

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS
Senator Negrón, Chair
Senator Benacquisto, Vice Chair

MEETING DATE: Wednesday, February 6, 2013
TIME: 8:30 —10:00 a.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Negrón, Chair; Senator Benacquisto, Vice Chair; Senators Bean, Bradley, Galvano, Gardiner, Grimsley, Hays, Hukill, Latvala, Margolis, Montford, Richter, Ring, Smith, Sobel, and Thrasher

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentation on Governor's Recommended Budget by Jerry McDaniel, Director, Governor's Office of Policy and Budget		Presented

Other Related Meeting Documents

GOVERNOR RICK SCOTT

Fiscal Year 2013-2014

Policy and Budget Recommendations



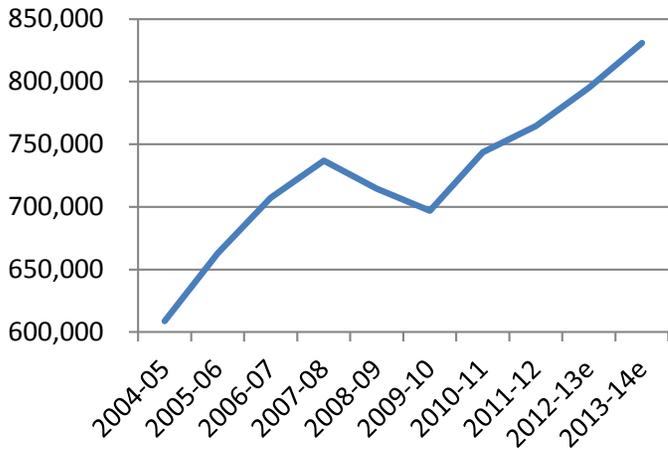
Education

Creating Jobs

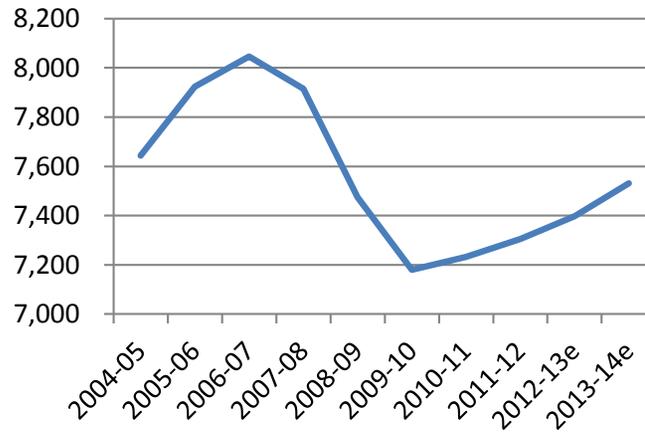
Supporting Florida Families

Economic Indicators Fiscal Years 2005 through 2014

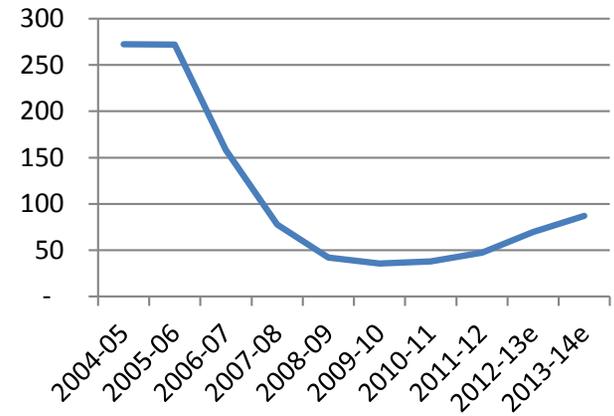
Personal Income



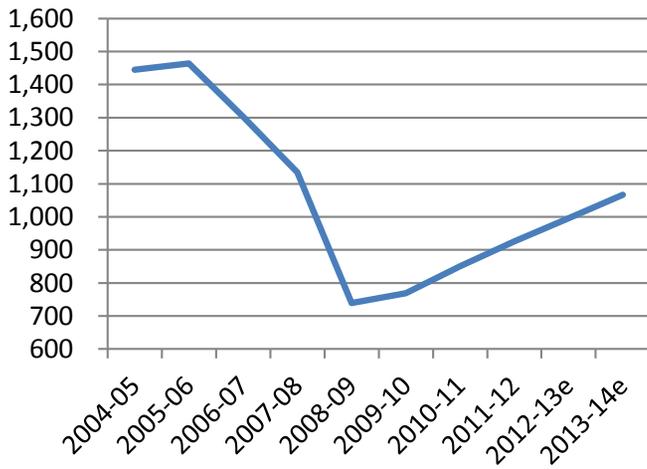
Employment



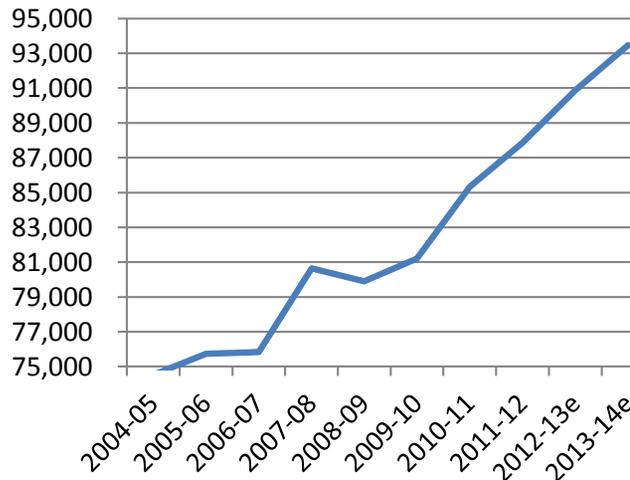
Housing Starts



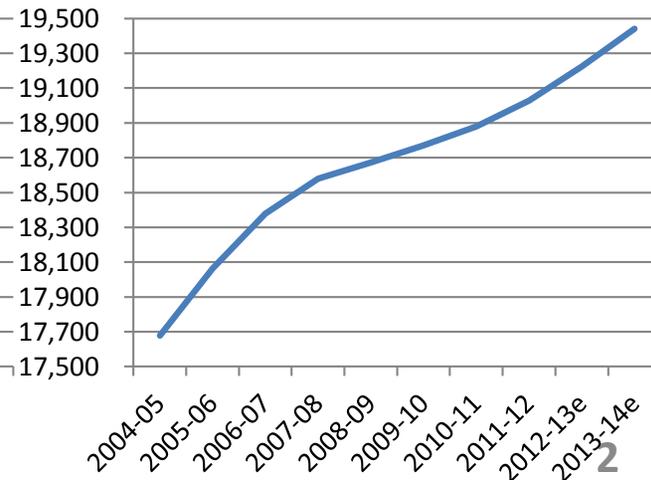
Car Registrations



Visitors



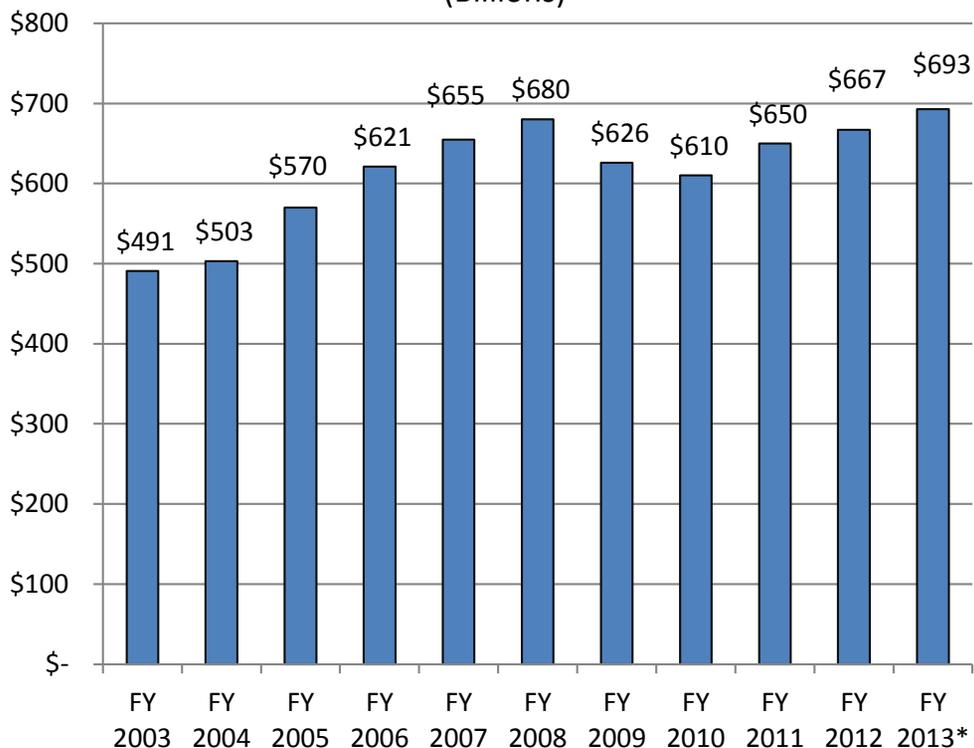
Population



General Fund Revenue

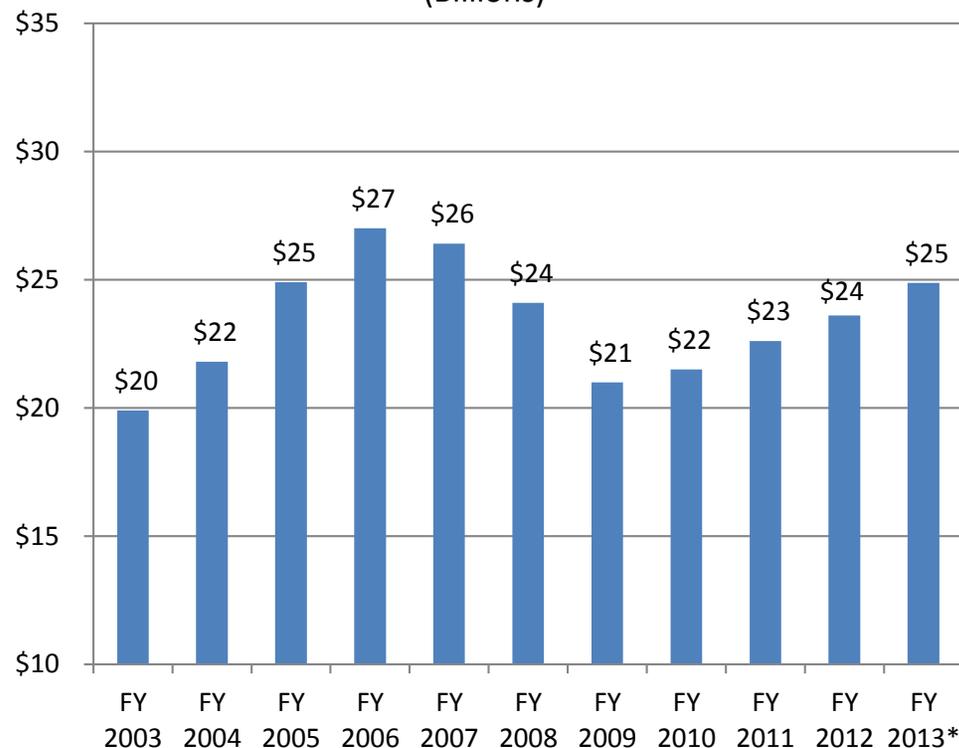
**All States General Fund Revenue
FY 2007 - FY 2013**

(Billions)



**Florida General Fund Revenue
FY 2007 - FY 2013**

(Billions)



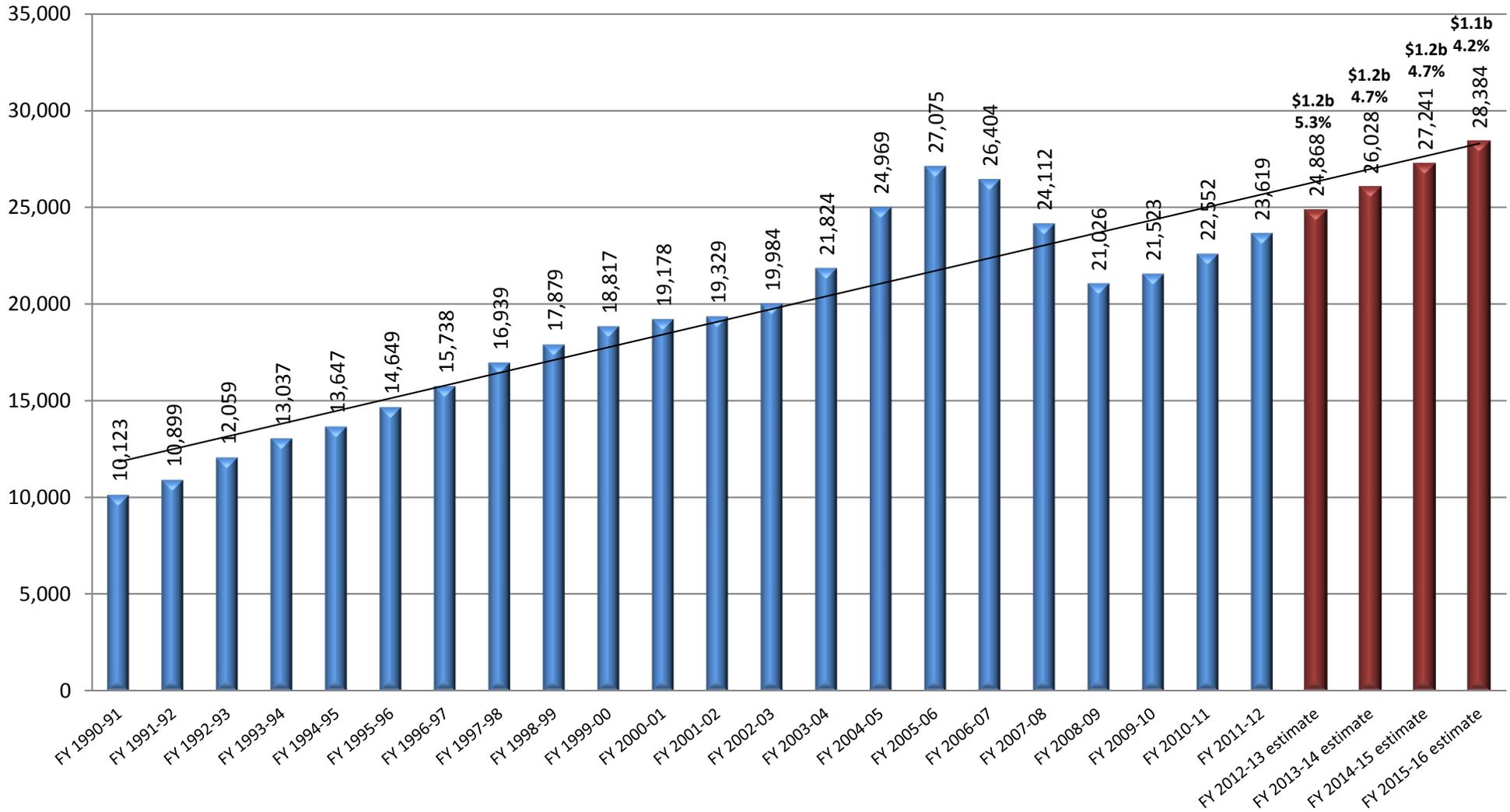
All States Source: National Association of State Budget Officers (NASBO)

Florida Source: Governor's Office of Policy and Budget

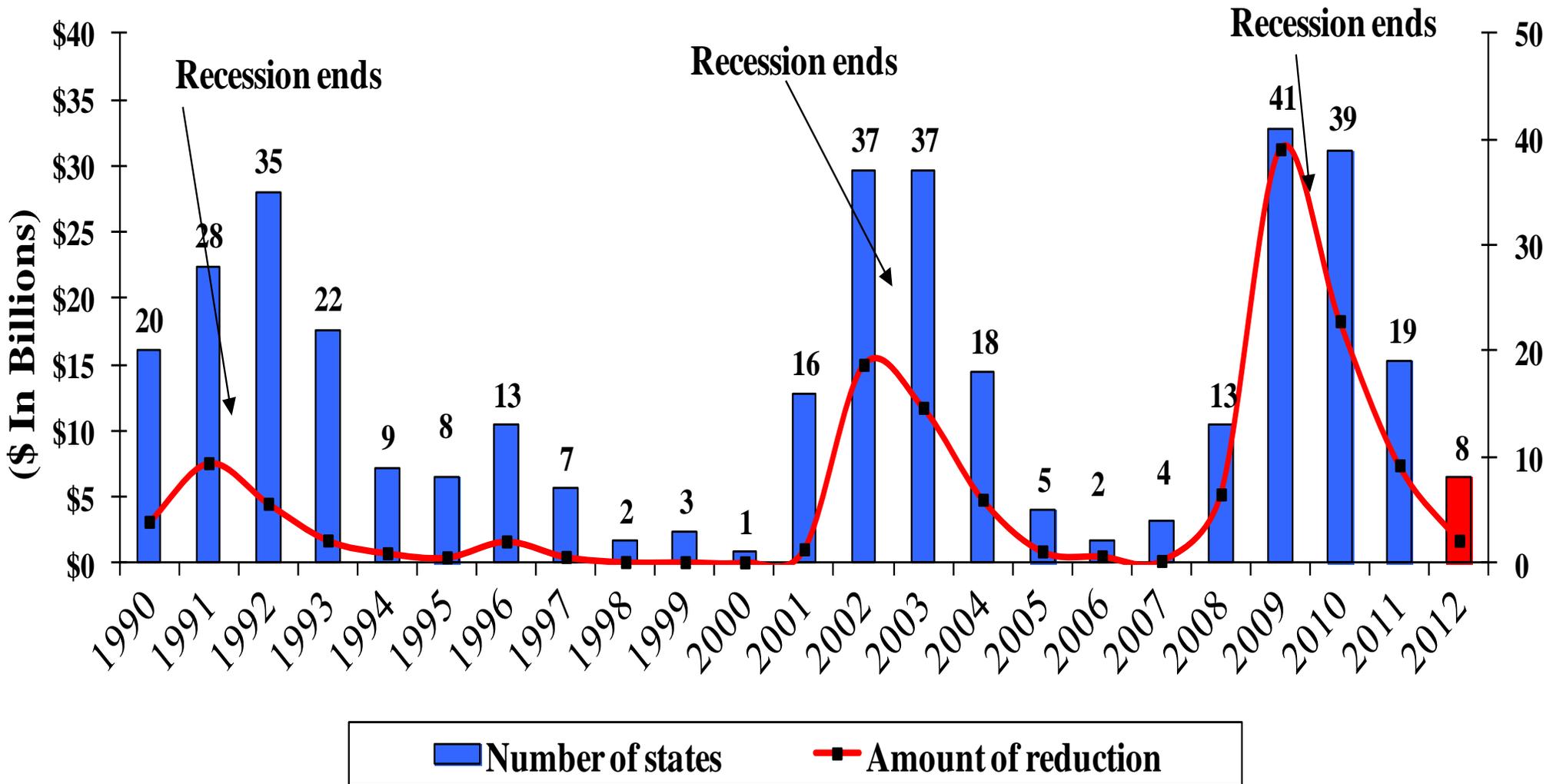
* FY 2003 – 2012 are actual and FY 2013 is estimated.



