

**HB 7009 — Special Appropriations**

by Policy and Budget Council and Rep. Sansom (SB 2500 by Fiscal Policy and Calendar Committee)

Chapter 2008-1, L.O.F., the special appropriations act, includes reductions for the annual period beginning July 1, 2007 ending June 30, 2008.

Total reductions for Fiscal Year 2007-08 are \$512.1 million as follows:

- General Revenue: \$453.5 million
- Trust Funds: \$58.0 million

Total annualized reductions for Fiscal Year 2008-09 are \$324.5 million as follows:

- General Revenue: \$268.4 million
- Trust Funds: \$56.1 million

**Higher Education Appropriations – Reduction of \$39.7 Million in Recurring General Revenue, \$33.3 Million in Nonrecurring General Revenue, and \$16.3 Million in Trust Funds for a total reduction of \$89.3 Million.**

- The reduction plan minimized the student impact within the state's major higher education delivery systems. To minimize the reductions in the main program categories of Public School Workforce Centers, Community Colleges, and State Universities reductions were limited to the removal of the nonrecurring funds that were placed in these categories in Special Session C (not including the funds provided to compensate for the tuition veto) and an additional reduction of 1% General Revenue and 4% Educational Enhancement Trust Funds. These actions limit the cuts to these main program categories to approximately 1.8% of state funds in this round of 2007-08 reductions. When tuition and fee revenues are included in the calculations, Community Colleges and State Universities have cumulative total fiscal year reductions that are close to 3%.
- For Vocational Rehabilitation and Blind Services, no reductions are made in state funds in programs that draw federal matching funds.
- For Financial Aid programs, reductions were limited to adjustments based on lower student participation. These adjustments will not lower the amounts paid to students and almost all financial aid has been distributed to students already.

- By and large the remainder of the higher education programs and categories were reduced by the amount of funds currently held in reserve in the budget. Earlier in the fiscal year the Governor's Office, in consultation with the House and the Senate, held-back the release of 4% of the funds appropriated in almost all categories. This budgetary hold-back put these entities and programs on notice that reductions would be made and these 4% reductions are enacted.

**Pre-K – 12 Education Appropriations – Reduction of \$130.6 Million in Recurring General Revenue, \$117.1 Million in Nonrecurring General Revenue, and \$9.2 Million in Trust Funds for a total reduction of \$256.8 Million.**

- The reduction plan minimized the student impact within the state's public school systems funded within the Florida Education Finance Program (FEFP). For the FEFP, the reductions were limited to the removal of the nonrecurring funds that were placed in the FEFP in Special Session C and an additional reduction of 1% General Revenue and 4% Trust Funds. Since local revenue is not reduced, the per student reduction in the FEFP for this round of cuts is only 1.18%. This is a reduction in the increase over last fiscal year – with total funds still up by 4.53% over 2006-07 which is \$308.60 per student.
- For Voluntary Pre-Kindergarten, the plan adjusts the estimated payout rate to reflect the latest estimates. This allows a \$6.7 million budget reduction without reducing the per student funding amount.
- To maintain federal matching funds, state funds for school lunch were not reduced.
- Certain unobligated items outside of the FEFP were reduced and several non-core programs had a portion or all of their funds made non-recurring.
- By and large the remainder of the preK-12 programs and categories were reduced by the amount of funds currently held in reserve in the budget. Earlier in the fiscal year the Governor's Office, in consultation with the House and the Senate, held-back the release of 4% of the funds appropriated in almost all categories. This budgetary hold-back put these entities and programs on notice that reductions would be made and these 4% reductions are enacted.

**Health Appropriations – Reduction of \$19.5 Million in Annualized Recurring General Revenue**

**4% Release Holdback** – Reduces various appropriation categories by the 4% release holdback in funds.

**Criminal and Civil Justice Appropriations – Reduction of \$65.6 Million Recurring General Revenue**

**4% Release Holdback** – Reduces various appropriation categories by the 4% release holdback of funds combined with non-recurring trust fund restorations as follows:

- The court's budget is reduced by \$17.3 million in recurring GR.
- A total of \$12.6 million in nonrecurring trust funds is added to the court's budget to mitigate the reductions in the current year.
- The state attorney budgets are reduced by \$13.4 million in recurring GR.
- \$3.4 million in nonrecurring trust funds is added to the state attorney budgets.
- The public defender budgets are reduced by \$7.5 million in recurring GR.
- \$3.8 million in nonrecurring trust funds is added to the public defender budgets.

**General Government Appropriations – Reduction of \$1.2 Million in Recurring General Revenue**

**Administrative and Program Reductions** – Reductions based on 4% budget release holdback review, historical budget reversions, and historical budget transfer data.

**Transportation and Economic Development Appropriations – Reduction of \$3.6 Million in Recurring General Revenue**

**Administrative and Program Reductions** – Reductions based on 4% release holdback review and historical reversions.

These provisions became law upon approval by the Governor on March 14, 2008.

*Vote: Senate 27-12; House 77-41*

**SB 2502 — Implementing the 2007-2008 Special Appropriations**

by Fiscal Policy and Calendar Committee

The bill (Chapter 2008-2, L.O.F.) provides statutory authority necessary to implement and execute the Special Appropriations Act for the 2007-2008 fiscal year. Such statutory changes are temporary and either expire on July 1, 2008, or revert to the original language at that time.

This bill contains three main provisions that:

1. Incorporate by reference the third calculation of the FEFP.

2. Set out legislative intent that reductions in expenditures by school districts in response to the reductions in the special appropriations bill should be made in functions other than classroom instruction.
3. Expand the uses of moneys in the Mediation and Arbitration Trust Fund and the Court Education Trust Fund consistent with the appropriations made in the special appropriations act.

These provisions were approved by the Governor and took effect March 14, 2008.

