



Appropriations Committee

**Tuesday, April 25, 2017
8:00 AM – 10:00 AM
212 Knott Building**

Meeting Packet

Part II



The Florida House of Representatives

Appropriations Committee

Richard Corcoran
Speaker

Carlos Trujillo
Chair

AGENDA



Tuesday, April 25, 2017
212 Knott Building
8:00 AM – 10:00 AM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Trujillo
- III. **Consideration of the following proposed committee bills:**
 - PCB APC 17-06** -- General Appropriations Act
 - PCB APC 17-07** -- Implementing the 2017-18 General Appropriations Act
 - PCB APC 17-08** -- Florida Retirement System
 - PCB APC 17-09** -- Collective Bargaining
 - PCB APC 17-10** -- Medicaid Services
- IV. Closing Remarks and Adjournment

**PCB APC 17-07
Implementing Bill**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 17-07 Implementing the 2017-18 General Appropriations Act
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Kramer 	Leznoff 

SUMMARY ANALYSIS

This bill provides the statutory authority necessary to implement and execute the General Appropriations Act – PCB APC 17-06 for Fiscal Year 2017-2018. The statutory changes are effective for only one year and either expire on July 1, 2017 or revert to the language as it existed before the changes made by the bill.

Because this bill implements provisions of the General Appropriations Act for Fiscal Year 2017-2018, there are no direct fiscal impacts created by this bill.

This bill takes effect on July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background:

Section 12 of Article III of the Florida Constitution states that “[l]aws making appropriations for salaries of public officers and other current expenses of the state shall contain provisions on no other subject”. This language has been interpreted to defeat proviso language attached to appropriations that have the effect of amending general law. For this reason, when general law changes are required to effectuate appropriations, those changes are placed in a general bill implementing the appropriations act instead of in the GAA. The statutory changes are effective for only one year and either expire on July 1 of the next fiscal year or revert to the language as it existed before the changes made by the bill.

Provisions of bill:

Section 1 provides legislative intent that the implementing and administering provisions of this act apply to the General Appropriations Act for Fiscal Year 2017-2018.

Section 2 incorporates the Florida Education Finance Program (FEFP) work papers by reference for the purpose of displaying the calculations used by the Legislature.

Section 3 amends s. 1012.731, F.S. relating to the Florida Best and Brightest Teacher Scholarship Program to award highly effective teachers who have demonstrated a high level of academic achievement based on their SAT score.

Section 4 amends s. 1011.62, F.S. relating to the Florida Education Finance Program (FEFP) to modify the sparsity supplement calculation to compute the sparsity supplement for larger eligible districts with a full-time equivalent (FTE) student membership of between 20,000 and 24,000, by dividing the total number of full-time equivalent students in all programs by the number of permanent senior high school centers in the district, not in excess of four.

Sections 5 and 6 extend the date by which Florida Polytechnic University must meet statutory deadlines relating to accreditation until December 31, 2017.

Section 7 provides that the calculations of the Medicaid Low-Income Pool, Disproportionate Share Hospital, and hospital reimbursement programs for the 2017-2018 fiscal year contained in the document titled “Medicaid Hospital Funding Programs,” dated April 24, 2017, and filed with the Clerk of the House of Representatives, are incorporated by reference for the purpose of displaying the calculations used by the Legislature, consistent with the requirements of state law, in making appropriations for the Medicaid Low-Income Pool, Disproportionate Share Hospital, and Hospital Reimbursement programs.

Section 8 authorizes AHCA & DOH to submit a budget amendment to realign funding within and between agencies based on the implementation of the Statewide Medicaid Managed Care Medical Assistance Program for Children’s Medical Services within the Department of Health. The funding realignment must reflect the actual enrollment changes due to the transfer of beneficiaries from fee-for-service to the capitated Children’s Medical Services Network. The section also authorizes AHCA to submit a request for non-operating budget authority to transfer the federal funds to the Department of Health, pursuant to s. 216.181(12), Florida Statutes.

Section 9 provides that if the Agency for Persons with Disabilities ceases to have an algorithm and allocation methodology adopted by valid rule, each client’s iBudget amounts will remain unchanged until a new allocation algorithm is prescribed by Rule. The section also provides a method of

determining the iBudget for each client newly enrolled in the home and community based services waiver program.

Section 10 amends s. 893.055, F.S. to authorize the Department of Health to use state funds to administer the prescription drug monitoring program and prohibiting the Attorney General from using settlement funds to administer the program.

Section 11 amends s. 296.37(3), F.S., for the 2017-2018 fiscal year, to maintain the personal needs allowance for residents of state veterans' nursing homes at \$105 per month. Without this reenactment, the amount would fall to \$35 per month on July 1, 2017.

Section 12 amends s. 216.262, F.S., to allow the Executive Office of the Governor (EOG) to request additional positions and appropriations from unallocated general revenue funds during the 2017-2018 fiscal year for the Department of Corrections (DOC) if the actual inmate population of the DOC exceeds certain Criminal Justice Estimating Conference forecasts. The additional positions and appropriations may be used for essential staff, fixed capital improvements, and other resources to provide classification, security, food services, health services, and other variable expenses within the institutions to accommodate the estimated increase in the inmate population, and are subject to Legislative Budget Commission review and approval.

Section 13 amends s. 215.18, F.S., to provide the Chief Justice the authority to request a trust fund loan.

Section 14 authorizes the DOC to transfer funds from categories other than fixed capital outlay into the Inmate Health Services category subject to the notice, review and objection procedures of s. 216.177, F.S.

Section 15 requires the Department of Juvenile Justice to ensure that counties are fulfilling their financial responsibilities and to report any deficiencies to the Department of Revenue. If the Department of Juvenile Justice determines that a county has not met its obligations, it must direct the Department of Revenue to deduct the amount owed to the Department of Juvenile Justice from shared revenue funds provided to the county under s. 218.23, F.S. The section also includes procedures to provide assurance to holders of bonds for which shared revenue fund distributions are pledged.

Section 16 prohibits the payment of reimbursement or application of credits to a nonfiscally constrained county for any previous overpayment of juvenile detention costs to offset detention share costs owed pursuant to s. 985.6865, F.S., or any other law in Fiscal Year 2017-2018.

Sections 17 amends s. 27.5304, F.S., to increase the statutory compensation limits for fees paid to court-appointed attorneys in two case categories: the maximum compensation for representation for a noncapital, nonlife felony at the trial level is increased from \$6,000 to \$15,000 and for a life felony from \$9,000 to \$15,000.

Section 18 requires the Justice Administrative Commission to provide funds to compensate the clerks of court for juror compensation, juror lodging and meals and jury-related personnel costs.

Section 19 requires the Department of Management Services (DMS) and agencies to utilize a tenant broker to renegotiate private lease agreements, in excess of 2,000 square feet, expiring before June 30, 2020.

Section 20 provides that the online procurement system transaction fee authorized in ss. 287.042(1)(h)1 and 287.057(22)(c), F.S., will remain at 0.7 percent for the 2017-2018 fiscal year only.

Section 21 provides that the EOG is authorized to transfer funds appropriated in any appropriation category used to pay for data processing in the General Appropriations Act between agencies, in order to align the budget authority granted with the utilization rate of each department.

Section 22 notwithstanding s. 216.292(2)(a), F.S., which authorizes agency budget transfers of up to 5 percent of approved budget between categories. Except for transfers approved pursuant to section 21 of the Implementing Bill, agencies are prohibited from transferring funds from a data center appropriation category to a category other than a data center appropriation category.

Section 23 authorizes the EOG to transfer funds in the appropriation category "Special Categories-Risk Management Insurance" between departments in order to align the budget authority granted with the premiums paid by each department for risk management insurance.

Section 24 authorizes the EOG to transfer funds in the appropriation category "Special Categories-Transfer to DMS-Human Resources Services Purchased Per Statewide Contract" of the 2017-2018 General Appropriations Act between departments, in order to align the budget authority granted with the assessments that must be paid by each agency to the DMS for human resources management services.

Section 25 defines the components of the Florida Accounting Information Resource subsystem (FLAIR) and Cash Management System (CMS) included in the Department of Financial Services Planning Accounting and Ledger Management (PALM) system. This section also provides the executive steering committee (ESC) membership and the process for ESC meetings and decisions.

Section 26 amends s. 216.181(11)(d), F.S., to authorize the Legislative Budget Commission to increase amounts appropriated to the Fish and Wildlife Conservation Commission (FWC) or the Department of Environmental Protection (DEP) for fixed capital outlay projects. The increase in fixed capital outlay budget authority is authorized for funds provided to the state from the Gulf Environmental Benefit Fund administered by the National Fish and Wildlife Foundation, the Gulf Coast Restoration Trust Fund related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast Act of 2012 (RESTORE Act), or from British Petroleum Corporation (BP) for natural resources damage assessment early restoration projects. Any continuing commitment for future appropriations by the Legislature must be specifically identified.

Section 27 amends s. 215.18(3), F.S., to authorize the Governor to temporarily transfer moneys, from one or more of the trust funds in the State Treasury, to a land acquisition trust fund (LATF) within the Department of Agriculture and Consumer Services (DACS), the DEP, the Department of State, or the FWC, whenever there is a deficiency that would render the LATF temporarily insufficient to meet its just requirements, including the timely payment of appropriations from that trust fund. These funds must be expended solely and exclusively in accordance with Art. X, s. 28 of the Florida Constitution. This transfer is a temporary loan and the funds must be repaid to the trust funds from which the moneys were loaned by the end of the 2017-2018 fiscal year. Any action proposed pursuant to this subsection is subject to the notice, review, and objection procedures of s. 216.177, F.S., and the Governor shall provide notice of such action at least seven days before the effective date of the transfer of trust funds.

Section 28 provides that, in order to implement specific appropriations from the land acquisition trust funds within the DACS, the DEP, the FWC, and the Department of State, the DEP will transfer a proportionate share of revenues in the Land Acquisition Trust Fund within the DEP on a monthly basis, after subtracting required debt service payments, to each agency and retain a proportionate share within the Land Acquisition Trust Fund within the DEP. Total distributions to a land acquisition trust fund within the other agencies may not exceed the total appropriations for the fiscal year. The section also provides that DEP department shall transfer from the Land Acquisition Trust Fund to land acquisition trust funds within DACS, DOS and FWC amounts equal to the difference between the amounts appropriated in the 2016-2017 GAA (chapter 2016-66, Laws of Florida), to the department's Land

Acquisition Trust Fund and the other land acquisition trust funds, and the amounts actually transferred between those trust funds during the 2016-2017 fiscal year.

Sections 29 and 30 amends 373.470(6)(a), F.S. relating to match requirements of the South Florida Water Management District (SFWMD) for Everglades Restoration funded from the Save Our Everglades Trust Fund. This section will require the match from SFWMD for Everglades Restoration funded from the Land Acquisition Trust Fund.

Section 31 amends s. 259.105, F.S., to provide the following distribution from the Florida Forever Trust Fund:

1. \$15.2 million distributed to Florida Forever Priority List land acquisition projects
2. \$5.4 million for grants to local governments and eligible non-profit organizations to acquire lands for parks, open space and greenways.

Section 32 provides that the Legislative Budget Commission may increase the amounts appropriated to the Department of Environmental Protection for fixed capital outlay projects using funds provided to the state from the U.S. Environmental Protection Agency, as a result of the Safe Drinking Water Act and the Clean Water Act. Funds can be used for low-interest loans for investments in water and sanitation infrastructure such as sewage treatment, stormwater management facilities and drinking water treatment, as well as for the implementation of nonpoint source pollution control and estuary protection projects.

Sections 33 and 34 amends s. 339.135(7)(e), F.S., by making an exception to the work program amendment approval process for certain projects when an emergency exists.

Sections 35 and 36 reenact amendments to s. 216.292(2)(a), F.S., that remove language limiting scope of legislative review of "five percent" budget transfers. The Legislature would continue to be able to object that a proposed action exceeds delegated authority or is contrary to legislative policy and intent.

Section 37 provides that no state agency may initiate a competitive solicitation for a product or service if the completion of such competitive solicitation would require a change in law or require a change to the agency's budget other than a transfer authorized in s. 216.292(2) or (3), F.S., unless the initiation of such competitive solicitation is specifically authorized in law or in the General Appropriations Act or by the Legislative Budget Commission.

Section 38 amends s. 112.24, F.S., to provide that the reassignment of an employee of a state agency may be made if recommended by the Governor or Chief Justice, as appropriate, and approved by the chairs of the Senate and House budget committees. Such actions shall be deemed approved if neither chair provides written notice of objection within 14 days after receiving notice of the action, pursuant to s. 216.177, F.S. This requirement applies to state employee reassignments regardless of which agency (sending or receiving) is responsible for pay and benefits of assigned employee.

Section 39 maintains legislative salaries at the July 1, 2010, level.

Sections 40 and 41 amend s. 215.32(2)(b), F.S., in order to implement the transfer of moneys to the General Revenue Fund from trust funds in the 2017-2018 General Appropriations Act.

Section 42 provides that funds appropriated for travel by state employees be limited to travel for activities that are critical to each state agency's mission. The section prohibits funds from being used to travel to foreign countries, other states, conferences, staff-training, or other administrative functions unless the agency head approves in writing. The agency head is required to consider the use of teleconferencing and electronic communication to meet needs of activity before approving travel.

Section 43 provides that, notwithstanding s. 112.061, F.S., costs for lodging associated with a meeting, conference or convention organized or sponsored in whole or in part by a state agency or the judicial branch may not exceed 150 dollars per day. The section provides that a meeting does not include travel activities for conducting an audit, examination, inspection or investigation or travel activities related to litigation or emergency response. An employee may expend his or her own funds for any lodging expenses in excess of 150 dollars per day.

Section 44 directs the executive branch agencies and judicial branch agencies to collaborate with the EOG to implement a statewide travel management system and utilize the system.

Sections 45 and 46 reenact amendments to s. 110.12315, F.S., that: modify copayments associated with the state employees' group health insurance program consistent with decisions that have been made in the General Appropriations Act; authorize the Department of Management Services, for the state employees' prescription drug program, to negotiate the pharmacy dispensing fee, to implement a 90-day supply limit program for certain maintenance drugs at retail pharmacies for state employees under certain circumstances, and to maintain a list of maintenance drugs and preferred brand name drugs; and provide that copayments for state employees for a 90-day supply of prescription drugs at a retail pharmacy will be the same as a 90-day supply through mail order.

Section 47 provides that a state agency may not enter into a contract containing a nondisclosure clause that prohibits a contractor from disclosing to members or staff of the Legislature information relevant to the performance of the contract.

Section 48 specifies that no section of the bill shall take effect if the appropriations and proviso to which it relates are vetoed.

Section 49 provides that a permanent change made by another law to any of the same statutes amended by this bill will take precedence over the provision in this bill.

Section 50 provides a severability clause.

Section 51 provides an effective date.