General Revenues – December 2012 - REC



Budget Cuts Made After the Budget Passed

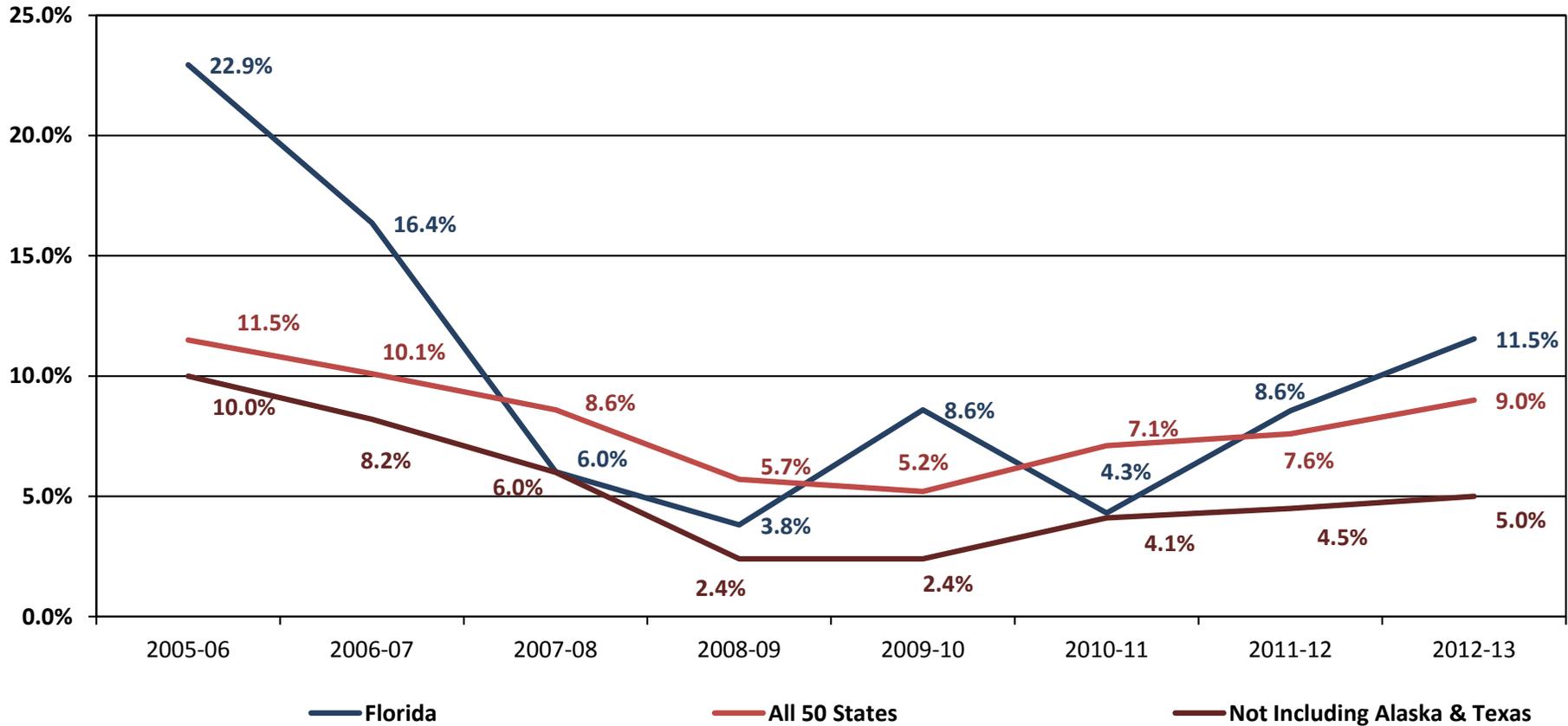


Source: National Association of State Budget Officers (NASBO)

Creating Jobs and Opportunities for Florida Families



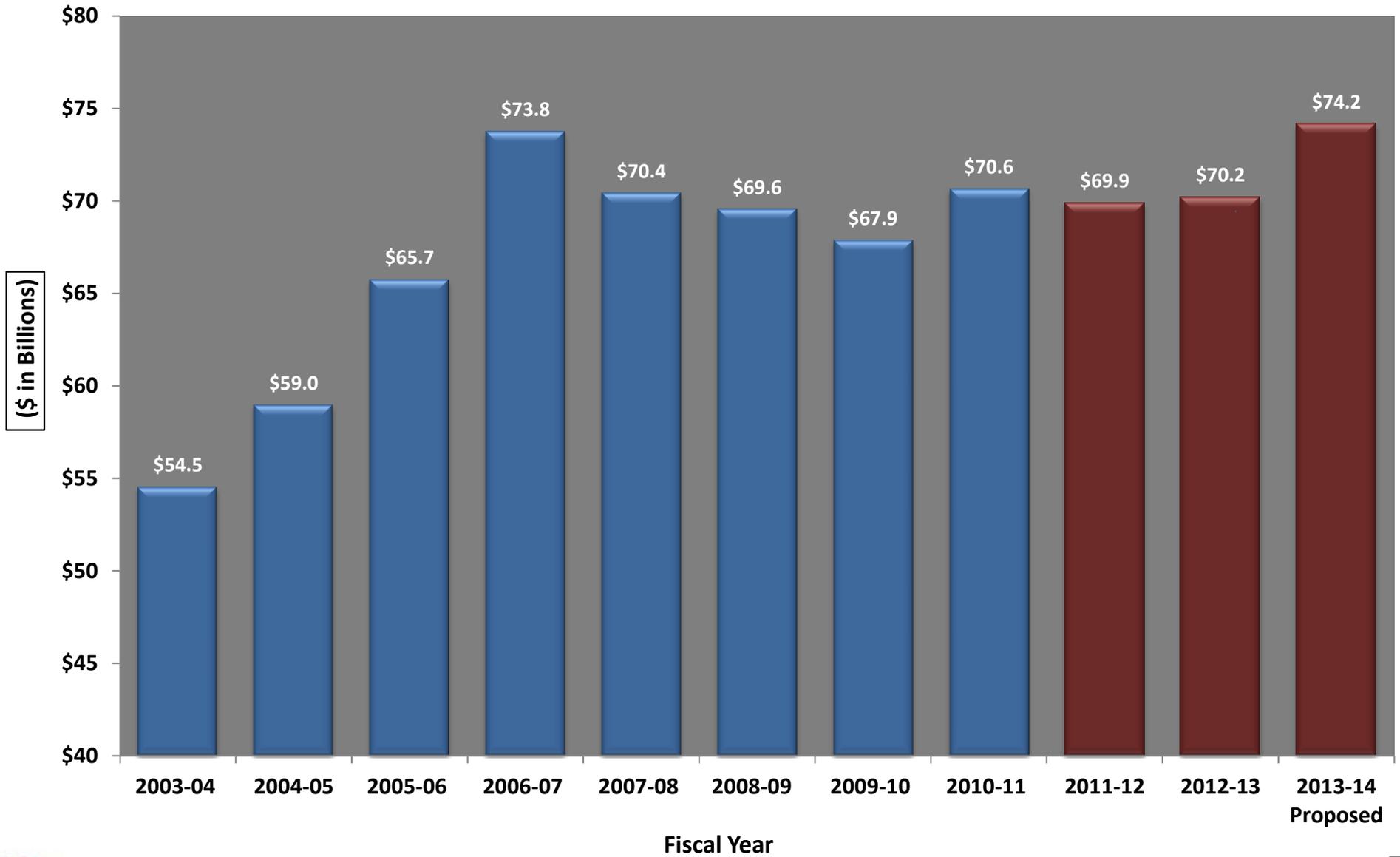
Balances as a Percent of Expenditures



All States Source: National Association of State Budget Officers (NASBO)
 Florida Source: Governor's Office of Policy and Budget
 Reserves Include General Revenue Ending Balances and Rainy Day Fund Balances



History of Appropriations



Per Capita Budget Comparison

Budget Comparison FY 2000 - 2014							
Per Capita, Nominal and Real							<i>Employees</i>
Fiscal Year	Pop (1,000's)		Budget (\$b)		Budget per capita (nominal \$'s)	Real budget per capita	State Workers/ 1,000 residents
1999-00	15,881.7		48.7		\$3,063.9	\$3,063.9	8.0
2000-01	16,228.0		51.9		\$3,198.8	\$3,093.3	7.7
2001-02	16,551.2		48.2		\$2,913.4	\$2,768.3	7.3
2002-03	16,892.0		50.3		\$2,980.1	\$2,770.6	7.0
2003-04	17,273.8		54.5		\$3,156.8	\$2,871.6	6.8
2004-05	17,677.3		59.0		\$3,335.9	\$2,946.0	6.6
2005-06	18,062.2		64.7		\$3,584.3	\$3,050.1	6.4
2006-07	18,378.2		73.8		\$4,012.9	\$3,328.3	6.2
2007-08	18,578.9		70.4		\$3,790.9	\$3,031.7	6.2
2008-09	18,671.4		69.6		\$3,724.9	\$2,937.7	6.0
2009-10	18,770.5		67.9		\$3,615.3	\$2,823.6	6.1
2010-11	18,879.1		70.3		\$3,721.6	\$2,850.1	6.0
2011-12	19,028.6		69.6		\$3,657.6	\$2,720.9	5.7
2012-13	19,224.3		70.2		\$3,651.6	\$2,675.7	5.5
2013-14	19,441.5		74.2		\$3,816.6	\$2,754.4	5.2
FY 14/ FY 07					-5%	-17%	
FY 14/ FY 00					25%	-10%	



Major Drivers When Comparing 2012-13 Budget to 2013-14 Governor's Recommended Budget (\$ In Millions)

Major Issues	Amount
Kindergarten-12 th Grade Increased Funding	\$1,250
State Universities	\$300
Transportation Work Program	\$917
Medicaid Increase	\$2,112
Medicaid Price Level and Workload – Existing Program	\$1,116
Physician Fee Increase	\$704
Eligible/Not Enrolled	\$116
Retirement Contributions (Normal Cost/UAL)	\$553
State Employee Awards	\$315
Savings	(\$1,206)

Total Difference \$4 Billion



2013-14 Governor's Recommended Budget Savings (\$ In Millions)

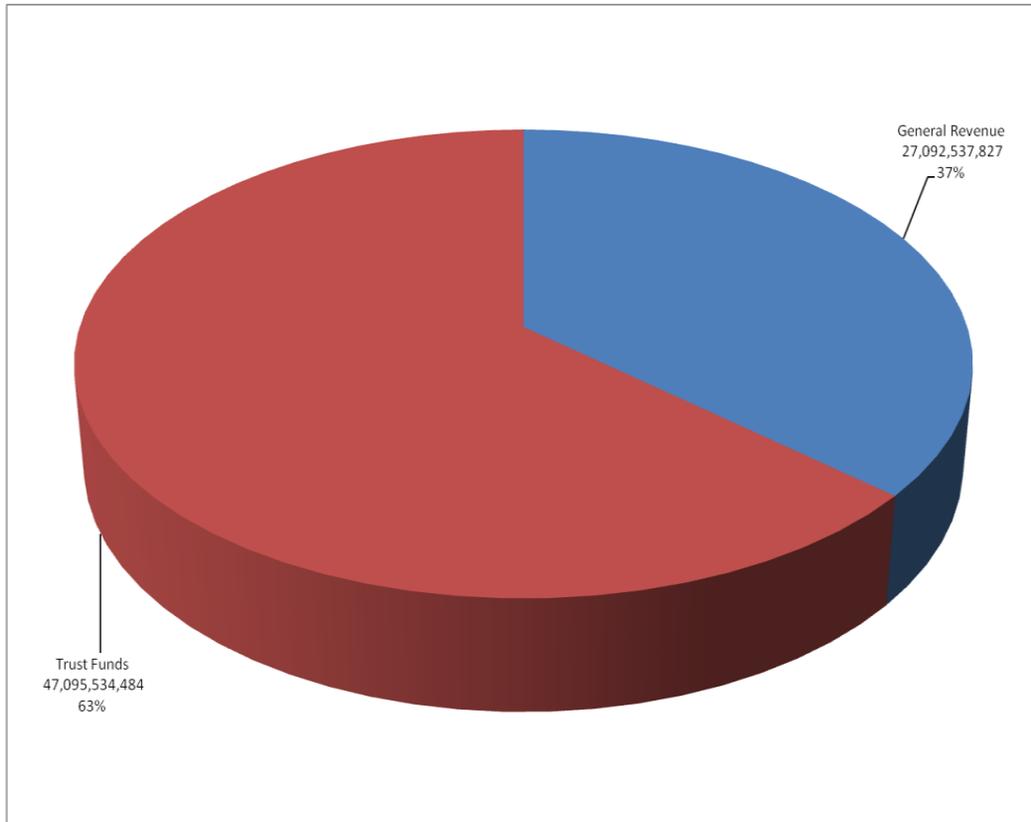
Policy Area	General Revenue Amount	Trust Fund Amount	Total Amount
Education	(\$51.6)	(\$134.1)	(\$185.7)
Environment	(\$6.7)	(\$22.5)	(\$29.2)
General Government	(\$3.9)	(\$50.3)	(\$54.2)
Health and Human Services	(\$81.3)	(\$740.9)	(\$822.2)
Public Safety	(\$18.0)	(\$31.7)	(\$49.7)
Transportation & Economic Development	(\$1.0)	(\$20.2)	(\$21.2)
Statewide	(\$21.3)	(\$22.5)	(\$43.8)
Total	(\$183.8)	(1,022.2)	(\$1,206.0)