*Vote: Senate 38-0; House 118-0*

### **HB 5001 — General Appropriations Act**

by Policy and Budget Council and Rep. Sansom (SB 2900 by Fiscal Policy and Calendar Committee)

The general appropriations act provides moneys for the annual period beginning July 1, 2008 and ending June 30, 2009. House Bill 5001 provides for a total budget of \$66.2 billion including:

- General Revenue: \$25.6 billion
- Trust Funds: \$40.6 billion

The budget is summarized by committee as follows:

- Pre-K – 12 Education Appropriations – \$12.1 billion
  - \$9.1 billion General Revenue
  - \$3.0 billion Trust Funds
- Higher Education – \$6.0 billion
  - \$3.8 billion General Revenue
  - \$2.2 billion Trust Funds
- Health Appropriations – \$23.4 billion
  - \$7.1 billion General Revenue
  - \$16.2 billion Trust Funds
- Criminal and Civil Justice Appropriations – \$5.0 billion
  - \$4.3 billion General Revenue
  - \$.7 billion Trust Funds

- General Government Appropriations – \$4.5 billion
  - \$.5 billion General Revenue
  - \$4.0 billion Trust Funds
- Transportation and Economic Development Appropriations – \$11.7 billion
  - \$.5 billion General Revenue
  - \$11.2 billion Trust Funds

### **Pre-K – 12 Education Appropriations Conference Budget -Fiscal Year 2008-09**

The total Pre-K – 12 Education budget is \$21.5 billion for 2008-09. This is made up of \$12.1 billion in state budget plus \$9.4 billion local effort.

**Florida Education Finance Program (FEFP)** – Minimizes the student impact within public schools. It also makes a series of adjustments designed to maintain funding in the base student allocation.

- FEFP is \$18.4 billion, or \$6,997 per student. Reduction of (\$332.3) million, or -1.77%.
- Per student reduction is (\$130.85), or -1.84%.
- Despite these cuts, the FEFP per student amount is still higher than 2006-07 by \$179.02, or 2.63% over 2006-07.

**Voluntary Pre-Kindergarten (VPK)** – Adds \$10.6 million to the base budget for VPK program funding, with \$356.1 million provided.

- However, student enrollment growth results in a base student allocation of \$2,628 (down from \$2,677), a -1.83% reduction.
- Despite this reduction, VPK base student funding is still higher than in 2006-07.

**State Board of Education** – All categories, except salaries and benefits, are reduced by at least -10% in General Revenue. Salaries and benefits are cut by approximately 4%, with 19 positions cut.

**A++ Innovation Programs and Reading Grants** – Funding partially restored from funds previously in Assessment and Evaluation and new non-recurring General Revenue.

- A++ programs funded at \$6 million.
- Reading Grants are funded at \$12.5 million.

**The budget focuses resources on current operations, with no new programs created or funded. The budget also gives districts added fiscal flexibility. A few other key issues include:**

- Lower RLE and DLE – Provides millage rate reductions for Required and Discretionary Local Efforts.
- 0.25 mills – Moved 0.25 mills from fixed capital outlay authority to the FEFP, so this adds \$365 million in district funding flexibility.
- \$65 Facilities Discretionary Policy – Authorizes additional flexibility by making it easier for districts to be eligible to use capital outlay revenue up to \$65 per student to purchase property and casualty insurance and certain motor vehicles for 2008-09 only.
- Class Size – Stays at school level one more year and class size reduction allocation still increased by \$168.4 million.
- School for the Deaf and Blind – Makes reductions of -1.83%; equal to the FEFP reductions.
- Reading allocation in FEFP – Funded at \$111.5 million.
- Merit Award Plan (MAP) – Teacher bonus paid to eligible teachers at \$32.1 million.
- School Recognition – Reduced per student award to \$85, instead of \$100. Also, lowered the required school advisory council payments to \$5 per student instead of \$10.
- Excellent Teaching – Made changes to save the main certification bonus and funded at \$55.3 million. So, teachers will still get bonuses of \$4,500. Mentoring bonuses are not restored, but authority to provide them is maintained.
- Mentoring – Still have \$12.9 million in mentoring funding for local groups.

### **Higher Education Conference Budget - Fiscal Year 2008-09**

The total Higher Education budget in the Conference Report is \$6.6 billion for 2008-09. This is made up of \$5.0 billion in state funds plus \$1.6 billion in student tuition and fees.

#### **Community Colleges**

Community Colleges receive a reduction of -0.8% (\$13.3 million) compared to Fiscal Year 2007-08 funding. This comparison includes the 6% tuition increase authorized in the budget.

The budget includes \$295,000 for the colleges involved in the State College System Pilot Project and \$292,500 in recurring funds to implement the new baccalaureate programs approved by the State Board of Education in February.

### **State Universities**

State Universities receive a reduction of -0.6% (\$19.1 million) compared to 2007-08 funding. This comparison includes the 6% tuition increase authorized in the budget.

For Medical Schools, the budget includes \$3.3 million for the final year of funding for the FAU/UM Medical Partnership, increased funding for the phase-in of the new medical schools with UCF at \$4.7 million and FIU at \$6.2 million, and additional funding for existing medical schools with UF at \$4.5 million and USF at \$1.7 million. The budget also restores \$4.4 million for FSU medical clinics.

### **Workforce Education**

Public School Workforce programs receive a reduction of -5% (\$28.9 million) compared to Fiscal Year 2007-08 funding. This comparison includes the 6% tuition increase authorized in the budget.

The Ready to Work program is funded at \$11 million, with \$7 million from recurring General Revenue and \$4 million from prior year reappropriations.

### **Vocational Rehabilitation and Blind Services**

To avoid any federal match impacts, the budget reductions for Vocational Rehabilitation and Blind Services are limited to less than -1.5%.

### **Private Colleges and Universities**

Budget reductions for Historically Black Colleges and Universities (HBCU) are limited to -3%. Florida Resident Access Grants (FRAG) and Access to Better Learning and Education (ABLE) grants have award reductions of -5.4%. (This results in maximum award amounts of \$2,837 for FRAG and \$1,182 for ABLE grants.) Most other programs receive -6.2% reductions.

### **Student Financial Aid**

In Bright Futures, funding for enrollment and tuition increases were provided, as well as \$375 awards for college related expenses for Florida Academic Scholars. The budget also includes a workload increase for the Children or Spouses of Deceased or Disabled Veterans Program. Most other programs receive -3% General Revenue reductions.

### **Board of Governors**

All categories receive -10% reductions, except salaries and benefits which were reduced by -4% and -2 positions.