B. SECTION DIRECTORY:

See EFFECT OF PROPOSED CHANGES.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

Because this bill implements provisions of PCB APC 17-06, the General Appropriations Act for Fiscal Year 2017-2018, there are no direct fiscal impacts created by this bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenue in the aggregate ; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

26 Care administration to submit a request to transfer
 27 federal funds to the Department of Health; requiring
 28 the Agency for Persons with Disabilities to use
 29 specified methodologies if it ceases to have an
 30 algorithm and allocation methodology adopted by valid
 31 rule; authorizing increases in iBudget funding under
 32 certain circumstances; amending s. 893.055, F.S.;
 33 extending for 1 fiscal year the authority of the
 34 Department of Health to use certain funds for the
 35 administration of the prescription drug monitoring
 36 program; prohibiting the use of funds received from a
 37 settlement agreement to administer the program;
 38 amending s. 296.37, F.S.; extending for 1 fiscal year
 39 the requirement that certain residents of a veterans'
 40 nursing home contribute to their maintenance and
 41 support; amending s. 216.262, F.S.; extending for 1
 42 fiscal year the authority of the Department of
 43 Corrections to submit a budget amendment for
 44 additional positions and appropriations under certain
 45 circumstances; amending s. 215.18, F.S.; extending for
 46 1 fiscal year the authority and related repayment
 47 requirements for temporary trust fund loans to the
 48 state court system which are sufficient to meet the
 49 system's appropriation; authorizing the Department of
 50 Corrections to submit certain budget amendments to

51 transfer funds into the Inmate Health Services
 52 category; providing that such transfers are subject to
 53 notice, review, and objection procedures; requiring
 54 the Department of Juvenile Justice to review county
 55 juvenile detention payments to determine if the county
 56 has met specified financial responsibilities;
 57 requiring amounts owed by the county for such
 58 financial responsibilities to be deducted from certain
 59 county funds; requiring the Department of Revenue to
 60 transfer funds withheld to specified trust funds;
 61 requiring the Department of Revenue to ensure that
 62 such reductions in amounts distributed do not reduce
 63 distributions below amounts necessary for certain
 64 payments due on bonds and comply with bond covenants;
 65 requiring the Department of Revenue to notify the
 66 Department of Juvenile Justice if bond payment
 67 requirements require a reduction in deductions for
 68 amounts owed by a county; prohibiting the Department
 69 of Juvenile Justice from providing to certain
 70 nonfiscally constrained counties reimbursements or
 71 credits against identified juvenile detention center
 72 costs under specified circumstances; prohibiting a
 73 nonfiscally constrained county from applying,
 74 deducting, or receiving such reimbursements or
 75 credits; amending s. 27.5304, F.S.; revising certain

76 limitations on compensation for private court-
 77 appointed counsel; requiring the Justice
 78 Administrative Commission to provide funds to the
 79 clerks of court for specified uses related to juries;
 80 providing procedures for clerks of court to receive
 81 such funds; providing an apportionment methodology if
 82 funds are estimated to be insufficient to pay all
 83 amounts requested; requiring the clerks of court to
 84 pay amounts in excess of appropriated amounts;
 85 requiring the Department of Management Services to use
 86 tenant broker services to renegotiate or reprocure
 87 certain private lease agreements for office or storage
 88 space; requiring the Department of Management Services
 89 to provide a report to the Governor and Legislature by
 90 a specified date; specifying the amount of the
 91 transaction fee to be collected for use of an online
 92 procurement system; authorizing the Executive Office
 93 of the Governor, subject to notice, review, and
 94 objection procedures, to transfer funds appropriated
 95 for certain data processing services between
 96 departments for a specified purpose; prohibiting an
 97 agency from transferring funds from a data processing
 98 category to another category that is not a data
 99 processing category; authorizing the Executive Office
 100 of the Governor, subject to notice, review, and

101 objection procedures, to transfer funds between
 102 departments for purposes of aligning amounts paid for
 103 risk management insurance and for human resource
 104 management services; providing for replacement of the
 105 Florida Accounting Information Resource Subsystem;
 106 providing for project governance structure; amending
 107 s. 216.181, F.S.; extending by 1 fiscal year the
 108 authority for the Legislative Budget Commission to
 109 increase amounts appropriated to the Fish and Wildlife
 110 Conservation Commission or the Department of
 111 Environmental Protection for certain fixed capital
 112 outlay projects from specified sources; amending s.
 113 215.18, F.S.; authorizing the Governor, if there is a
 114 specified deficiency in a land acquisition trust fund
 115 in the Department of Agriculture and Consumer
 116 Services, the Department of Environmental Protection,
 117 the Department of State, or the Fish and Wildlife
 118 Conservation Commission, to transfer funds from other
 119 trust funds in the State Treasury as a temporary loan
 120 to such trust fund for a specified period; providing
 121 procedures for the transfer and repayment of the loan;
 122 requiring the Department of Environmental Protection
 123 to transfer designated proportions of the revenues
 124 deposited in the Land Acquisition Trust Fund within
 125 the department to land acquisition trust funds in the

126 Department of Agriculture and Consumer Services, the
 127 Department of State, and the Fish and Wildlife
 128 Conservation Commission according to specified
 129 parameters and calculations; requiring the department
 130 to retain a proportionate share of revenues;
 131 specifying a limit on distributions; requiring the
 132 Department of Environmental Protection to make
 133 transfers to land acquisition trust funds; specifying
 134 the method of determining transfer amounts; amending
 135 s. 373.470, F.S.; requiring distribution of funds to
 136 the South Florida Water Management District from the
 137 Land Acquisition Trust Fund to be equally matched by
 138 cumulative district contributions for certain
 139 Everglades restoration efforts; providing for the
 140 future expiration and reversion of statutory text
 141 related to distribution of funds to the South Florida
 142 Water Management District; amending s. 339.135, F.S.;
 143 authorizing the Department of Transportation to
 144 request the Executive Office of the Governor to amend
 145 the adopted work program for emergencies for certain
 146 projects, or phases thereof; providing for the future
 147 expiration and reversion of specified statutory text;
 148 reenacting s. 216.292(2)(a), F.S., relating to
 149 exceptions for nontransferable appropriations;
 150 providing for the future expiration and reversion of

151 statutory text related to nontransferable
 152 appropriations; prohibiting a state agency from
 153 initiating a competitive solicitation for a product or
 154 service under certain circumstances; providing an
 155 exception; amending s. 112.24, F.S.; extending by 1
 156 fiscal year the authorization, subject to specified
 157 requirements, for the assignment of an employee of a
 158 state agency under an employee interchange agreement;
 159 providing that the annual salaries of the members of
 160 the Legislature shall be maintained at a specified
 161 level; reenacting s. 215.32(2)(b), F.S., relating to
 162 the source and use of certain trust funds; providing
 163 for the future expiration and reversion of statutory
 164 text related to the source and use of specified trust
 165 funds; limiting the use of travel funds to activities
 166 that are critical to an agency's mission; providing
 167 exceptions; placing a monetary cap on the amount of
 168 money available for state employee travel to certain
 169 meetings organized or sponsored by a state agency or
 170 the judicial branch; authorizing employees to expend
 171 their own funds for lodging expenses in excess of the
 172 monetary caps; requiring executive branch state
 173 agencies and the judicial branch to collaborate with
 174 the Executive Office of the Governor regarding the
 175 statewide travel management system and to use such

176 system; reenacting and amending s. 110.12315, F.S.,
177 relating to the state employees' prescription drug
178 program; requiring the Department of Management
179 Services to implement certain formulary management
180 measures for prescription drugs and supplies;
181 specifying mechanism for inclusion by medical
182 necessity review if excluded from the formulary;
183 providing for the future expiration and reversion of
184 statutory text related to the state employees'
185 prescription drug program; prohibiting agencies from
186 entering into contracts containing certain
187 nondisclosure agreements; providing conditions under
188 which the veto of certain appropriations or proviso
189 language in the General Appropriations Act voids
190 language that implements such appropriation; providing
191 for the continued operation of certain provisions
192 notwithstanding a future repeal or expiration provided
193 by the act; providing severability; providing an
194 effective date.; providing an effective date.

195

196 Be It Enacted by the Legislature of the State of Florida:

197

198 Section 1. It is the intent of the Legislature that the
199 implementing and administering provisions of this act apply to
200 the General Appropriations Act for the 2017-2018 fiscal year.

201 Section 2. In order to implement Specific Appropriations
 202 7, 8, 9, 91, and 92 of the 2017-2018 General Appropriations Act,
 203 the calculations of the Florida Education Finance Program for
 204 the 2017-2018 fiscal year in the document titled "Public School
 205 Funding: The Florida Education Finance Program," dated April 24,
 206 2017, and filed with the Clerk of the House of Representatives,
 207 are incorporated by reference for the purpose of displaying the
 208 calculations used by the Legislature, consistent with the
 209 requirements of state law, in making appropriations for the
 210 Florida Education Finance Program. This section expires July 1,
 211 2018.

212 Section 3. In order to implement Specific Appropriation
 213 100A of the 2017-2018 General Appropriations Act Section
 214 1012.731, Florida Statutes, is amended to read:

215 1012.731 The Florida Best and Brightest Teacher
 216 Scholarship Program.—

217 (1) The Legislature recognizes that, second only to
 218 parents, teachers play the most critical role within schools in
 219 preparing students to achieve a high level of academic
 220 performance. The Legislature further recognizes that research
 221 has linked student outcomes to a teacher's own academic
 222 achievement. Therefore, it is the intent of the Legislature to
 223 designate teachers who have achieved high academic standards
 224 during their own education as Florida's best and brightest
 225 teacher scholars.

226 (2) There is created the Florida Best and Brightest
227 Teacher Scholarship Program to be administered by the Department
228 of Education. The scholarship program shall provide categorical
229 funding for scholarships to be awarded to classroom teachers, as
230 defined in s. 1012.01(2)(a), who have demonstrated a high level
231 of academic achievement.

232 (3)(a) To be eligible for a scholarship, a classroom
233 teacher must have achieved a composite score at or above the
234 80th percentile on either the SAT or the ACT based on the
235 National Percentile Ranks in effect when the classroom teacher
236 took the assessment and have been evaluated as highly effective
237 pursuant to s. 1012.34 in the school year immediately preceding
238 the year in which the scholarship will be awarded, unless the
239 classroom teacher is newly hired by the district school board
240 and has not been evaluated pursuant to s. 1012.34.

241 (b) In order to demonstrate eligibility for an award, an
242 eligible classroom teacher must submit to the school district,
243 no later than November 1, an official record of his or her SAT
244 or ACT score demonstrating that the classroom teacher scored at
245 or above the 80th percentile based on the National Percentile
246 Ranks in effect when the teacher took the assessment. Once a
247 classroom teacher is deemed eligible by the school district,
248 including teachers deemed eligible in the 2015-2016 fiscal year,
249 the teacher shall remain eligible as long as he or she remains
250 employed by the school district as a classroom teacher at the

251 time of the award and receives an annual performance evaluation
 252 rating of highly effective pursuant to s. 1012.34.

253 (4) Annually, by December 1, each school district shall
 254 submit to the department the number of eligible classroom
 255 teachers who qualify for the scholarship.

256 (5) Annually, by February 1, the department shall disburse
 257 scholarship funds to each school district for each eligible
 258 classroom teacher to receive a scholarship as provided in the
 259 General Appropriations Act. A scholarship in the amount provided
 260 in the General Appropriations Act shall be awarded to every
 261 eligible classroom teacher. If the number of eligible classroom
 262 teachers exceeds the total appropriation authorized in the
 263 General Appropriations Act, the department shall prorate the
 264 per-teacher scholarship amount.

265 (6) Annually, by April 1, each school district shall award
 266 the scholarship to each eligible classroom teacher.

267 (7) For purposes of this section, the term "school
 268 district" includes the Florida School for the Deaf and the Blind
 269 and charter school governing boards.

270 (8) This section expires July 1, 2018 ~~2017~~.

271 Section 4. In order to implement Specific Appropriation 91
 272 of the 2017-2018 General Appropriations Act, upon the expiration
 273 and reversion of the amendment to section 1011.62, Florida
 274 Statutes, pursuant to section 23 of chapter 2016-62, Laws of
 275 Florida, paragraph (b) of subsection (7) of section 1011.62,

276 Florida Statutes, is amended to read:

277 1011.62 Funds for operation of schools.—If the annual
 278 allocation from the Florida Education Finance Program to each
 279 district for operation of schools is not determined in the
 280 annual appropriations act or the substantive bill implementing
 281 the annual appropriations act, it shall be determined as
 282 follows:

283 (7) DETERMINATION OF SPARSITY SUPPLEMENT.—

284 (b) The district sparsity index shall be computed by
 285 dividing the total number of full-time equivalent students in
 286 all programs in the district by the number of senior high school
 287 centers in the district, not in excess of three, which centers
 288 are approved as permanent centers by a survey made by the
 289 Department of Education. For districts with a full-time
 290 equivalent student membership of at least 20,000, but no more
 291 than 24,000, the index shall be computed by dividing the total
 292 number of full-time equivalent students in all programs by the
 293 number of permanent senior high school centers in the district,
 294 not in excess of four.

295 Section 5. In order to implement Specific Appropriation
 296 141 of the 2017-2018 General Appropriations Act, subsection (1)
 297 of section 1004.345, Florida Statutes, is reenacted to read:

298 1004.345 The Florida Polytechnic University.—

299 (1) By December 31, 2017, the Florida Polytechnic
 300 University shall meet the following criteria as established by

301 the Board of Governors:

302 (a) Achieve accreditation from the Commission on Colleges
303 of the Southern Association of Colleges and Schools;

304 (b) Initiate the development of the new programs in the
305 fields of science, technology, engineering, and mathematics;

306 (c) Seek discipline-specific accreditation for programs;

307 (d) Attain a minimum FTE of 1,244, with a minimum 50
308 percent of that FTE in the fields of science, technology,
309 engineering, and mathematics and 20 percent in programs related
310 to those fields;

311 (e) Complete facilities and infrastructure, including the
312 Science and Technology Building, Phase I of the Wellness Center,
313 and a residence hall or halls containing no fewer than 190 beds;
314 and

315 (f) Have the ability to provide, either directly or where
316 feasible through a shared services model, administration of
317 financial aid, admissions, student support, information
318 technology, and finance and accounting with an internal audit
319 function.

320 Section 6. The amendments made by this act to ss. 1011.62
321 and 1004.345, Florida Statutes, expire July 1, 2018, and the
322 text of that section shall revert to that in existence on June
323 30, 2016, except that any amendments to such text enacted other
324 than by this act shall be preserved and continue to operate to
325 the extent that such amendments are not dependent upon the

326 portions of text which expire pursuant to this section.

327 Section 7. In order to implement Specific Appropriations
 328 198, 199, and 203 of the 2017-2018 General Appropriations Act,
 329 the calculations for the Medicaid, Disproportionate Share
 330 Hospital, and Hospital Reimbursement programs for the 2017-2018
 331 fiscal year contained in the document titled "Medicaid Hospital
 332 Funding Programs," dated April 24, 2017, and filed with the
 333 Clerk of the House of Representatives, are incorporated by
 334 reference for the purpose of displaying the calculations used by
 335 the Legislature, consistent with the requirements of state law,
 336 in making appropriations for the Medicaid Low-Income Pool,
 337 Disproportionate Share Hospital, and Hospital Reimbursement
 338 programs. This section expires July 1, 2018.

339 Section 8. In order to implement Specific Appropriations
 340 191 through 212A and 522 of the 2017-2018 General Appropriations
 341 Act and notwithstanding ss. 216.181 and 216.292, Florida
 342 Statutes, the Agency for Health Care Administration, in
 343 consultation with the Department of Health, may submit a budget
 344 amendment, subject to the notice, review, and objection
 345 procedures of s. 216.177, Florida Statutes, to realign funding
 346 within and between agencies based on implementation of the
 347 Managed Medical Assistance component of the Statewide Medicaid
 348 Managed Care program for the Children's Medical Services program
 349 of the Department of Health. The funding realignment shall
 350 reflect the actual enrollment changes due to the transfer of

351 beneficiaries from fee-for-service to the capitated Children's
 352 Medical Services Network. The Agency for Health Care
 353 Administration may submit a request for nonoperating budget
 354 authority to transfer the federal funds to the Department of
 355 Health pursuant to s. 216.181(12), Florida Statutes. This
 356 section expires July 1, 2018.

357 Section 9. In order to implement Specific Appropriation
 358 241 of the 2017-2018 General Appropriations Act:

359 (1) If, during the 2017-2018 fiscal year, the Agency for
 360 Persons with Disabilities ceases to have an algorithm and
 361 allocation methodology adopted by valid rule pursuant to s.
 362 393.0662, Florida Statutes, the agency shall use the following
 363 until it adopts a new algorithm and allocation methodology:

364 (a) Each client's iBudget shall remain at that funding
 365 level in effect as of the date the agency ceases to have an
 366 algorithm and allocation methodology adopted by valid rule
 367 pursuant to s. 393.0662, Florida Statutes.

368 (b) The Agency for Persons with Disabilities shall
 369 determine the iBudget for each client newly enrolled in the home
 370 and community-based services waiver program using the same
 371 algorithm and allocation methodology used for the iBudgets
 372 determined between January 1, 2017, and June 30, 2017.

373 (2) After a new algorithm and allocation methodology is
 374 adopted by final rule, a client's new iBudget shall be
 375 determined based on the new algorithm and allocation methodology

376 and shall take effect as of the client's next support plan
 377 update.

378 (3) Funding allocated under subsections (1) and (2) may be
 379 increased under s. 393.0662(1)(b), Florida Statutes, or as
 380 necessary to comply with federal regulations.

381 (4) This section expires July 1, 2018.

382 Section 10. In order to implement Specific Appropriations
 383 532 through 542 of the 2017-2018 General Appropriations Act,
 384 subsection (17) of section 893.055, Florida Statutes, is amended
 385 to read:

386 893.055 Prescription drug monitoring program.—

387 (17) Notwithstanding subsection (10), and for the 2017-
 388 2018 ~~2016-2017~~ fiscal year only, the department may use state
 389 funds appropriated in the 2017-2018 ~~2016-2017~~ General
 390 Appropriations Act to administer the prescription drug
 391 monitoring program. Neither the Attorney General nor the
 392 department may use funds received as part of a settlement
 393 agreement to administer the prescription drug monitoring
 394 program. This subsection expires July 1, 2018 ~~2017~~.

395 Section 11. In order to implement Specific Appropriations
 396 551 through 562 of the 2017-2018 General Appropriations Act,
 397 subsection (3) of section 296.37, Florida Statutes, is amended
 398 to read:

399 296.37 Residents; contribution to support.—

400 (3) Notwithstanding subsection (1), each resident of the

401 | home who receives a pension, compensation, or gratuity from the
 402 | United States Government, or income from any other source, of
 403 | more than \$105 per month shall contribute to his or her
 404 | maintenance and support while a resident of the home in
 405 | accordance with a payment schedule determined by the
 406 | administrator and approved by the director. The total amount of
 407 | such contributions shall be to the fullest extent possible, but,
 408 | in no case, shall exceed the actual cost of operating and
 409 | maintaining the home. This subsection expires July 1, 2018 ~~2017~~.