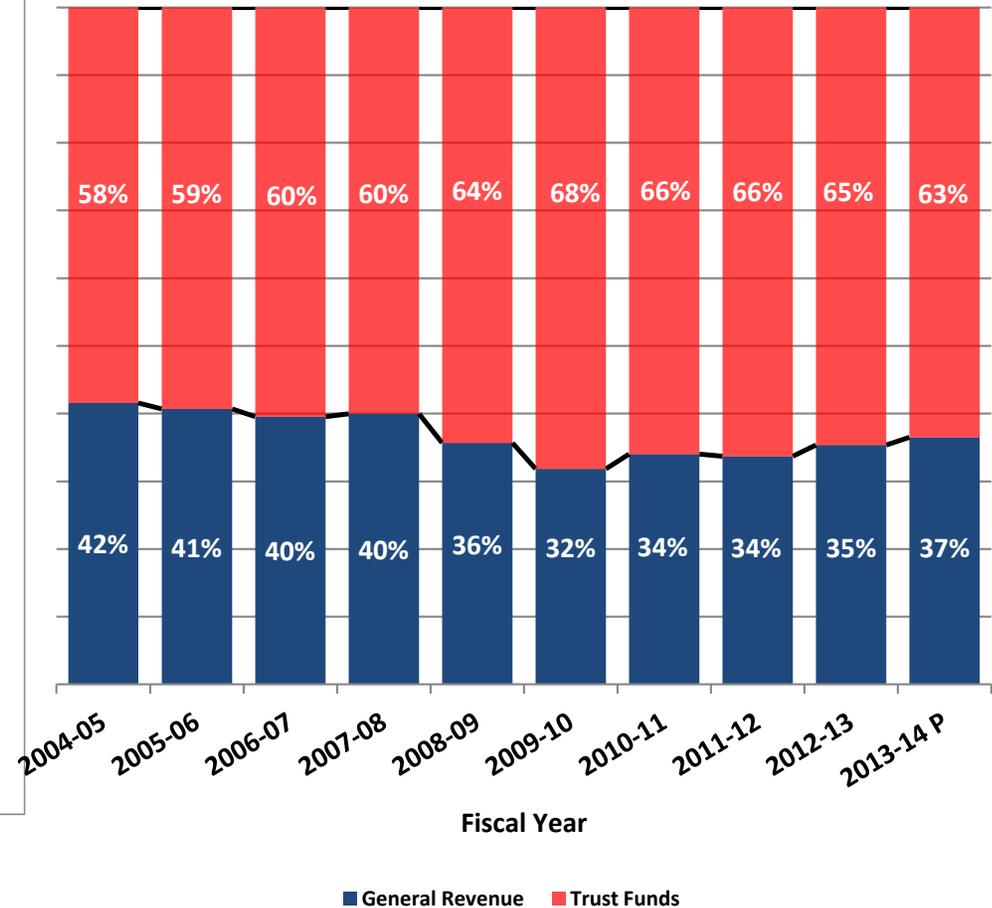
Governor's Budget Recommendations

Fiscal Year 2013-14 - \$74.2 billion

Governor's Budget Fund Split



Historical Fund Split

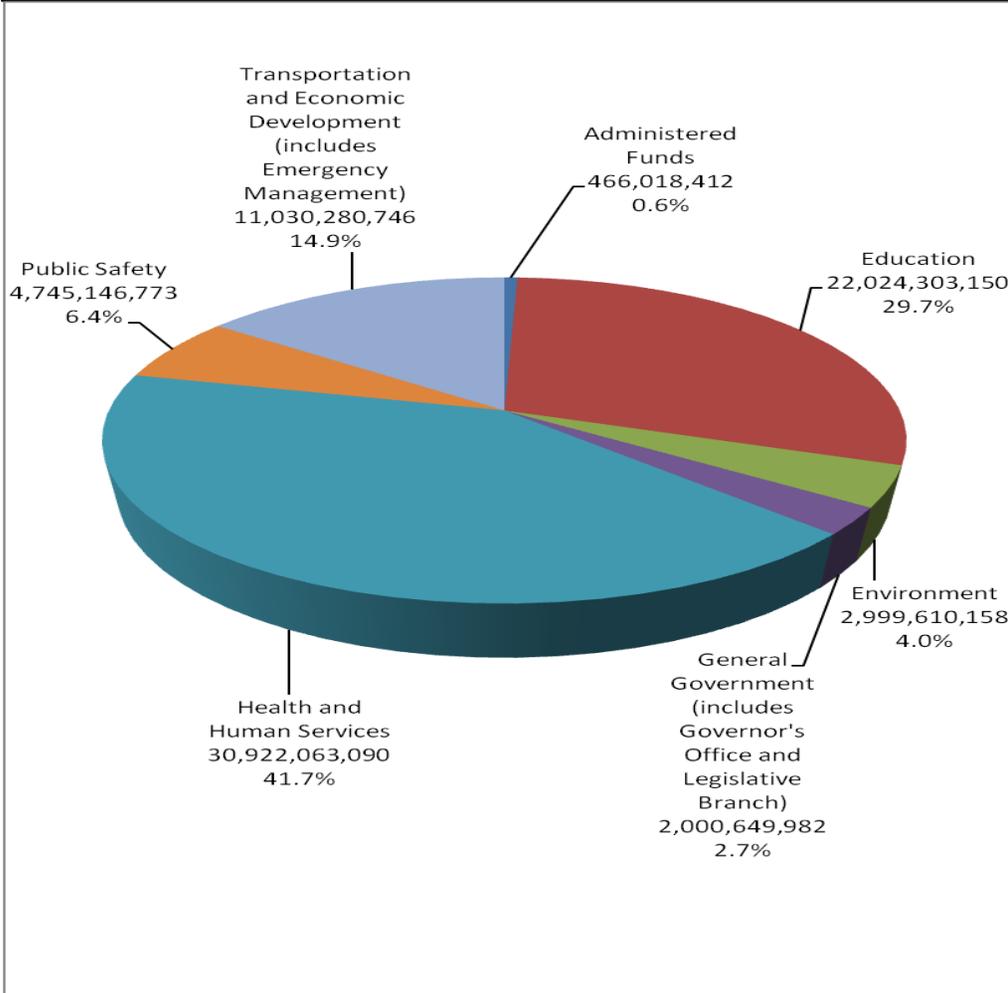


When state General Revenue began to decline, beginning in FY 2006-07 and extending through FY 2009-10, we experienced a shift between GR and Trust fund splits. This is mostly due to the creation of additional funding sources such as the increased tobacco surcharge used to fund Medicaid expenditures and increased Highway Safety and Motor Vehicle fees.

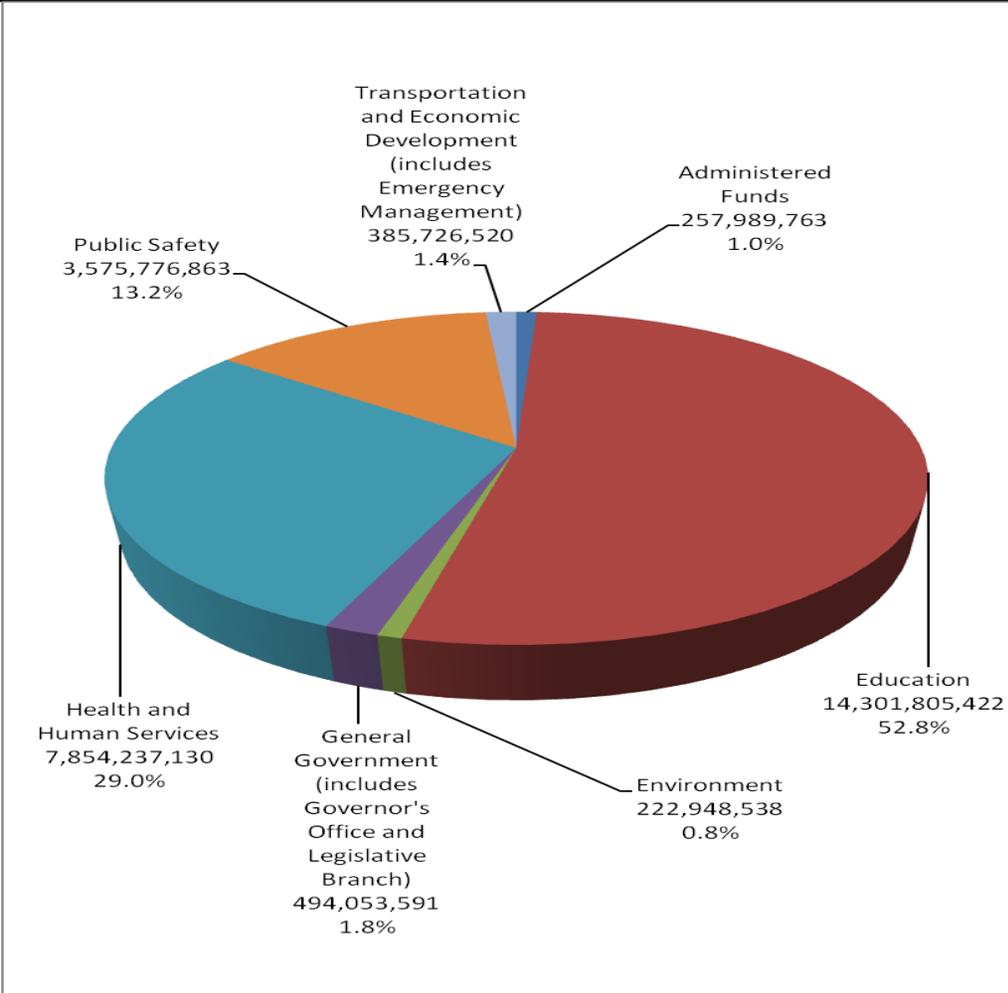


Governor's Budget Recommendations Fiscal Year 2013-14 by Policy Area

Total Budget - \$74.2 billion



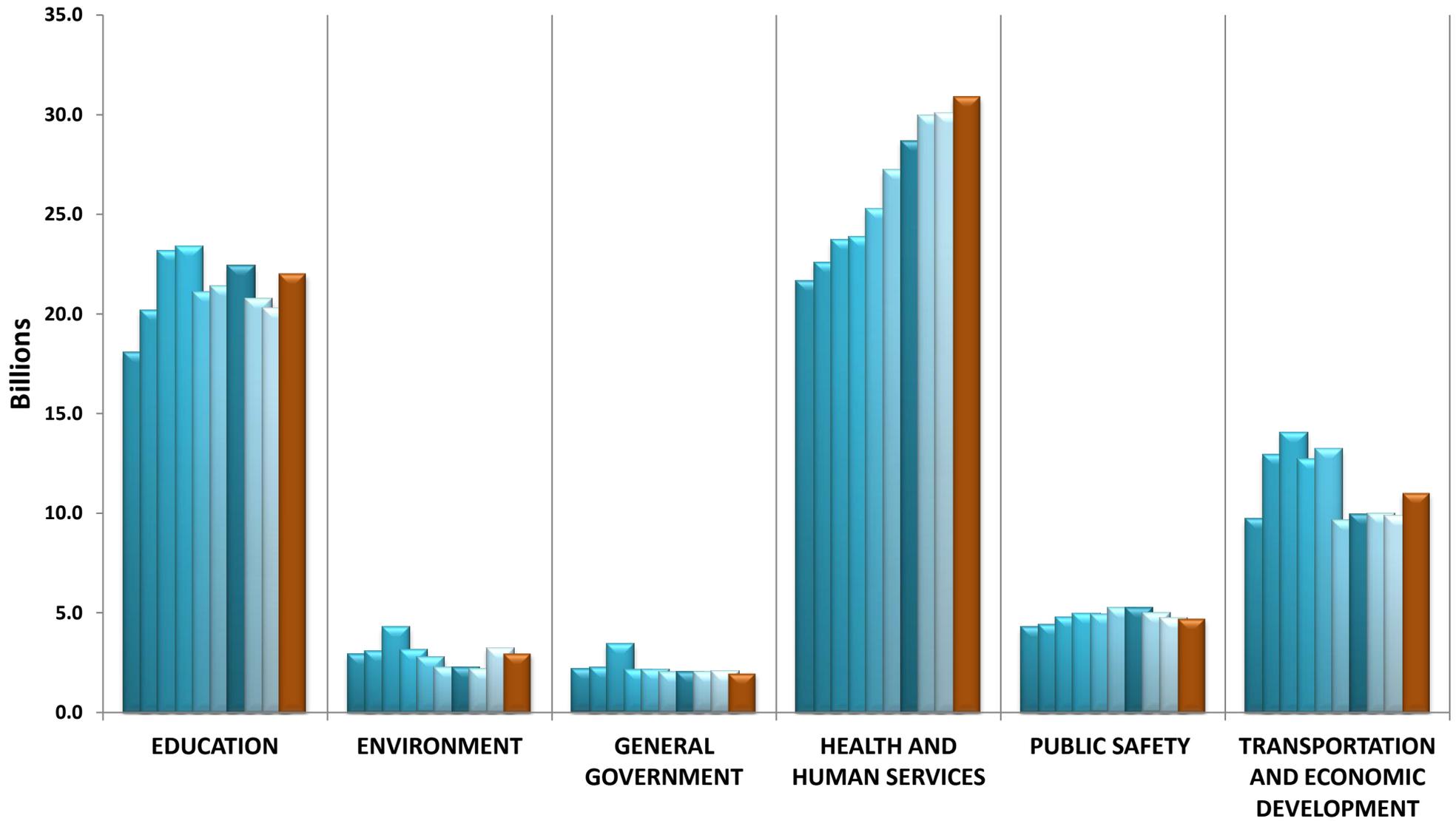
General Revenue - \$27.1 billion



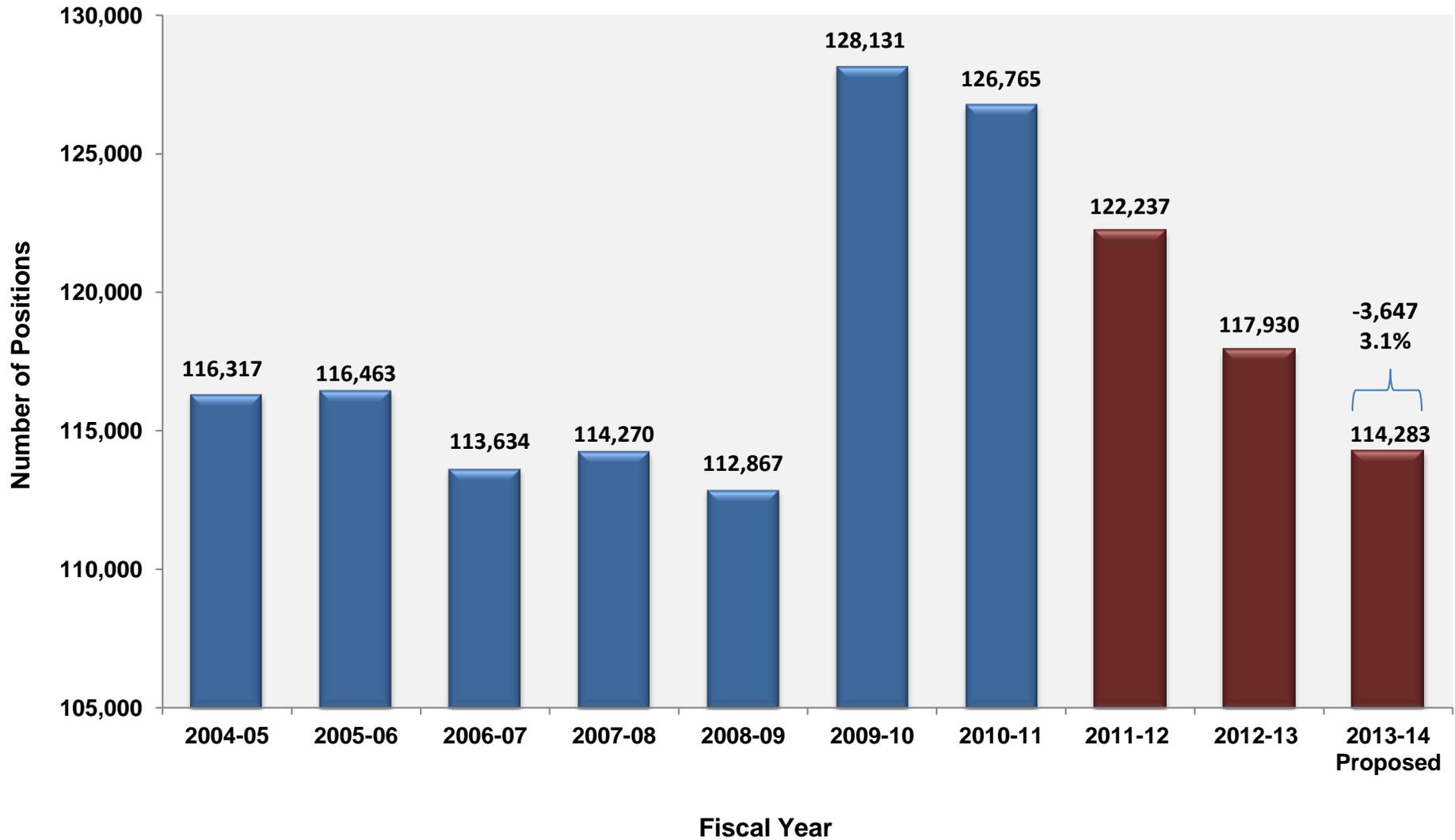
*Education Local Funding not included in above total: K-12 RLE \$7.8 billion; Florida College System Tuition \$886.0 million; K-12 Workforce Tuition \$50.2 million (total \$8.7 billion).



