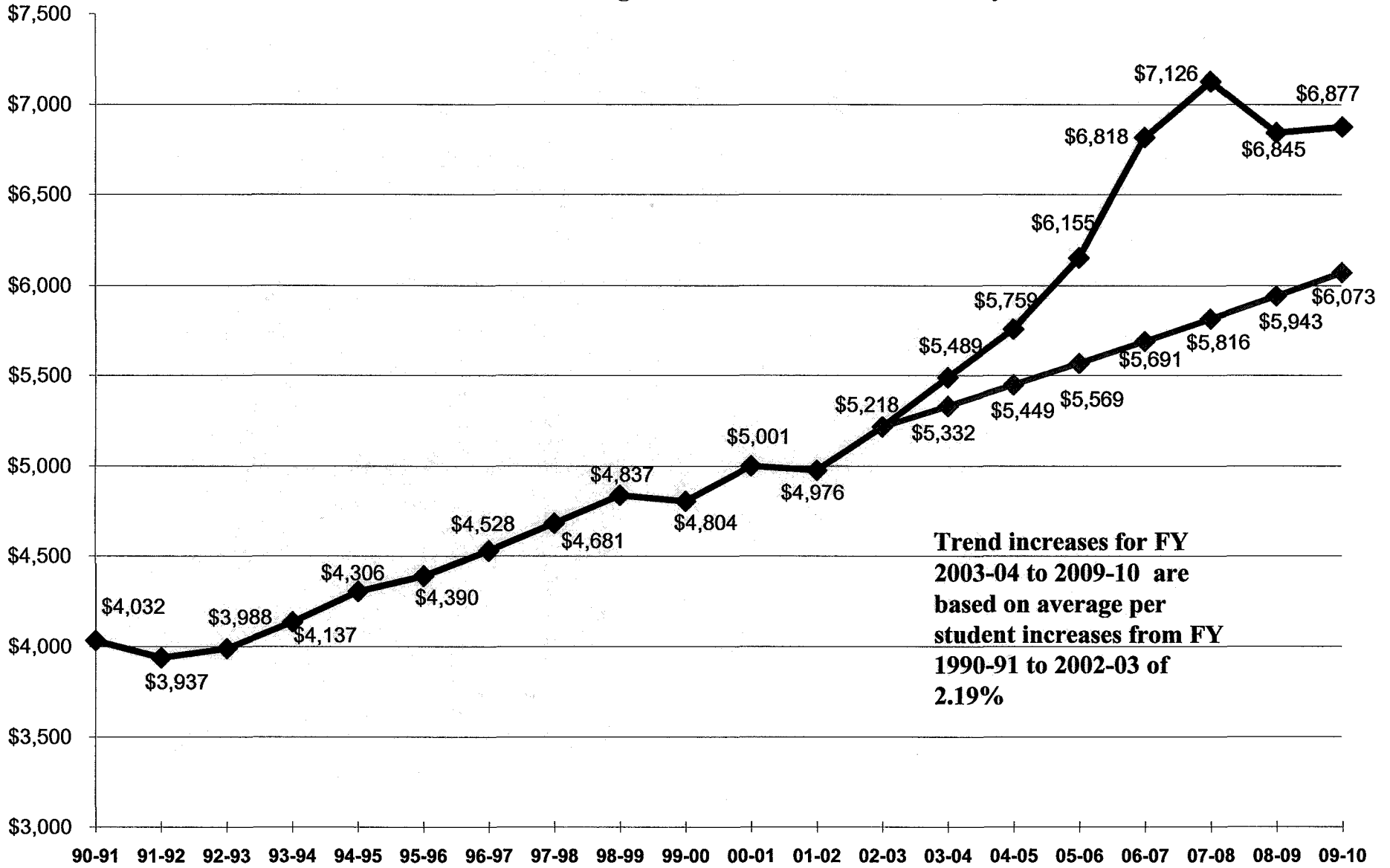
Department of Corrections 10-year Appropriation History



Florida Education Finance Program
(Total Funding for Operations - Including State and Local Funds)