### **Health Appropriations Conference Budget - Fiscal Year 2008-09**

- General Revenue - \$7,147,600,000
- Trust Fund - \$16,225,090,008
- Total Budget - \$23,372,690,008

### Agency For Health Care Administration

- **Medicaid Price Level and Workload – \$338.5 million General Revenue** – Provides increased funds for Medicaid workload because of changes in caseloads and utilization of services and price level increases in reimbursement rates for institutional facilities, rural health clinics, federally qualified health centers, county health departments, prescription drugs, and other services. The Medicaid caseload for FY 2008-09 is projected to be 2.2 million people.
- **KidCare Enrollment Increase – \$28.7 million** – Provides additional funding for increased enrollment in the Florida KidCare program. This is projected to fund an additional 38,400 children during the fiscal year.
- **Transfer Funding for Personal Care Services from Agency for Persons with Disabilities to Medicaid State Plan – \$26.6 million** – Transfers funding from APD to AHCA, to allow personal care services to be provided under the Medicaid state plan in lieu of the APD waiver.
- **Medicaid Aged and Disabled** – Eliminates recurring funds of \$355.6 million for the optional MEDS AD program and provides \$355.6 million in non-recurring funds to continue the program through June 30, 2009. The non-recurring state matching funds of \$152.7 million is provided from tobacco settlement trust funds from the Lawton Chiles Endowment Fund.
- **Medically Needy** – Eliminates recurring funds of \$349.5 million for the optional Medically Needy Program except for pregnant women and children and provides \$349.5 million in non-recurring funds to continue the program through June 30, 2009. The non-recurring state matching funds of \$148.1 million is provided from tobacco settlement trust funds from the Lawton Chiles Endowment Fund.
- **Reduce Nursing Home Reimbursement Rates – (\$163.6 million)** – Reduces the projected Medicaid nursing home expenditures by 6.5%.
- **Impact to Hospice Rates from Reducing Nursing Home Rates – (\$15.2 million)** – Hospice reimbursement rates are calculated as a percentage of nursing home rates. Therefore as nursing home rates are reduced, hospice rates receive a correlating reduction.
- **Reduce Hospital Inpatient Reimbursement Rates – (\$154.3 million)** – Reduces the projected Medicaid hospital inpatient expenditures by 7.3%.
- **Reduce Hospital Outpatient Reimbursement Rates – (\$36.4 million)** – Reduces the projected Medicaid hospital outpatient expenditures by 7.3%.
- **Reduce Intermediate Care Facilities for the Developmentally Disabled (ICF/DD) Reimbursement Rates – (\$6.2 million)** – Reduces the projected Medicaid ICF/DD expenditures by 2.5%.



- **Reduce Medicaid HMO Reimbursement Rates – (\$145.1 million)** – Reduces the projected Medicaid HMO expenditures by 6.5%.
- **Reduce County Health Department Reimbursement Rates – (\$9.3 million)** – Reduces the projected Medicaid County Health Department expenditures by 6.5%.
- **Pharmacy Ingredient Cost Adjustments (\$9.7 million)** – Lowers the Average Wholesale Price (AWP) component in the pharmacy reimbursement methodology from AWP minus 15.4% to AWP minus 16.4%; and lowers the Wholesale Acquisition Cost (WAC) pricing component in the pharmacy reimbursement methodology from WAC plus 5.75% to WAC plus 4.75%.
- **Expand Nursing Home Diversion– (\$26.7 million)** – Expands nursing home diversion by 4,000 slots. Savings are achieved by providing individuals eligible for nursing home care services in an alternative less costly setting.
- **Prior Authorization of Elective Cesarean Sections – (\$3.2 million)** – Establishes a prior authorization process for elective cesarean sections. Data indicates that over 40% of babies born in Miami-Dade County and Monroe are delivered by Cesarean Section. The primary growth in Cesarean Sections is in the "elective" category.
- **Freeze Florida Healthy Kids Capitation Rates – (\$15.5 million)** – Freezes the Florida Healthy Kids capitation reimbursement rates to their September 30, 2008 level.
- **Reduce Florida Healthy Kids Corporation Administration Expenditures – (\$1.5 million)** – Reduces the projected Florida Healthy Kids Corporation administration expenditures by 5%.
- **Reduce MediPass Case Management Fee – (\$6.7 million)** – Reduces the \$3 per member per month fee to \$2 per member per month for physicians participating in the MediPass program.
- **Increase Managed Care Enrollment – (\$5.7 million)** – Requires Medipass recipients in counties with two or more managed care plans to enroll in a managed care plan during their eligibility redetermination period.
- **Eliminate Payment for Preventable Hospital Errors – (\$215,647)** – Eliminates payments to hospitals for preventable hospital errors based on the federal program established under Medicare.
- **Reduce Prepaid Mental Health Plan Reimbursement Rates – (\$9.5 million)** – Reduces the projected Medicaid prepaid mental health plan expenditures by 4%.
- **Reduce Medicaid Reimbursement for Non-Emergency Transportation – (\$2.9 million)** – Reduces the projected non-emergency transportation expenditures by 4%.
- **Reduce Freestanding Dialysis Center Reimbursement Rates – (\$1.9 million)** – Reduces the reimbursement rates for freestanding dialysis centers from \$125 per visit to \$95 per visit.

- **Increase Managed Care Enrollment – (\$5.7 million)** – Requires Medipass recipients in counties with two or more managed care plans to enroll in a managed care plan during their eligibility redetermination period.
- **Eliminate Contract with Teaching Nursing Home – (\$625,000 General Revenue)** – Eliminates a contract that AHCA has with the Miami Jewish Home for the Aged. The facility was funded with recurring general revenue to supplement their comprehensive multidisciplinary program of geriatric education and research.
- **Eliminate Contract with Patient Safety Corporation – (\$750,000 General Revenue)** – Eliminates supplemental funding from AHCA to the Patient Safety Corporation.
- **Eliminate Expenditures for the Family Café – (\$200,000 General Revenue)** – Eliminate AHCA's participation in this program. The Family Café is sponsored by a not-for-profit corporation. It is a meeting that is held each year (usually in Orlando) to present to the families of individuals with disabilities what services are available to them.