Funding History 2004-05 through 2013-14 Proposed



History of Workforce



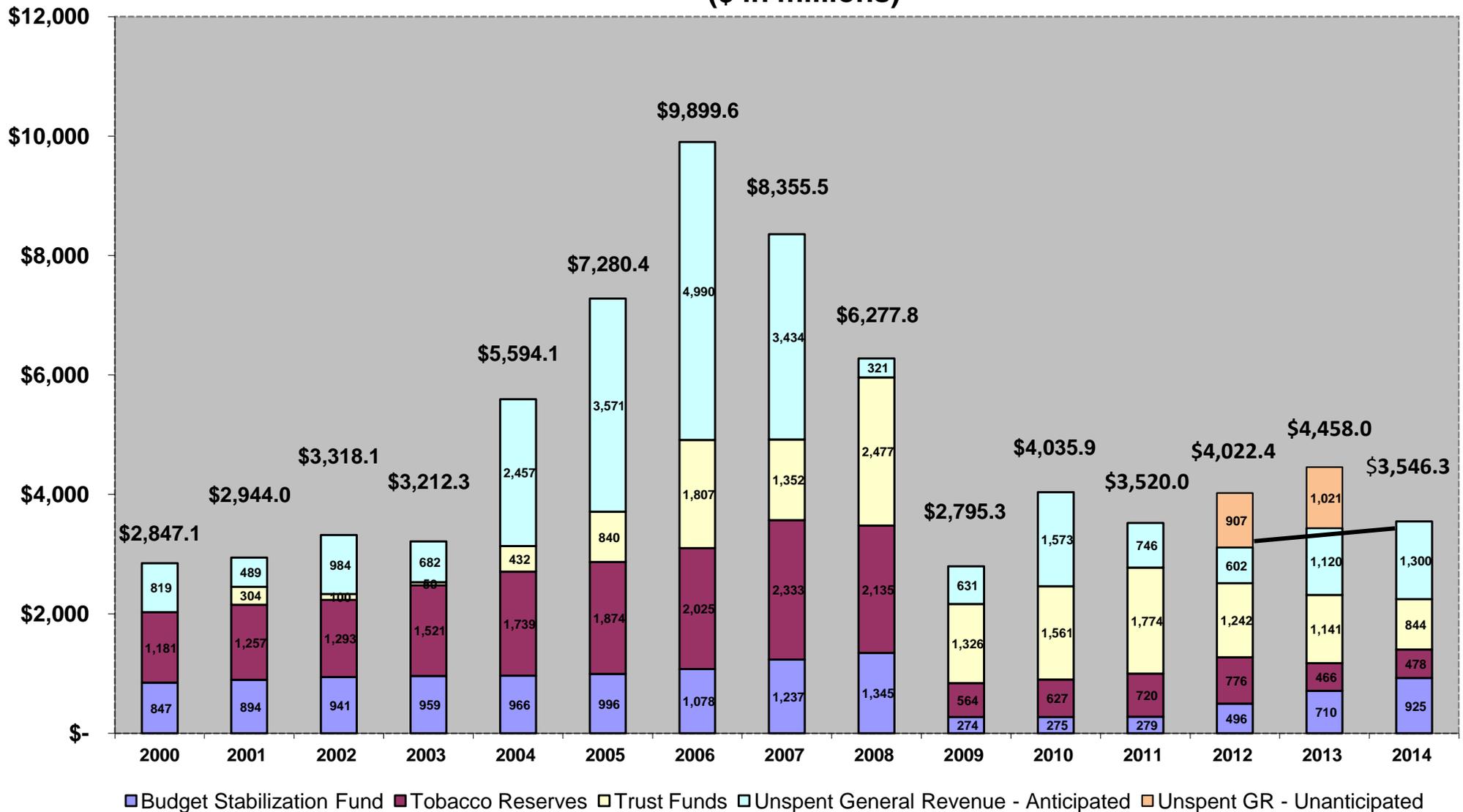
Notes:

- Does not include OPS employees, State University System or Community College employees.
- Beginning in Fiscal Year 2009-10, 12,075 positions for the Department of Health County Health Units, which had previously been accounted for through county personnel systems, started being carried in the state system.



Florida Reserves

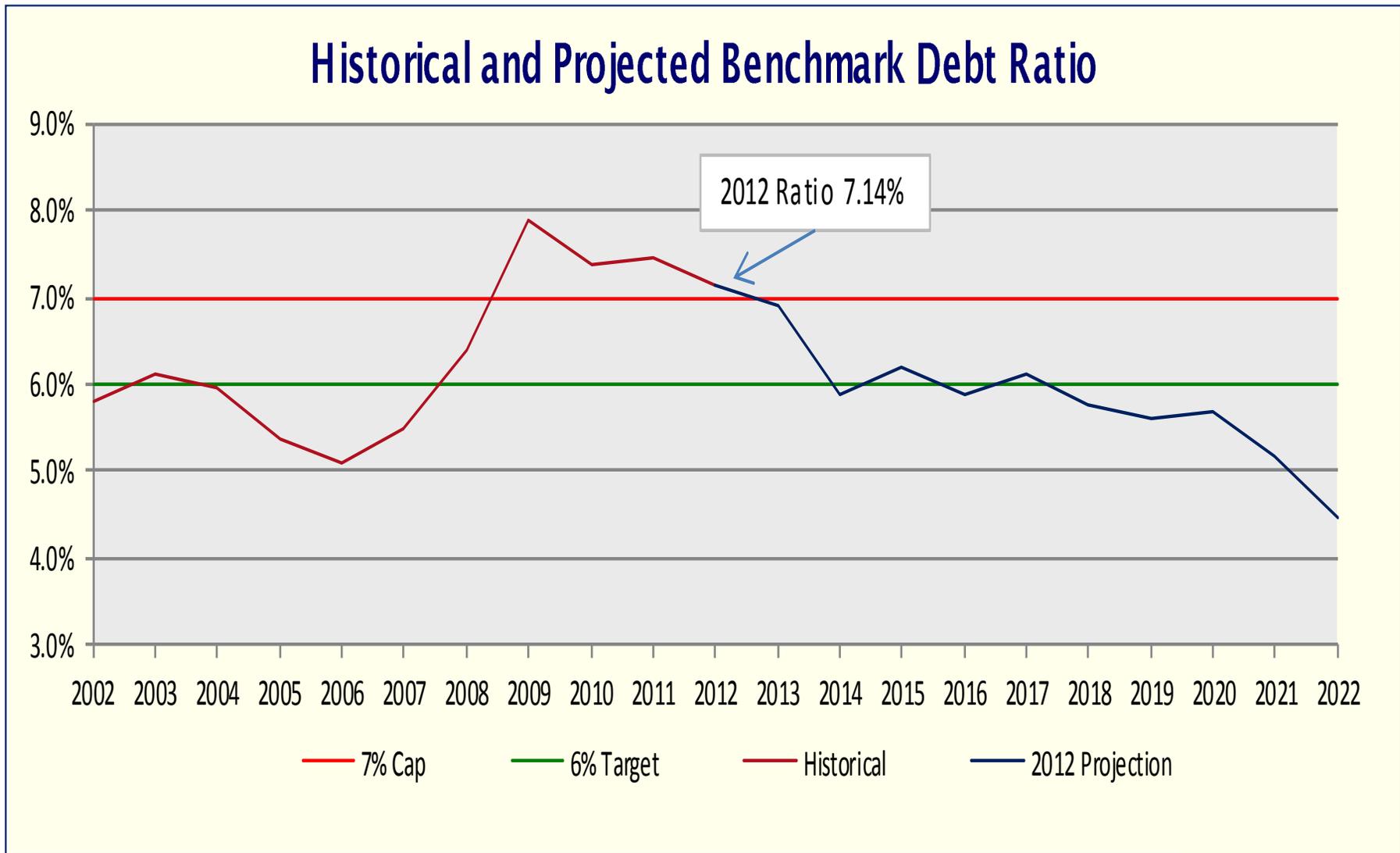
(\$ in millions)



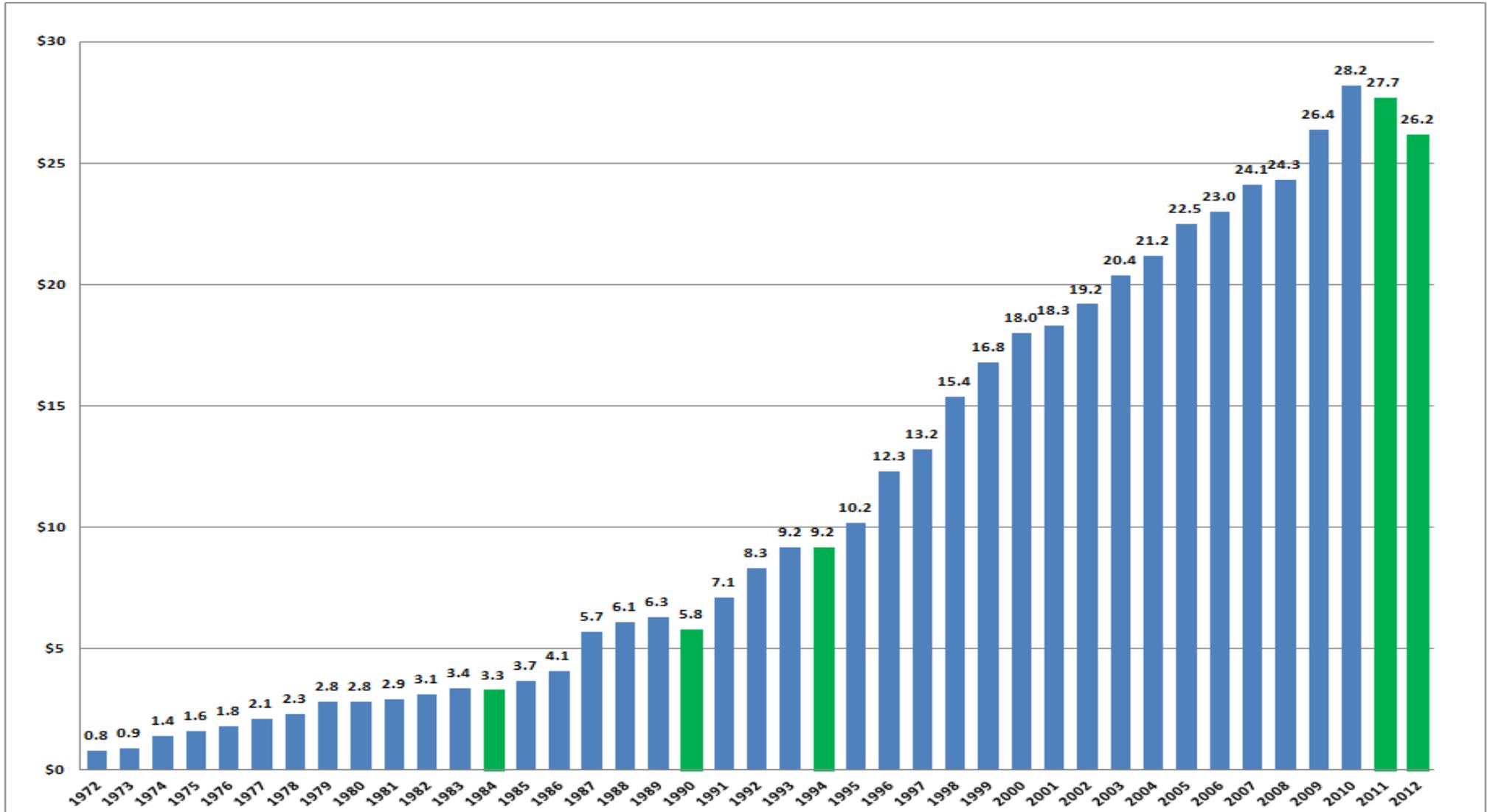
FY 2013-14 GENERAL REVENUE OUTLOOK (\$ in millions)	Recurring	Non-recurring	Total
<i>Balance Forward From FY 2012-13</i>		2,141	2,141
<i>Estimated Revenues</i>	25,738	386	26,123
TOTAL REVENUE ESTIMATE	<u>25,738</u>	<u>2,527</u>	<u>28,265</u>
<i>Less Adjustments:</i>			
Current Year Deficits (APD, DOC and TANF)		(109)	(109)
Unused Appropriations (Medicaid)		156	156
Clerk of Courts Exemption from Service Charge to GR	(34)		(34)
Lawton Chiles Payback (HB 5301)		(19)	(19)
Trust Fund Sweeps		174	174
Tax Fairness Reforms (Corporate and M&E Exemptions)	(135)	69	(66)
DOC Debt Service Reversion		25	25
National Mortgage Settlement		200	200
Base Budget	(24,607)		(24,607)
<i>Available General Revenue</i>	<u>962</u>	<u>3,023</u>	<u>3,984</u>
<i>Appropriations Over Base Budget</i>			
Education	1,196	253	1,449
Health and Human Services	363	13	376
Public Safety	82	30	112
Transportation and Economic Development	78	256	334
Environment and Energy	(0)	70	70
General Government	1	51	52
Statewide Issues	112	153	264
Repay Budget Stabilization Fund		215	215
Savings & Fund Shifts	(182)	(2)	(184)
Total Budget Issues	<u>1,650</u>	<u>1,038</u>	<u>2,688</u>
GENERAL REVENUE BALANCE	<u>(688)</u>	<u>1,984</u>	<u>*\$1.3 Billion</u>
Appropriations made for recurring purposes from nonrecurring general revenue funds	2.4%		
* Includes \$194 million from the National Mortgage Settlement			