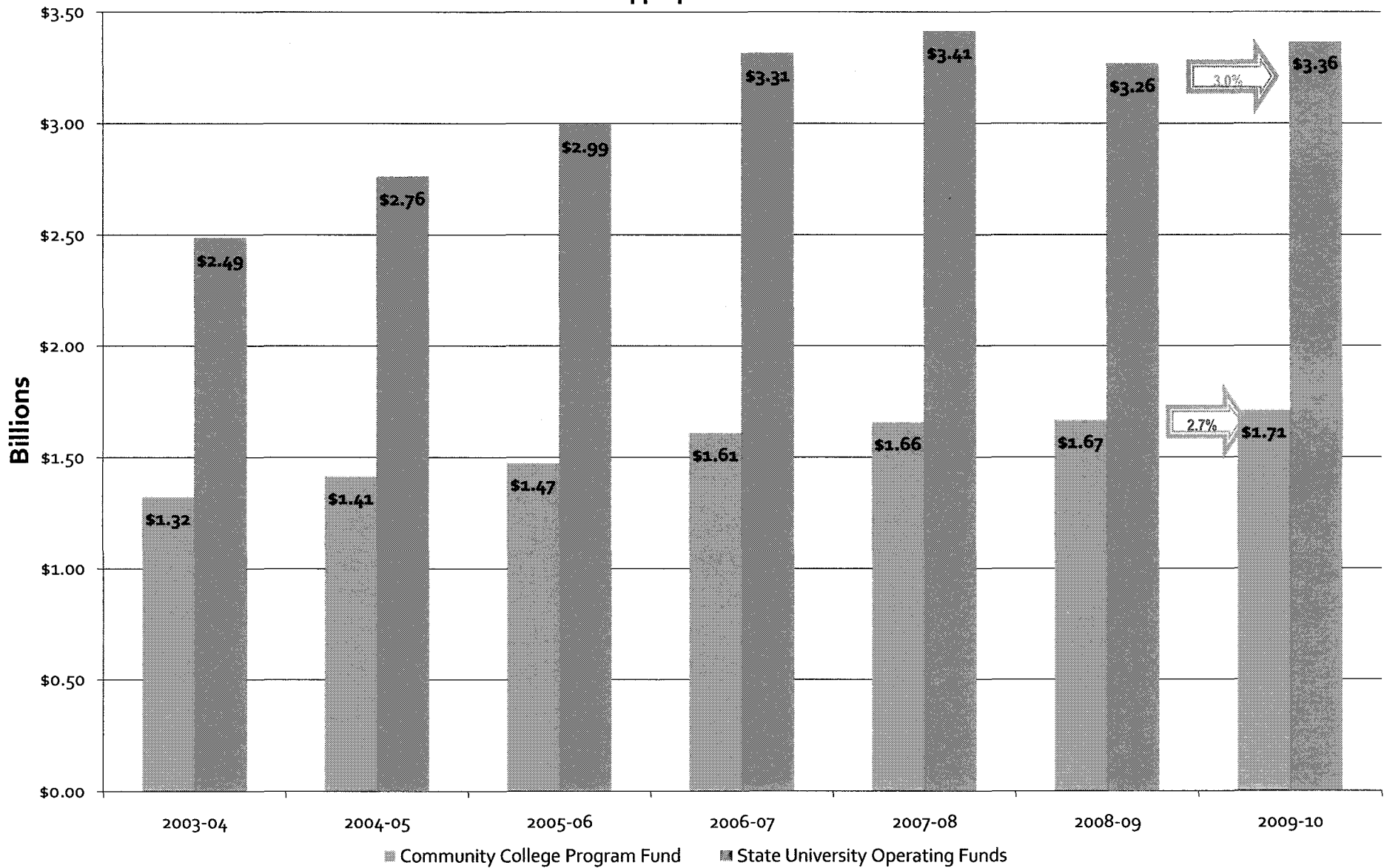
Florida Education Finance Program Statewide Average Total Funds Per Student History



**Trend increases for FY
2003-04 to 2009-10 are
based on average per
student increases from FY
1990-91 to 2002-03 of
2.19%**

Actual funding per FTE
 Trend average increases in funding per FTE

Community College Program Fund & State University System Operating Funds Total State Appropriations and Tuition



**CC figures include state appropriations and tuition for the Program Fund. SUS figures include state appropriations and tuition for Education and General Activities, IFAS, Medical Schools, and Performance Incentives. FY 2009-10 figures include Federal Stimulus Funds (CC = \$82.6M; SUS = \$159.3M).*

