



Appropriations Committee

**Tuesday, January 10, 2017
1:00 PM – 3:00 PM
212 Knott Building**

Meeting Packet

**Richard Corcoran
Speaker**

**Carlos Trujillo
Chair**



The Florida House of Representatives

Appropriations Committee

Richard Corcoran
Speaker

Carlos Trujillo
Chair

AGENDA

Tuesday, January 10, 2017

212 Knott Building

1:00 PM – 3:00 PM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Trujillo
- III. Financial Outlook Summary
- IV. Budget Exercise
- V. Closing Remarks and Adjournment



Long Range Financial Outlook Summary & Budget Exercise

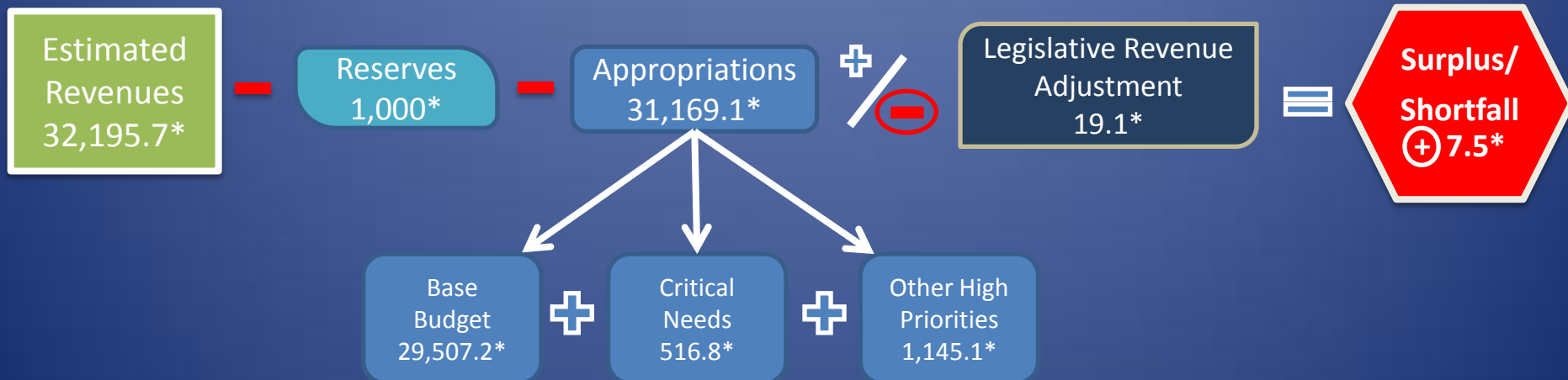
Appropriations Committee

Carlos Trujillo, Chair

January 10, 2017

Long Range Financial Outlook

Multi Year Estimate of General Revenue:



*Values of dollars in millions forecasted in the Long Range Financial Outlook for FY 2017-18.

Budget Drivers – Critical Needs

Long Range Financial Outlook Issues Summary
FY 2017-18 through FY 2019-20

	FY 2017-18		FY 2018-19		FY 2019-20	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
Critical Needs (Includes Mandatory Increases Based on Estimating Conferences and Other Essential Needs)						
PRE K - 12 EDUCATION						
1 Maintain Current Budget - Florida Education Finance Program (FEFP)	27.9	169.2	102.3	(102.3)	6.5	(6.5)
2 Workload and Enrollment - Florida Education Finance Program (FEFP)	619.0	0.0	599.1	0.0	615.5	0.0
3 Adjustment to Offset Tax Roll Changes - Florida Education Finance Program (FEFP)	(494.4)	0.0	(506.7)	0.0	(515.4)	0.0
4 Workload and Enrollment - Voluntary Prekindergarten (VPK) Program	6.4	0.0	6.9	0.0	7.8	0.0
HIGHER EDUCATION						
5 Workload and Enrollment - Bright Futures (BF) and Children and Spouses of Deceased / Disabled Veterans (CSDDV)	0.7	(5.3)	0.9	4.8	0.8	8.5
6 Educational Enhancement Trust Fund (EETF) Adjustment	(137.9)	164.4	100.9	(100.9)	7.4	(7.4)
HUMAN SERVICES						
7 Medicaid Program	269.1	466.2	1,043.3	1,225.9	718.5	1,370.9
8 Kidcare Program	1.8	58.7	1.3	43.9	93.8	(43.9)
9 Temporary Assistance for Needy Families (TANF) Cash Assistance	(10.6)	0.0	(0.4)	0.0	0.1	0.0
10 Tobacco Settlement Trust Fund Adjustment	(28.2)	28.2	(2.2)	2.2	(2.2)	2.2
11 Tobacco Awareness Constitutional Amendment	0.0	0.8	0.0	1.7	0.0	1.7
CRIMINAL JUSTICE						
12 Criminal Justice Estimating Conference (CJEC) Adjustment	1.0	0.0	1.1	0.0	5.5	0.0
TRANSPORTATION AND ECONOMIC DEVELOPMENT						
13 State Match for Federal Emergency Management Agency (FEMA) Funding - State Disaster Funding (Declared Disasters)	20.5	0.0	17.4	0.0	11.4	0.0
GENERAL GOVERNMENT						
14 Non Florida Retirement System (FRS) Pensions and Benefits	(0.5)	0.0	0.2	0.0	0.2	0.0
15 Fiscally Constrained Counties - Property Tax	24.5	0.0	25.7	0.0	23.0	0.0
ADMINISTERED FUNDS & STATEWIDE ISSUES						
16 Risk Management Insurance	0.0	0.0	0.0	0.0	4.2	2.4
17 Division of Administrative Hearings Assessments	(0.1)	0.1	0.0	0.0	0.0	0.0
18 Increases in Employer-Paid Benefits for State Employees	185.7	53.2	103.2	67.0	110.0	71.3
Subtotal Critical Needs	484.9	935.5	1,493.0	1,142.3	1,087.2	1,399.2

