

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BUDGET
Senator Alexander, Chair
Senator Negron, Vice Chair

MEETING DATE: Thursday, January 27, 2011
TIME: 10:45 a.m.—12:45 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Alexander, Chair; Senator Negron, Vice Chair; Senators Altman, Benacquisto, Bogdanoff, Fasano, Flores, Gaetz, Hays, Joyner, Lynn, Margolis, Montford, Rich, Richter, Simmons, Siplin, Sobel, Thrasher, and Wise

		BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
TAB	BILL NO. and INTRODUCER		

Budget Work Session

1	- Summary Financial Outlook Presentation by Budget Committee Staff		
2	- Presentation on the State Contract Management System (SCMS) by Budget Committee Staff		

Summary Financial Outlook Senate Budget Committee January 27, 2011

General Revenue Outlook FY 2011-2012

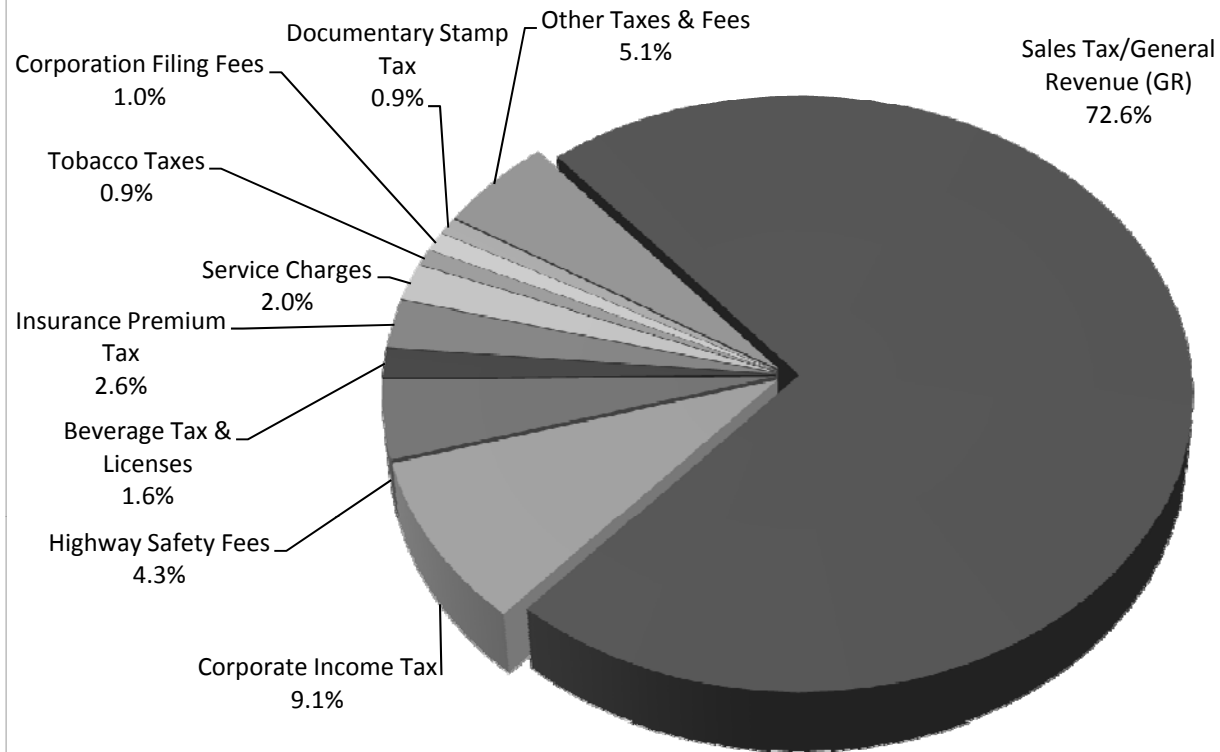
<u>Total General Revenues Available from September 15, 2010 – Long Range Financial Outlook</u>	25,216
<u>Base Budget (Recurring Continuation Funding):</u>	
Health - Medicaid	4,080
Health - Other	1,983
PreK-12	8,823
Higher Ed	3,361
Criminal Justice	3,513
<u>Other (GA, TTED, GOV/LEG/AF)</u>	<u>848</u>
Total Base	22,608
<u>Revenues Available after Base Budget for New Issues</u>	2,608
<u>New Issues: FY 2011-2012 Funding Needs - Tier 2 Long Range Financial Outlook</u>	
PreK-12 *	1,493
Higher Ed *	249
Medicaid*	1,746
Unfunded Actuarial Liability - Retirement Fund	471
<u>Other Committees (JA, GA, TTED, and EOG/LEG/AF)</u>	<u>945</u>
Subtotal Tier 2	4,904
<u>Reserves:</u>	
Transfer to BSF Required by 215.32 F.S.	215
<u>Budget Gap as of September 15:</u>	(2,510)

General Revenue Outlook FY 2011-2012, Cont'd

26	<u>Budget Gap as of September 15:</u>	(2,510)
27		
28	<u>Adjustments from Fall Estimating Conferences:</u>	
29	December 14 General Revenue Decrease	(1,198)
30	Net Estimating Conference Changes (Medicaid workload etc.)	(199)
31	Net Miscellaneous changes to the Financial Outlook (Reversions, etc.)	289
32		
33	<u>Budget Gap Revised:</u>	(3,618)
34	Working Capital Reserve	?