General Revenue Update & Outlook

**Unofficial House Outlook
General Revenue Fund
Dollars In Millions**

FY 2009-10		GENERAL REVENUE RECURRING	GENERAL REVENUE NON- RECURRING	GENERAL REVENUE FUND TOTAL
1	Estimated Balance During 2009 Session, Including Gaming	539.0	479.4	1,018.4
2	Exclude Gaming Revenue*	(175.4)	(104.2)	(279.6)
3	May 8, 2009 Estimated Balance GR Only	363.6	375.2	738.8
4	Changes to Revenue Estimates	(153.7)	82.0	(71.7)
5	August 11, 2009 REC Official Balance	209.9	457.2	667.1
6	FY 2008-09 & FY 2009-10 Medicaid Deficit		(224.8)	(224.8)
7	State School Trust Fund Deficit		(38.1)	(38.1)
8	Voluntary Prekindergarten Deficit		(17.5)	(17.5)
9	Risk Management Trust Fund Deficit		(5.3)	(5.3)
10	September 3, 2009 LBC Long Range Financial Plan Balance	209.9	171.5	381.4

FY 2010-11		GENERAL REVENUE RECURRING	GENERAL REVENUE NON- RECURRING	GENERAL REVENUE FUND TOTAL
11	Estimated Revenues	22,068.0	506.0	22,574.0
12	Recurring FY 2009-10 Appropriations	20,669.7	-	20,669.7
13	Funds Available for Additional Appropriation	1,398.3	506.0	1,904.3

* If the gaming compact had been ratified by the Legislature, the revenues would have been deposited into the Education Enhancement Trust Fund and could have been used in lieu of general revenue.

KEY BUDGET DRIVERS- Critical Needs
 Long Range Financial Outlook Issues Summary
 FY 2010-11 through FY 2012-13

	FY 2010-11		FY 2011-12		FY 2012-13	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
Critical Needs (Includes Annualizations, Mandatory Increases Based on Estimating Conferences, and Other Essential Needs)						
1 Annualize Prior Year New Space - Community Colleges & Universities	10.8	0.0	0.0	0.0	0.0	0.0
2 Restore Federal Stimulus Funds from GR - Education Core Instructional Programs	0.0	0.0	1,216.9	0.0	0.0	0.0
3 Education Adjustments to Maintain Current Base Budget	5.6	(5.6)	11.1	(11.1)	0.0	18.2
4 Voluntary Prekindergarten - Workload/Enrollment	22.6	0.0	7.2	0.0	2.8	0.0
5 Florida Education Finance Program (FEFP) - Adjustment to Maintain Per Student Funding	515.8	(18.8)	(7.9)	7.2	23.3	7.8
6 Bright Futures - Workload at Current Award Levels	0.0	3.0	0.0	9.5	0.0	4.7
7 Annualizations - Health Insurance	38.6	25.7	0.0	0.0	0.0	0.0
8 Risk Management Insurance	10.4	5.3	4.0	2.0	3.8	1.9
9 Increases in Employer-Paid Benefits for State Employees	268.7	50.6	128.6	61.4	148.0	70.6
10 Annualizations - Human Services	(2.4)	(0.3)	0.0	0.0	0.0	0.0
11 Medicaid Estimating Conference	1,608.7	191.5	1,130.7	(324.7)	285.6	285.3
12 KidCare Enrollment Growth	22.4	39.8	28.1	62.6	32.3	72.1
13 TANF (Temporary Assistance for Needy Families) Cash Assistance	44.6	6.3	0.0	(13.0)	0.0	(30.8)
14 Maintenance Adoption Subsidies FMAP Adjustment	3.4	0.0	3.4	0.0	0.0	0.0
15 Tobacco Awareness	0.0	(1.4)	0.0	0.9	0.0	1.8
16 Tobacco Settlement Trust Fund Outlook	11.9	(11.9)	(0.3)	0.3	(3.5)	3.5
17 Court System Funding Required to Offset Decline in Court Fee Revenues	62.0	(62.0)	27.0	(27.0)	9.7	(9.7)
18 Annualization of Criminal Justice Estimating Conference (CJEC) Issues	48.4	0.0	0.0	0.0	0.0	0.0
19 Increase in CJEC Prison System Population	84.3	0.0	131.1	0.0	145.5	0.0
20 Criminal Justice - Increased Capacity/Planning and Site Acquisition	10.0	0.0	91.0	0.0	141.6	0.0
21 Judicial - Due Process Costs	12.0	0.0	12.0	0.0	12.0	0.0
22 State Disaster Funding (Declared Disasters)	9.8	0.0	9.1	0.0	7.1	0.0
23 Unemployment Compensation Trust Fund-Interest on Federal Loans	0.0	0.0	126.9	0.0	199.4	0.0
24 Annualizations - Restore Federal Stimulus Funds for Child Support Stimulus	14.5	0.0	0.0	0.0	0.0	0.0
25 Debt Services, Utilities & Pensions	9.7	1.4	1.5	1.3	1.6	1.3
26 Child Support Enforcement - Federal Stimulus	(2.5)	2.5	2.5	0.0	0.0	0.0
27 Fiscally Constrained Counties - Property Tax Cap	18.1	0.0	18.7	0.0	19.3	0.0
28 Subtotal Critical Needs	2,827.4	226.1	2,941.7	(230.6)	1,028.6	426.6