Budget Drivers - Other High Priority Needs

Long Range Financial Outlook Issues Summary

FY 2017-18 through FY 2019-20

	FY 2017-18		FY 2018-19		FY 2019-20	
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF
Other High Priority Needs (Includes Other Historically Funded Issues)						
PRE K - 12 EDUCATION						
19 Workload and Enrollment - Florida Education Finance Program (FEFP)	153.7	0.0	141.3	0.0	164.1	0.0
20 Workload and Enrollment - Other PreK-12	50.1	0.0	50.2	0.0	50.3	0.0
HIGHER EDUCATION						
21 Workload - Florida Colleges	50.4	0.0	50.4	0.0	50.4	0.0
22 Workload - State Universities	172.4	0.0	172.4	0.0	172.4	0.0
23 Workload and Adjustments - Other Higher Education Programs	29.1	0.0	16.5	0.0	15.5	0.0
24 Anticipated New Space Costs for Colleges & Universities	6.4	0.0	6.4	0.0	6.4	0.0
HUMAN SERVICES						
25 Medicaid Services	71.1	105.5	71.1	105.5	71.1	105.5
26 Children and Family Services	53.7	52.1	69.5	34.6	69.5	34.6
27 Health Services	24.5	3.5	24.5	3.5	24.5	3.5
28 Developmental Disabilities	18.7	28.2	18.7	28.2	18.7	28.2
29 Veteran's Services	1.5	0.0	1.5	0.0	1.5	0.0
30 Elderly Services	8.1	0.0	5.4	0.0	5.4	0.0
31 Human Services Information Technology/Infrastructure	2.9	9.1	2.9	7.8	0.0	6.0
CRIMINAL JUSTICE						
32 Justice Administration Commission (JAC) Due Process Increases	3.0	0.0	3.0	0.0	3.0	0.0
33 Department of Corrections (DOC) - Fleet Replacement of Vans, Buses and Vehicles	2.0	0.0	2.0	0.0	2.0	0.0
34 Department of Corrections (DOC) - Inmate Health Services	5.9	0.0	5.9	0.0	5.9	0.0
35 Department of Juvenile Justice (DJJ) Prevention and Intervention Programs	7.2	0.0	7.2	0.0	7.2	0.0
36 Department of Juvenile Justice - Shared Detention Cost	0.0	0.0	0.3	0.0	0.5	0.0
JUDICIAL BRANCH						
37 State Court Revenue Trust Fund Shortfall	0.5	0.0	0.2	0.0	0.5	0.0
38 Small County Courthouses	4.5	0.0	4.5	0.0	4.5	0.0
TRANSPORTATION AND ECONOMIC DEVELOPMENT						
39 Department of Transportation Adopted Work Program (Fiscal Years 2017-2020)	0.0	7,840.7	0.0	7,824.5	0.0	7,045.1
40 Economic Development and Workforce Programs	2.7	63.4	2.7	63.4	2.7	63.4
41 National Guard Armories and Military Affairs Priorities	7.9	0.0	1.9	0.0	1.9	0.0
42 Library, Cultural, Historical, and Election Priorities	69.0	0.0	69.4	0.0	69.0	0.0
NATURAL RESOURCES						
43 Water and Land Conservation	140.4	141.2	72.6	208.9	42.0	239.5
44 Other Agricultural and Environmental Programs	156.6	0.0	157.2	0.0	149.9	7.6
GENERAL GOVERNMENT						
45 Other General Government Priorities	27.5	21.2	21.9	21.7	12.0	22.1
46 State Building Pool - General Repairs and Maintenance	18.6	9.8	18.6	9.8	18.6	9.8
ADMINISTERED FUNDS & STATEWIDE ISSUES						
47 State Employee Pay Issues	7.2	7.1	7.2	7.1	7.2	7.1
48 Maintenance, Repairs, and Capital Improvements - Statewide Buildings - Critical	49.5	43.6	58.7	23.6	33.0	23.6
Subtotal Other High Priority Needs	1,145.1	8,325.5	1,064.1	8,338.5	1,009.7	7,595.9