#### **Agency For Persons With Disabilities**

- **Serving Persons with Disabilities – \$9.6 million** – Provides \$4.3 million of non-recurring general revenue funds and \$5.3 million of non-recurring operations and maintenance trust funds to provide additional services through the Home and Community Based Services Waiver.
- **Changes to the Medicaid Federal Participation Rate – \$14.6 million** – Provides funds for the decline in the federal medical assistance percentage (FMAP).
- **Transition Clients from the Institutions to Community Settings – \$5.1 million** – Provides funding to transition 60 clients from the Gulf Coast institution to community settings.
- **Complete Client Assessments – \$3.1 million** – Provides funds to complete assessments on home and community services waiver clients by June 30, 2009.
- **Staff Augmentation – \$844,842** – Provides for information technology infrastructure.
- **Provider Rate Reduction – (\$43.5 million)** – Reduces provider rates except those for personal care assistance by approximately 6.5%.
- **Transfer Personal Care Assistance (PCA) for Children to ACHA – (\$20.4 million)** – Transfers funds from APD to AHCA so that children will receive personal care assistance services through the Medicaid state plan.
- **Savings from Personal Care Assistance Transfer – (\$12.4 million)** – Savings resulting from reducing the Personal Care Assistance hourly rate to \$15.
- **Administrative Reductions – (\$0.4 million)** – Reduces, contracts, group home management, and community development programs.

### **Department Of Children And Families**

- Capital Improvements to Domestic Violence Centers – \$3.0 million – Provides nonrecurring tobacco settlement trust funds from the Lawton Chiles Endowment Fund for capital improvement grants to domestic violence centers.
- Maintenance and Repairs of State Institutions – \$8.2 million – Provides nonrecurring tobacco settlement trust funds from the Lawton Chiles Endowment Fund for maintenance and repairs to state-owned mental health institutions. In accordance with the Capital Improvement Plan developed by DCF, the projects selected to receive funding from this appropriation are as follows:
  - Florida State Hospital - \$4.9 million
  - Northeast Florida State Hospital - \$2.3 million
  - North Florida Evaluation and Treatment Center - \$778,730
  - West Florida Community Care Center - \$131,566
- Changes to the Medicaid Federal Participation Rate – \$2.2 million – Provides funds for the decline in the federal medical assistance percentage (FMAP).
- Community Based Medicaid Administrative Claiming – \$29.7 million – Funds community mental health service expansion using nonrecurring Community Based Medicaid Administrative Claiming (CBMAC).
- Cash Assistance Caseload Increase – \$17.8 million – Funds an increase in Cash Assistance from the Temporary Assistance for Needy Families Block Grant (TANF) based on the most recent Cash Assistance Estimating Conference.
- Title IV-E Demonstration Waiver – \$4.4 million – Provides additional federal funding for an increase in child welfare services for children.
- Children's Zones – \$3.6 million – Funds a pilot program to provide a comprehensive, community-based, coordinated and targeted system of strategies and services to revitalize communities, support parents and provide comprehensive care for all children within the pilot zone.
- Administrative Reductions – (\$36.2 million) – Reduces administrative functions in the department by 15% and 201 positions.
- Community Based Care for Children – (\$18.4 million) – Reduces services to children in the child welfare system by 2.65 %.
- Sheriffs' Protective Investigation Contracts – (\$2.4 million) – Reduces grants to sheriffs who conduct protective investigations by 5%.
- Special Projects Fund Shift – (\$16.1 million) – Fund shifts all general revenue funded special projects to non-recurring trust fund cash.
- Forensic Facility Closing –(\$3.9 million) – Provides for the closing of the 100-bed South Florida Evaluation and Treatment Center Annex on September 30, 2008, and transfers 47

forensic beds to the Treasure Coast Forensic Treatment Center and 25 beds to South Florida Evaluation and Treatment Center.

- Substance Abuse Services Reduction – (\$3.1 million) – Reduces substance abuse services to adults by \$3.1 million.
- Substance Abuse Services Fund Shift --(\$1.2 million) Redirects \$1.2 million from recurring to nonrecurring TANF.
- Florida SACWIS Solutions – (\$2.4 million) – Fund shifts all SACWIS project development funds from recurring GR to nonrecurring trust fund cash.

### **Department Of Elder Affairs**

- Senior Centers – \$10.0 million – Provides nonrecurring tobacco settlement trust funds from the Lawton Chiles Endowment Fund for a matching grant program to construct, repair and maintain Florida's Senior Centers.
- Changes to the Medicaid Federal Participation Rate – \$1.8 million – Provides funds for the decline in the federal medical assistance percentage (FMAP).
- Byrd Alzheimer's Center (\$13.5 million) – Eliminates funds to the Johnnie B. Byrd, Sr., Alzheimer's Center and Research Institute.
- Community Care for the Elderly Program – (\$1.6 million) – Reduces by 5% the Community Care for the Elderly Program that provides services to frail, homebound elders to help them remain in their home and in the community.
- Home Care for the Elderly – (\$476,473) – Reduces by 5% the Home Care for the Elderly program that provides a basic subsidy to provide support and maintenance of elders in their own homes as an alternative to nursing home care.
- Alzheimer's Disease Initiative (\$595,861) – Reduces the Alzheimer's Disease Initiative projects that provide respite services to families with persons with Alzheimer's.
- Telehealth Support Project (\$250,000) – Eliminates the Telehealth Support Project that provides web based and telephone services to caregivers of person's with Alzheimer's disease.
- Sunshine for Seniors (\$158,000) – Eliminates the Sunshine for Seniors Program that assists low income elders with obtaining prescription drugs from pharmaceutical assistance programs as this duplicates other programs.

### **Department Of Health**

- Access to Health Care – \$25 million – Provides \$5 million (non-recurring) to Shands Healthcare System and \$20 million (non-recurring) to Jackson Memorial Hospital to provides medical services to the uninsured and underinsured.