410 | Section 12. In order to implement Specific Appropriations
 411 | 582 through 706 and 722 through 756 of the 2017-2018 General
 412 | Appropriations Act, subsection (4) of section 216.262, Florida
 413 | Statutes, is amended to read:

414 | 216.262 Authorized positions.—

415 | (4) Notwithstanding the provisions of this chapter
 416 | relating to increasing the number of authorized positions, and
 417 | for the 2017-2018 ~~2016-2017~~ fiscal year only, if the actual
 418 | inmate population of the Department of Corrections exceeds the
 419 | inmate population projections of the February 23, 2017 ~~December~~
 420 | ~~17, 2015~~, Criminal Justice Estimating Conference by 1 percent
 421 | for 2 consecutive months or 2 percent for any month, the
 422 | Executive Office of the Governor, with the approval of the
 423 | Legislative Budget Commission, shall immediately notify the
 424 | Criminal Justice Estimating Conference, which shall convene as
 425 | soon as possible to revise the estimates. The Department of

426 Corrections may then submit a budget amendment requesting the
 427 establishment of positions in excess of the number authorized by
 428 the Legislature and additional appropriations from unallocated
 429 general revenue sufficient to provide for essential staff, fixed
 430 capital improvements, and other resources to provide
 431 classification, security, food services, health services, and
 432 other variable expenses within the institutions to accommodate
 433 the estimated increase in the inmate population. All actions
 434 taken pursuant to this subsection are subject to review and
 435 approval by the Legislative Budget Commission. This subsection
 436 expires July 1, 2018 ~~2017~~.

437 Section 13. In order to implement Specific Appropriations
 438 3145 through 3212 of the 2017-2018 General Appropriations Act,
 439 subsection (2) of section 215.18, Florida Statutes, is amended
 440 to read:

441 215.18 Transfers between funds; limitation.—

442 (2) The Chief Justice of the Supreme Court may receive one
 443 or more trust fund loans to ensure that the state court system
 444 has funds sufficient to meet its appropriations in the 2017-2018
 445 ~~2016-2017~~ General Appropriations Act. If the Chief Justice
 446 accesses the loan, he or she must notify the Governor and the
 447 chairs of the legislative appropriations committees in writing.
 448 The loan must come from other funds in the State Treasury which
 449 are for the time being or otherwise in excess of the amounts
 450 necessary to meet the just requirements of such last-mentioned

451 funds. The Governor shall order the transfer of funds within 5
 452 days after the written notification from the Chief Justice. If
 453 the Governor does not order the transfer, the Chief Financial
 454 Officer shall transfer the requested funds. The loan of funds
 455 from which any money is temporarily transferred must be repaid
 456 by the end of the 2017-2018 ~~2016-2017~~ fiscal year. This
 457 subsection expires July 1, 2018 ~~2017~~.

458 Section 14. In order to implement Specific Appropriation
 459 727 of the 2017-2018 General Appropriations Act and
 460 notwithstanding s. 216.292, Florida Statutes, the Department of
 461 Corrections is authorized to submit budget amendments to
 462 transfer funds from categories within the department other than
 463 fixed capital outlay categories into the Inmate Health Services
 464 category in order to continue the current level of care in the
 465 provision of health services. Such transfers are subject to the
 466 notice, review, and objection procedures of s. 216.177, Florida
 467 Statutes. This section expires July 1, 2018.

468 Section 15. (1) In order to implement Specific
 469 Appropriations 1104 through 1116 of the 2017-2018 General
 470 Appropriations Act, the Department of Juvenile Justice is
 471 required to review county juvenile detention payments to ensure
 472 that counties fulfill their financial responsibilities required
 473 in s. 985.6865, Florida Statutes. If the Department of Juvenile
 474 Justice determines that a county has not met its obligations,
 475 the department shall direct the Department of Revenue to deduct

476 the amount owed to the Department of Juvenile Justice from the
 477 funds provided to the county under s. 218.23, Florida Statutes.
 478 The Department of Revenue shall transfer the funds withheld to
 479 the Shared County/State Juvenile Detention Trust Fund.

480 (2) As an assurance to holders of bonds issued by counties
 481 before July 1, 2017, for which distributions made pursuant to s.
 482 218.23, Florida Statutes, are pledged, or bonds issued to refund
 483 such bonds which mature no later than the bonds they refunded
 484 and which result in a reduction of debt service payable in each
 485 fiscal year, the amount available for distribution to a county
 486 shall remain as provided by law and continue to be subject to
 487 any lien or claim on behalf of the bondholders. The Department
 488 of Revenue must ensure, based on information provided by an
 489 affected county, that any reduction in amounts distributed
 490 pursuant to subsection (1) does not reduce the amount of
 491 distribution to a county below the amount necessary for the
 492 timely payment of principal and interest when due on the bonds
 493 and the amount necessary to comply with any covenant under the
 494 bond resolution or other documents relating to the issuance of
 495 the bonds. If a reduction to a county's monthly distribution
 496 must be decreased in order to comply with this subsection, the
 497 Department of Revenue must notify the Department of Juvenile
 498 Justice of the amount of the decrease, and the Department of
 499 Juvenile Justice must send a bill for payment of such amount to
 500 the affected county.

501 (3) This section expires July 1, 2018.

502 Section 16. In order to implement Specific Appropriations
 503 1104 through 1116 of the 2017-2018 General Appropriations Act,
 504 the Department of Juvenile Justice may not provide, make, pay,
 505 or deduct, and a nonfiscally constrained county may not apply,
 506 deduct, or receive any reimbursement or any credit for any
 507 previous overpayment of juvenile detention care costs related to
 508 or for any previous state fiscal year, against the juvenile
 509 detention care costs due from the nonfiscally constrained county
 510 in the 2017-2018 fiscal year pursuant to s. 985.686, Florida
 511 Statutes, or any other law. This section expires July 1, 2018.

512 Section 17. In order to implement Specific Appropriation
 513 782 of the 2017-2018 General Appropriations Act, subsection (13)
 514 is added to section 27.5304, Florida Statutes, to read:

515 27.5304 Private court-appointed counsel; compensation;
 516 notice.—

517 (13) Notwithstanding the limitation set forth in
 518 subsection (5) and for the 2017-2018 fiscal year only, the
 519 compensation for representation in a criminal proceeding may not
 520 exceed the following:

521 (a) For misdemeanors and juveniles represented at the
 522 trial level: \$1,000.

523 (b) For noncapital, nonlife felonies represented at the
 524 trial level: \$15,000.

525 (c) For life felonies represented at the trial level:

526 \$15,000.

527 (d) For capital cases represented at the trial level:
 528 \$25,000. For purposes of this paragraph, a "capital case" is any
 529 offense for which the potential sentence is death and the state
 530 has not waived seeking the death penalty.

531 (e) For representation on appeal: \$9,000.

532 (f) This subsection expires July 1, 2018.

533 Section 18. In order to implement Specific Appropriation
 534 774 of the 2017-2018 General Appropriations Act, and
 535 notwithstanding ss. 28.35 and 40.24, Florida Statutes, the
 536 Justice Administrative Commission shall provide funds to the
 537 clerks of the circuit court to pay compensation to jurors, for
 538 meals or lodging provided to jurors, and for jury-related
 539 personnel costs as provided in this section. Each clerk of the
 540 circuit court shall forward to the Justice Administrative
 541 Commission a quarterly estimate of funds necessary to pay
 542 compensation to jurors and for meals or lodging provided to
 543 jurors. The Florida Clerks of Court Operations Corporation shall
 544 forward to the Justice Administrative Commission a quarterly
 545 estimate of jury-related personnel costs necessary to pay each
 546 clerk of the circuit court personnel costs related to jury
 547 management. Upon receipt of such estimates, the Justice
 548 Administrative Commission shall endorse the amount deemed
 549 necessary for payment to the clerks of the circuit court during
 550 the quarter and shall submit a request for payment to the Chief

551 Financial Officer. If the Justice Administrative Commission
 552 believes that the amount appropriated by the Legislature is
 553 insufficient to meet such costs during the remaining part of the
 554 state fiscal year, the commission may apportion the funds
 555 appropriated in the General Appropriations Act for those
 556 purposes among the several counties, basing the apportionment
 557 upon the amount expended for such purposes in each county during
 558 the prior fiscal year. In that case, the Chief Financial Officer
 559 shall only issue the appropriate apportioned amount by warrant
 560 to each county. The clerks of the circuit court are responsible
 561 for any costs of compensation to jurors, for meals or lodging
 562 provided to jurors, and for jury-related personnel costs that
 563 exceed the funding provided in the General Appropriations Act
 564 for these purposes. This section expires July 1, 2018.

565 Section 19. In order to implement appropriations used to
 566 pay existing lease contracts for private lease space in excess
 567 of 2,000 square feet in the 2017-2018 General Appropriations
 568 Act, the Department of Management Services, with the cooperation
 569 of the agencies having the existing lease contracts for office
 570 or storage space, shall use tenant broker services to
 571 renegotiate or reprocure all private lease agreements for office
 572 or storage space expiring between July 1, 2018 and June 30,
 573 2020, in order to reduce costs in future years. The department
 574 shall incorporate this initiative into its 2017 master leasing
 575 report required under s. 255.249(7), Florida Statutes, and may

576 use tenant broker services to explore the possibilities of
 577 collocating office or storage space, to review the space needs
 578 of each agency, and to review the length and terms of potential
 579 renewals or renegotiations. The department shall provide a
 580 report to the Executive Office of the Governor, the President of
 581 the Senate, and the Speaker of the House of Representatives by
 582 November 1, 2017, which lists each lease contract for private
 583 office or storage space, the status of renegotiations, and the
 584 savings achieved. This section expires July 1, 2018.

585 Section 20. In order to implement Specific Appropriations
 586 2768 through 2780A of the 2017-2018 General Appropriations Act
 587 and notwithstanding rule 60A-1.031, Florida Administrative Code,
 588 the transaction fee collected for use of the online procurement
 589 system authorized in ss. 287.042(1)(h)1. and 287.057(22)(c),
 590 Florida Statutes, shall be seven-tenths of 1 percent for the
 591 2017-2018 fiscal year. This section expires July 1, 2018.

592 Section 21. In order to implement the appropriation of
 593 funds in the appropriation category "Data Processing Services-
 594 State Data Center" in the 2017-2018 General Appropriations Act,
 595 and pursuant to the notice, review, and objection procedures of
 596 s. 216.177, Florida Statutes, the Executive Office of the
 597 Governor may transfer funds appropriated in that category
 598 between departments in order to align the budget authority
 599 granted based on the estimated billing cycle and methodology
 600 used by the State Data Center for data processing services. This

601 section expires July 1, 2018.

602 Section 22. In order to implement appropriations
 603 authorized in the 2017-2018 General Appropriations Act for data
 604 center services, and notwithstanding s. 216.292(2)(a), Florida
 605 Statutes, except as authorized in section 21, an agency may not
 606 transfer funds from a data processing category to a category
 607 other than another data processing category. This section
 608 expires July 1, 2018.

609 Section 23. In order to implement the appropriation of
 610 funds in the appropriation category "Special Categories-Risk
 611 Management Insurance" in the 2017-2018 General Appropriations
 612 Act, and pursuant to the notice, review, and objection
 613 procedures of s. 216.177, Florida Statutes, the Executive Office
 614 of the Governor may transfer funds appropriated in that category
 615 between departments in order to align the budget authority
 616 granted with the premiums paid by each department for risk
 617 management insurance. This section expires July 1, 2018.

618 Section 24. In order to implement the appropriation of
 619 funds in the appropriation category "Special Categories-Transfer
 620 to Department of Management Services-Human Resources Services
 621 Purchased per Statewide Contract" in the 2017-2018 General
 622 Appropriations Act, and pursuant to the notice, review, and
 623 objection procedures of s. 216.177, Florida Statutes, the
 624 Executive Office of the Governor may transfer funds appropriated
 625 in that category between departments in order to align the

626 budget authority granted with the assessments that must be paid
 627 by each agency to the Department of Management Services for
 628 human resource management services. This section expires July 1,
 629 2018.

630 Section 25. In order to implement Specific Appropriation
 631 2334 of the 2017-2018 General Appropriations Act:

632 (1) The Department of Financial Services shall replace the
 633 four main components of the Florida Accounting Information
 634 Resource Subsystem (FLAIR), which include central FLAIR,
 635 departmental FLAIR, payroll, and information warehouse, and
 636 shall replace the cash management and accounting management
 637 components of the Cash Management Subsystem (CMS) with an
 638 integrated enterprise system that allows the state to organize,
 639 define, and standardize its financial management business
 640 processes and that complies with ss. 215.90-215.96, Florida
 641 Statutes. The department shall not include in the replacement of
 642 FLAIR and CMS:

643 (a) Functionality that duplicates any of the other
 644 information subsystems of the Florida Financial Management
 645 Information System; or

646 (b) Agency business processes related to any of the
 647 functions included in the Personnel Information System, the
 648 Purchasing Subsystem, or the Legislative Appropriations
 649 System/Planning and Budgeting Subsystem.

650 (2) For purposes of replacing FLAIR and CMS, the

651 Department of Financial Services shall:

652 (a) Take into consideration the cost and implementation
 653 data identified for Option 3 as recommended in the March 31,
 654 2014, Florida Department of Financial Services FLAIR Study,
 655 version 031.

656 (b) Ensure that all business requirements and technical
 657 specifications have been provided to all state agencies for
 658 their review and input and approved by the executive steering
 659 committee established in paragraph (c).

660 (c) Implement a project governance structure that includes
 661 an executive steering committee composed of:

662 1. The Chief Financial Officer or the executive sponsor of
 663 the project.

664 2. A representative of the Division of Treasury of the
 665 Department of Financial Services appointed by the Chief
 666 Financial Officer.

667 3. A representative of the Division of Information Systems
 668 of the Department of Financial Services appointed by the Chief
 669 Financial Officer.

670 4. Four employees from the Division of Accounting and
 671 Auditing of the Department of Financial Services appointed by
 672 the Chief Financial Officer. Each employee must have experience
 673 relating to at least one of the four main components that
 674 comprise FLAIR.

675 5. Two employees from the Executive Office of the Governor

676 appointed by the Governor. One employee must have experience
 677 relating to the Legislative Appropriations System/Planning and
 678 Budgeting Subsystem.

679 6. One employee from the Department of Revenue appointed
 680 by the executive director of the department who has experience
 681 relating to the department's SUNTAX system.

682 7. Two employees from the Department of Management
 683 Services appointed by the Secretary of Management Services. One
 684 employee must have experience relating to the department's
 685 personnel information subsystem and one employee must have
 686 experience relating to the department's purchasing subsystem.

687 8. Three state agency administrative services directors
 688 appointed by the Governor. One director must represent a
 689 regulatory and licensing state agency and one director must
 690 represent a health care-related state agency.

691 (3) The Chief Financial Officer or the executive sponsor
 692 of the project shall serve as chair of the executive steering
 693 committee, and the committee shall take action by a vote of at
 694 least eight affirmative votes with the Chief Financial Officer
 695 or the executive sponsor of the project voting on the prevailing
 696 side. A quorum of the executive steering committee consists of
 697 at least ten members.

698 (4) The executive steering committee has the overall
 699 responsibility for ensuring that the project to replace FLAIR
 700 and CMS meets its primary business objectives and shall:

701 (a) Identify and recommend to the Executive Office of the
 702 Governor, the President of the Senate, and the Speaker of the
 703 House of Representatives any statutory changes needed to
 704 implement the replacement subsystem that will standardize to the
 705 fullest extent possible the state's financial management
 706 business processes.

707 (b) Review and approve any changes to the project's scope,
 708 schedule, and budget that do not conflict with the requirements
 709 of subsection (1).

710 (c) Ensure that adequate resources are provided throughout
 711 all phases of the project.

712 (d) Approve all major project deliverables.

713 (e) Approve all solicitation-related documents associated
 714 with the replacement of FLAIR and CMS.

715 (5) This section expires July 1, 2018.

716 Section 26. In order to implement Specific Appropriations
 717 1603A, 1603B, 1604, and 1743 of the 2017-2018 General
 718 Appropriations Act, paragraph (d) of subsection (11) of section
 719 216.181, Florida Statutes, is amended to read:

720 216.181 Approved budgets for operations and fixed capital
 721 outlay.—

722 (11)

723 (d) Notwithstanding paragraph (b) and paragraph (2)(b),
 724 and for the 2017-2018 ~~2016-2017~~ fiscal year only, the
 725 Legislative Budget Commission may increase the amounts

726 appropriated to the Fish and Wildlife Conservation Commission or
 727 the Department of Environmental Protection for fixed capital
 728 outlay projects, including additional fixed capital outlay
 729 projects, using funds provided to the state from the Gulf
 730 Environmental Benefit Fund administered by the National Fish and
 731 Wildlife Foundation; funds provided to the state from the Gulf
 732 Coast Restoration Trust Fund related to the Resources and
 733 Ecosystems Sustainability, Tourist Opportunities, and Revived
 734 Economies of the Gulf Coast Act of 2012 (RESTORE Act); or funds
 735 provided by the British Petroleum Corporation (BP) for natural
 736 resource damage assessment restoration projects. Concurrent with
 737 submission of an amendment to the Legislative Budget Commission
 738 pursuant to this paragraph, any project that carries a
 739 continuing commitment for future appropriations by the
 740 Legislature must be specifically identified, together with the
 741 projected amount of the future commitment associated with the
 742 project and the fiscal years in which the commitment is expected
 743 to commence. This paragraph expires July 1, 2018 ~~2017~~.