KEY BUDGET DRIVERS - Other High Priorities
 Long Range Financial Outlook Issues Summary

	FY 2010-11		FY 2011-12		FY 2012-13	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
FY 2010-11 through FY 2012-13						
Other High Priority Needs (Includes Other Historically Funded Issues)						
1 Maintenance, Repairs, and Capital Improvements - Statewide Buildings	44.8	15.3	48.4	15.3	43.8	15.3
2 Environmental Programs Funded with Documentary Stamp Tax	87.8	44.2	119.6	21.7	84.2	81.6
3 Environmental Land Acquisition	0.0	300.0	0.0	300.0	0.0	300.0
4 Other Agriculture & Environmental Programs	109.9	297.9	113.3	316.2	124.6	381.5
5 Other General Government Priorities	24.4	23.4	13.1	20.5	3.8	3.7
6 DOT Adopted Work Program FY 2009-2014	0.0	5,481.1	0.0	5,481.1	0.0	5,481.1
7 Other Transportation & Growth Management Priorities	3.5	8.1	3.5	8.1	3.5	8.1
8 Economic Development Programs	65.4	6.7	65.4	7.6	65.4	8.2
9 National Guard Armories - Repairs and Renovations	5.1	0.0	5.1	0.0	5.1	0.0
10 Cultural, Historical, Workforce, and Highway Safety Priorities	25.9	12.8	27.2	10.8	26.0	10.8
11 Restore Federal Stimulus Funds from GR - Education Non-Core Programs	0.0	0.0	133.6	0.0	0.0	0.0
12 Community Colleges - Workload/Enrollment	38.5	0.0	50.4	0.0	45.8	0.0
13 State Universities - Workload/Enrollment	63.7	0.0	82.9	0.0	75.9	0.0
14 Florida Education Finance Program (FEFP) - Increase Funds per FTE	498.5	0.0	516.6	0.0	551.0	0.0
15 Public Schools - Other Issues	1.2	0.0	1.2	0.0	1.3	0.0
16 Workforce Education - Workload/Enrollment	12.8	0.0	16.0	0.0	14.6	0.0
17 Workforce Education - Other Issues	13.5	0.0	4.0	0.0	4.0	0.0
18 Community Colleges - Other Issues	29.4	0.0	0.0	0.0	0.0	0.0
19 Challenge Grants - Community Colleges & State Universities	106.5	0.0	106.5	0.0	106.5	0.0
20 Other Education - Priorities	11.3	0.0	6.9	0.0	6.0	0.0
21 Bright Futures - Workload at Historical Award Levels	0.0	55.7	0.0	32.4	0.0	34.4
22 Education Adjustments to Maintain Current Base Budget	55.7	(55.7)	32.4	(32.4)	34.4	(34.4)
23 Voluntary Prekindergarten - Increase Funds per FTE	11.2	0.0	11.9	0.0	12.3	0.0
24 State Universities - Other Issues	17.0	0.0	6.4	0.0	5.5	0.0
25 State Employee Salary Increases	133.7	63.5	137.0	65.0	140.3	66.6
26 Medicaid for Aged and Disabled and Medically Needy	250.2	424.0	582.8	784.2	582.8	784.2
27 Developmentally Disabled Services	8.2	12.7	6.0	4.6	12.6	15.4
28 Children and Family Services	60.6	14.3	10.2	5.9	9.6	5.9
29 Health Services	4.0	54.1	(4.2)	6.2	0.0	0.0
30 Human Services Information Technology/Infrastructure	0.0	3.6	0.0	2.7	0.0	2.7
31 Shared Detention Cost - Fiscally Constrained Counties	5.8	0.0	5.9	0.0	6.0	0.0
32 Department of Juvenile Justice - Prevention and Intervention Programs	6.3	0.0	6.9	0.0	5.8	0.0
33 Court System Workload - New Judges and Support Positions	4.0	0.0	4.0	0.0	4.0	0.0
34 Small County Courthouses - Capital Outlay Grants	4.1	0.0	3.8	0.0	3.2	0.0
35 State Attorney, Public Defender, and Regional Counsel Workload	5.2	0.0	4.8	0.0	2.9	0.0
36 Subtotal Other High Priority Needs	1,707.9	6,761.8	2,121.6	7,050.0	1,980.8	7,165.3
37 Total Tier 1 - Critical Needs	2,827.4	226.1	2,941.7	(230.6)	1,028.6	426.6
38 Total Tier 2 - Critical Needs Plus Other High Priority Needs	4,535.4	6,987.8	5,063.3	6,819.4	3,009.4	7,591.9