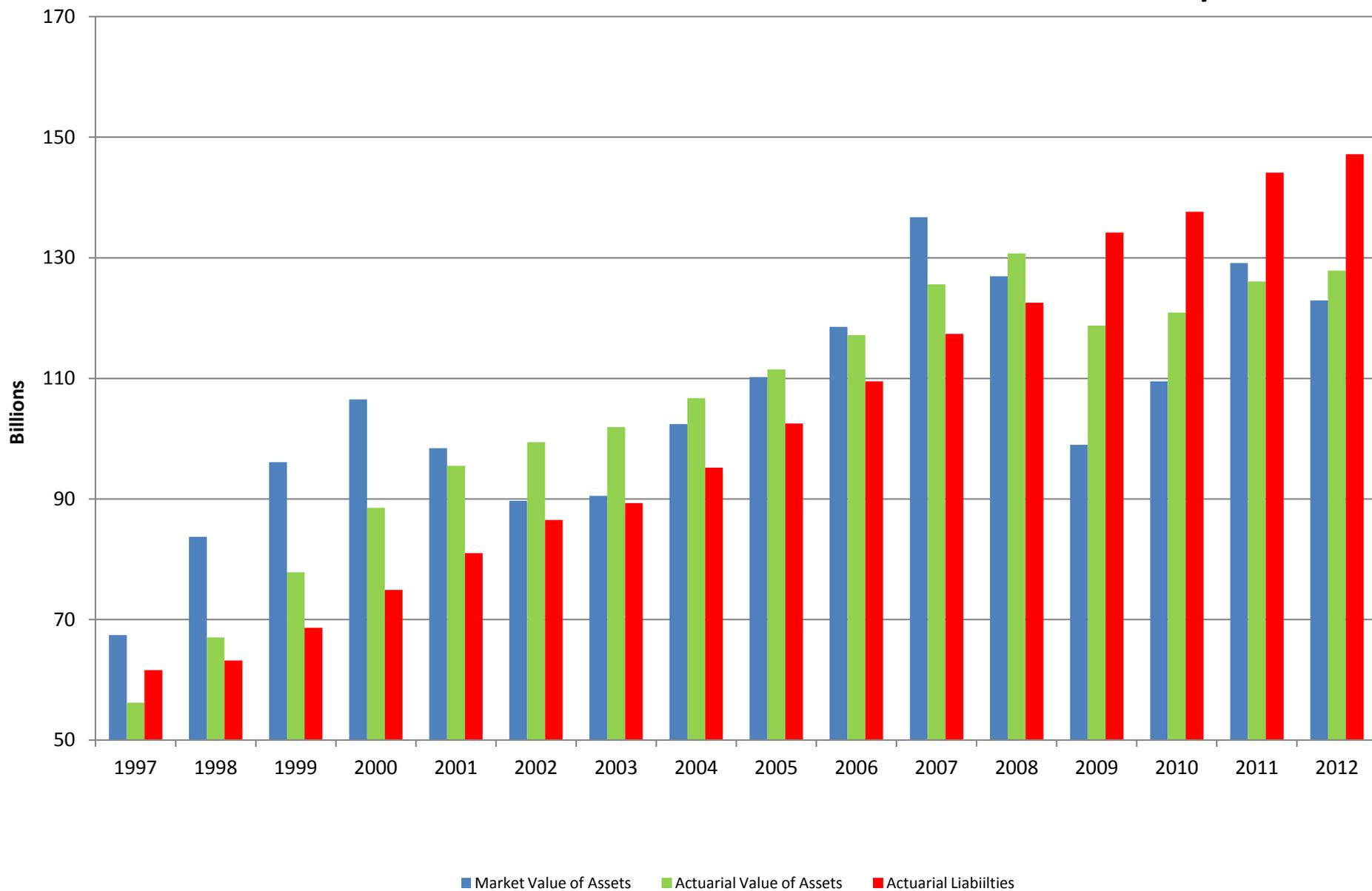
Debt



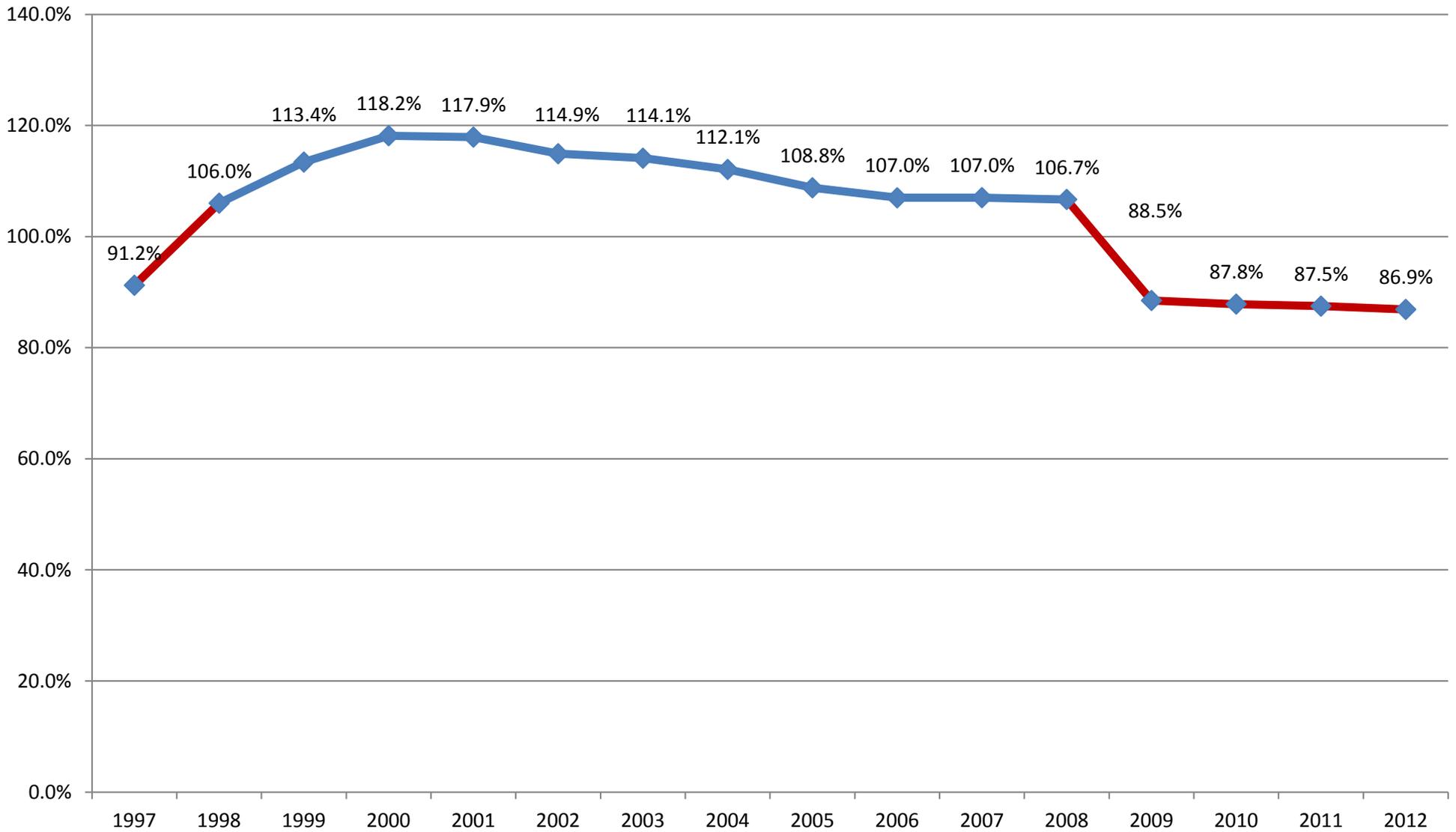
State of Florida Historical Debt Outstanding Fiscal Years 1972 through 2012 *(in Millions of Dollars)*



Assets and Liabilities of the Florida Retirement System



Funding Levels of the Florida Retirement System



Governor Scott's 2013-14 Priorities

Creating Jobs For Florida Families

- Create an environment to allow Florida's economy to grow, create jobs and get Floridians back to work.

Strengthening Education For Florida Families

- Prepare students for future success in college and careers.

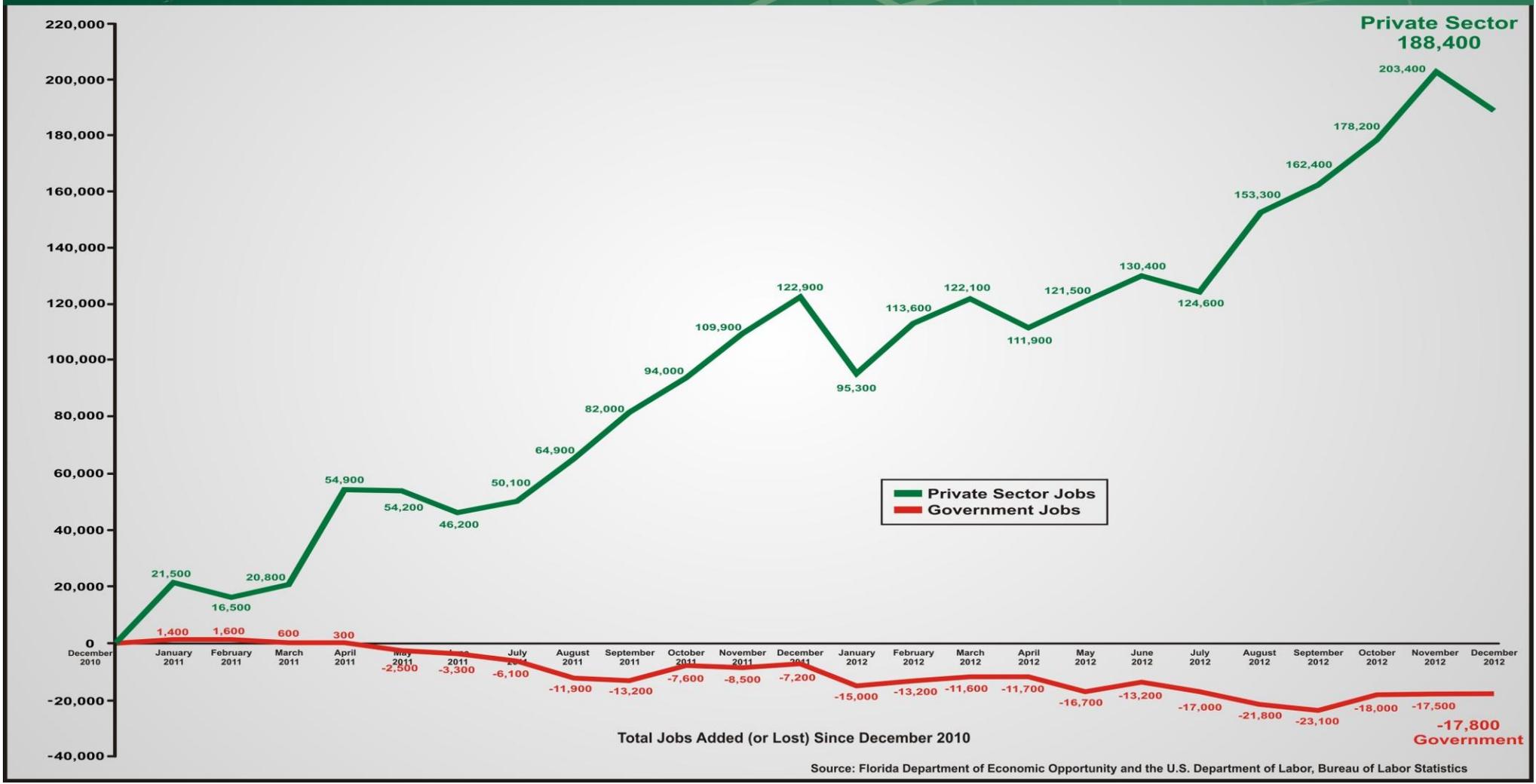


GOVERNOR RICK SCOTT Record of Economic Growth

www.flgov.com

rick.scott@eog.myflorida.com

(850) 488-7146



Creating Jobs for Florida Families

- Cutting the Business Tax
- Building Up Florida Manufacturing Jobs
- Training Florida's Workforce
- Reduce Regulatory Burdens
- Quick Response Training
- Improving Florida's Transportation System
- One Stop Business Portal
- Economic Development



Strengthening Education for Florida Families

- Provides a K-12 education system to prepare our students for future success in college and careers
- Provides a higher education system for students on their way to a career
- Prioritizes investments in education to achieve measurable results for students and teachers



Goals and Guiding Principles In Developing the Governor's 2013-14 Budget Recommendations

Encourage Job Creation

Maintain or Increase Funding for Education

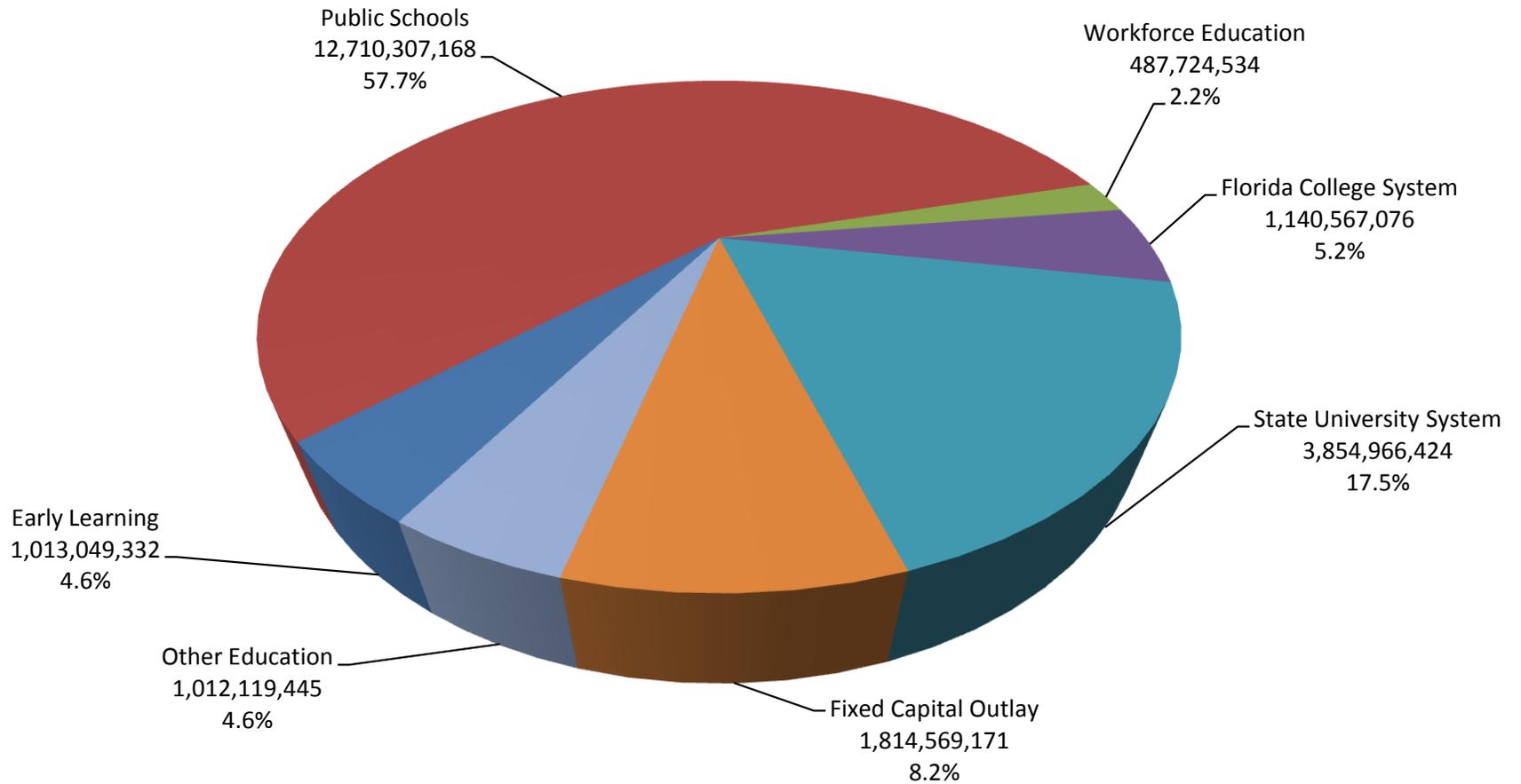
Keep Cost of Living Low

Show a Return on Investment

Demonstrate Other Compelling Need



Governor's Recommended Budget Fiscal Year 2013-14 Education - \$22.0 Billion



Education Local Funding not included in above total: K-12 RLE \$7.8 billion; Florida College System Tuition \$886.0 million; K-12 Workforce Tuition \$50.2 million (total \$8.7 billion).



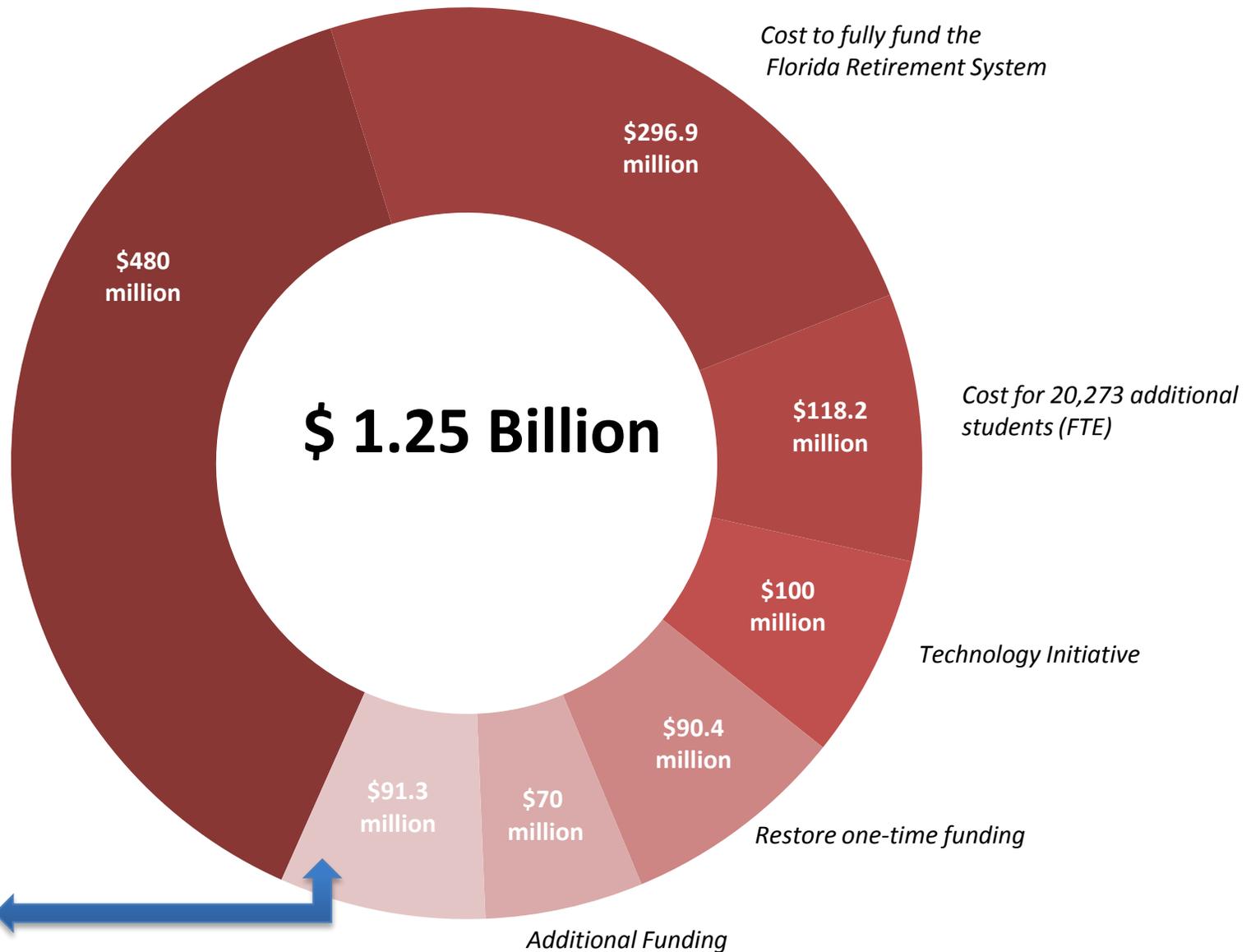
Education Highlights

Major Issues Funded	Amount
K-12 Public School Funding (FEFP)	\$1.25 billion
K-12 Special Facility Construction (Dixie and Glades)	\$24.5 million
Charter School Maintenance and Repair	\$100.0 million
Florida College System	\$74.4 million
State University System	\$393.3 million
State University System – STEM Facilities	\$100 million
PECO – Critical Deferred Maintenance	
--Florida College System	\$36.3 million
--State University System	\$37.9 million

The Governor’s budget recommends a zero percent tuition increase for State Universities, State Colleges, and School District Workforce Programs