744
 745 The provisions of this subsection are subject to the notice and
 746 objection procedures set forth in s. 216.177.

747 Section 27. In order to implement specific appropriations
 748 from the land acquisition trust funds within the Department of
 749 Agriculture and Consumer Services, the Department of
 750 Environmental Protection, the Department of State, and the Fish

751 and Wildlife Conservation Commission which are contained in the
 752 2017-2018 General Appropriations Act, subsection (3) of section
 753 215.18, Florida Statutes, is reenacted and amended to read:

754 215.18 Transfers between funds; limitation.-

755 (3) Notwithstanding subsection (1) and only with respect
 756 to a land acquisition trust fund in the Department of
 757 Agriculture and Consumer Services, the Department of
 758 Environmental Protection, the Department of State, or the Fish
 759 and Wildlife Conservation Commission, whenever there is a
 760 deficiency in a land acquisition trust fund which would render
 761 that trust fund temporarily insufficient to meet its just
 762 requirements, including the timely payment of appropriations
 763 from that trust fund, and other trust funds in the State
 764 Treasury have moneys that are for the time being or otherwise in
 765 excess of the amounts necessary to meet the just requirements,
 766 including appropriated obligations, of those other trust funds,
 767 the Governor may order a temporary transfer of moneys from one
 768 or more of the other trust funds to a land acquisition trust
 769 fund in the Department of Agriculture and Consumer Services, the
 770 Department of Environmental Protection, the Department of State,
 771 or the Fish and Wildlife Conservation Commission. Any action
 772 proposed pursuant to this subsection is subject to the notice,
 773 review, and objection procedures of s. 216.177, and the Governor
 774 shall provide notice of such action at least 7 days before the
 775 effective date of the transfer of trust funds, except that

776 during July 2017 ~~2016~~, notice of such action shall be provided
 777 at least 3 days before the effective date of a transfer unless
 778 such 3-day notice is waived by the chair and vice-chair of the
 779 Legislative Budget Commission. Any transfer of trust funds to a
 780 land acquisition trust fund in the Department of Agriculture and
 781 Consumer Services, the Department of Environmental Protection,
 782 the Department of State, or the Fish and Wildlife Conservation
 783 Commission must be repaid to the trust funds from which the
 784 moneys were loaned by the end of the 2017-2018 ~~2016-2017~~ fiscal
 785 year. The Legislature has determined that the repayment of the
 786 other trust fund moneys temporarily loaned to a land acquisition
 787 trust fund in the Department of Agriculture and Consumer
 788 Services, the Department of Environmental Protection, the
 789 Department of State, or the Fish and Wildlife Conservation
 790 Commission pursuant to this subsection is an allowable use of
 791 the moneys in a land acquisition trust fund because the moneys
 792 from other trust funds temporarily loaned to a land acquisition
 793 trust fund shall be expended solely and exclusively in
 794 accordance with s. 28, Art. X of the State Constitution. This
 795 subsection expires July 1, 2018 ~~2017~~.

796 Section 28. (1) In order to implement specific
 797 appropriations from the land acquisition trust funds within the
 798 Department of Agriculture and Consumer Services, the Department
 799 of Environmental Protection, the Department of State, and the
 800 Fish and Wildlife Conservation Commission which are contained in

801 the 2017-2018 General Appropriations Act, the Department of
 802 Environmental Protection shall transfer revenues from the Land
 803 Acquisition Trust Fund within the department to the land
 804 acquisition trust funds within the Department of Agriculture and
 805 Consumer Services, the Department of State, and the Fish and
 806 Wildlife Conservation Commission, as provided in this section.
 807 As used in this section, the term "department" means the
 808 Department of Environmental Protection.

809 (2) After subtracting any required debt service payments,
 810 the proportionate share of revenues to be transferred to each
 811 land acquisition trust fund shall be calculated by dividing the
 812 appropriations from each of the land acquisition trust funds for
 813 the fiscal year by the total appropriations from the Land
 814 Acquisition Trust Fund within the department and the land
 815 acquisition trust funds within the Department of Agriculture and
 816 Consumer Services, the Department of State, and the Fish and
 817 Wildlife Commission for the fiscal year. The department shall
 818 transfer the proportionate share of the revenues in the Land
 819 Acquisition Trust Fund within the department on a monthly basis
 820 to the appropriate land acquisition trust funds within the
 821 Department of Agriculture and Consumer Services, the Department
 822 of State, and the Fish and Wildlife Commission and shall retain
 823 its proportionate share of the revenues in the Land Acquisition
 824 Trust Fund within the department. Total distributions to a land
 825 acquisition trust fund within the Department of Agriculture and

826 Consumer Services, the Department of State, and the Fish and
 827 Wildlife Commission may not exceed the total appropriations from
 828 such trust fund for the fiscal year.

829 (3) In addition, the department shall transfer from the
 830 Land Acquisition Trust Fund to land acquisition trust funds
 831 within the Department of Agriculture and Consumer Services, the
 832 Department of State, and the Fish and Wildlife Conservation
 833 Commission amounts equal to the difference between the amounts
 834 appropriated in chapter 2016-66, Laws of Florida, to the
 835 department's Land Acquisition Trust Fund and the other land
 836 acquisition trust funds, and the amounts actually transferred
 837 between those trust funds during the 2016-2017 fiscal year.

838 (4) This section expires July 1, 2018.

839 Section 29. In order to implement Specific Appropriation
 840 1594 of the 2017-2018 General Appropriations Act, paragraph (a)
 841 of subsection (6) of section 373.470, Florida Statutes, is
 842 amended to read:

843 373.470 Everglades restoration.—

844 (6) DISTRIBUTIONS FROM SAVE OUR EVERGLADES TRUST FUND.—

845 (a) Except as provided in paragraphs (d) and (e) and for
 846 funds appropriated for debt service, the department shall
 847 distribute funds in the Save Our Everglades Trust Fund to the
 848 district in accordance with a legislative appropriation and s.
 849 373.026(8)(b). Distribution of funds to the district from the
 850 Save Our Everglades Trust Fund or the Land Acquisition Trust

851 Fund shall be equally matched by the cumulative contributions
 852 from the district by fiscal year 2019-2020 by providing funding
 853 or credits toward project components. The dollar value of in-
 854 kind project design and construction work by the district in
 855 furtherance of the comprehensive plan and existing interest in
 856 public lands needed for a project component are credits towards
 857 the district's contributions.

858 Section 30. The amendment made by this act to s.
 859 373.470(6)(a), Florida Statutes, expires July 1, 2018, and the
 860 text of that paragraph shall revert to that in existence on June
 861 30, 2017, except that any amendments to such text enacted other
 862 than by this act shall be preserved and continue to operate to
 863 the extent that such amendments are not dependent upon the
 864 portions of text which expire pursuant to this section.

865 Section 31. In order to implement Specific Appropriation
 866 1552 and 1553 of the 2017-2018 General Appropriations Act
 867 paragraph (m) of subsection (3) of section 259.105, Florida
 868 Statutes, is amended to read:

869 259.105 The Florida Forever Act.—

870 (3) Less the costs of issuing and the costs of funding
 871 reserve accounts and other costs associated with bonds, the
 872 proceeds of cash payments or bonds issued pursuant to this
 873 section shall be deposited into the Florida Forever Trust Fund
 874 created by s. 259.1051. The proceeds shall be distributed by the
 875 Department of Environmental Protection in the following manner:

876 (m) Notwithstanding paragraphs (a)-(j) and for the 2017-
 877 2018 ~~2016-2017~~ fiscal year only:

878 1. The amount of \$15,156,206 to only the Division of State
 879 Lands within the Department of Environmental Protection for the
 880 Board of Trustees Florida Forever Priority List land acquisition
 881 projects.

882 2. The amount of \$5,360,906 for grants to local
 883 governments and eligible non-profit organizations to acquire
 884 lands for parks, open space and greenways.

885 ~~2. Thirty five million dollars to the Department of~~
 886 ~~Agriculture and Consumer Services for the acquisition of~~
 887 ~~agricultural lands through perpetual conservation easements and~~
 888 ~~other perpetual less than fee techniques, which will achieve the~~
 889 ~~objectives of Florida Forever and s. 570.71.~~

890 ~~3.a. Notwithstanding any allocation required pursuant to~~
 891 ~~paragraph (c), \$10 million shall be allocated to the Florida~~
 892 ~~Communities Trust for projects acquiring conservation or~~
 893 ~~recreation lands to enhance recreational opportunities for~~
 894 ~~individuals with unique abilities.~~

895 ~~b. The Department of Environmental Protection may waive~~
 896 ~~the local government matching fund requirement of paragraph (c)~~
 897 ~~for projects acquiring conservation or recreation lands to~~
 898 ~~enhance recreational opportunities for individuals with unique~~
 899 ~~abilities.~~

900 ~~c. Notwithstanding sub-subparagraphs a. and b., any funds~~

901 ~~required to be used to acquire conservation or recreation lands~~
 902 ~~to enhance recreational opportunities for individuals with~~
 903 ~~unique abilities which have not been awarded for those purposes~~
 904 ~~by May 1, 2017, may be awarded to redevelop or renew outdoor~~
 905 ~~recreational facilities on public lands, including recreational~~
 906 ~~trails, parks, and urban open spaces, together with improvements~~
 907 ~~required to enhance recreational enjoyment and public access to~~
 908 ~~public lands, if such redevelopment and renewal is primarily~~
 909 ~~geared toward enhancing recreational opportunities for~~
 910 ~~individuals with unique abilities. The department may waive the~~
 911 ~~local matching requirement of paragraph (c) for such~~
 912 ~~redevelopment and renewal projects.~~

913

914 This paragraph expires July 1, 2018 2017.

915 Section 32. In order to implement Specific Appropriation
 916 1610 and 1611 of the 2017-2018 General Appropriations Act
 917 paragraph (e) is added to subsection (11) of section 216.181,
 918 Florida Statutes, to read:

919 216.181 Approved budgets for operations and fixed capital
 920 outlay.—

921 (11)

922 (e) Notwithstanding paragraph (b) and paragraph (2)(b), and
 923 for the 2017-2018 fiscal year only, the Legislative Budget
 924 Commission may increase the amounts appropriated to the
 925 Department of Environmental Protection for fixed capital outlay

926 projects using funds provided to the state from the U.S.
 927 Environmental Protection Agency, as a result of the Safe
 928 Drinking Water Act and the Clean Water Act. Funds can be used
 929 for low-interest loans for investments in water and sanitation
 930 infrastructure such as sewage treatment, stormwater management
 931 facilities and drinking water treatment, as well as for the
 932 implementation of nonpoint source pollution control and estuary
 933 protection projects. Concurrent with submission of an amendment
 934 to the Legislative Budget Commission pursuant to this paragraph,
 935 any project that carries a continuing commitment for future
 936 appropriations by the Legislature must be specifically
 937 identified, together with the projected amount of the future
 938 commitment associated with the project and the fiscal years in
 939 which the commitment is expected to commence. This paragraph
 940 expires July 1, 2018.

941
 942 The provisions of this subsection are subject to the notice and
 943 objection procedures set forth in s. 216.177.

944 Section 33. In order to implement Specific Appropriations
 945 1869 through 1882, 1888 through 1891, 1905 through 1925, and
 946 1964 through 1976 of the 2017-2018 General Appropriations Act,
 947 paragraph (e) of subsection (7) of section 339.135, Florida
 948 Statutes, is amended to read:

949 339.135 Work program; legislative budget request;
 950 definitions; preparation, adoption, execution, and amendment.—

951 (7) AMENDMENT OF THE ADOPTED WORK PROGRAM.—
 952 (e) Notwithstanding paragraphs (d), ~~and (g)~~, and (h) and
 953 ss. 216.177(2) and 216.351, the secretary may request the
 954 Executive Office of the Governor to amend the adopted work
 955 program when an emergency exists, as defined in s. 252.34, and
 956 the emergency relates to the repair or rehabilitation of any
 957 state transportation facility. The Executive Office of the
 958 Governor may approve the amendment to the adopted work program
 959 and amend that portion of the department's approved budget if a
 960 delay incident to the notification requirements in paragraph (d)
 961 would be detrimental to the interests of the state. However, the
 962 department shall immediately notify the parties specified in
 963 paragraph (d) and provide such parties written justification for
 964 the emergency action within 7 days after approval by the
 965 Executive Office of the Governor of the amendment to the adopted
 966 work program and the department's budget. The adopted work
 967 program may not be amended under this subsection without
 968 certification by the comptroller of the department that there
 969 are sufficient funds available pursuant to the 36-month cash
 970 forecast and applicable statutes.

971 Section 34. The amendment made by this act to s.
 972 339.135(7), Florida Statutes, expires July 1, 2018, and the text
 973 of that section shall revert to that in existence on June 30,
 974 2017, except that any amendments to such text enacted other than
 975 by this act shall be preserved and continue to operate to the

976 extent that such amendments are not dependent upon the portions
 977 of text which expire pursuant to this section.

978 Section 35. In order to implement the salaries and
 979 benefits, expenses, other personal services, contracted
 980 services, special categories, and operating capital outlay
 981 categories of the 2017-2018 General Appropriations Act,
 982 paragraph (a) of subsection (2) of section 216.292, Florida
 983 Statutes, is reenacted to read:

984 216.292 Appropriations nontransferable; exceptions.—

985 (2) The following transfers are authorized to be made by
 986 the head of each department or the Chief Justice of the Supreme
 987 Court whenever it is deemed necessary by reason of changed
 988 conditions:

989 (a) The transfer of appropriations funded from identical
 990 funding sources, except appropriations for fixed capital outlay,
 991 and the transfer of amounts included within the total original
 992 approved budget and plans of releases of appropriations as
 993 furnished pursuant to ss. 216.181 and 216.192, as follows:

994 1. Between categories of appropriations within a budget
 995 entity, if no category of appropriation is increased or
 996 decreased by more than 5 percent of the original approved budget
 997 or \$250,000, whichever is greater, by all action taken under
 998 this subsection.

999 2. Between budget entities within identical categories of
 1000 appropriations, if no category of appropriation is increased or

1001 decreased by more than 5 percent of the original approved budget
 1002 or \$250,000, whichever is greater, by all action taken under
 1003 this subsection.

1004 3. Any agency exceeding salary rate established pursuant
 1005 to s. 216.181(8) on June 30th of any fiscal year shall not be
 1006 authorized to make transfers pursuant to subparagraphs 1. and 2.
 1007 in the subsequent fiscal year.

1008 4. Notice of proposed transfers under subparagraphs 1. and
 1009 2. shall be provided to the Executive Office of the Governor and
 1010 the chairs of the legislative appropriations committees at least
 1011 3 days prior to agency implementation in order to provide an
 1012 opportunity for review.

1013 Section 36. The amendment to s. 216.292(2)(a), Florida
 1014 Statutes, as carried forward by this act from chapter 2015-222,
 1015 Laws of Florida, expires July 1, 2018, and the text of that
 1016 paragraph shall revert to that in existence on June 30, 2014,
 1017 except that any amendments to such text enacted other than by
 1018 this act shall be preserved and continue to operate to the
 1019 extent that such amendments are not dependent upon the portions
 1020 of text which expire pursuant to this section.

1021 Section 37. In order to implement the appropriation of
 1022 funds in the special categories, contracted services, and
 1023 expenses categories of the 2017-2018 General Appropriations Act,
 1024 a state agency may not initiate a competitive solicitation for a
 1025 product or service if the completion of such competitive

1026 solicitation would:
 1027 (1) Require a change in law; or
 1028 (2) Require a change to the agency's budget other than a
 1029 transfer authorized in s. 216.292(2) or (3), Florida Statutes,
 1030 unless the initiation of such competitive solicitation is
 1031 specifically authorized in law, in the General Appropriations
 1032 Act, or by the Legislative Budget Commission.

1033
 1034 This section does not apply to a competitive solicitation for
 1035 which the agency head certifies that a valid emergency exists.
 1036 This section expires July 1, 2018.

1037 Section 38. In order to implement appropriations for
 1038 salaries and benefits in the 2017-2018 General Appropriations
 1039 Act, subsection (6) of section 112.24, Florida Statutes, is
 1040 amended to read:

1041 112.24 Intergovernmental interchange of public employees.—
 1042 To encourage economical and effective utilization of public
 1043 employees in this state, the temporary assignment of employees
 1044 among agencies of government, both state and local, and
 1045 including school districts and public institutions of higher
 1046 education is authorized under terms and conditions set forth in
 1047 this section. State agencies, municipalities, and political
 1048 subdivisions are authorized to enter into employee interchange
 1049 agreements with other state agencies, the Federal Government,
 1050 another state, a municipality, or a political subdivision

1051 including a school district, or with a public institution of
 1052 higher education. State agencies are also authorized to enter
 1053 into employee interchange agreements with private institutions
 1054 of higher education and other nonprofit organizations under the
 1055 terms and conditions provided in this section. In addition, the
 1056 Governor or the Governor and Cabinet may enter into employee
 1057 interchange agreements with a state agency, the Federal
 1058 Government, another state, a municipality, or a political
 1059 subdivision including a school district, or with a public
 1060 institution of higher learning to fill, subject to the
 1061 requirements of chapter 20, appointive offices which are within
 1062 the executive branch of government and which are filled by
 1063 appointment by the Governor or the Governor and Cabinet. Under
 1064 no circumstances shall employee interchange agreements be
 1065 utilized for the purpose of assigning individuals to participate
 1066 in political campaigns. Duties and responsibilities of
 1067 interchange employees shall be limited to the mission and goals
 1068 of the agencies of government.