* Majority of GR needed in PreK 12, Higher Ed, and Health replaces \$2.8 billion in American Recovery and Reinvestment Act funding that is no longer available (\$1.4 billion from enhanced FMAP funding to Medicaid, and \$1.4 billion for Education).

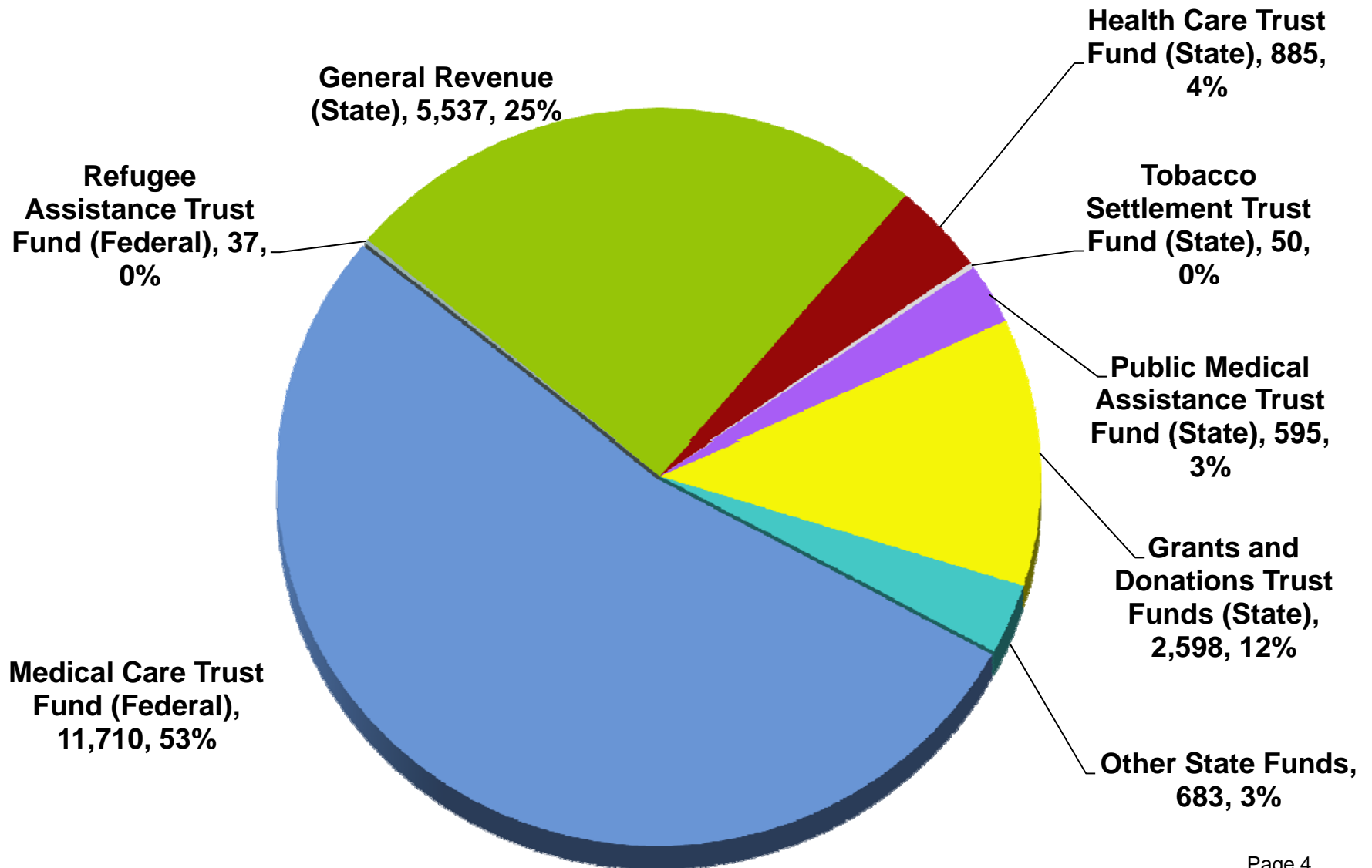
Recurring General Revenue Sources FY 2011-2012