Additional State Funding for Education



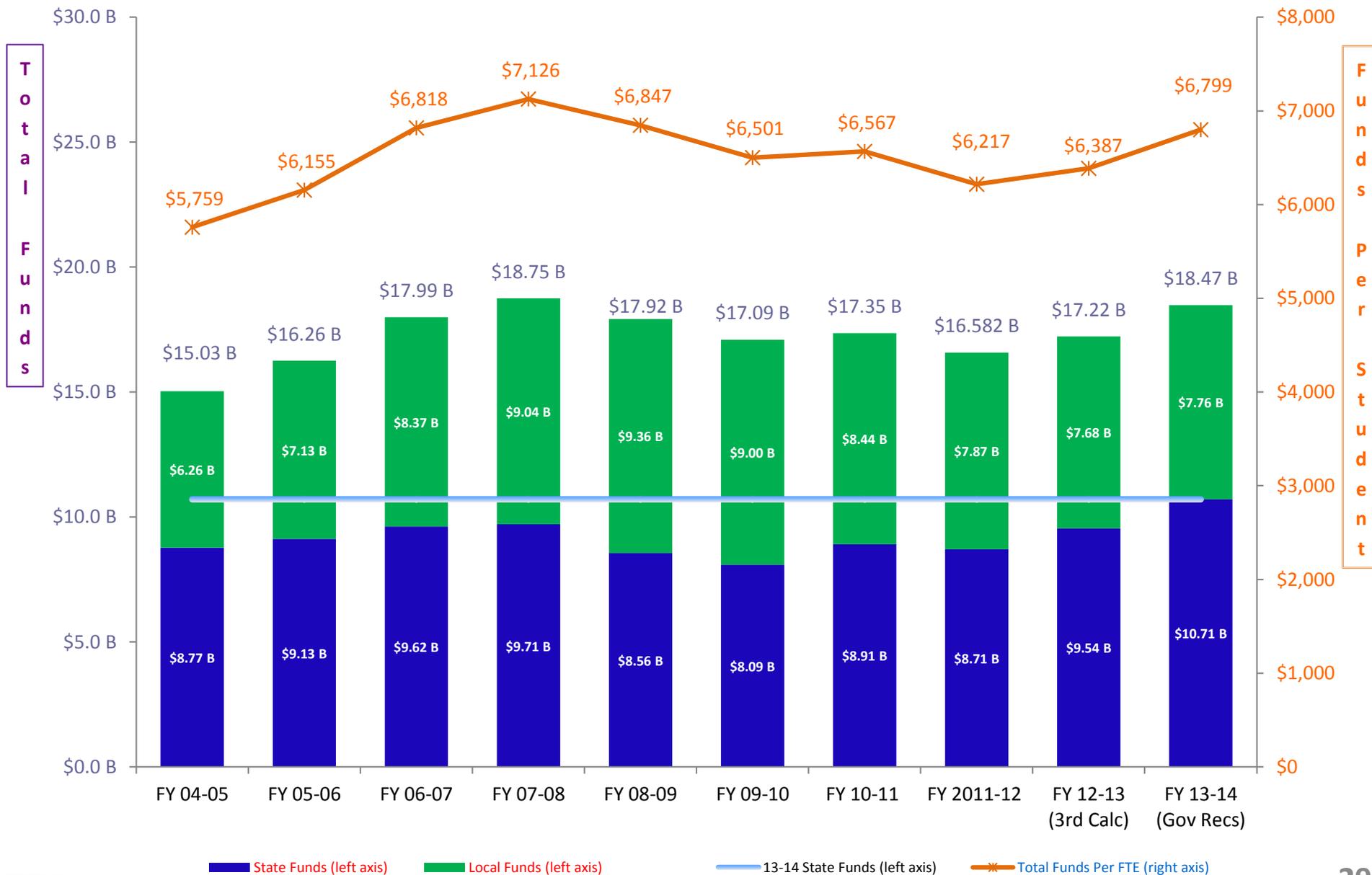
Average \$2,500 salary increase for full-time teachers

Cost for additional per-student funding which allows:

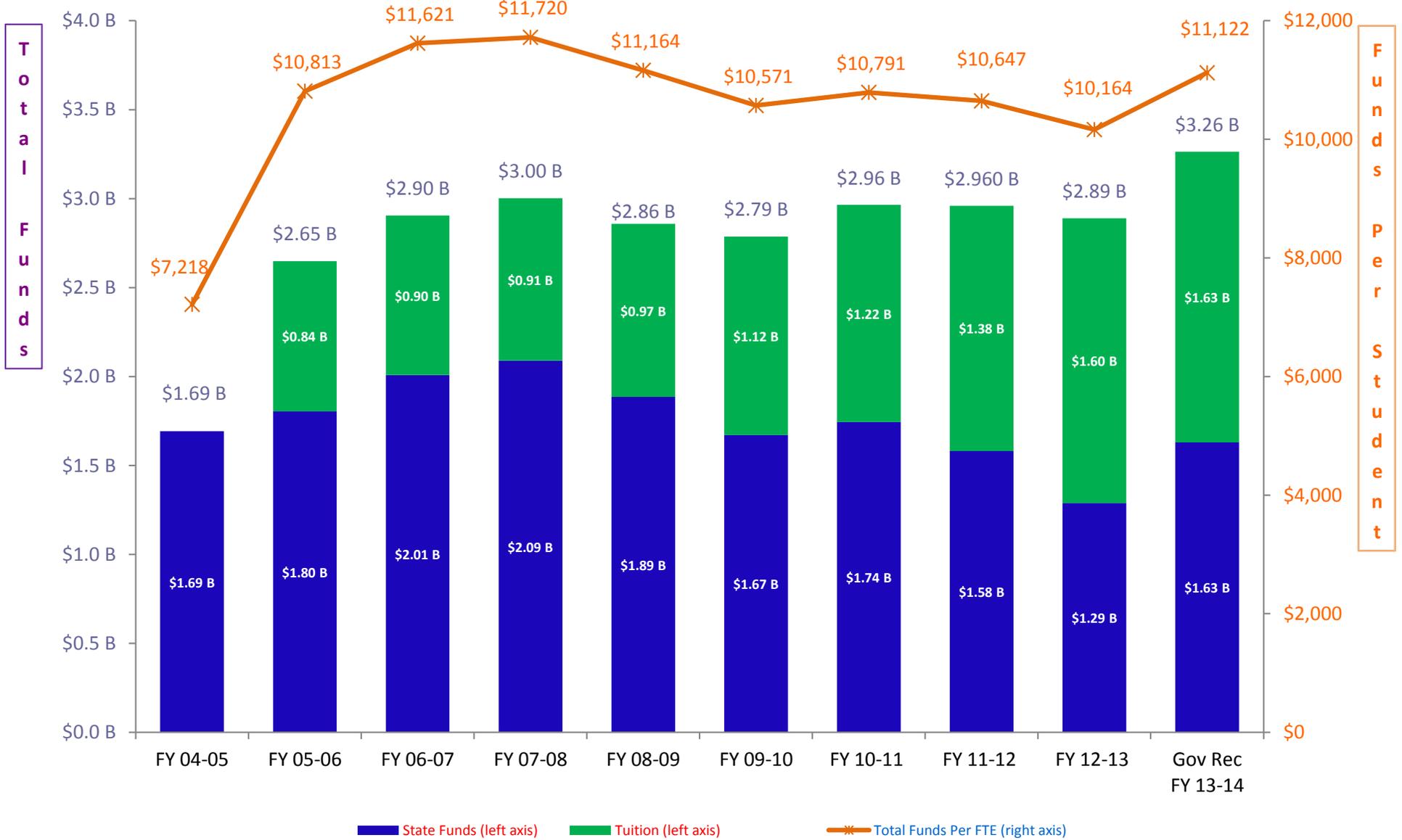
- Increasing funding for Safe Schools
- Fully funding the Sparsity Supplement
- Increasing the Teacher Supply Program to an estimated \$250 per teacher;
- Increasing the School Recognition Program to \$125 per student.



Ten Year History of State and Local School Funding



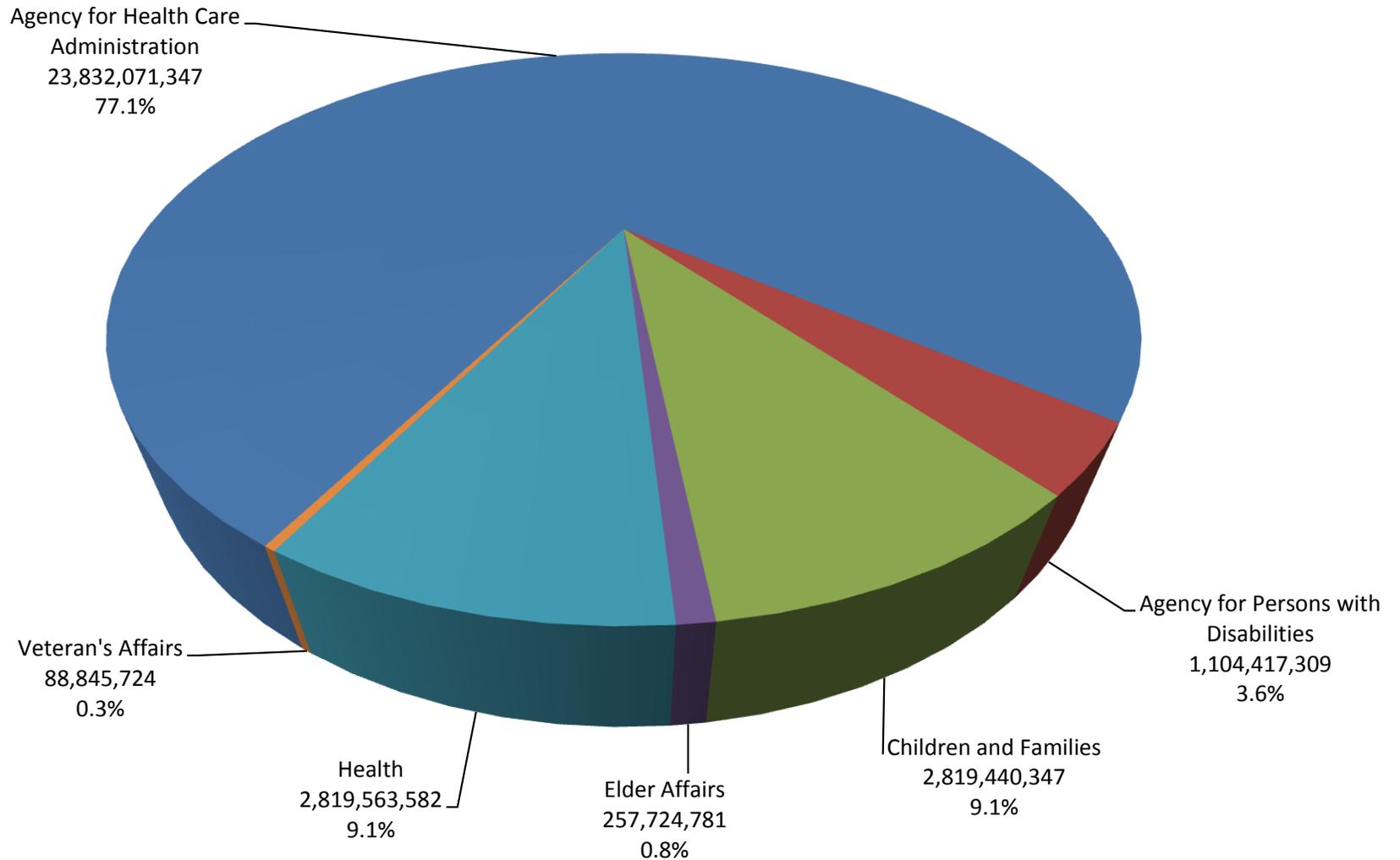
Ten Year History of State University System Operating Funding (Excludes UF-IFAS, Health Science Centers and Medical School Appropriations and FTE Students)



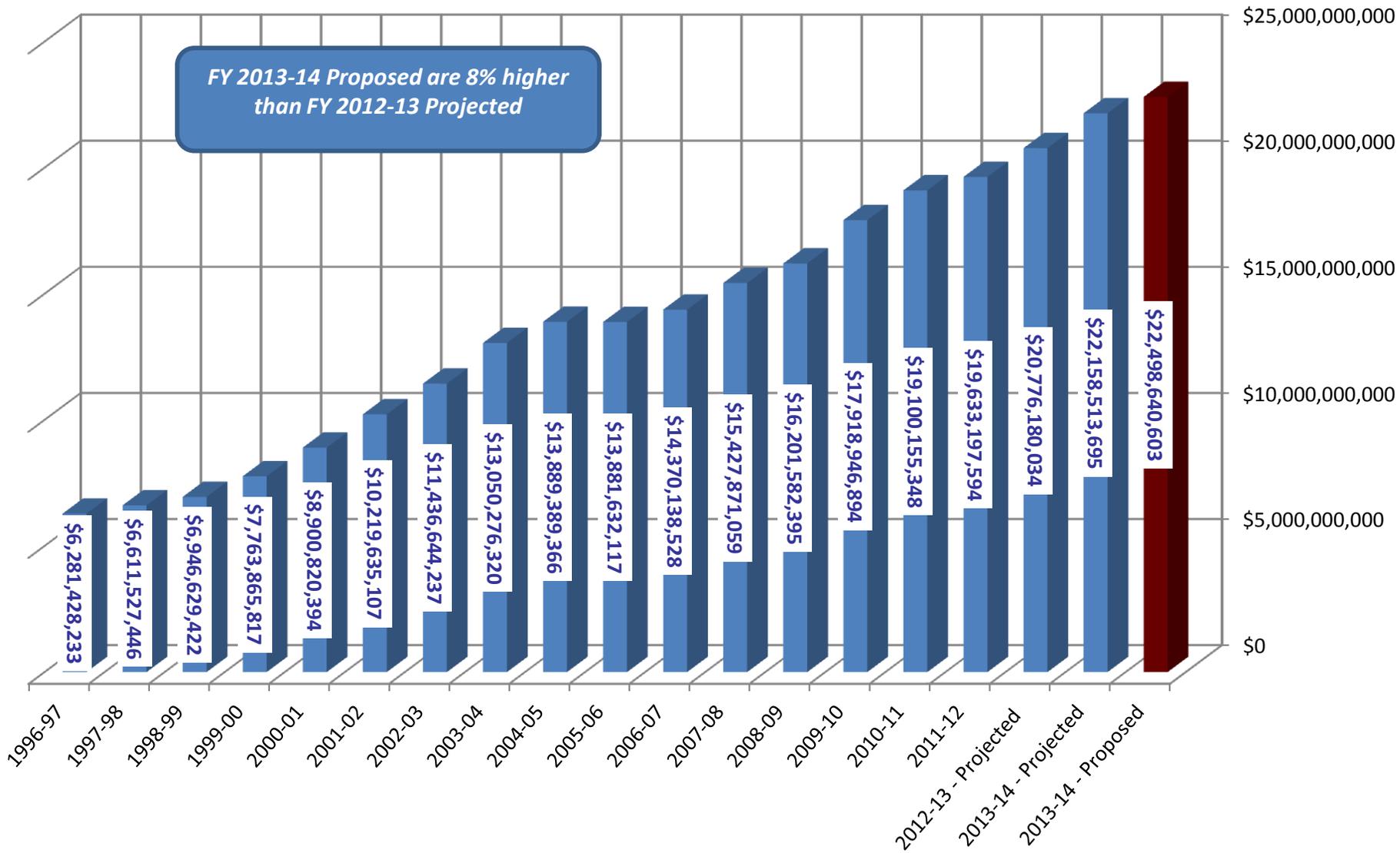
Ten Year History of Florida College System Operating Funding



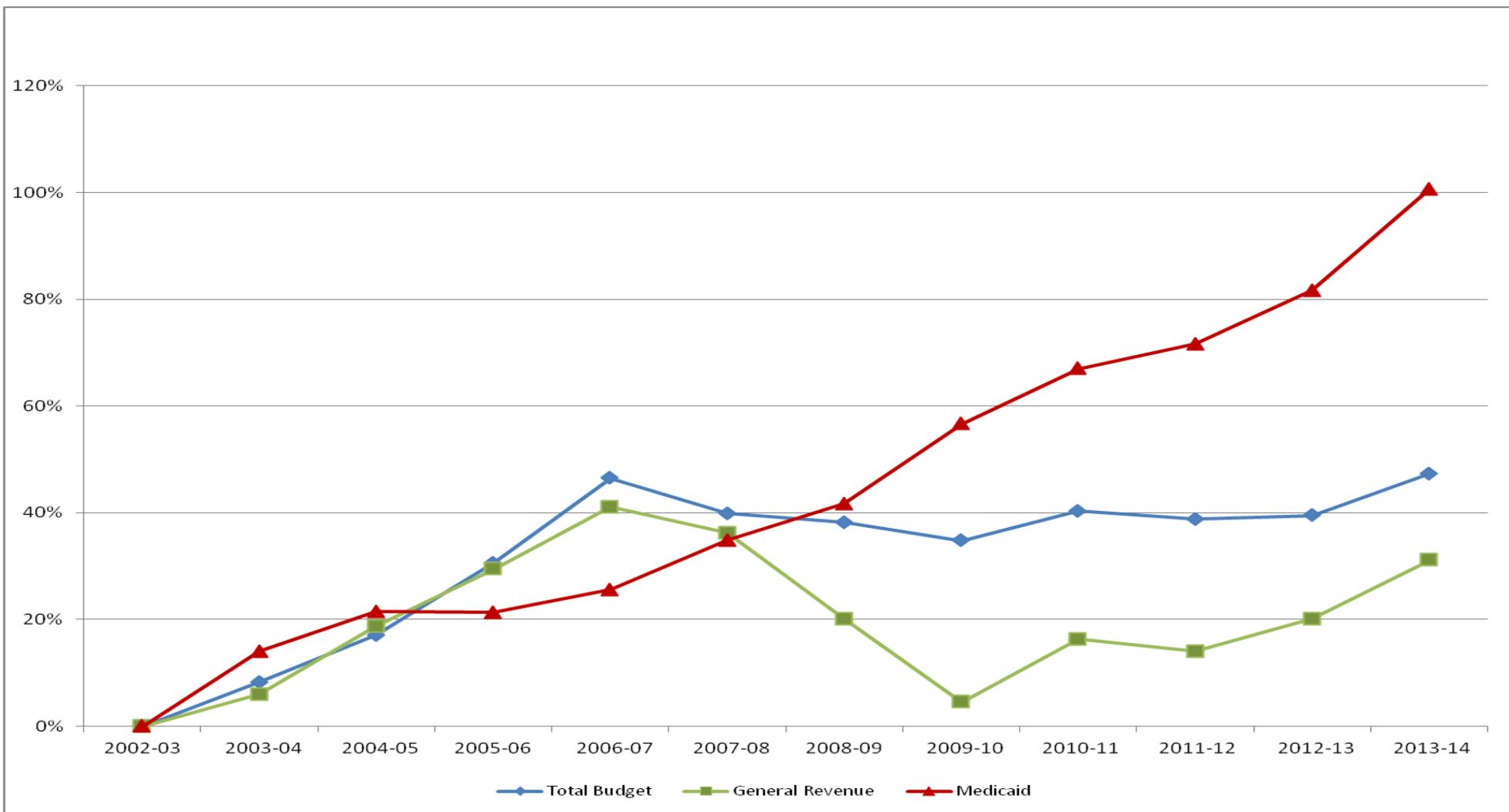
Governor's Recommended Budget Fiscal Year 2013-14 Health and Human Services - \$30.9 Billion