- Women, Infant and Children Program – \$35.6 million – Provides additional federal funding for an increase in services provided through the WIC Nutritional Services program.
- Child Nutrition Program – \$12.4 million – Provides additional federal funding for an increase in services provided through the Child Nutrition program .
- Capital Improvement Plan for County Health Departments – \$57.7 million – Provides non-recurring funds for county health department buildings as follows: Flagler \$.2m; Hillsborough \$7.5m; Palm Beach \$4m; Broward \$3.6m; Pinellas \$10m; Miami-Dade \$6.4m; Hernando \$14.2m; and Jackson \$10.8m. Of this total, \$31.4 million is from non-recurring tobacco settlement trust funds from the Lawton Chiles Endowment Fund.
- Capital Improvement Plan for Children's Medical Services Building – \$982,200 – Provides nonrecurring tobacco settlement trust funds from the Lawton Chiles Endowment Fund for the CMS building in Brevard County.
- Rural Hospitals – \$3.0 million – Provides non-recurring funds for the rural hospital capital improvement grant program.
- Tobacco Use – \$6.6 million – Provides funds (including \$5 million non-recurring for infrastructure) to be used to implement the Comprehensive Statewide Tobacco Education and Prevention Program in accordance with s. 27, Art. X of the State Constitution.
- Early Steps Program – \$3.0 million – Provides budget authority to spend non-recurring federal funds for clients in the Early Steps Program.
- Developmental Services Part C – \$3.6 million – Provides non-recurring TANF funds for the developmental evaluation and intervention program.
- Ounce of Prevention – \$1.9 million – Provides non-recurring TANF funds for the Ounce of Prevention Program.
- Changes to the Medicaid Federal Participation Rate – \$.7 million – Provides funds for the decline in the federal medical assistance percentage (FMAP).
- A.G. Holly Hospital – (\$.6 million) – Reduces the general revenue funding for A.G. Holly Hospital.
- Area Health Education Centers – (\$1.2 million) – Reduces the general revenue funding for Area Health Education Centers.
- County Health Departments – (\$10.7 million) – Reduces general revenue funds to the county health departments for services.
- Administration – (\$1.5 million) – Reduces general revenue funding for administration and information technology functions.

### **Department Of Veterans' Affairs**

- Transition CNA services to State Operations – Provides 210 positions and transfers \$7.1 million from contracted services to replace outsourced Certified Nursing Assistant services with state employees in three Veterans' Nursing Homes in order to maintain compliance with state and federal laws.
- Transition Food Services to State Operations– Provides 36 positions and transfers \$1.2 million from contracted services to state operations to replace outsourced food service employees with state employees in three Veterans' Nursing Homes.
- Fixed Capital Outlay - Maintenance and Repairs – \$1.2 million – Provides non-recurring funds for repairs, maintenance and upgrades to the Veterans' Domiciliary and Nursing Homes.
- Fund Shift Expenses -(\$236,405) – Reduces general revenue funds and redirects expenditures for expenses to trust funds.
- Information Technology (\$119,283) – Reduces expenses and OCO related to information technology services.
- Administrative Reductions (\$144,313) – Reduces expenses and OCO in Executive Direction and Veterans' Benefits and Assistance.

### **Criminal and Civil Justice Appropriations Conference Budget – Fiscal Year 2008-09**

#### **Budget Reductions:**

- Reduced operational funding in the Department of Corrections general revenue appropriations by \$44.4 million or -2.0 %.
- Reduced general revenue funding for the Department of Legal Affairs by \$5.62 million.
- Reduced operational funding in the Parole Commission by \$1.38 million.
- Reduced state court system operational funding in general revenue by \$17.8 million or -4.2%. When additional trust funds were added to the state court system, a reduction of \$6.9 million or -1.6% in all funds was made.
- State Attorneys general revenue was reduced by \$14.4 million or -4.3%, but when additional trust funds were added, the state attorneys saw a reduction of \$2.2 million or -0.6%.
- Public Defenders general revenue was reduced by \$7.2 million or -4.2% and with additional trust funds, they saw a reduction of \$1.2 million or -0.6%.
- Reduced secure and low-risk bed capacity in the Department of Juvenile Justice in general revenue by \$18.1 million.

- Reduced CINS/FINS services in the Department of Juvenile Justice in general revenue by \$1.9 million.
- Reduced day treatment services in the Department of Juvenile Justice in general revenue by \$2.2 million.

**Budget Highlights:**

- Provided the Department of Corrections with an overall operational funding increase in general revenue of \$40.63 million.
- Provided \$85 million in general revenue and 1,395 FTE to fund the increased inmate population as projected for FY 2008-09 by the Criminal Justice Estimating Conference and to fund new facilities opening during FY 2008-09.
- Provided \$30 million to fund the Department of Corrections' increased health care costs.
- Provided \$305.1 million in fixed capital outlay funding for 10,224 new prison beds to be constructed over the next three years.
- Provided \$6.5 million for grant funding to small counties for detention services in the Department of Juvenile Justice.
- Provided increased funding for the Missing Children Information Clearinghouse unit in the Department of Law Enforcement.
- Provided increased funding for the Sexual Offender / Predator Unit in the Department of Law Enforcement.
- The conference report provided a \$7 million fund-shift from general revenue to the Department of Law Enforcement's Operating Trust Fund to continue to fund services.

**General Government Appropriations Conference Budget -Fiscal Year 2008-09**

**Environment and Natural Resources**

- Florida Forever - \$300 million in bonds for land acquisition and conservation of our unique natural resources.
- Everglades Restoration - \$50 million for the Comprehensive Everglades Restoration Plan (CERP); the Lake Okeechobee Estuary Recovery Plan; and the Caloosahatchee River and St. Lucie River watersheds. The state funding is matched dollar-for-dollar by the South Florida Water Management District.
- Drinking and Wastewater Revolving Loan Programs - \$67.7 million for the drinking water revolving loan program and \$117.8 for the wastewater revolving loan program. These programs provide low interest loans to local governments for building safe drinking water and wastewater facilities.