1069 (6) For the 2017-2018 ~~2016-2017~~ fiscal year only, the
 1070 assignment of an employee of a state agency as provided in this
 1071 section may be made if recommended by the Governor or Chief
 1072 Justice, as appropriate, and approved by the chairs of the
 1073 legislative appropriations committees. Such actions shall be
 1074 deemed approved if neither chair provides written notice of
 1075 objection within 14 days after receiving notice of the action

1076 pursuant to s. 216.177. This subsection expires July 1, 2018
 1077 ~~2017~~.

1078 Section 39. In order to implement Specific Appropriations
 1079 2681 and 2682 of the 2017-2018 General Appropriations Act and
 1080 notwithstanding s. 11.13(1), Florida Statutes, the authorized
 1081 salaries for members of the Legislature for the 2017-2018 fiscal
 1082 year shall be set at the same level in effect on July 1, 2010.
 1083 This section expires July 1, 2018.

1084 Section 40. In order to implement the transfer of funds to
 1085 the General Revenue Fund from trust funds in the 2017-2018
 1086 General Appropriations Act, paragraph (b) of subsection (2) of
 1087 section 215.32, Florida Statutes, is reenacted to read:

1088 215.32 State funds; segregation.—

1089 (2) The source and use of each of these funds shall be as
 1090 follows:

1091 (b)1. The trust funds shall consist of moneys received by
 1092 the state which under law or under trust agreement are
 1093 segregated for a purpose authorized by law. The state agency or
 1094 branch of state government receiving or collecting such moneys
 1095 is responsible for their proper expenditure as provided by law.
 1096 Upon the request of the state agency or branch of state
 1097 government responsible for the administration of the trust fund,
 1098 the Chief Financial Officer may establish accounts within the
 1099 trust fund at a level considered necessary for proper
 1100 accountability. Once an account is established, the Chief

1101 Financial Officer may authorize payment from that account only
 1102 upon determining that there is sufficient cash and releases at
 1103 the level of the account.

1104 2. In addition to other trust funds created by law, to the
 1105 extent possible, each agency shall use the following trust funds
 1106 as described in this subparagraph for day-to-day operations:

1107 a. Operations or operating trust fund, for use as a
 1108 depository for funds to be used for program operations funded by
 1109 program revenues, with the exception of administrative
 1110 activities when the operations or operating trust fund is a
 1111 proprietary fund.

1112 b. Operations and maintenance trust fund, for use as a
 1113 depository for client services funded by third-party payors.

1114 c. Administrative trust fund, for use as a depository for
 1115 funds to be used for management activities that are departmental
 1116 in nature and funded by indirect cost earnings and assessments
 1117 against trust funds. Proprietary funds are excluded from the
 1118 requirement of using an administrative trust fund.

1119 d. Grants and donations trust fund, for use as a
 1120 depository for funds to be used for allowable grant or donor
 1121 agreement activities funded by restricted contractual revenue
 1122 from private and public nonfederal sources.

1123 e. Agency working capital trust fund, for use as a
 1124 depository for funds to be used pursuant to s. 216.272.

1125 f. Clearing funds trust fund, for use as a depository for

1126 funds to account for collections pending distribution to lawful
 1127 recipients.

1128 g. Federal grant trust fund, for use as a depository for
 1129 funds to be used for allowable grant activities funded by
 1130 restricted program revenues from federal sources.

1131

1132 To the extent possible, each agency must adjust its internal
 1133 accounting to use existing trust funds consistent with the
 1134 requirements of this subparagraph. If an agency does not have
 1135 trust funds listed in this subparagraph and cannot make such
 1136 adjustment, the agency must recommend the creation of the
 1137 necessary trust funds to the Legislature no later than the next
 1138 scheduled review of the agency's trust funds pursuant to s.
 1139 215.3206.

1140 3. All such moneys are hereby appropriated to be expended
 1141 in accordance with the law or trust agreement under which they
 1142 were received, subject always to the provisions of chapter 216
 1143 relating to the appropriation of funds and to the applicable
 1144 laws relating to the deposit or expenditure of moneys in the
 1145 State Treasury.

1146 4.a. Notwithstanding any provision of law restricting the
 1147 use of trust funds to specific purposes, unappropriated cash
 1148 balances from selected trust funds may be authorized by the
 1149 Legislature for transfer to the Budget Stabilization Fund and
 1150 General Revenue Fund in the General Appropriations Act.

1151 b. This subparagraph does not apply to trust funds
 1152 required by federal programs or mandates; trust funds
 1153 established for bond covenants, indentures, or resolutions whose
 1154 revenues are legally pledged by the state or public body to meet
 1155 debt service or other financial requirements of any debt
 1156 obligations of the state or any public body; the Division of
 1157 Licensing Trust Fund in the Department of Agriculture and
 1158 Consumer Services; the State Transportation Trust Fund; the
 1159 trust fund containing the net annual proceeds from the Florida
 1160 Education Lotteries; the Florida Retirement System Trust Fund;
 1161 trust funds under the management of the State Board of Education
 1162 or the Board of Governors of the State University System, where
 1163 such trust funds are for auxiliary enterprises, self-insurance,
 1164 and contracts, grants, and donations, as those terms are defined
 1165 by general law; trust funds that serve as clearing funds or
 1166 accounts for the Chief Financial Officer or state agencies;
 1167 trust funds that account for assets held by the state in a
 1168 trustee capacity as an agent or fiduciary for individuals,
 1169 private organizations, or other governmental units; and other
 1170 trust funds authorized by the State Constitution.

1171 Section 41. The amendment to s. 215.32(2)(b), Florida
 1172 Statutes, as carried forward by this act from chapter 2011-47,
 1173 Laws of Florida, expires July 1, 2018, and the text of that
 1174 paragraph shall revert to that in existence on June 30, 2011,
 1175 except that any amendments to such text enacted other than by

1176 this act shall be preserved and continue to operate to the
 1177 extent that such amendments are not dependent upon the portions
 1178 of text which expire pursuant to this section.

1179 Section 42. In order to implement appropriations in the
 1180 2017-2018 General Appropriations Act for state employee travel,
 1181 the funds appropriated to each state agency which may be used
 1182 for travel by state employees shall be limited during the 2017-
 1183 2018 fiscal year to travel for activities that are critical to
 1184 each state agency's mission. Funds may not be used for travel by
 1185 state employees to foreign countries, other states, conferences,
 1186 staff training activities, or other administrative functions
 1187 unless the agency head has approved, in writing, that such
 1188 activities are critical to the agency's mission. The agency head
 1189 shall consider using teleconferencing and other forms of
 1190 electronic communication to meet the needs of the proposed
 1191 activity before approving mission-critical travel. This section
 1192 does not apply to travel for law enforcement purposes, military
 1193 purposes, emergency management activities, or public health
 1194 activities. This section expires July 1, 2018.

1195 Section 43. In order to implement appropriations in the
 1196 2017-2018 General Appropriations Act for state employee travel
 1197 and notwithstanding s. 112.061, Florida Statutes, costs for
 1198 lodging associated with a meeting, conference, or convention
 1199 organized or sponsored in whole or in part by a state agency or
 1200 the judicial branch may not exceed \$150 per day. An employee may

1201 expend his or her own funds for any lodging expenses in excess
 1202 of \$150 per day. For purposes of this section, a meeting does
 1203 not include travel activities for conducting an audit,
 1204 examination, inspection, or investigation or travel activities
 1205 related to a litigation or emergency response. This section
 1206 expires July 1, 2018.

1207 Section 44. In order to implement appropriations in the
 1208 2017-2018 General Appropriations Act for executive branch and
 1209 judicial branch employee travel, the executive branch state
 1210 agencies and the judicial branch must collaborate with the
 1211 Executive Office of the Governor and the Department of
 1212 Management Services to implement the statewide travel management
 1213 system funded in Specific Appropriation 2718A in the 2017-2018
 1214 General Appropriations Act. For the purpose of complying with s.
 1215 112.061, Florida Statutes, all executive branch state agencies
 1216 and the judicial branch must use the statewide travel management
 1217 system. This section expires July 1, 2018.

1218 Section 45. In order to implement section 8 of the 2017-
 1219 2018 General Appropriations Act, section 110.12315, Florida
 1220 Statutes, is reenacted to read:

1221 110.12315 Prescription drug program.—The state employees'
 1222 prescription drug program is established. This program shall be
 1223 administered by the Department of Management Services, according
 1224 to the terms and conditions of the plan as established by the
 1225 relevant provisions of the annual General Appropriations Act and

1226 implementing legislation, subject to the following conditions:

1227 (1) The department shall allow prescriptions written by
 1228 health care providers under the plan to be filled by any
 1229 licensed pharmacy pursuant to contractual claims-processing
 1230 provisions. Nothing in this section may be construed as
 1231 prohibiting a mail order prescription drug program distinct from
 1232 the service provided by retail pharmacies.

1233 (2) In providing for reimbursement of pharmacies for
 1234 prescription medicines dispensed to members of the state group
 1235 health insurance plan and their dependents under the state
 1236 employees' prescription drug program:

1237 (a) Retail pharmacies participating in the program must be
 1238 reimbursed at a uniform rate and subject to uniform conditions,
 1239 according to the terms and conditions of the plan.

1240 (b) There shall be a 30-day supply limit for prescription
 1241 card purchases, a 90-day supply limit for maintenance
 1242 prescription drug purchases, and a 90-day supply limit for mail
 1243 order or mail order prescription drug purchases.

1244 (c) The pharmacy dispensing fee shall be negotiated by the
 1245 department.

1246 (3) Pharmacy reimbursement rates shall be as follows:

1247 (a) For mail order and specialty pharmacies contracting
 1248 with the department, reimbursement rates shall be as established
 1249 in the contract.

1250 (b) For retail pharmacies, the reimbursement rate shall be

1251 at the same rate as mail order pharmacies under contract with
 1252 the department.

1253 (4) The department shall maintain the preferred brand name
 1254 drug list to be used in the administration of the state
 1255 employees' prescription drug program.

1256 (5) The department shall maintain a list of maintenance
 1257 drugs.

1258 (a) Preferred provider organization health plan members
 1259 may have prescriptions for maintenance drugs filled up to three
 1260 times as a 30-day supply through a retail pharmacy; thereafter,
 1261 prescriptions for the same maintenance drug must be filled as a
 1262 90-day supply either through the department's contracted mail
 1263 order pharmacy or through a retail pharmacy.

1264 (b) Health maintenance organization health plan members
 1265 may have prescriptions for maintenance drugs filled as a 90-day
 1266 supply either through a mail order pharmacy or through a retail
 1267 pharmacy.

1268 (6) Copayments made by health plan members for a 90-day
 1269 supply through a retail pharmacy shall be the same as copayments
 1270 made for a 90-day supply through the department's contracted
 1271 mail order pharmacy.

1272 (7) The department shall establish the reimbursement
 1273 schedule for prescription pharmaceuticals dispensed under the
 1274 program. Reimbursement rates for a prescription pharmaceutical
 1275 must be based on the cost of the generic equivalent drug if a

1276 generic equivalent exists, unless the physician, advanced
 1277 registered nurse practitioner, or physician assistant
 1278 prescribing the pharmaceutical clearly states on the
 1279 prescription that the brand name drug is medically necessary or
 1280 that the drug product is included on the formulary of drug
 1281 products that may not be interchanged as provided in chapter
 1282 465, in which case reimbursement must be based on the cost of
 1283 the brand name drug as specified in the reimbursement schedule
 1284 adopted by the department.

1285 (8) The department shall conduct a prescription
 1286 utilization review program. In order to participate in the state
 1287 employees' prescription drug program, retail pharmacies
 1288 dispensing prescription medicines to members of the state group
 1289 health insurance plan or their covered dependents, or to
 1290 subscribers or covered dependents of a health maintenance
 1291 organization plan under the state group insurance program, shall
 1292 make their records available for this review.

1293 (9) The department shall implement such additional cost-
 1294 saving measures and adjustments as may be required to balance
 1295 program funding within appropriations provided, including a
 1296 trial or starter dose program and dispensing of long-term-
 1297 maintenance medication in lieu of acute therapy medication.

1298 (10) Participating pharmacies must use a point-of-sale
 1299 device or an online computer system to verify a participant's
 1300 eligibility for coverage. The state is not liable for

1301 reimbursement of a participating pharmacy for dispensing
 1302 prescription drugs to any person whose current eligibility for
 1303 coverage has not been verified by the state's contracted
 1304 administrator or by the department.

1305 (11) Under the state employees' prescription drug program
 1306 copayments must be made as follows:

1307 (a) Effective January 1, 2013, for the State Group Health
 1308 Insurance Standard Plan:

- 1309 1. For generic drug with card\$7.
- 1310 2. For preferred brand name drug with card\$30.
- 1311 3. For nonpreferred brand name drug with card\$50.
- 1312 4. For generic mail order drug\$14.
- 1313 5. For preferred brand name mail order drug\$60.
- 1314 6. For nonpreferred brand name mail order drug\$100.

1315 (b) Effective January 1, 2006, for the State Group Health
 1316 Insurance High Deductible Plan:

- 1317 1. Retail coinsurance for generic drug with card 30%.
- 1318 2. Retail coinsurance for preferred brand name drug with
 1319 card 30%.
- 1320 3. Retail coinsurance for nonpreferred brand name drug
 1321 with card 50%.
- 1322 4. Mail order coinsurance for generic drug 30%.
- 1323 5. Mail order coinsurance for preferred brand name drug30%.
- 1324 6. Mail order coinsurance for nonpreferred brand name drug50%.

1325 (c) The department shall create a preferred brand name

1326 drug list to be used in the administration of the state
 1327 employees' prescription drug program.

1328 Section 46. (1) The amendment to s. 110.12315(2)(b),
 1329 Florida Statutes, as carried forward by this act from chapter
 1330 2014-53, Laws of Florida, expires July 1, 2018, and the text of
 1331 that paragraph shall revert to that in existence on June 30,
 1332 2012, except that any amendments to such text enacted other than
 1333 by this act shall be preserved and continue to operate to the
 1334 extent that such amendments are not dependent upon the portions
 1335 of text which expire pursuant to this section.

1336 (2) The amendments to s. 110.12315(2)(c) and (3)-(6),
 1337 Florida Statutes, as carried forward by this act from chapter
 1338 2014-53, Laws of Florida, expire July 1, 2018, and the text and
 1339 numbering of those provisions shall revert to that in existence
 1340 on June 30, 2014, except that any amendments to such text
 1341 enacted other than by this act shall be preserved and continue
 1342 to operate to the extent that such amendments are not dependent
 1343 upon the portions of text that expire pursuant to this section.

1344 (3) The amendment to s. 110.12315(7), Florida Statutes, as
 1345 carried forward by this act from chapter 2014-53, Laws of
 1346 Florida, expires July 1, 2018, and shall revert to the text of
 1347 that subsection in existence on December 31, 2010, except that
 1348 any amendments to such text enacted other than by this act shall
 1349 be preserved and continue to operate to the extent that such
 1350 amendments are not dependent upon the portions of text which

1351 expire pursuant to this section.

1352 Section 47. In order to implement the appropriation of
 1353 funds in the special categories, contracted services, and
 1354 expenses categories of the 2017-2018 General Appropriations Act,
 1355 a state agency may not enter into a contract containing a
 1356 nondisclosure clause that prohibits the contractor from
 1357 disclosing information relevant to the performance of the
 1358 contract to members or staff of the Senate or the House of
 1359 Representatives. This section expires July 1, 2018.

1360 Section 48. Any section of this act which implements a
 1361 specific appropriation or specifically identified proviso
 1362 language in the 2017-2018 General Appropriations Act is void if
 1363 the specific appropriation or specifically identified proviso
 1364 language is vetoed. Any section of this act which implements
 1365 more than one specific appropriation or more than one portion of
 1366 specifically identified proviso language in the 2017-2018
 1367 General Appropriations Act is void if all the specific
 1368 appropriations or portions of specifically identified proviso
 1369 language are vetoed.

1370 Section 49. If any other act passed during the 2017
 1371 Regular Session of the Legislature contains a provision that is
 1372 substantively the same as a provision in this act, but that
 1373 removes or is otherwise not subject to the future repeal applied
 1374 to such provision by this act, the Legislature intends that the
 1375 provision in the other act takes precedence and continues to

1376 operate, notwithstanding the future repeal provided by this act.

1377 Section 50. If any provision of this act or its
 1378 application to any person or circumstance is held invalid, the
 1379 invalidity does not affect other provisions or applications of
 1380 the act which can be given effect without the invalid provision
 1381 or application, and to this end the provisions of this act are
 1382 severable.