LONG RANGE FINANCIAL OUTLOOK - SEPTEMBER 15, 2009 LEGISLATIVE BUDGET COMMISSION
TIER 1 ISSUES - CRITICAL NEEDS
GENERAL REVENUE FUNDS AVAILABLE PROJECTION
(\$ MILLIONS)

	FY 2009-10			FY 2010-11			FY 2011-12			FY 2012-13		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 Funds Available:	-	-	-	-	-	-	-	-	-	-	-	-
2 Balance Forward	0.0	300.7	300.7	0.0	381.4	381.4	0.0	0.0	0.0	0.0	0.0	0.0
3 Revenue Estimate	20,883.9	-190.7	20,693.2	22,072.3	24.7	22,097.0	23,910.9	3.9	23,914.8	25,879.6	-0.2	25,879.4
4 Non-operating Funds	-4.3	272.8	268.5	-4.3	99.9	95.6	-4.3	99.9	95.6	-4.3	99.9	95.6
5 New Issues - Environmental Land Acquisition	-	-	-	-	-	-	-	-	-	-	-	-
6 Transfer From Trust Funds	-	600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Total Funds Available	20,879.6	982.8	21,862.4	22,068.0	506.0	22,574.0	23,906.6	103.8	24,010.4	25,875.3	99.7	25,975.0
8 Estimated Expenditures:												
9 Base Budget				20,669.7	0.0	20,669.7	23,188.9	0.0	23,188.9	25,872.8	0.0	25,872.8
10 New Issues by GAA Section:												
11 Section 2 - Education	11,327.0	59.1	11,386.1	554.8	0.0	554.8	1,227.4	0.0	1,227.4	26.1	0.0	26.1
12 Section 3 - Human Services	4,910.1	291.5	5,201.6	1,438.5	250.2	1,688.7	1,161.8	0.0	1,161.8	314.4	0.0	314.4
13 Section 4 - Criminal Justice and Corrections	3,512.7	32.4	3,545.1	132.8	22.0	154.8	131.1	103.0	234.2	145.5	153.6	299.1
14 Section 5 - Natural Resources /Environment/Growth Management/Transportation	158.9	10.4	169.3	0.0	9.8	9.8	0.0	9.1	9.1	0.0	7.1	7.1
15 Section 6 - General Government	618.4	110.1	728.5	13.4	26.4	39.7	4.0	145.6	149.6	1.6	218.7	220.3
16 Section 7 - Judicial Branch	134.8	-	134.8	62.0	0.0	62.0	27.0	0.0	27.0	9.7	0.0	9.7
17 Administered Funds - Statewide Issues	7.8	22.1	30.0	317.7	0.0	317.7	132.6	0.0	132.6	151.8	0.0	151.8
18 Total New Issues				2,519.1	308.3	2,827.4	2,684.0	257.7	2,941.7	649.1	379.5	1,028.6
19 Medicaid Deficit (FY 2008-09 & FY 2009-10)		224.8	224.8									
20 Other Deficits (SSTF, RMTF and VPK)*		60.9	60.9									
21 Transfer to Budget Stabilization Fund	-	-	-	0.0	0.0	0.0	0.0	214.5	214.5	0.0	214.5	214.5
22 Total Estimated Expenditures	20,669.7	811.3	21,481.0	23,188.9	308.3	23,497.2	25,872.8	472.2	26,345.1	26,522.0	594.0	27,115.9
23 Ending Balance	209.9	171.5	381.4	-1,120.9	197.7	-923.2	-1,966.2	-368.4	-2,334.7	-646.7	-494.3	-1,140.9

Note: Negative balances are not allowed to carry-forward to subsequent years; the assumption is that each year is addressed with a nonrecurring solution.