- Water Resource Protection and Restoration - This includes \$66.5 million for statewide water restoration and wastewater projects, \$18 million for Total Maximum Daily Load requirements; \$10 million for the Disadvantaged Small Community Wastewater Grant Program, \$15 million for the Southern Use Caution Area of the state, \$7.7 million for Alternative Water Supply, and \$9.2 million for lake restoration projects.
- Florida Recreational Development Assistance Program (FRDAP) - \$24.5 million for grants to local governments to construct baseball fields, bike paths, and playgrounds for public outdoor recreation.
- Solid Waste Grants - \$9.4 million in grants to small local governments for managing solid waste and recycling operations, and \$2 million for the Innovative Waste Reduction grants program.
- Mulberry/Piney Point Phosphate Clean-up - \$21.7 million to continue cleanup efforts of the contaminated phosphate sites.
- Land Reclamation - \$7.2 million for the Non-mandatory Land Reclamation program that restores eligible phosphate lands mined before July 1975.
- Beach Restoration - \$21.9 million to restore and protect Florida's beaches on both the Gulf and Atlantic coasts.
- Derelict Vessel Removal - \$1.6 million for the removal of damaged vessels obstructing the waterways.
- Wildfire Suppression Equipment - \$6 million to protect our state forests and increase the safety of firefighters and the public.
- Aquaculture - \$1.3 million for projects recommended by the Aquaculture Review Council and \$1.5 million for oyster planting and restoration of oyster reefs.
- Mobile Irrigation Labs - \$500,000 for agriculture water conservation initiatives in partnership with the water management districts.
- Agriculture Research - \$350,000 for research projects to develop measures to eradicate diseases in honey bees, and \$2 million for research projects associated with citrus disease.
- Sterile Medfly Release Program - \$418,458 to prevent outbreaks of the Mediterranean fruit fly infestation on agricultural products.
- Necropsy Lab - \$3.8 million to construct an animal diagnostic laboratory for disease surveillance and control.

### **Consumer Protection and Regulation**

- Hotels and Restaurant Inspections - \$435,028 and six additional inspectors and support staff for improving the safety of hotels and restaurants.



- Regulatory Compliance and Enforcement Investigations - \$348,720 and five positions to provide for more efficient and timely investigations of licensed and unlicensed activities of professions regulated by the Department of Business and Professional Regulation.
- Strategic Markets Research and Assessment - \$337,958 and 3 positions to analyze and report on Florida's markets and financial industries and protect consumers from fraud.
- Financial and Cash Management System - \$300,000 and 3 positions to develop a strategic plan for a successor financial and cash management system for the state.
- Money Services Businesses - \$763,848 and 3 positions for the examination of money services businesses.

### **Technology and Security**

- CAMS - \$51.3 million for continuing the implementation of a new automated Child Support Management System (CAMS).
- REAL System - \$4 million for the Office of Financial Regulation's continued implementation of the Regulatory Enforcement and Licensing System, designed to integrate licensing, investigation, examination, legal, and complaint functions.
- Document Management System - \$2.5 million for the Department of Business and Professional Regulation to continue the development and implementation of a department-wide document management system, designed to improve agency licensure and regulation processes.
- Applications Management System - \$2.9 million and 12 positions to support the transition of the Department of Business and Professional Regulation's Single Licensing System Services from and out-sourced contract to in-house support.
- PeopleFirst and MyFloridaMarketPlace Systems - \$500,000 for a feasibility study of the state's personnel and purchasing systems. The contracts end in 2010 and 2011.
- E911 Emergency Equipment Grants - \$25 million for counties to apply for grants to replace, update and enhance their emergency communication systems.
- Statewide Law Enforcement Radio System - \$6.8 million for improving and enhancing the Statewide Law Enforcement Radio System.

### **Other Major Issues**

- Fiscally Constrained Counties - \$10 million to offset the reductions in ad valorem revenue experienced by fiscally constrained counties.
- State Building Repairs and Construction - \$3.3 million for state building deficiencies; \$715,275 to correct fire, safety, health, and environmental deficiencies; and \$14 million for building construction and road paving.

**Reductions:**

- Maximize Recurring Trust Fund Balances – Fund shifted \$18.4 million from recurring general revenue and replaced with recurring trust fund revenues.
- Fee Adjustments to Support Programs – Replaced \$9.5 million in recurring general revenue by increasing fee revenues in the agriculture and environmental areas of the budget. This includes an increase in the vessel registration fee to continue to support law enforcement operations. In addition, \$28.9 million is generated from a surcharge on phosphate rock severed to clean-up the Mulberry and Piney Point sites and reclaim mined lands. An equal amount will be reduced from future collections.
- Administrative and Efficiency Reductions – Reduced 156 positions, \$8 million general revenue and \$13.3m trust funds.
- Program Reductions – Reduced 35 positions, \$2 million general revenue and \$11.7 million.

**Transportation and Economic Development Appropriations Conference Budget - Fiscal Year 2008-09**

Total budget of \$11.7 billion, \$457.5 million in general revenue, and \$11.3 billion in trust funds.

**Department of Military Affairs**

- Provided continuation funding for
  - National Guard Tuition Assistance Program at \$1.7 million
  - Forward March Program at \$500,000
  - About Face Program at \$1,500,000, and
  - Youth Challenge Program at \$650,000.
- \$400,000 for the Family Readiness Program.
- \$3.1 million continues the renovations of Florida's Readiness Centers.
- \$33.7 million for Fixed Capitol Outlay Projects at the Camp Blanding Training Site provided through National Guard Federal Cooperative Agreements.

**Department of State**

- \$ 600,000 for Historic Preservation Grants.
- \$ 500,000 for Historic Museum Grants.
  - \$ 6 million for Arts and Cultural Program Operating Grants, which include 8 different types of grant programs.
  - \$1.5 million for Library Cooperative Grant Program.

- Continued \$26.7 million in recurring funding for State Aid to Libraries. This represents a \$4 million reduction; however, in Fiscal Year 2009-10 the recurring funding will increased to \$24.9 million.
- Funded an additional \$4.5 million for Election Activities, from both state and federal sources (includes state matching funds which will draw an additional \$6.5 million in federal funding).
- Funded \$2.2 million to repair the Miami Seawall, a state property with historical significance.

### **Department of Community Affairs**

- Emergency Management Performance Grants - \$9.2 million.
- Federal Interoperability Communications Grant - \$27 million.
- \$4 million for the Pre-disaster Mitigation Program.
- Residential Construction Mitigation Program - \$3.5 million.
- Disaster Preparedness Initiatives (Shelters, EOCs, LiDAR, and Special Needs Shelter generators) - \$62.5 million.
- Repetitive Flood Loss Programs - \$11 million.
- \$620 million in hurricane-related recovery funds.
- \$303 million for Housing Programs, including:
  - State affordable housing program - \$20.5 million
  - Local affordable housing program (SHIP) - \$166.4 million
  - State Apartment Incentive Loan Program (SAIL) – additional \$72.5 million
  - Homeownership Assistance Program - \$20.5 million
  - Housing Preservation Rehabilitation Pilot Program - \$10 million
  - Extremely Low Income program - \$5 million
  - Community Contribution Tax Credit Program – 2.5 million, and
  - Homelessness Program - \$5.9 million
- Florida Communities Trust (Florida Forever Program) - \$66 million.
- Small Cities Community Developmental Block Grants - \$35 million.
- Weatherization Grants for Low Income Persons - \$6.3 million.
- Regional Planning Councils – \$2.4 million.
- Front Porch Florida - \$1.7 million.