1383 Section 51. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 17-08 Florida Retirement System
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Delaney <i>JD</i>	Leznoff <i>JL</i>

SUMMARY ANALYSIS

The Florida Retirement System (FRS) is a multi-employer, contributory plan that, as of June 30, 2015, provides retirement benefits to 626,578 active members and 377,671 retired members and beneficiaries, and 34,829 members of the Deferred Retirement Option Program. It is the primary retirement plan for employees of the state and county government agencies, district school boards, state colleges and universities. The FRS also serves as the retirement plan for employees of cities and independent special districts that have made an irrevocable election to participate.

Members of the FRS have two plan options available for participation: the defined benefit plan, also known as the pension plan; and the defined contribution plan, also known as the investment plan.

Section 121.031, F.S., requires that an annual actuarial study of the FRS be provided by the administrator of the system (the Department of Management Services) and for the results to be reported to the Legislature by December 31 of each year. Thereafter, the Legislature uses the report in establishing the uniform contribution rates in law during the next regular legislative session.

Effective July 1, 2017, the bill revises s. 121.71, F.S. to adjust the employer contribution rates for the FRS based on the 2016 Actuarial Valuation.

The bill conforms the law to PCB APC 17-06, the House proposed 2017-18 General Appropriations Act (GAA) as retirement contributions are included in the GAA.

The bill provides that a proper and legitimate state purpose is served, which includes providing benefits that are managed, administered, and funded in a sound actuarially manner.

The bill has a significant negative fiscal impact to the state and local governments: \$85.5 million in General Revenue (state, district school boards, state colleges and universities) and \$11.4 million in trust funds; \$46.9 million to local governments (county agencies, certain municipalities and special districts.)

The bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Florida Retirement System

The Florida Retirement System (FRS) was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the pension plan. Prior to 1975, members of the FRS were required to make employee contributions. Regular Class members contributed four percent of their salary while Special Risk Class Members contributed six percent. The 2011 Legislature reinstated employee contributions whereby all Class members contribute three percent of their salary.

The Florida Retirement System Act¹ governs the FRS, which is a multi-employer, contributory plan that provides retirement income benefits to 626,578 active members, 377,671 retirees and 34,829 members of the Deferred Optional Retirement System (DROP)². It is the primary retirement plan for employees of the state and county government agencies, district school boards, community colleges and state universities. The FRS also serves as the retirement plan for 189 municipalities and 262 independent special districts that have irrevocably elected to participate³.

The membership of the FRS is divided into five membership classes⁴:

- Regular Class⁵: 546,261 members (87.17 percent)
- Special Risk Class⁶: 70,263 members (11.21 percent)
- Special Risk Administrative Support⁷: 82 members (0.01 percent)
- Elected Officer Class⁸: 2,183 members (0.35 percent)
- Senior Management Services Class⁹: 7,916 members (1.26 percent)

Each class is funded separately based upon the costs attributable to the members of the class.

Members of the FRS have two plan options available for participation:

- The defined benefit plan, also known as the pension plan.
- The defined contribution plan, also known as the investment plan.

Investment Plan

In 2000, the Legislature created the Public Employee Optional Retirement Program (Investment Plan), a defined contribution plan offered to eligible employees as an alternative to the FRS defined benefit plan. The investment plan was available for participation as of July 1, 2002.¹⁰ Benefits under the investment plan accrue in individual member accounts funded by employer and employee contributions. Investments are employee-directed into State Board of Administration (SBA) approved investment providers. Members

¹ Chapter 121, F.S.

² *The Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report, Fiscal Year ended June 30, 2015*. The pension plan had 514,253 active members and the investment plan had 112,325 members.

³ *Id.*

⁴ *Id.*

⁵ Members who do not qualify for membership in another class (includes renewed members.)

⁶ Members include law enforcement officers, firefighters, correctional officers, correctional probation officers, paramedics, emergency medical technicians, certain professional health care workers, and certain forensic workers.

⁷ Members are former members of the special risk class who are transferred or reassigned to an administrative support position in certain circumstances.

⁸ Members include holders of specified elected offices in either state or local government.

⁹ Members are high level executive or legal staff as provided by law.

¹⁰ Part II, chapter 121, F.S.

of the investment plan contribute three percent of their salaries to their accounts¹¹. The remainder of the allocation comes from employer contributions.

A member vests in the investment plan after one-year with an FRS employer. Vested benefits are payable upon termination of employment or death as a lump-sum distribution, roll-over distribution, or periodic distribution. The investment plan also provides disability benefits, which is essentially an option to collect disability benefits as provided in the defined benefit plan.

The SBA is primarily responsible for administering the investment plan.¹² The SBA is comprised of the Governor as chair, the Chief Financial Officer and the Attorney General.

Pension Plan (Defined Benefit Plan)

The pension plan is administered by the secretary of the Department of Management Services through the Division of Retirement. Investment management of retirement funds is handled by the State Board of Administration.

Participants of the pension plan are required to contribute three percent of their salary.¹³

Contribution Rates

FRS employers are responsible for contributing a percentage of a member's monthly salary to the FRS Contributions Clearing Account Trust Fund in the Division of Retirement to fund the program. The employer contribution is a "blended contribution rate" set by statute¹⁴, as amended by the Legislature based on an annual actuarial valuation. The rate consists of a blending of the actuarially determined contribution rates necessary to fund the pension plan's normal cost and the allocations being made into investment plan accounts. The purpose of the blending is to establish the same employer contribution rates regardless of whether an employee participates in the pension plan or the investment plan.

Effects of the Bill

The bill establishes the employer contribution rates for the normal costs and the unfunded actuarial liability (UAL) of the FRS, as determined by the July 1, 2016 Annual Valuation, necessary to adequately fund the program. The normal and UAL rates were 'blended' with the investment plan allocations and salaries to establish employer contribution rates. The proposed employer contributions for fiscal year 2017-2018, compared to rates currently in effect, are contained in the table below.

Proposed and Current FRS Employer Contribution Rates¹⁵

Membership Class	"Blended" Normal Costs		Unfunded Actuarial Liability		Combined Contribution Rates	
	7/1/2015	7/1/2016	7/1/2015	7/1/2016	7/1/2015	7/1/2016
Regular Class	2.97%	2.89%	2.83%	3.30%	5.80%	6.19%
Special Risk Class	11.80%	11.81%	9.05%	9.57%	20.85%	21.38%
Special Risk Administrative Class	3.87%	3.81%	22.47%	29.08%	26.34%	32.89%
Elected Officer Class						
Leg/Gov/SAs/PDs	6.63%	6.41%	33.75%	42.69%	40.38%	49.10%
Judges	11.68%	11.66%	23.30%	26.25%	34.98%	37.91%
County Officers	8.55%	8.48%	32.20%	35.24%	40.75%	43.72%
Senior Management	4.38%	4.28%	15.67%	16.70%	20.05%	20.98%
DROP	4.23%	4.17%	7.10%	7.43%	11.33%	11.60%

¹¹ Section 121.71, F.S.

¹² Section 121.4501, F.S.

¹³ *Id.* 11

¹⁴ Sections 121.031 and 121.71, F.S.

¹⁵ Rates do not include the current Health Insurance Subsidy Contribution (1.66 percent) or Administrative Fee (.04 percent)

B. SECTION DIRECTORY:

Section 1: Amends section 121.71, F.S. to set the uniform employer contribution rates and the rates required to address the normal cost and unfunded actuarial liability for each class and subclass of the Florida Retirement System, effective July 1, 2017.

Section 2: Provide that the act fulfills an important state interest.

Section 3: Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments Section.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments Section.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill conforms the law to PCB APC 17-06, the House proposed 2017-18 General Appropriations Act (GAA) as retirement and administrative and educational contributions are included in the GAA. The costs associated with funding the increases in the 'Blended' Normal Cost and Unfunded Actuarial Liability employer contribution rates are illustrated in the following chart:

	Cost by Employer Group (\$ in millions)	
	FRS	
Entities Funded by the State	GR	TF
State	15.4	11.4
County School Boards	54.1	
State Universities	11.1	
State Colleges	4.9	
<i>Total</i>	85.5	11.4
Other Entities not Funded by the State		
Counties	39.2	
Municipalities/Special Districts/Other	7.7	
<i>Total</i>	46.9	
<i>Grand Total</i>	132.4	11.4

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The mandates provision appears to apply because this bill requires counties and/or cities to spend money or take action that requires the expenditure of money; however, an exception applies as the Legislature has determined that this bill satisfies an important state interest and similarly situated persons are all required to comply.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to state-administered retirement
 3 systems; amending s. 121.71, F.S.; revising required
 4 employer retirement contribution rates for each
 5 membership class and subclass of the Florida
 6 Retirement System; providing a declaration of
 7 important state interest; providing an effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Subsections (4) and (5) of section 121.71,
 12 Florida Statutes, are amended to read:

13 121.71 Uniform rates; process; calculations; levy.—

14 (4) Required employer retirement contribution rates for
 15 each membership class and subclass of the Florida Retirement
 16 System for both retirement plans are as follows:

	Percentage of
	Gross
	Compensation,
	Effective
Membership Class	July 1, <u>2017</u> 2016

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ORIGINAL

2017

20	Regular Class	<u>2.89</u> 2.97%
21	Special Risk Class	<u>11.81</u> 11.80%
22	Special Risk Administrative Support Class	<u>3.81</u> 3.87%
23	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>6.41</u> 6.63%
24	Elected Officers' Class— Justices, Judges	<u>11.66</u> 11.68%
25	Elected Officers' Class— County Elected Officers	<u>8.48</u> 8.55%
26	Senior Management Class	<u>4.28</u> 4.38%
27	DROP	<u>4.17</u> 4.23%

28 (5) In order to address unfunded actuarial liabilities of
 29 the system, the required employer retirement contribution rates
 30 for each membership class and subclass of the Florida Retirement
 31 System for both retirement plans are as follows:
 32

Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2017</u> 2016
33	
34 Regular Class	<u>3.30</u> 2.83%
35 Special Risk Class	<u>9.57</u> 9.05%
36 Special Risk Administrative Support Class	<u>29.08</u> 22.47%
37 Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,	<u>42.69</u> 33.75%

38	State Attorneys, Public Defenders	
39	Elected Officers' Class-- Justices, Judges	<u>26.25</u> 23.30%
40	Elected Officers' Class-- County Elected Officers	<u>35.24</u> 32.20%
41	Senior Management Service Class	<u>16.70</u> 15.67%
42	DROP	<u>7.43</u> 7.10%

43 Section 2. The Legislature finds that a proper and
 44 legitimate state purpose is served when employees, officers, and
 45 retirees of the state and its political subdivisions, and the
 46 dependents, survivors, and beneficiaries of such employees,
 47 officers, and retirees, are extended the basic protections
 48 afforded by governmental retirement systems. These persons must
 49 be provided benefits that are fair and adequate and that are
 50 managed, administered, and funded in an actuarially sound manner
 51 as required by s. 14, Article X of the State Constitution and
 52 part VII of chapter 112, Florida Statutes. Therefore, the
 53 Legislature determines and declares that this act fulfills an
 54 important state interest.

PCB APC 17-08

ORIGINAL

2017

55 | Section 3. This act shall take effect July 1, 2017. |

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 17-09 Collective Bargaining
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Delaney <i>LD</i>	Leznoff <i>J</i>

SUMMARY ANALYSIS

Chapter 447, F.S., specifies the process for collective bargaining for public employees. The bargaining agent and the negotiator for the state must bargain collectively in the determination of the wages, hours, and terms and conditions of employment of the employees within the bargaining unit. Upon the issuance of the Governor's Budget Recommendations, any articles that have not been agreed to are declared at impasse. It is the Legislature's responsibility to resolve all of the issues at impasse between the parties in the General Appropriations Act or substantive legislation. Ultimately, the decisions made by the Legislature, as well as those agreed to by the parties, are reduced to writing, signed by the chief executive officer of the state and the bargaining agent for the union, and are submitted to the members of the bargaining unit for ratification. If the agreement is not ratified by all parties, the actions taken by the Legislature shall take effect for the remainder of the first fiscal year subject to negotiations.

The bill directs the resolution of collective bargaining issues at impasse not related to salary and benefit issues for the 2017-2018 fiscal year regarding state employees. Salary and benefit issues are typically resolved by the spending decisions included in PCB APC 17-06, the House proposed 2017-18 General Appropriations Act (GAA) or legislation implementing that Act.

Generally, most issues are resolved by the state and unions and do not required legislative action (approximately 350 agreed to articles.) For the Fiscal Year 2017-2018, there were 14 non-wage or benefit related issues remaining at impasse that were subject to resolution by the Legislature. The bill resolves all 14 issues by maintaining the current language in the contract.

The bill has an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background:

Chapter 447, F.S., specifies the process for collective bargaining for public employees. The bargaining agent and the negotiator for the state must bargain collectively in the determination of the wages, hours, and terms and conditions of employment of the employees within the bargaining unit. Any collective bargaining agreement reached must be reduced to writing, signed by the chief executive officer for the state and the bargaining agent for the union, and submitted to the members of the bargaining unit for ratification.

Upon execution of the collective bargaining agreement, the Governor must request the legislative body to appropriate amounts sufficient to fund the provisions of the agreement. If the Legislature appropriates funds that are not sufficient to fund the agreement, the agreement must be administered on the basis of the amounts actually appropriated.

Typically, at the state level, an agreement is not reached on all issues. In that instance, and pursuant to s. 216.163(6), F.S., an impasse is declared on all unresolved issues when the Governor's Budget Recommendations are released. Within five days of the start of the impasse period, each party is required to notify the presiding officers of the Legislature of the unresolved issues. A joint select committee of members of the Florida House of Representatives and the Senate is appointed to review the positions of the parties. The committee's recommendation is provided to the presiding officers no later than ten days before the start of the regular legislative session. During the session, the Legislature shall take action to resolve all issues remaining at impasse. Any actions taken by the Legislature are binding on the parties.

Following the resolution of the impasse issues, the parties are required to reduce to writing an agreement that includes those issues agreed to by the parties as well as those issues resolved by the Legislature. As noted above, the agreement must be signed by the chief executive officer and the bargaining agent and presented to the members of the bargaining unit for ratification.

If the members ratify the agreement, all the provisions of the agreement take effect. If the members do not ratify the agreement, the issues resolved by the Legislature take effect for the next fiscal year which was the subject of the negotiations.

The certified bargaining units for state employees and the respective bargaining agents include:

American Federation of State, County and Municipal Employees, Council 79 (AFSCME)

- Administrative and Clerical Unit
- Operational Services Unit
- Human Services Unit
- Professional Unit

Florida Nurses Association

- Professional Health Care Unit

Police Benevolent Association

- Special Agent Unit
- Law Enforcement Unit
- Florida Highway Patrol Unit
- Lottery Law Enforcement Unit
- Security Services Unit

Florida State Fire Service Association

- Fire Service Unit

Federation of Physicians and Dentists

- Supervisory Non-professional Unit
- Physicians Unit

State Employees Attorneys Guild

- Attorneys Unit

Federation of Public Employees

- Lottery Administrative and Support Unit

Provisions of the bill:

The bill resolves the articles remaining at impasse for fiscal year 2017-2018 by imposing status quo language of the current contract for all 14 non-economic issues remaining at impasse between parties. Issues related to salary and benefits are resolved according to provisions of PCB APC 17-06, the House proposed 2017-18 General Appropriations Act (GAA). The following is a list of the articles remaining at impasse and the associated legislative resolution of each (a description of select resolution of the issues follows this list):

Police Benevolent Association

- Special Agent Unit
 - Article 18 "Leave" – *Status Quo*
 - Article 23 "Workday, Workweek, and Overtime" – *Status Quo*
- Law Enforcement Unit
 - Article 18 "Hours of Work, Leave and Job-Connected Disability" – *Status Quo*
- Florida Highway Patrol Unit
 - Article 18 "Hours of Work, Leave and Job-Connected Disability" – *Status Quo*
- Security Services Unit
 - Article 18 "Leave of Absence" – *Status Quo*
 - Article 23 "Hours of Work/Overtime" – *Status Quo*

Florida State Fire Service Association

- Fire Service Unit
 - Article 9 “Voluntary Reassignment, Transfer, Change in Duty Station and Promotions” – *Status Quo*
 - Article 23 “Hours of Work and Overtime” – *Status Quo*

Federation of Physicians and Dentists

- Supervisory Non-professional Unit
 - Article 11 “Classification and Pay Plan” – *Status Quo*
- Physicians Unit
 - Article 10 “Classification and Pay Plan” – *Status Quo*
 - Article 11 “Classification Review and Professional Scope” – *Status Quo*
- Attorneys Unit
 - Article 10 “Classification and Pay Plan” – *Status Quo*
 - Article 11 “Classification Review and Professional Scope” – *Status Quo*

American Federation of State, County and Municipal Employees (AFSCME)

- Article 18 “Leaves of Absence, Hours of Work, Disability Leave” – *Status Quo*

Summary of Select Resolutions in the bill:

- Articles at impasse between the state and the Police Benevolent Association (PBA) pertaining to hours of work and overtime were resolved by maintaining the status quo language from the current contract. The Union proposed that overtime hours worked not be offset in the same workweek and that holiday leave be awarded in the amount of the regularly scheduled shift.
- The Article at impasse between the state and the Florida State Fire Service Association pertaining to “Voluntary Reassignment, Transfer, Change in Duty Station, and Promotions was resolved by maintaining the status quo language of the current contract. The union proposed defining lateral transfers as being into positions with substantially different duties.
- Articles at impasse between the state and the Federation of Physicians and Dentists pertaining to classification and professional scope were resolved by maintaining the status quo language in the current contract. The state proposed status quo language, while the union did not make a formal offer.
- The Article at impasse between the state and AFSCME pertaining to leaves of absence and hours of work was resolved by maintaining the status quo language of the current contract. The union proposed that unused Special Compensatory leave be paid instead of forfeited, while the state proposed eliminating the requirement that the state give consideration to employee preference to use leave when placed on suspension.