Medicaid Services Expenditures



Growth Rates – Total Budget, General Revenue and Medicaid



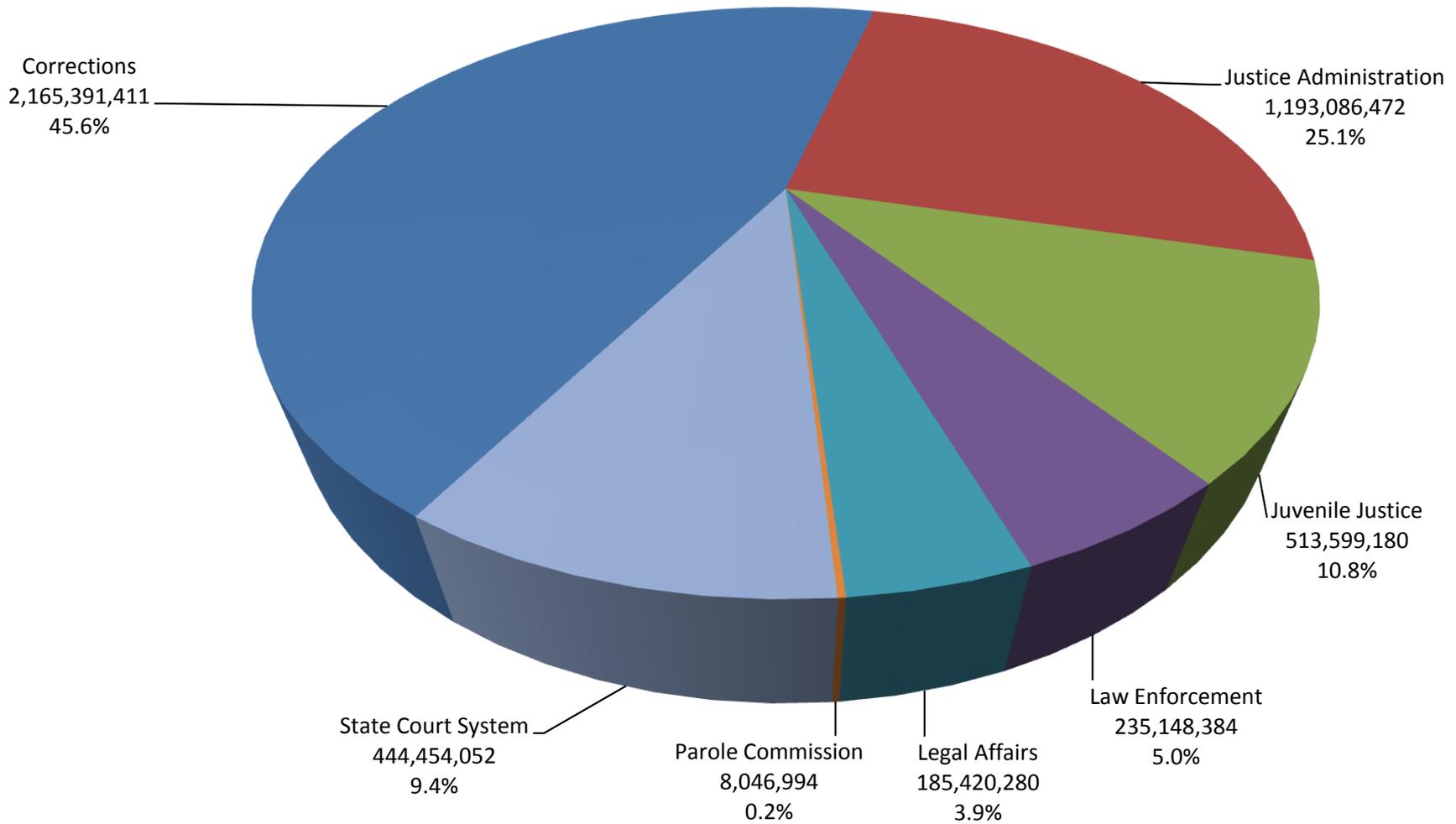
Health and Human Services Highlights

Major Issues Funded	Amount
Medicaid Price Level and Workload – Existing Program	\$1,116 billion
Physician Fee Increase	\$704 million
Federal Health Care Reform –Currently Eligible but not Enrolled	\$116 million
APD Deficits for FY 2012-13	\$40 million
APD Waitlist	\$ 36.3 million
Florida’s Public Assistance Eligibility System	\$60 million
Maintenance Adoption Subsidies	\$31 million
Mental Health and Substance Abuse Programs	\$23.1 million
Elder Affairs Wait List (Nursing Home and Aged and Disabled)	\$24.2 million
Biomedical Research	\$30 million
Graduate Medical Education	\$80.0 million
Major Decrease	Amount
Medicaid Program	(\$660) million

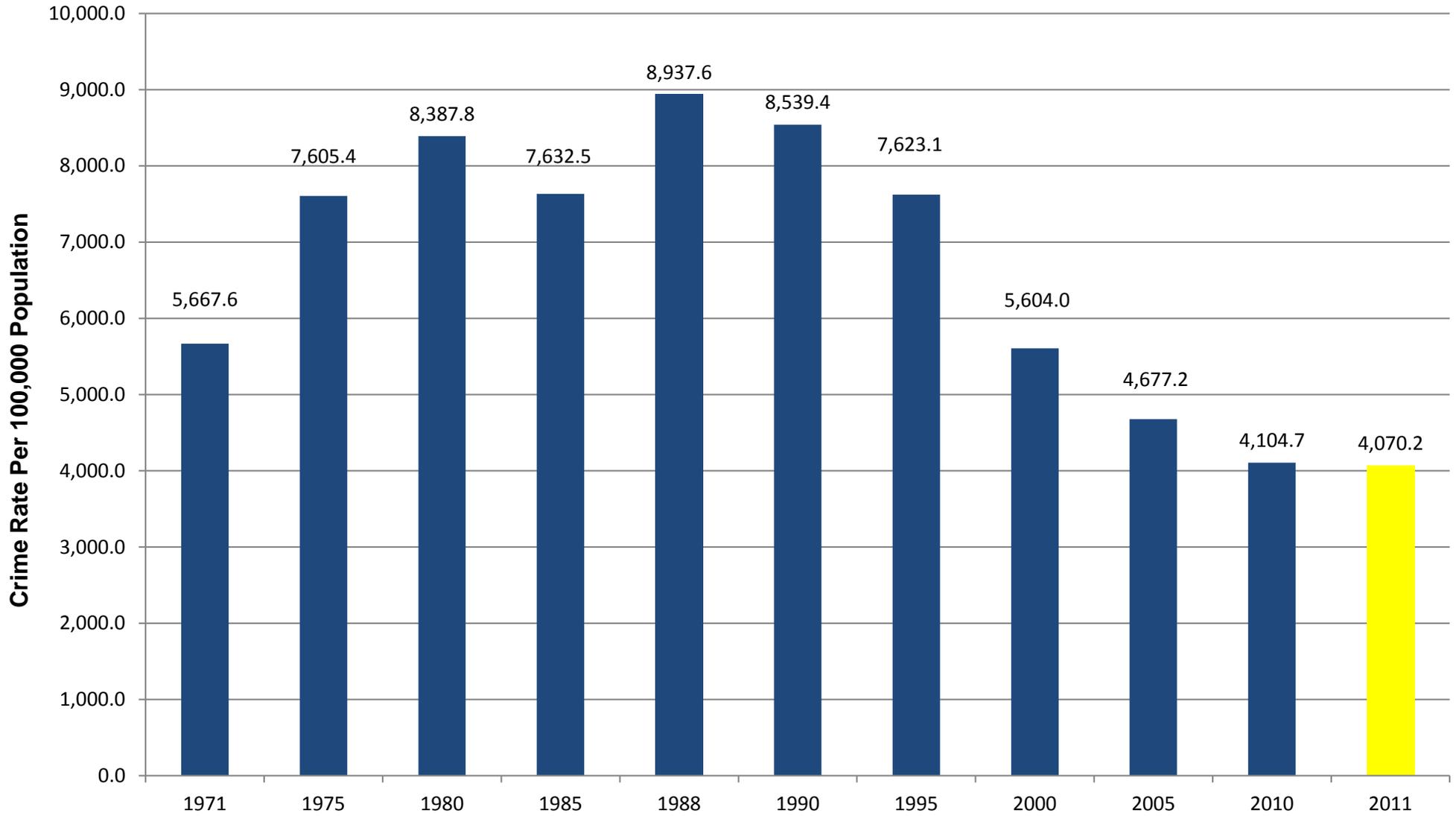


Governor's Recommended Budget Fiscal Year 2013-14

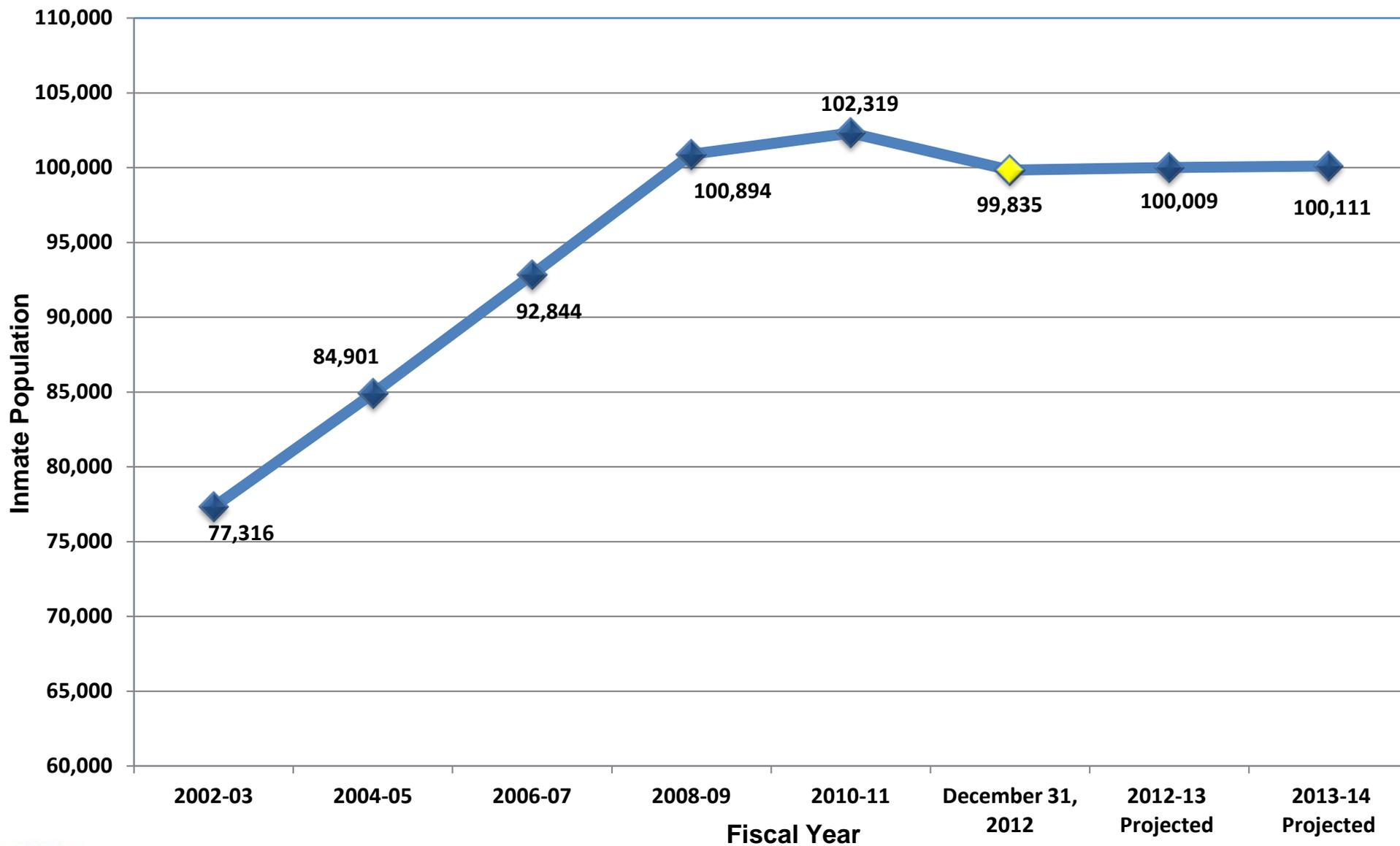
Public Safety - \$4.7 Billion



Crime Rate Per 100,000 Population



Inmate Population by Fiscal Year ending June 30

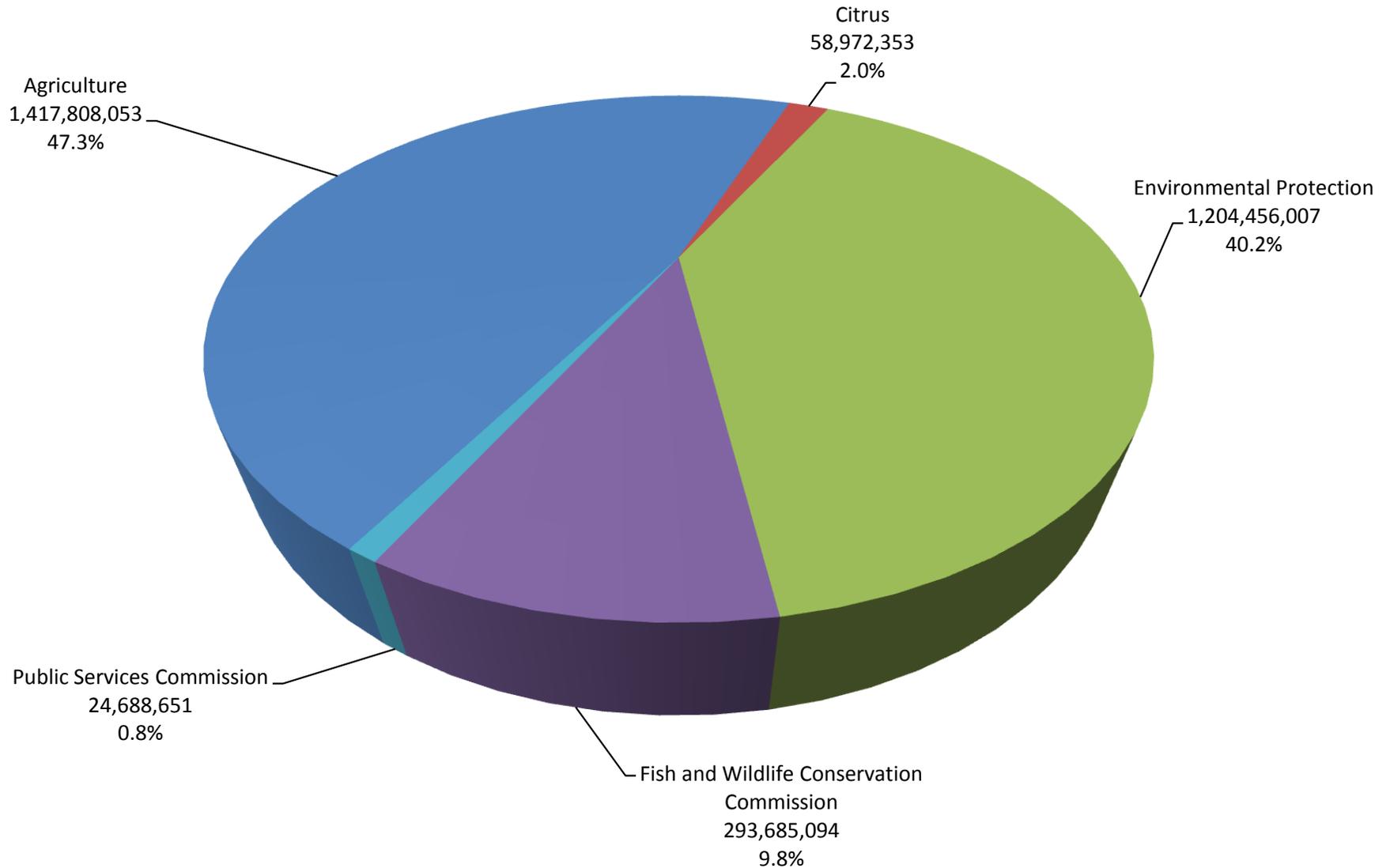


Public Safety Highlights

Major Issues Funded	Amount
Optimum Staffing to Ensure Security in High Risk Prisons	\$12.5 million
Re-Invest Savings from Reduced Recidivism into a Correction's Bonus Plan	\$21.2 million
Address Current Year Correction's Deficit	
<ul style="list-style-type: none"> Fully Fund Inmate Health Services 	\$55.6 million
<ul style="list-style-type: none"> Prison Privatization Restoration 	\$10.9 million
<ul style="list-style-type: none"> Revised Inmate Population 	\$ 8.3 million
Invest in Preventative Services for At-Risk Youth – Establishing a PACE School for Girls in Miami and CINS/FINS Services to Rural Communities	\$2.1 million
Provide DNA Technology Upgrades and Crime Lab Analysts	\$2.7 million
Major Decreases	Amount
Various Program Reductions and Excess Trust Authority	(\$49.2) million