**Department of Transportation**

- Economic Development Transportation Projects - \$36.8 million.
- Road Ranger Program - \$11 million.
- Transportation Infrastructure Pilot Program - \$10 million.
- Small County Resurfacing Assistance Program (SCRAP) - \$25 million.
- Small County Outreach Program - \$43.1 million.
- County Incentive Grant Program - \$43.5 million.
- Department of Transportation Work Program Total – \$7.1 billion.

**Department of Highway Safety and Motor Vehicles**

- \$3.3 million is provided for Implementation of REAL ID.
- Continues Domestic Security Grant funding at \$2.9 million.
- Florida Highway Patrol –
  - Continues funding for Trooper Overtime Pay at \$6.8 million
  - Price Level Increases for Operation of Motor Vehicles at \$1.7 million.

**Office of Tourism, Trade and Economic Development**

- Economic Incentives Programs - \$25.5 million for the QTI (Qualified Targeted Industries Tax Incentives), QDC (Qualified Defense Contractors Tax Incentives), Brownfields, and other economic development programs.
- \$11.9 million for Enterprise Florida.
- \$35.5 million for Visit Florida.
- \$5 million for Film Incentives.
- \$200,000 provided for the Hispanic Business Initiative Fund Outreach Program.
- \$2.75 million for the Black Business Investment Board and the Black Business Loan Program.
- \$1.0 million provided for Military Base Protection and Defense Related Grants.
- \$36.8 million funded for Economic Development Transportation Projects, including \$14.5 million for Space and Aerospace infrastructure.
- \$2.1 million funded for other economic development initiatives.
- \$5.0 million provided for Space Florida.
- 15.3 million for Space, Defense and Rural Infrastructure.

- \$26.5 million for the Quick Action Closing Fund.

#### **Agency for Workforce Innovation**

- In the Early Learning Program:
  - Continued the Non-Custodial Parent Program at \$1.4 million and HIPPY (Home Instruction Program for Pre-School Youngsters) at \$1.4 million.
- In the Workforce Program:
  - Continued funding for the Military Families Employment Program at \$700,000.
  - Provided \$1.5 million to continue the existing Banner Centers.
  - Funded an additional \$506,734 to provide services to an increasing number of Displaced Homemakers and \$250,000 to meet employment training needs of food stamp recipients.
  - Provided \$1.3 million for Space Workforce Transition.

If approved by the Governor, these provisions take effect July 1, 2008, or upon becoming law, whichever occurs later, except as otherwise provided.

*Vote: Senate 32-8; House 75-44*

#### **HB 5003 — Implementing the 2008-2009 General Appropriations Act**

by Policy and Budget Council and Rep. Sansom (SB 2902 by Fiscal Policy and Calendar Committee)

This bill implements appropriations for FY 2008-2009. It makes one-year changes to substantive laws in order to prevent conflicts between the statutes and the budget so that the Legislature's budget decisions can be fully implemented. The bill:

- Implements Specific Appropriations 6, 7, and 81 through 83 of the General Appropriations Act for FY 2008-2009 adopting by reference the document "Public School Funding – The Florida Education Finance Program," for the purpose of displaying the calculations used by the Legislature consistent with the requirements of Florida Statutes in making appropriations for the Florida Education Finance Program in FY 2008-2009.
- Requires that funds appropriated for forensic mental health treatment services be allocated to the areas of the state having the greatest demand for services and treatment capacity; provides that funds available through the Community-Based Medicaid Administrative Claiming Program shall be allocated in proportion to contributed provider earnings; provides that administrative earnings used in lieu of general revenue funds shall be unchanged from the allocation of these funds for FY 2007-2008.

- Requires all public and private agencies and institutions participating in child welfare cases to enter certain information into the Florida Safe Families Network (FSFN) in order to maintain the accuracy and usefulness of the automated child welfare case management system; and directs the Department of Children and Family Services to work with the Office of the State Courts Administrator and the Statewide Guardian Ad Litem Office to allow a judge, magistrate, or guardian ad litem to access FSFN information concerning cases to which they are assigned, by the date of the network's release during FY 2008-2009.
- Requires the Department of Health to enter into an agreement with a private contractor to finance, design, and construct a hospital, of no more than 50 beds, for the treatment of patients with active tuberculosis and the operations of the facility beginning July 1, 2008.
- Requires the Agency for Health Care Administration to study the effects of the minimum nursing home staffing ratios and the relationship to Medicaid reimbursement and quality of care provided to residents. A report is due to the Legislature by February 1, 2009. The agency may not impose sanctions against a nursing home for failure to meet the staffing ratios or for failure to impose a moratorium on new admissions, as long as the certified nursing assistant ratio is not below 2.6 hours per resident per day and the licensed nurse ratio is not below 1.0 hours per resident per day.
- Authorizes the Department of Corrections and the Department of Juvenile Justice to make expenditures to defray costs incurred by a municipality or county for facilities operated under the authority of each department. The payment may not exceed 1 percent of the construction costs, less any building impact fees paid to the local government.
- Allows the Executive Office of the Governor to request additional positions and other resources, including fixed capital outlay, for the Department of Corrections, if the Criminal Justice Estimating Conference projects a certain increase in the inmate population and the additional positions are approved by the Legislative Budget Commission.
- Authorizes the Department of Legal Affairs to spend funds from Specific Appropriations 1301 and 1302 on the same programs and in the same method as was done in FY 2007-2008.
- Allows a municipality to expend funds in a special law enforcement trust fund to reimburse the general fund for moneys advanced from the general fund to the special law enforcement trust fund prior to October 1, 2001.
- Specifies that the Department of Corrections must comply with the following reimbursement limitations for inmate medical care.
  - If no contract exists between the DOC and a health care provider or hospital regarding services, payment may not exceed 110 percent of the Medicare allowable rate.