B. SECTION DIRECTORY:

Section 1: Provides for resolution of collective bargaining issues at impasse between the State of Florida and certified collective bargaining units pursuant to specified instructions.

Section 2: Provides effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None. This bill does not appear to affect county or municipal government.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to collective bargaining; providing
 3 for the resolution of certain collective bargaining
 4 issues at impasse between the State of Florida and
 5 certified bargaining units of state employees;
 6 providing for all other mandatory collective
 7 bargaining issues at impasse that are not addressed by
 8 the act or the General Appropriations Act to be
 9 resolved consistent with personnel rules and by
 10 otherwise maintaining the status quo; providing an
 11 effective date.

12
 13 Be It Enacted by the Legislature of the State of Florida:

14 Section 1. Collective bargaining issues at impasse for the
 15 2017-2018 fiscal year between the State of Florida and the
 16 certified representatives of the bargaining units for state
 17 employees are resolved as follows:

18 (1) Collective bargaining issues at impasse between the
 19 State of Florida and the Federation of Physicians and Dentists
 20 Selected Exempt Service (SES) Supervisory Non-Professional Unit
 21 regarding Article 11 "Classification and Pay Plan" shall be
 22 resolved by maintaining the status quo under the language of the
 23 current collective bargaining agreement.

24 (2) Collective bargaining issues at impasse between the
 25 State of Florida and the Federation of Physicians and Dentists

26 State Employees Attorneys Guild regarding Article 10
 27 "Classification and Pay Plan" and Article 11 "Classification
 28 Review and Professional Practice Scope" shall be resolved by
 29 maintaining the status quo under the language of the current
 30 collective bargaining agreement.

31 (3) Collective bargaining issues at impasse between the
 32 State of Florida and the Federation of Physicians and Dentists
 33 Selected Exempt Service (SES) Physicians Unit regarding Article
 34 10 "Classification and Pay Plan" and Article 11 "Classification
 35 Review and Professional Practice Scope" shall be resolved by
 36 maintaining the status quo under the language of the current
 37 collective bargaining agreement.

38 (4) Collective bargaining issues at impasse between the
 39 State of Florida and the Florida State Fire Service Association
 40 regarding Article 9 "Reassignment, Lateral Action, Transfer,
 41 Change in Duty Station and Promotion" and Article 23 "Hours of
 42 Work and Overtime" shall be resolved by maintaining the status
 43 quo under the language of the current collective bargaining
 44 agreement.

45 (5) Collective bargaining issues at impasse between the
 46 State of Florida and the Police Benevolent Association,
 47 Security Services Unit regarding Article 18 "Leave of Absence"
 48 and Article 23 "Hours of Work/Overtime" shall be resolved by
 49 maintaining the status quo under the language of the current
 50 collective bargaining agreement.

51 (6) Collective bargaining issues at impasse between the
 52 State of Florida and the Police Benevolent Association, Law
 53 Enforcement Unit regarding Article 18 "Hours of Work, Leave and
 54 Job-connected Disability" shall be resolved by maintaining the
 55 status quo under the language of the current collective
 56 bargaining agreement.

57 (7) Collective bargaining issues at impasse between the
 58 State of Florida and the Police Benevolent Association, Florida
 59 Highway Patrol Unit regarding Article 18 "Hours of Work, Leave
 60 and Job-connected disability" shall be resolved by maintaining
 61 the status quo under the language of the current collective
 62 bargaining agreement.

63 (8) Collective bargaining issues at impasse between the
 64 State of Florida and the Police Benevolent Association, Special
 65 Agent Unit regarding Article 18 "Leave" and Article 23 "Workday,
 66 Workweek and Overtime" shall be resolved by maintaining the
 67 status quo under the language of the current collective
 68 bargaining agreement.

69 (9) Collective bargaining issues at impasse between the
 70 State of Florida and the American Federation of State, County
 71 and Municipal Employees - Florida Council 79 regarding Article
 72 18 "Hours of Work, Disability Leave" are resolved by maintaining
 73 the status quo under the language of the current collective
 74 bargaining agreement.

75



76 All other mandatory collective bargaining issues at impasse for
77 the 2017-2018 fiscal year which are not addressed by this act or
78 the General Appropriations Act for the 2017-2018 fiscal year
79 shall be resolved in accordance with the personnel rules in
80 effect on April 1, 2017, and by otherwise maintaining the status
81 quo under the language of the applicable current collective
82 bargaining agreement.

83

84 Section 2. This act shall take effect July 1, 2017.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB APC 17-10 Medicaid Services
SPONSOR(S): Appropriations Committee
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Appropriations Committee		Clark 	Leznoff 

SUMMARY ANALYSIS

The bill conforms statutes to the funding decisions related to the Medicaid Program included PCB APB 17-06, the House proposed General Appropriations Act (GAA), for Fiscal Year 2017-2018. The bill:

- Amends the definition of a "rural hospital" to eliminate sole community hospitals with up to 175 beds;
- Removes obsolete language related to ambulatory surgical center reimbursements due to the implementation of a prospective payment system;
- Removes Hospital Outpatient services reimbursements from the statutory rate freeze due to the implementation of a prospective payment system;
- Requires local governments that submit Intergovernmental Transfers to AHCA to submit the total amount of the funds as agreed upon in the executed letter of agreement, no later than October 31 of the year the funds are pledged unless an alternative plan is specifically approved by AHCA;
- Revises "Medicaid Payments" within the Statewide Medicaid Residency Program to include Hospital Outpatient Medicaid rates due to the implementation of a prospective payment system;
- Revises the years of audited data used in determining Disproportionate Share Hospital payments;
- Provides a nonrecurring appropriation for a Low Income Pool Program contingent upon federal approval; and
- Provides conforming cross-references.

The bill provides for an effective date of July 1, 2017.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Medicaid

Medicaid is the health care safety net for low-income Floridians. Medicaid is a federal and state partnership established to provide coverage for health services for eligible persons. The program is administered by the Agency for Health Care Administration (AHCA) and financed by federal and state funds. AHCA delegates certain functions to other state agencies, including the Department of Children and Families, the Department of Health (DOH), the Agency for Persons with Disabilities, and the Department of Elderly Affairs (DOEA).

The Florida Medicaid program covers approximately 4 million low-income individuals, including approximately 2.3 million, or 58.7%, of the children in Florida.¹ Medicaid is the second largest single program in the state, behind public education, representing 31 percent of the total FY 2016-2017 budget. Medicaid expenditures represent over 19 percent of the total state funds appropriated in FY 2016-2017.

Sole Community Hospitals

The federal Medicare program classifies a hospital as a “sole community hospital” based on criteria specified in title 42, s. 412.92, of the Code of Federal Regulations, including whether the hospital is situated in a federally-designated rural area, the hospital's capacity, and the hospital's distance from other hospitals. A sole community hospital is given special treatment and is eligible for payment adjustments from the Medicare program due to the federal government's consideration of the hospital's accessibility to residents of rural areas who have limited options for hospital services.

In 2016, the Legislature amended the definition of a rural hospital to include hospitals classified as sole community hospitals having up to 175 licensed beds, beginning in the 2016-2017 fiscal year.² Chapter 2016-66, Laws of Florida provided non-recurring funding for the increased cost associated with amending the definition to include hospitals classified as sole community hospitals.

Outpatient Reimbursement

Florida Medicaid currently reimburses hospital outpatient services using hospital specific cost-based rates which pay a flat rate referred to as a “per diem” to each payable revenue code submitted on an outpatient claim. The hospital outpatient rates are based on unaudited, historical cost reports submitted prior to services being rendered. The reimbursement rates are adjusted post-payment for some facilities each year based on audited cost reports. The cost report audit and rate adjustment processes can take several years for full reconciliation and finalization of payment.

During the 2015 Legislative Session, the Legislature authorized the study and design of an Outpatient Prospective Payment System (OPPS) for Florida Medicaid³. The Legislature required that the Agency for Health Care Administration develop a plan to convert Medicaid payments for outpatient services, including hospital outpatient services and ambulatory surgery centers, to a prospective payment system and identify steps necessary for the transition to be completed in a budget neutral manner.

¹ Agency for Health Care Administration, *Florida Statewide Medicaid Monthly Enrollment Report*, February 2017, available at http://www.fdhc.state.fl.us/medicaid/Finance/data_analytics/enrollment_report/index.shtml (last accessed March 17, 2017).

² Chapter 2016-65, Laws of Florida

³ Chapter 2015-232, Laws of Florida

During the 2016 Legislative Session, the Legislature amended s. 409.905, F.S., replacing AHCA's existing per diem and retroactive adjustment fee methodology for Medicaid outpatient care, with a prospective payment system. Under the new system, AHCA will calculate reimbursement rates annually for Hospital Outpatient Services. Additionally, s. 409.908(5), F.S., was amended to reflect the transition to prospective payment system for ambulatory surgical centers. The new rates are required to go into effect on July 1, 2017, and on July 1 every year thereafter. The new methodology must function like an outpatient prospective payment system by categorizing the amount and type of services used in outpatient visits, and group together procedures that share similar characteristics and costs.

Intergovernmental Transfers

Certain programs, including but not limited to the Statewide Medicaid Residency Program, the Graduate Medical Education Startup Bonus Program, the Disproportionate Share Hospital (DSH), and certain hospital reimbursement exemptions are funded through county and other local tax dollars that are transferred to the state and used to draw federal match. Local dollars transferred to the state and used in this way are known as "intergovernmental transfers" or IGTs. IGTs may be used to augment hospital payments in other ways, specifically through direct payment programs authorized by the federal Centers for Medicare and Medicaid Services (CMS) through waivers or state plan amendments. Examples include the Upper Payment Limit (UPL) and Low Income Pool (LIP) programs. All IGTs are contingent upon the willingness of counties and other local taxing authorities to transfer funds to the state in order to draw down federal match. The local taxing authorities commit to sending these funds to the state in the form of an executed Letter of Agreement with the AHCA. In order for AHCA to make timely payments to hospitals, AHCA must know which local governments will be submitting IGTs and the amount of the funds prior to using the funds to draw the federal match. Current law requires local governments who will be submitting IGTs to submit to AHCA the final executed letter of agreement containing the total amount of the IGTs authorized by the entity, no later than October 1 of each year. Currently, there is no date requirement for the local governments to transfer the actual IGTs to AHCA.

Statewide Medicaid Residency Program

In 2013, the Legislature created the Statewide Medicaid Residency Program (SMRP) to fund graduate medical education (GME).⁴ GME is the education and training of physicians following graduation from a medical school in which physicians refine the clinical skills necessary to practice in a specific medical field (surgery, dermatology, family practice, etc.). GME or "residency" programs for allopathic and osteopathic physicians include internships, residency training, and fellowships. These residency programs vary in length from three to seven years. Previously, graduate medical education was reimbursed through hospital inpatient and outpatient reimbursements.

The SMRP defines "Medicaid payment" as payments made to reimburse a hospital for direct inpatient services, as determined by AHCA. Consequently, AHCA must calculate an allocation fraction in accordance with statutory formula on or before September 15 of each year. A hospital's annual allocation equals the funds appropriated for the SMRP in the GAA multiplied by its allocation fraction. Regardless of the formula, a hospital's annual allocation may not exceed two-times the average per resident amount for all hospitals. Any funds beyond this amount must be redistributed to participating hospitals whose annual allocation does not exceed this limit. AHCA must distribute each participating hospital's annual allocation in four installments on the final business day of each quarter of the state fiscal year.⁵

⁴ Chapter 2013-48, Laws of Florida

⁵ S. 409.909, F.S.

Disproportionate Share Hospital Program

The Medicaid Disproportionate Share Hospital (DSH) Program funding distributions are provided to hospitals that provide a disproportionate share of the Medicaid or charity care services to uninsured individuals. Each year, the Legislature delineates how the funds will be distributed to each eligible facility either through statutory formulas or other direction in the implementing bill or proviso.

Low Income Pool

The Low Income Pool (LIP) was originally created as a result of the original 1115 Waiver that established the Managed Medicaid Pilot program. Pursuant to s. 409.91211(1)(b), F.S., the Managed Medicaid Pilot waiver was "contingent upon federal approval to preserve the upper-payment-limit funding mechanism for hospitals, including a guarantee of a reasonable growth factor, a methodology to allow the use of a portion of these funds to serve as a risk pool for demonstration sites, provisions to preserve the state's ability to use intergovernmental transfers, and provisions to protect the disproportionate share program." The LIP was to be used to provide supplemental payments to hospitals that provide services to Medicaid recipients, the uninsured and underinsured individuals. The LIP program also authorized supplemental Medicaid payments to provider access systems, such as federally qualified health centers, county health departments, and hospital primary care programs, to cover the cost of providing services to Medicaid recipients, the uninsured and the underinsured. Florida law provides that distribution of the Low-Income Pool funds should:

- Assure a broad and fair distribution of available funds based on the access provided by Medicaid participating hospitals, regardless of their ownership status, through their delivery of inpatient or outpatient care for Medicaid beneficiaries and uninsured and underinsured individuals;
- Assure accessible emergency inpatient and outpatient care for Medicaid beneficiaries and uninsured and underinsured individuals;
- Enhance primary, preventive, and other ambulatory care coverages for uninsured individuals;
- Promote teaching and specialty hospital programs;
- Promote the stability and viability of statutorily defined rural hospitals and hospitals that serve as sole community hospitals;
- Recognize the extent of hospital uncompensated care costs;
- Maintain and enhance essential community hospital care;
- Maintain incentives for local governmental entities to contribute to the cost of uncompensated care;
- Promote measures to avoid preventable hospitalizations;
- Account for hospital efficiency; and
- Contribute to a community's overall health system.

On April 11, 2014, the Centers for Medicaid and Medicare Services (CMS) extended the 1115 demonstration waiver, titled Managed Medical Assistance, for three years; however, they extended the LIP for only one year from July 1, 2014 through June 30, 2015. The total computable amount of LIP funding for the 2014-15 fiscal year was approximately \$2.16 billion.

On May 21, 2015, the CMS outlined an approach to the LIP that allowed for a two-year transition of the LIP by reducing the size of the pool from \$2.16 billion in the 2014-15 fiscal year to \$1.0 billion in the 2015-16 fiscal year. Additionally, during the 2016-17 fiscal year, the LIP pool was further reduced to \$607,825,452 until June 2017, when Florida's current LIP is scheduled to end.

On April 12, 2017, the CMS notified AHCA and provided a preliminary outline that would continue LIP in the amount of \$1,508,385,773 annually for an additional five years. The state is required to submit a draft Reimbursement and Funding Methodology Document (RFMD) to CMS prior to November 1, 2017. CMS and the state will work together to obtain final approval of the LIP by January 31, 2018. The state may not claim federal financial participation for LIP payments until after a revised RFMD is approved by CMS.

Effect of Proposed Bill

Sole Community Hospitals

The bill amends s. 395.602, F.S., to revise the definition of "rural hospital" by deleting the provision allowing a hospital to qualify as a rural hospital by being classified as a sole community hospital having up to 175 licensed beds since the increased costs associated with this change was funding with non-recurring appropriations.

Outpatient Reimbursement

During the 2016 Legislative Session, the Legislature required that the Agency for Health Care Administration implement prospective payments for outpatient services, including hospital outpatient services and ambulatory surgery centers.⁶ The bill deletes obsolete language in s. 409.908(5), F.S., due to the statutorily required implementation of a prospective payment system effective July 1, 2017. The new rates go into effect on July 1, 2017, and on July 1 every year thereafter. Additionally, the bill eliminates hospital outpatient services from the statutory rate freeze that ensures no increase in statewide expenditures resulting from a change in unit costs effective July 1, 2011.

Intergovernmental Transfers

The bill amends s. 409.908, F.S., to require the local governments to submit to AHCA the total amount of the IGTs as agreed upon in the executed letter of agreement, no later than October 31 of the year the IGTs are pledged unless an alternative plan is specifically approved by AHCA.

Statewide Medicaid Residency Program

This legislation amends s. 409.909, F.S., to modify the definition of "Medicaid payments" under the SMRP to include outpatient services. This change is necessitated by the statutory transition to a prospective outpatient payment system. This is similar to the transition that occurred when Florida moved to inpatient Diagnosis Related Groups.

Disproportionate Share Hospital Program

The bill amends s. 409.911, F.S., to update existing law to provide payments for the 2017-2018 fiscal year related to hospitals in the Disproportionate Share Hospital (DSH) Programs and Medicaid DSH based upon the average of the 2009, 2010, and 2011 audited disproportionate share data to determine each hospital's Medicaid days and charity care.