Governor's Recommended Budget Fiscal Year 2013-14 Environment - \$3.0 Billion



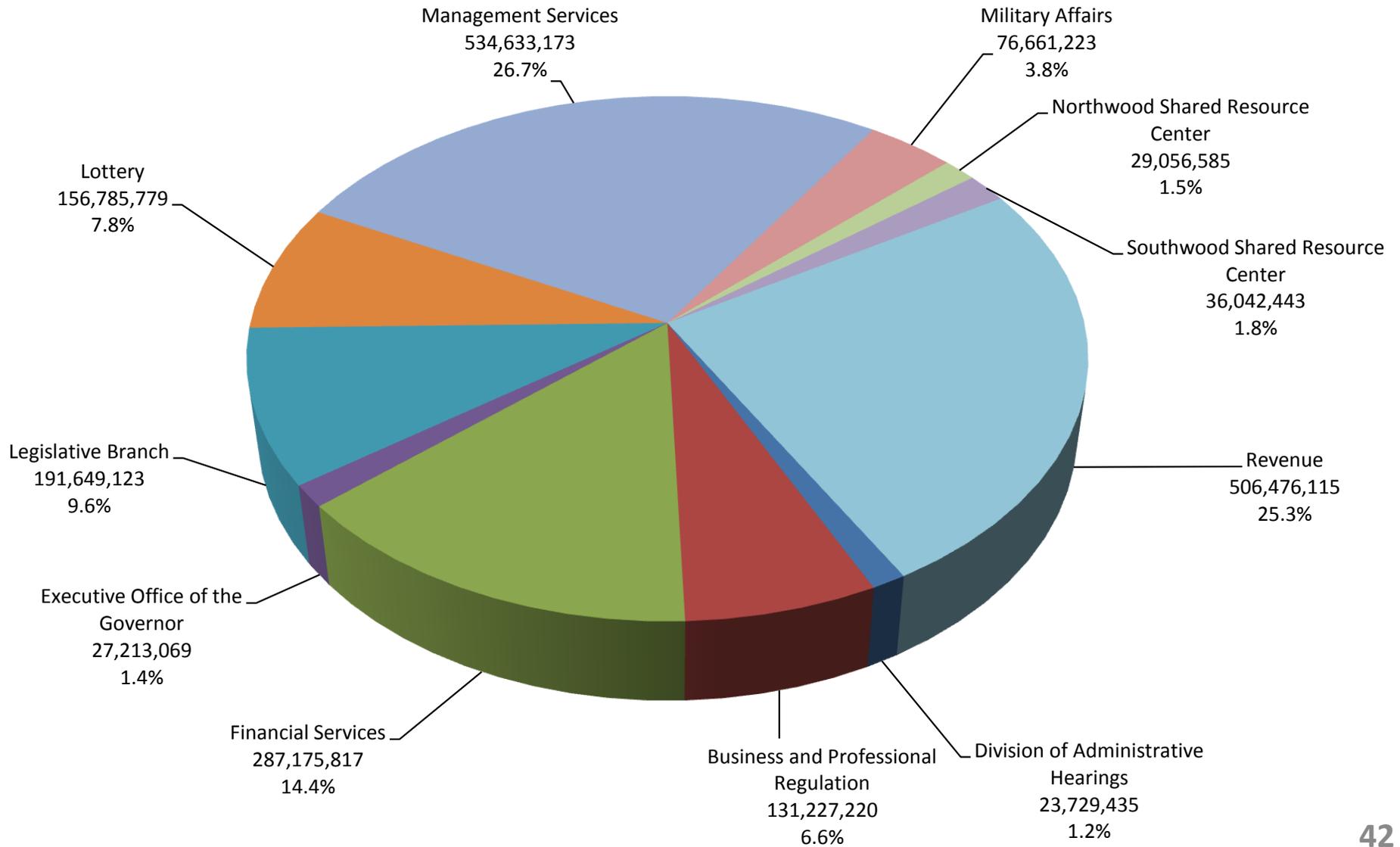
Environment Highlights

Major Issues Funded	Amount
Everglades Restoration	\$60.0 million
Land Acquisition/Florida Forever	\$75.0 million
Beach Projects	\$25.0 million
Petroleum Tanks Cleanup Program	\$135.0 million
Drinking Water/Waste Water Facility Construction	\$215.6 million

Major Decreases	Amount
Various Program Savings	(\$29.1) million



Governor's Recommended Budget Fiscal Year 2013-14 General Government - \$2.0 Billion



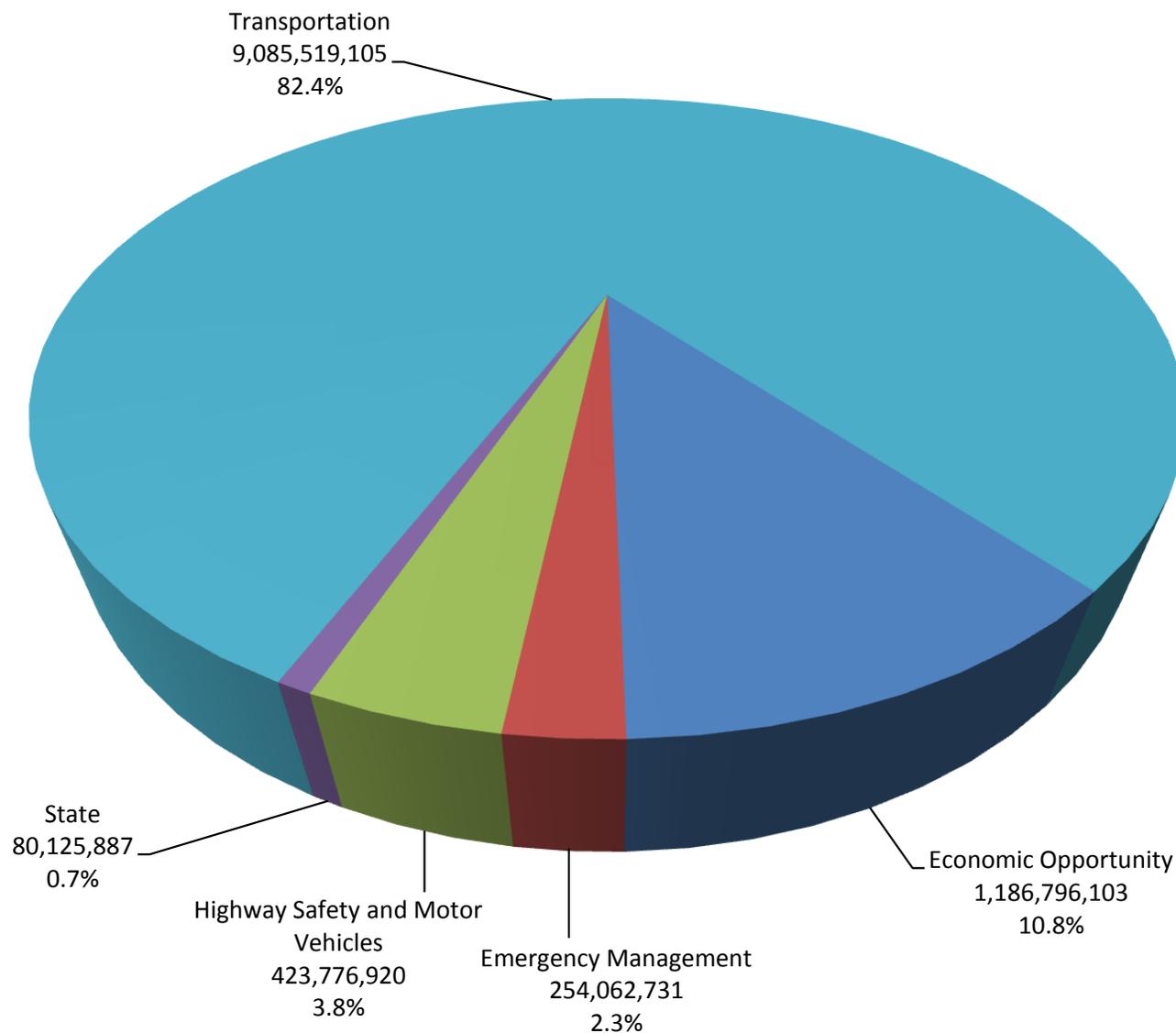
General Government Highlights

Major Issues Funded	Amount
Offset Ad Valorem Tax Reductions for Fiscally-Constrained Counties	\$24.0 million
Renovation of Florida National Guard Armories	\$15.0 million
MyFloridaMarketPlace Contract	\$10.9 million
Improve the Efficiency of State-Owned Buildings	\$ 6.1 million
Telecommunications Systems for Public Safety	\$ 5.6 million
Continue Additional Funding for Lottery Advertising	\$ 4.0 million
Continue One-Stop Business Registration Portal Phase II	\$0.5 million

Major Decreases	Amount
Various Program Savings	(\$54.2) million



Governor's Recommended Budget Fiscal Year 2013-14 Transportation and Economic Development - \$11.0 Billion



Transportation & Economic Development Highlights

Major Issues Funded /	Amount
State Transportation Work Program	\$8.3 billion
Economic Development Tools / Achievement Awards	\$315 million
VISIT Florida	\$75 million
Affordable Housing / State Housing Initiatives Partnership	\$50 million
Space Florida	\$20 million
State Aid to Libraries	\$20.2 million
Quick Response Training Program	\$12 million
Highway Patrol Pursuit Vehicles	\$14.2 million

Major Decreases	Amount
Various Program Savings	(\$21.2) million



Statewide Issues

Major Issues Funded	Amount
Variable Compensation Awards	\$147.9 million
Performance Incentive –Unemployment Rate Reduction	\$167.5 million
Florida Retirement System (Includes State Agencies, School Districts, State University System and the College System)	\$552.6 million

Major Decreases	Amount
State Group Health Insurance Program – Uniform Premiums	(\$43.4) million
Enterprise Efficiency Initiatives	(\$30.3) million
Other Administrative and Operational Efficiencies	(\$56.8) million and 932 positions



Enterprise Efficiency Initiatives

#	Initiative	Description	Reductions Included in the 2013-14 Governor's Recommendations	Funding Request included in the 2013-14 Governor's Recommendation
1	Procurement Transformation Project (Strategic Sourcing)	Negotiate new state term contracts to achieve cost savings.	None	• \$353,000 and 4 positions - procurement/negotiation training
2	Vendor Performance Management	Negotiate savings on large contracts.	\$4.1 million - FY 12-13 \$17.8 million - FY 13-14	
3	Real Estate Optimization	Improve the utilization of office space, reduce energy consumption and lease costs, and improve facility operations.	\$3.0 million - FY 12-13 \$5.4 million - FY 13-14	• \$6.1 million - Improve space efficiency
4	Human Resource Shared Services	Develop a human resources shared services delivery model.	None	• \$500,000 - Business Case
5	Employee Performance and Talent Management	Utilize incentive pay (bonuses) to reward high performing employees.	None	• \$147.9 million – variable compensation awards for eligible employees
6	Fleet Management Services	Centralize policies, oversight, planning and coordination of the state's fleet.	None	• \$380,800 - Business Case
7	Medicaid Fraud	Develop a plan for an interagency approach towards reducing the incidence of Public Assistance fraud.	None	• \$2.5 million and 7 positions – Consultant services



THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2/6/13

Meeting Date

Topic Governor's Budget Recs

Bill Number _____
(if applicable)

Name Jerry McDaniel

Amendment Barcode _____
(if applicable)

Job Title Director

Address PL 05

Phone 717-9371

Street Tallahassee FL 32399

E-mail _____

City *State* *Zip*

Speaking: For Against Information

Representing Governor's Office

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2-6-13

Meeting Date

Topic Lottery Games

Bill Number _____
(if applicable)

Name Laurie Grasel

Amendment Barcode _____
(if applicable)

Job Title Policy Coordinator

Address 1802 The Capitol

Phone 850-717-9396

Street

Tallahassee FL

City

State

Zip

E-mail laurie.grasel@laspbs.state.fl.us

Speaking: For Against Information

Representing The Governor's Office

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

CourtSmart Tag Report

Room: KN 412

Case:

Type:

Caption: Senate Appropriations Committee

Judge:

Started: 2/6/2013 8:31:17 AM

Ends: 2/6/2013 9:58:32 AM Length: 01:27:16

8:31:21 AM	Sen. Negron (Chair)
8:33:10 AM	TAB 1 - Presentation on Governor's Recommended Budget
8:33:14 AM	Jerry McDaniel, Director, Governor's Office of Policy and Budget
9:06:07 AM	Sen. Negron
9:07:41 AM	J. McDaniel
9:09:07 AM	Sen. Smith
9:09:11 AM	Sen. Negron
9:09:58 AM	Sen. Smith
9:10:28 AM	J. McDaniel
9:11:11 AM	Sen. Smith
9:11:45 AM	J. McDaniel
9:13:11 AM	Sen. Smith
9:13:21 AM	J. McDaniel
9:13:27 AM	Sen. Smith
9:13:32 AM	J. McDaniel
9:13:56 AM	Sen. Gardiner
9:14:51 AM	J. McDaniel
9:17:51 AM	Sen. Gardiner
9:18:16 AM	J. McDaniel
9:19:13 AM	Sen. Gardiner
9:19:20 AM	J. McDaniel
9:19:36 AM	Sen. Negron
9:20:12 AM	Sen. Sobel
9:20:57 AM	J. McDaniel
9:21:50 AM	Sen. Sobel
9:22:40 AM	J. McDaniel
9:23:29 AM	Sen. Sobel
9:23:43 AM	J. McDaniel
9:23:56 AM	Sen. Margolis
9:24:46 AM	J. McDaniel
9:24:55 AM	Sen. Negron
9:25:00 AM	Sen. Margolis
9:25:05 AM	J. McDaniel
9:25:29 AM	Sen. Margolis
9:25:35 AM	J. McDaniel
9:25:44 AM	Sen. Negron
9:25:50 AM	Sen. Margolis
9:26:02 AM	J. McDaniel
9:26:34 AM	Sen. Margolis
9:27:20 AM	J. McDaniel
9:27:24 AM	Sen. Mumford
9:28:54 AM	J. McDaniel
9:29:48 AM	Sen. Mumford
9:30:10 AM	J. McDaniel
9:30:49 AM	Sen. Mumford
9:31:21 AM	J. McDaniel
9:31:39 AM	Sen. Mumford
9:32:06 AM	J. McDaniel
9:32:13 AM	Sen. Mumford
9:33:03 AM	J. McDaniel
9:33:15 AM	Sen. Latvala
9:33:37 AM	J. McDaniel

9:33:56 AM Sen. Latvala
9:34:18 AM J. McDaniel
9:35:26 AM Sen. Latvala
9:36:02 AM J. McDaniel
9:36:14 AM Sen. Negron
9:36:49 AM Sen. Hukill
9:37:10 AM J. McDaniel
9:38:02 AM Sen. Hukill
9:38:21 AM J. McDaniel
9:38:52 AM Sen. Hukill
9:39:16 AM J. McDaniel
9:39:55 AM Sen. Hukill
9:40:03 AM Sen. Negron
9:40:07 AM J. McDaniel
9:40:13 AM Sen. Benacquisto
9:40:29 AM J. McDaniel
9:41:41 AM Sen. Negron
9:41:46 AM J. McDaniel
9:42:33 AM Sen. Latvala
9:42:55 AM Sen. Negron
9:43:12 AM J. McDaniel
9:43:20 AM Sen. Negron
9:43:24 AM Laurie Grasel, Policy Coordinator, General Government Unit, Governors Office of Policy and Budget
9:43:45 AM Sen. Negron
9:44:10 AM Sen. Margolis
9:45:10 AM Sen. Negron
9:45:17 AM Sen. Thrasher
9:46:17 AM J. McDaniel
9:47:10 AM Sen. Thrasher
9:47:33 AM J. McDaniel
9:47:45 AM Sen. Thrasher
9:49:27 AM J. McDaniel
9:50:15 AM Sen. Negron
9:50:35 AM J. McDaniel
9:53:28 AM Sen. Smith
9:53:57 AM J. McDaniel
9:55:01 AM Sen. Negron
9:55:31 AM J. McDaniel
9:56:27 AM Sen. Sobel
9:57:01 AM J. McDaniel
9:57:56 AM Sen. Sobel
9:58:14 AM J. McDaniel
9:58:28 AM
9:58:33 AM