- Current contracts between the DOC and a health care provider or hospitals will continue at the current contracted rate, however, if the contract expires or is subject to renewal during FY 2007-2008, the payments may not exceed 110 percent of Medicare allowable rate.
- If the department enters into a new contract, the payments may not exceed 110 percent of the Medicare allowable rate.
- Authorizes the Department of Legal Affairs to transfer cash remaining after required disbursements from Attorney General case numbers L01-6-1004, L03-6-1002, and L01-6-1009 from FLAIR account 41-74-2-601001-41100100-00-181076-00 to the Operating Trust Fund to pay salaries and benefits.
- Allows the Chief Justice of the Supreme Court to reimburse justices of the Supreme Court for travel expenses, including travel, per diem, and subsistence allowances, associated with travel to Tallahassee.
- Permits the assignment of an employee between agencies.
- Allows the Executive Office of the Governor to transfer funds appropriated for the payment of risk management insurance premiums between departments. The amendment to the approved operating budget is subject to the notice and objection procedures of s. 216.177, F.S.
- Allows the Executive Office of the Governor to transfer funds appropriated for the payment of human resource management assessments between departments. The amendment to the approved operating budget is subject to the notice and objection procedures of s. 216.177, F.S.
- Continues the employer contribution into the health insurance saving accounts for FY 2007-08.
- Requires the Department of Management Services to notify the President of the Senate, the Speaker of the House of Representatives, the Executive Office of the Governor and the Division of Bond Finance as to the disposition of all state owned buildings prior to the sell, lease or release within the Florida Facilities Pool.
- Limits the use of state owned motor vehicle and aircraft to "official state business." This section requires individuals traveling on state aircraft for purposes other than state business to reimburse the state for all costs.
- Requires the Department of Revenue to disburse child support payments to obligees electronically. This section also requires the State Disbursement Unit to deposit any payments into a stored-value account if the obligee does not designate a personal account.
- Requires the Department of Revenue to disburse Title IV-D case child support payments electronically. This section also requires the State Disbursement Unit to deposit Title IV-D payments into a stored-value account if the obligee does not designate a personal account.

- Authorizes the Department of Revenue to extend the Child Support State Disbursement Unit contract (C3636) for 66 months.
- Allows fiscally constrained counties to apply to the Department of Revenue for participation in the distribution of funds to offset the reductions in ad valorem tax revenue resulting from revisions of Article VII of the State Constitution.
- Allows facilities management bonds to be funded with bond proceeds.
- Allows the Department of Financial Services to spend \$998,820 of prior funding for salaries and related expenses to support 10 positions appropriated to administer the Florida Hurricane Damage Mitigation Program.
- Allows a portion of the funds transferred from the Florida Catastrophe Trust Fund for the Hurricane Loss Mitigation Program to be used to install emergency power generators in special-needs hurricane evacuation shelters.
- Authorizes the funds from the sale of property by the Department of Highway Safety and Motor Vehicles in Palm Beach County to be deposited into the Highway Safety Operating Trust Fund.
- Requires the Department of Transportation to transfer funds to the Office of Tourism, Trade, and Economic Development in an amount equal to \$36,750,000 for the purpose of funding economic development transportation projects. Requires the Department of Transportation to reduce reserve funds prior to deferring projects or project phases in the five year work program.
- Allows a portion of the building permit surcharge fees deposited in the Operating Trust Fund to be transferred to the Grants and Donations Trust Fund in support of regional planning councils, civil legal assistance, and Front Porch Florida Initiative in the Department of Community Affairs.
- Authorizes the Department of Transportation to expend funds to pay for administrative expenses incurred by multi-county transportation/expressway authorities when such expenses are in furtherance of the duties and responsibilities of the authority in the development of improvements to the state highway system.
- Expands the allowable uses to moneys in the Internal Improvement Trust Fund and provides for the transfer of these funds to the Ecosystem Management and Restoration Trust fund for grants and aids to local governments for the drinking water facility construction state revolving loan program.
- Provides authorization to grant community contribution tax credits for projects that provide homeownership opportunities for low-income and very-low-income households and increases the tax credit cap to \$13 million annually.



- Requires the Department of Environmental Protection to award \$9.4 million in solid waste management grants in equal amounts to counties with populations of fewer than 100,000, and to award \$2 million for Innovative Grants.
- Authorizes moneys in the General Inspection Trust Fund to be appropriated for certain programs operated by the Department of Agriculture and Consumer Services.
- Allows the Executive Office of the Governor to transfer funds appropriated for the Florida Forever Act between fixed capital outlay categories and between departments. The amendment to the approved operating budget is subject to the notice and objection procedures of s. 216.177, F.S.
- Provides that individual alternative water supply projects may be appropriated as in Specific Appropriation 1778, separately from the funds distributed pursuant to ss. 403.890 and 373.1961(3), F.S.
- Provides that interest earnings accumulated in the Water Protection and Sustainability Program Trust fund shall be transferred to the Ecosystem Management and Restoration Trust fund for grants and aids to local governments for water projects.
- Expands the allowable uses to moneys in the Land Acquisition Trust Fund and provides for the transfer of these funds to the Ecosystem Management and Restoration Trust fund for grants and aids to local governments for water projects.
- Extends the repeal by one year for the removal of free product and other source removal which expedites the replacement of tanks as required by federal law pursuant to s. 376.3071, F.S.
- Expands the allowable uses to moneys in the Save Our Everglades Trust Fund and provides for projects pursuant to approval by the Department of Environmental Protection and the water management district as specified in s. 373.026(8)(b), F.S.
- Authorizes the Department of Agriculture and Consumer Services to extend, revise, and renew current contracts relating to the Florida Agriculture Promotion Campaign.
- Authorizes transfers from the Budget Stabilization Fund and the Lawton Chiles Endowment Fund to address certified deficits in the General Revenue Fund.
- Clarifies that certain transfers from the Chiles Endowment Fund should be treated as reductions in contributions to the Fund.
- Provides a legislative determination that the authorization and issuance of state debt is in the best interest of the state and should be implemented.
- Reenacts s. 215.32, F.S., to allow the transfer of trust fund cash balances to the General Revenue Fund.

Reduces the salaries of members of the Legislature by 5 percent for FY 2008-2009.

If approved by the Governor, these provisions take effect July 1, 2008, unless otherwise specified.

*Vote: Senate 33-7; House 74-43*