Low Income Pool

The bill provides a nonrecurring appropriation of \$1,508,385,773 (\$578,918,460 in Grants and Donations Trust Fund and \$929,467,313 in Medical Care Trust Fund) for the continuation of the LIP program. The bill appropriates the LIP funds in a qualified expenditure category. Subject to federal approval of the final terms and conditions of the LIP, the AHCA is required to submit a budget amendment to request release of the LIP funds. The Legislative Budget Commission must approve the release of funds. The bill requires the budget amendment to include the RFMD, which documents permissible LIP expenditures, a proposed distribution model by entity, and a proposed listing of entities contributing IGTs to support the state match. The bill requires that LIP payments to providers are contingent upon the nonfederal share being provided through IGTs and if IGTs are not available, the state is not obligated to make LIP payments.

⁶ Chapter 2016-65, Laws of Florida

The bill provides for an effective date of July 1, 2017.

B. SECTION DIRECTORY:

- Section 1:** Amends s. 395.602, F.S., relating to rural hospitals.
- Section 2:** Amends s. 409.908, F.S., relating to reimbursement of Medicaid providers.
- Section 3:** Amends s. 409.909, F.S., relating to Statewide Medicaid Residency Program.
- Section 4:** Amends s. 409.911, F.S., relating to Disproportionate Share Program.
- Section 5:** Amends s. 391.055, F.S., conforming cross-references.
- Section 6:** Amends s. 427.0135, F.S., conforming cross-references.
- Section 7:** Amends s. 1011.70, F.S., conforming cross-references.
- Section 8:** Provides a nonrecurring appropriation for a Low Income Pool, contingent upon federal approval.
- Section 9:** Provides an effective date of July 1, 2017.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

\$476,864,450 in federal Medicaid funds will be generated through the implementation of the Hospital Outpatient Prospective Payment System, the GME program, and the DSH programs:

- Hospital Outpatient Services = \$146,635,622
- Graduate Medical Education = \$110,916,000
- Disproportionate Share Hospital Program = \$219,313,128

Upon federal approval of the LIP program, \$929,467,313 in federal Medicaid funds will be generated through the LIP program.

2. Expenditures:

The bill does not increase the Medicaid outpatient reimbursements as the transition from a cost-based reimbursement system to a prospective payment system is required to be budget neutral.

The bill will require AHCA to make payments to eligible DSH providers, based on the statutory formulas, a total amount of \$310,541,853 (\$6.5 million General Revenue).

The bill will require AHCA to make LIP payments to eligible entities in the amount of \$1,508,385,773 upon federal approval of the LIP program and upon approval of budget amendment request by the Legislative Budget Commission.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

In order to earn matching federal dollars for IGT funded programs, including LIP, the local governments and other local political subdivisions would be required to provide \$828,747,355 in contributions, no later than October 31, 2017, unless an alternative plan is specifically approved by AHCA.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to Medicaid services; amending s.
 3 395.602, F.S.; revising the definition of the term
 4 "rural hospital" to delete sole community hospitals;
 5 amending s. 409.908, F.S.; deleting a provision
 6 relating to reimbursement rate parameters for certain
 7 Medicaid providers; authorizing the agency to receive
 8 funds from certain governmental entities for specified
 9 purposes; providing requirements for letters of
 10 agreement executed by a local governmental entity;
 11 amending s. 409.909, F.S.; revising the definition of
 12 the term "Medicaid payments" to include the outpatient
 13 enhanced ambulatory payment group for purposes of the
 14 Statewide Medicaid Residency Program; amending s.
 15 409.911, F.S.; updating references to data used for
 16 calculating disproportionate share program payments to
 17 certain hospitals for the 2017-2018 fiscal year;
 18 amending ss. 391.055, 427.0135, and 1011.70, F.S.;
 19 conforming cross-references; provides an appropriation
 20 for a Low Income Pool contingent upon federal
 21 approval; providing an effective date.

22
 23 Be It Enacted by the Legislature of the State of Florida:

24
 25 Section 1. Paragraph (e) of subsection (2) of section

26 | 395.602, Florida Statutes, is amended to read:

27 | 395.602 Rural hospitals.—

28 | (2) DEFINITIONS.—As used in this part, the term:

29 | (e) "Rural hospital" means an acute care hospital licensed
30 | under this chapter, having 100 or fewer licensed beds and an
31 | emergency room, which is:

32 | 1. The sole provider within a county with a population
33 | density of up to 100 persons per square mile;

34 | 2. An acute care hospital, in a county with a population
35 | density of up to 100 persons per square mile, which is at least
36 | 30 minutes of travel time, on normally traveled roads under
37 | normal traffic conditions, from any other acute care hospital
38 | within the same county;

39 | 3. A hospital supported by a tax district or subdistrict
40 | whose boundaries encompass a population of up to 100 persons per
41 | square mile;

42 | ~~4. A hospital classified as a sole community hospital~~
43 | ~~under 42 C.F.R. s. 412.92 which has up to 175 licensed beds;~~

44 | 4.5. A hospital with a service area that has a population
45 | of up to 100 persons per square mile. As used in this
46 | subparagraph, the term "service area" means the fewest number of
47 | zip codes that account for 75 percent of the hospital's
48 | discharges for the most recent 5-year period, based on
49 | information available from the hospital inpatient discharge
50 | database in the Florida Center for Health Information and

51 Transparency at the agency; or

52 ~~5.6.~~ A hospital designated as a critical access hospital,
53 as defined in s. 408.07.

54
55 Population densities used in this paragraph must be based upon
56 the most recently completed United States census. A hospital
57 that received funds under s. 409.9116 for a quarter beginning no
58 later than July 1, 2002, is deemed to have been and shall
59 continue to be a rural hospital from that date through June 30,
60 2021, if the hospital continues to have up to 100 licensed beds
61 and an emergency room. An acute care hospital that has not
62 previously been designated as a rural hospital and that meets
63 the criteria of this paragraph shall be granted such designation
64 upon application, including supporting documentation, to the
65 agency. A hospital that was licensed as a rural hospital during
66 the 2010-2011 or 2011-2012 fiscal year shall continue to be a
67 rural hospital from the date of designation through June 30,
68 2021, if the hospital continues to have up to 100 licensed beds
69 and an emergency room.

70 Section 2. Subsections (6) through (26) of section
71 409.908, Florida Statutes, are renumbered as subsections (5)
72 through (25), respectively, present subsections (5) and (24) are
73 amended, and a new subsection (26) is added to that section, to
74 read:

75 409.908 Reimbursement of Medicaid providers.—Subject to

76 specific appropriations, the agency shall reimburse Medicaid
 77 providers, in accordance with state and federal law, according
 78 to methodologies set forth in the rules of the agency and in
 79 policy manuals and handbooks incorporated by reference therein.
 80 These methodologies may include fee schedules, reimbursement
 81 methods based on cost reporting, negotiated fees, competitive
 82 bidding pursuant to s. 287.057, and other mechanisms the agency
 83 considers efficient and effective for purchasing services or
 84 goods on behalf of recipients. If a provider is reimbursed based
 85 on cost reporting and submits a cost report late and that cost
 86 report would have been used to set a lower reimbursement rate
 87 for a rate semester, then the provider's rate for that semester
 88 shall be retroactively calculated using the new cost report, and
 89 full payment at the recalculated rate shall be effected
 90 retroactively. Medicare-granted extensions for filing cost
 91 reports, if applicable, shall also apply to Medicaid cost
 92 reports. Payment for Medicaid compensable services made on
 93 behalf of Medicaid eligible persons is subject to the
 94 availability of moneys and any limitations or directions
 95 provided for in the General Appropriations Act or chapter 216.
 96 Further, nothing in this section shall be construed to prevent
 97 or limit the agency from adjusting fees, reimbursement rates,
 98 lengths of stay, number of visits, or number of services, or
 99 making any other adjustments necessary to comply with the
 100 availability of moneys and any limitations or directions

101 provided for in the General Appropriations Act, provided the
 102 adjustment is consistent with legislative intent.

103 ~~(5) An ambulatory surgical center shall be reimbursed the~~
 104 ~~lesser of the amount billed by the provider or the Medicare-~~
 105 ~~established allowable amount for the facility.~~

106 (23)~~(24)~~(a) The agency shall establish rates at a level
 107 that ensures no increase in statewide expenditures resulting
 108 from a change in unit costs effective July 1, 2011.
 109 Reimbursement rates shall be as provided in the General
 110 Appropriations Act.

111 (b) Base rate reimbursement for inpatient services under a
 112 diagnosis-related group payment methodology shall be provided in
 113 the General Appropriations Act.

114 (c) Base rate reimbursement for outpatient services under
 115 an enhanced ambulatory payment group methodology shall be
 116 provided in the General Appropriations Act.

117 ~~(d)~~~~(e)~~ This subsection applies to the following provider
 118 types:

- 119 ~~1. Inpatient hospitals.~~
- 120 ~~2. Outpatient hospitals.~~
- 121 ~~1.3.~~ Nursing homes.
- 122 ~~2.4.~~ County health departments.
- 123 ~~5. Prepaid health plans.~~

124 ~~(e)~~~~(d)~~ The agency shall apply the effect of this
 125 subsection to the reimbursement rates for nursing home diversion

126 programs.

127 (26) The agency may receive funds from state entities,

128 including, but not limited to, the Department of Health, local

129 governments, and other local political subdivisions, for the

130 purpose of making special exception payments, including federal

131 matching funds. Funds received for this purpose shall be

132 separately accounted for and may not be commingled with other

133 state or local funds in any manner. The agency may certify all

134 local governmental funds used as state match under Title XIX of

135 the Social Security Act to the extent and in the manner

136 authorized under the General Appropriations Act and pursuant to

137 an agreement between the agency and the local governmental

138 entity. In order for the agency to certify such local

139 governmental funds, a local governmental entity must submit a

140 final, executed letter of agreement to the agency, which must be

141 received by October 1 of each fiscal year and provide the total

142 amount of local governmental funds authorized by the entity for

143 that fiscal year under the General Appropriations Act. The local

144 governmental entity shall use a certification form prescribed by

145 the agency. At a minimum, the certification form must identify

146 the amount being certified and describe the relationship between

147 the certifying local governmental entity and the local health

148 care provider. Local governmental funds outlined in the letters

149 of agreement must be received by the agency no later than

150 October 31 of each fiscal year in which such funds are pledged,

151 unless an alternative plan is specifically approved by the
 152 agency.

153 Section 3. Paragraph (b) of subsection (2) of section
 154 409.909, Florida Statutes, is amended to read:

155 409.909 Statewide Medicaid Residency Program.—

156 (2) On or before September 15 of each year, the agency
 157 shall calculate an allocation fraction to be used for
 158 distributing funds to participating hospitals. On or before the
 159 final business day of each quarter of a state fiscal year, the
 160 agency shall distribute to each participating hospital one-
 161 fourth of that hospital's annual allocation calculated under
 162 subsection (4). The allocation fraction for each participating
 163 hospital is based on the hospital's number of full-time
 164 equivalent residents and the amount of its Medicaid payments. As
 165 used in this section, the term:

166 (b) "Medicaid payments" means the estimated total payments
 167 for reimbursing a hospital for direct inpatient services for the
 168 fiscal year in which the allocation fraction is calculated based
 169 on the hospital inpatient appropriation and the parameters for
 170 the inpatient diagnosis-related group base rate and the
 171 parameters for the outpatient enhanced ambulatory payment group
 172 rate, including applicable intergovernmental transfers,
 173 specified in the General Appropriations Act, as determined by
 174 the agency. Effective July 1, 2017, the term "Medicaid payments"
 175 means the estimated total payments for reimbursing a hospital

176 for direct inpatient and outpatient services for the fiscal year
 177 in which the allocation fraction is calculated based on the
 178 hospital inpatient appropriation and outpatient appropriation
 179 and the parameters for the inpatient diagnosis-related group
 180 base rate and the parameters for the outpatient enhanced
 181 ambulatory payment group rate, including applicable
 182 intergovernmental transfers, specified in the General
 183 Appropriations Act, as determined by the agency.

184 Section 4. Paragraph (a) of subsection (2) of section
 185 409.911, Florida Statutes, is amended to read:

186 409.911 Disproportionate share program.—Subject to
 187 specific allocations established within the General
 188 Appropriations Act and any limitations established pursuant to
 189 chapter 216, the agency shall distribute, pursuant to this
 190 section, moneys to hospitals providing a disproportionate share
 191 of Medicaid or charity care services by making quarterly
 192 Medicaid payments as required. Notwithstanding the provisions of
 193 s. 409.915, counties are exempt from contributing toward the
 194 cost of this special reimbursement for hospitals serving a
 195 disproportionate share of low-income patients.

196 (2) The Agency for Health Care Administration shall use
 197 the following actual audited data to determine the Medicaid days
 198 and charity care to be used in calculating the disproportionate
 199 share payment:

200 (a) The average of the 2009, 2010, and 2011 ~~2007, 2008,~~

201 ~~and 2009~~ audited disproportionate share data to determine each
 202 hospital's Medicaid days and charity care for the 2017-2018
 203 ~~2015-2016~~ state fiscal year.

204 Section 5. Subsection (3) of section 391.055, Florida
 205 Statutes, is amended to read:

206 391.055 Service delivery systems.—

207 (3) The Children's Medical Services network may contract
 208 with school districts participating in the certified school
 209 match program pursuant to ss. 409.908(21) ~~409.908(22)~~ and
 210 1011.70 for the provision of school-based services, as provided
 211 for in s. 409.9071, for Medicaid-eligible children who are
 212 enrolled in the Children's Medical Services network.

213 Section 6. Subsection (3) of section 427.0135, Florida
 214 Statutes, is amended to read:

215 427.0135 Purchasing agencies; duties and
 216 responsibilities.—Each purchasing agency, in carrying out the
 217 policies and procedures of the commission, shall:

218 (3) Not procure transportation disadvantaged services
 219 without initially negotiating with the commission, as provided
 220 in s. 287.057(3)(e)12., or unless otherwise authorized by
 221 statute. If the purchasing agency, after consultation with the
 222 commission, determines that it cannot reach mutually acceptable
 223 contract terms with the commission, the purchasing agency may
 224 contract for the same transportation services provided in a more
 225 cost-effective manner and of comparable or higher quality and

226 standards. The Medicaid agency shall implement this subsection
 227 in a manner consistent with s. 409.908(18) ~~409.908(19)~~ and as
 228 otherwise limited or directed by the General Appropriations Act.

229 Section 7. Subsections (1) and (5) of section 1011.70,
 230 Florida Statutes, are amended to read:

231 1011.70 Medicaid certified school funding maximization.—

232 (1) Each school district, subject to the provisions of ss.
 233 409.9071 and 409.908(21) ~~409.908(22)~~ and this section, is
 234 authorized to certify funds provided for a category of required
 235 Medicaid services termed "school-based services," which are
 236 reimbursable under the federal Medicaid program. Such services
 237 shall include, but not be limited to, physical, occupational,
 238 and speech therapy services, behavioral health services, mental
 239 health services, transportation services, Early Periodic
 240 Screening, Diagnosis, and Treatment (EPSDT) administrative
 241 outreach for the purpose of determining eligibility for
 242 exceptional student education, and any other such services, for
 243 the purpose of receiving federal Medicaid financial
 244 participation. Certified school funding shall not be available
 245 for the following services:

246 (a) Family planning.

247 (b) Immunizations.

248 (c) Prenatal care.

249 (5) Lab schools, as authorized under s. 1002.32, shall be
 250 authorized to participate in the Medicaid certified school match

251 program on the same basis as school districts subject to the
 252 provisions of subsections (1)-(4) and ss. 409.9071 and
 253 409.908(21) ~~409.908(22)~~.

254 Section 8. For the 2017-2018 fiscal year, \$578,918,460 in
 255 nonrecurring funds from the Grants and Donations Trust Fund and
 256 \$929,467,313 in nonrecurring funds from the Medical Care Trust
 257 Fund is appropriated to the Agency for Health Care
 258 Administration for the purpose of implementing a Low Income Pool
 259 Program. These funds shall be placed in a Qualified Expenditure
 260 Category. Subject to the federal approval of the final terms
 261 and conditions of the Low Income Pool, the Agency for Health
 262 Care Administration shall submit a budget amendment requesting
 263 release of the funds pursuant to the provisions of chapter 216,
 264 Florida Statutes. The amendment shall include the Reimbursement
 265 and Funding Methodology Document, as specified in the terms and
 266 conditions, that documents permissible Low Income Pool
 267 expenditures, a proposed distribution model by entity, and a
 268 proposed listing of entities contributing Intergovernmental
 269 Transfers to support the state match required. Low Income Pool
 270 payments to providers under this section are contingent upon the
 271 nonfederal share being provided through intergovernmental
 272 transfers in the Grants and Donations Trust Fund. In the event
 273 the funds are not available in the Grants and Donations Trust
 274 Fund, the State of Florida is not obligated to make payments
 275 under this section of law. This section expires July 1, 2018.

276 Section 9. This act shall take effect July 1, 2017.