* State School Trust Fund (PSSTF), Risk Management Trust Fund and Voluntary Pre-Kindergarten (VPK)

LONG RANGE FINANCIAL OUTLOOK - SEPTEMBER 15, 2009 LEGISLATIVE BUDGET COMMISSION

TIER 2 ISSUES - CRITICAL NEEDS AND OTHER HIGH PRIORITY NEEDS

GENERAL REVENUE FUNDS AVAILABLE PROJECTION

(\$ MILLIONS)

	FY 2009-10			FY 2010-11			FY 2011-12			FY 2012-13		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 Funds Available:	-	-	-	-	-	-	-	-	-	-	-	-
2 Balance Forward	-	300.7	300.7	0.0	381.4	381.4	0.0	0.0	0.0	0.0	0.0	0.0
3 Revenue Estimate	20,883.9	(190.7)	20,693.2	22,072.3	24.7	22,097.0	23,910.9	3.9	23,914.8	25,879.6	-0.2	25,879.4
4 Non-operating Funds	(4.3)	272.8	268.5	-4.3	99.9	95.6	-4.3	99.9	95.6	-4.3	99.9	95.6
5 New Issues - Environmental Land Acquisition	-	-	-	-30.5	7.2	-23.3	-61.0	7.2	-53.8	-91.5	7.2	-84.3
6 Transfer From Trust Funds	-	600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 Total Funds Available	20,879.6	982.8	21,862.4	22,037.5	513.2	22,550.7	23,845.6	111.0	23,956.6	25,783.8	106.9	25,890.7
8 Estimated Expenditures:												
9 Base Budget				20,669.7	0.0	20,669.7	24,152.0	0.0	24,152.0	27,895.4	0.0	27,895.4
10 New Issues by GAA Section:												
11 Section 2 - Education	11,327.0	59.1	11,386.1	1,303.5	110.5	1,414.0	2,085.7	110.5	2,196.2	772.9	110.5	883.3
12 Section 3 - Human Services	4,910.1	291.5	5,201.6	1,502.7	530.2	2,032.8	1,173.8	604.0	1,777.8	336.6	604.0	940.6
13 Section 4 - Criminal Justice and Corrections	3,512.7	32.4	3,545.1	144.2	39.4	183.6	142.9	121.0	263.9	154.1	169.1	323.2
14 Section 5 - Natural Resources /Environment/Growth Management/Transportation	158.9	10.4	169.3	1.1	217.5	218.6	35.4	219.9	255.3	0.0	229.7	229.7
15 Section 6 - General Government	618.4	110.1	728.5	13.4	147.1	160.5	4.0	256.3	260.4	1.6	319.0	320.6
16 Section 7 - Judicial Branch	134.8	-	134.8	66.0	8.5	74.4	32.0	8.2	40.2	13.7	6.1	19.7
17 Administered Funds - Statewide Issues	7.8	22.1	30.0	451.5	0.0	451.5	269.6	0.0	269.6	292.1	0.0	292.1
18 Total New Issues				3,482.3	1,053.1	4,535.4	3,743.4	1,319.9	5,063.3	1,571.1	1,438.3	3,009.4
19 Medicaid Deficit (FY 2008-09 & FY 2009-10)		224.8	224.8									
20 Other Deficits (SSTF, RMTF and VPK)*		60.9	60.9									
21 Transfer to Budget Stabilization Fund	-	-	0.0	0.0	0.0	0.0	0.0	214.5	214.5	0.0	214.5	214.5
24 Total Estimated Expenditures	20,669.7	811.3	21,481.0	24,152.0	1,053.1	25,205.1	27,895.4	1,534.4	29,429.8	29,466.5	1,652.8	31,119.3
25 Ending Balance	209.9	171.5	381.4	-2,114.5	-539.9	-2,654.4	-4,049.8	-1,423.4	-5,473.2	-3,682.7	-1,545.9	-5,228.6

Note: Negative balances are not allowed to carry-forward to subsequent years; the assumption is that each year is addressed with a nonrecurring solution.

* State School Trust Fund (PSSTF), Risk Management Trust Fund (RMTF) and Voluntary Pre-Kindergarten (VPK)