Three Year Bottom Line

(dollars in millions)

Funds/FY	2017-18	2018-19	2019-20
Recurring	(24.5)	(1,086.4)	(1,749.0)
Non-Recurring	32.0	(214.7)	(149.1)
Total	7.5	(1,301.1)	(1,898.1)

What is not Included in the Outlook

- Triumph Gulf Coast funding (\$300 million).
- Agency Budget Requests above the Long Range Financial Outlook amounts (\$594 million).
- Governor's Budget Request above the Long Range Financial Outlook amounts (pending).
- Other policy and budget priorities (TBD).
- Unforeseen circumstances.

Hypothetical Budget Exercise

- Preparation for allocations.
- Requires an analytic examination of the base budget.
- Target budget reductions based on a uniform methodology to be achieved by each subcommittee.
- Subcommittees are requested to report findings and conclusions to the Appropriations Committee week of February 13th.

Assumptions For Target Reduction A

- \$300 million will be appropriated for Triumph Gulf Coast.
- 15 percent of Agency Legislative Budget Request Issues above the Long Range Financial Outlook amounts will be funded.
- \$250 million will be spent on other priorities and issues that arise during session.
- Out year shortfalls will be resolved over the three year period.

Target A Reductions

(dollars in millions)

Subcommittee	Recurring	NR	Total
Pre K-12	(164.8)	(68.0)	(232.7)
Higher Education	(106.0)	(38.8)	(144.8)
Health Care	(180.2)	(95.6)	(275.8)
Justice	(90.6)	(36.0)	(126.7)
Transportation & Tourism	(105.0)	(51.2)	(156.2)
Agriculture & Natural Resources	(26.1)	(19.4)	(45.4)
Government Operations & Technology	(20.6)	(12.8)	(33.4)
<u>Appropriations Committee</u>	(27.5)	(16.1)	(43.6)
	(720.8)	(337.9)	(1,058.7)

Assumptions For Target Reduction B

- \$300 million will be appropriated for Triumph Gulf Coast.
- 35 percent of Agency Legislative Budget Request Issues above the Long Range Financial Outlook amounts will be funded.
- \$500 million will be spent on other priorities and issues that arise during session.
- Out year shortfalls will be resolved by the FY 2017-18 budget.

Target B Reductions

(dollars in millions)

Subcommittee	Recurring	NR	Total
Pre K-12	(417.0)	(68.0)	(485.0)
Higher Education	(266.0)	(38.8)	(304.8)
Health Care	(459.7)	(114.1)	(573.8)
Justice	(223.8)	(49.8)	(273.6)
Transportation & Tourism	(269.1)	(52.1)	(321.2)
Agriculture & Natural Resources	(66.8)	(28.7)	(95.4)
Government Operations & Technology	(52.8)	(17.1)	(69.8)
<u>Appropriations Committee</u>	(70.4)	(19.9)	(90.3)
	(1,825.5)	(388.4)	(2,213.9)

Guidelines for Budget Exercise

- The total reduction amount allocated to the subcommittee must be achieved by:
 - reducing base appropriations,
 - reducing or eliminating items funded in the Long Range Financial Outlook,
 - increasing state revenues,
 - redirecting recurring state trust funds to the General Revenue Fund. A one-time transfer (i.e., sweep) may be used to address the non-recurring portion of the reduction allocation,
 - any combination of the above.
- A recurring reduction may be used instead of a nonrecurring reduction to meet the target total but not vice versa.
- Reductions cannot violate federal law, the U.S. or Florida constitution.
- Agency administrative costs can be reduced but cannot be eliminated.
- Reductions cannot be based upon unrealistic, future-year or assumption-laden savings.
- Federal funds cannot be used to solve the recurring or non-recurring shortfall. Federal funding should be examined however and suggestions made for potential revisions or reductions.
- Trust fund reductions must provide information regarding the specific revenue source of the reduction. Reductions should include information regarding the specific budget entity and the program reduced.
- Any revenue increase must include specific information regarding the fee or tax increased and must be within the subcommittee's jurisdiction.
- In addition to achieving the target reductions, subcommittee members may also recommend other reprioritizations of the base.