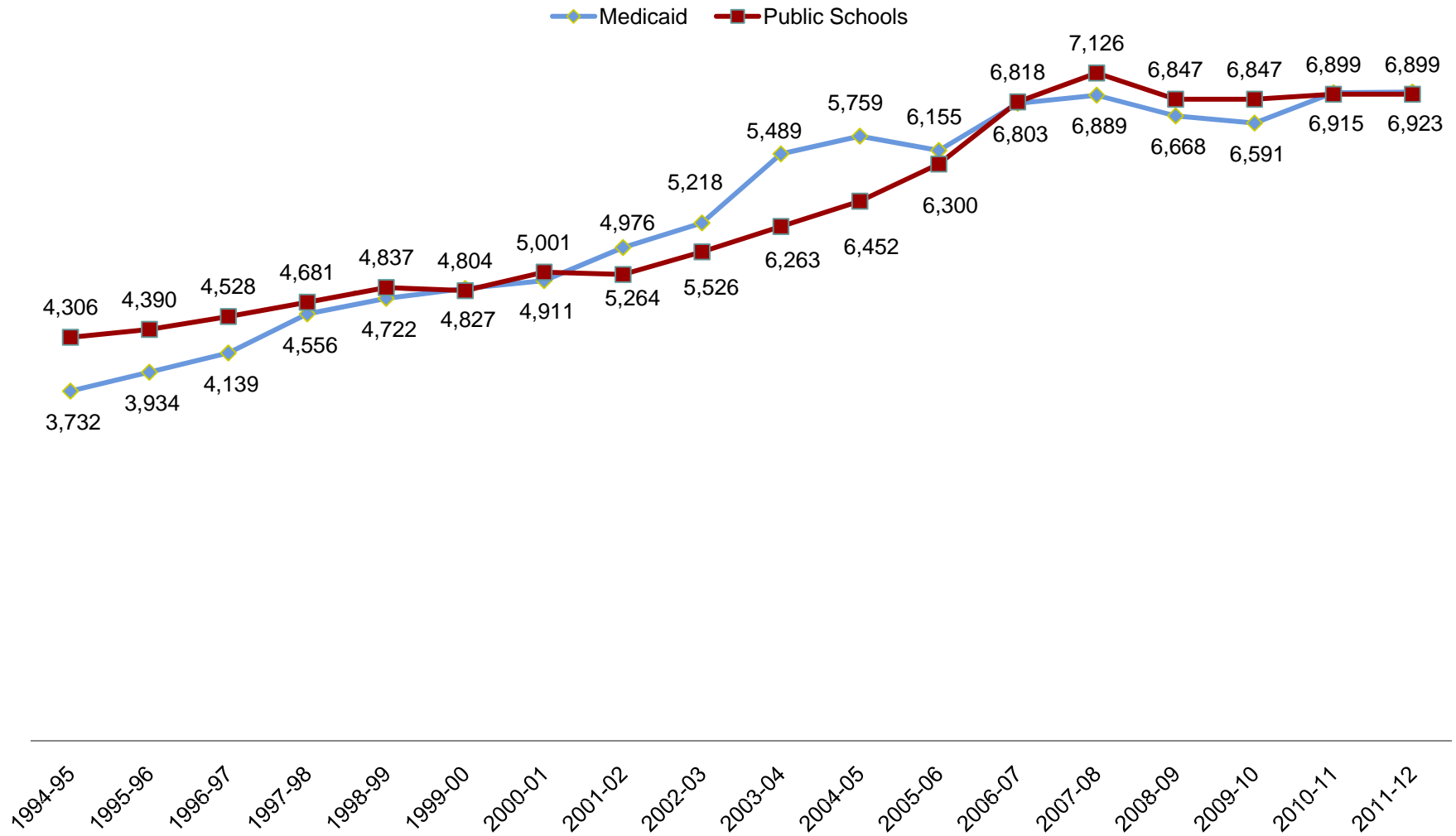
Funding Source	Dollars	Percent
Sales Tax/General Revenue (GR)	17,631.2	72.6%
Corporate Income Tax	2,205.8	9.1%
Highway Safety Fees	1,033.7	4.3%
Beverage Tax & Licenses	382.8	1.6%
Insurance Premium Tax	623.5	2.6%
Service Charges	479.6	2.0%
Tobacco Taxes	214.1	0.9%
Corporation Filing Fees	249.2	1.0%
Documentary Stamp Tax	218.9	0.9%
Other Taxes & Fees	1,245.9	5.1%
Total Recurring General Revenue	24,284.7	100.0%

Medicaid Funding - Fiscal Year 2011-2012

Total Funding \$22.1 Billion

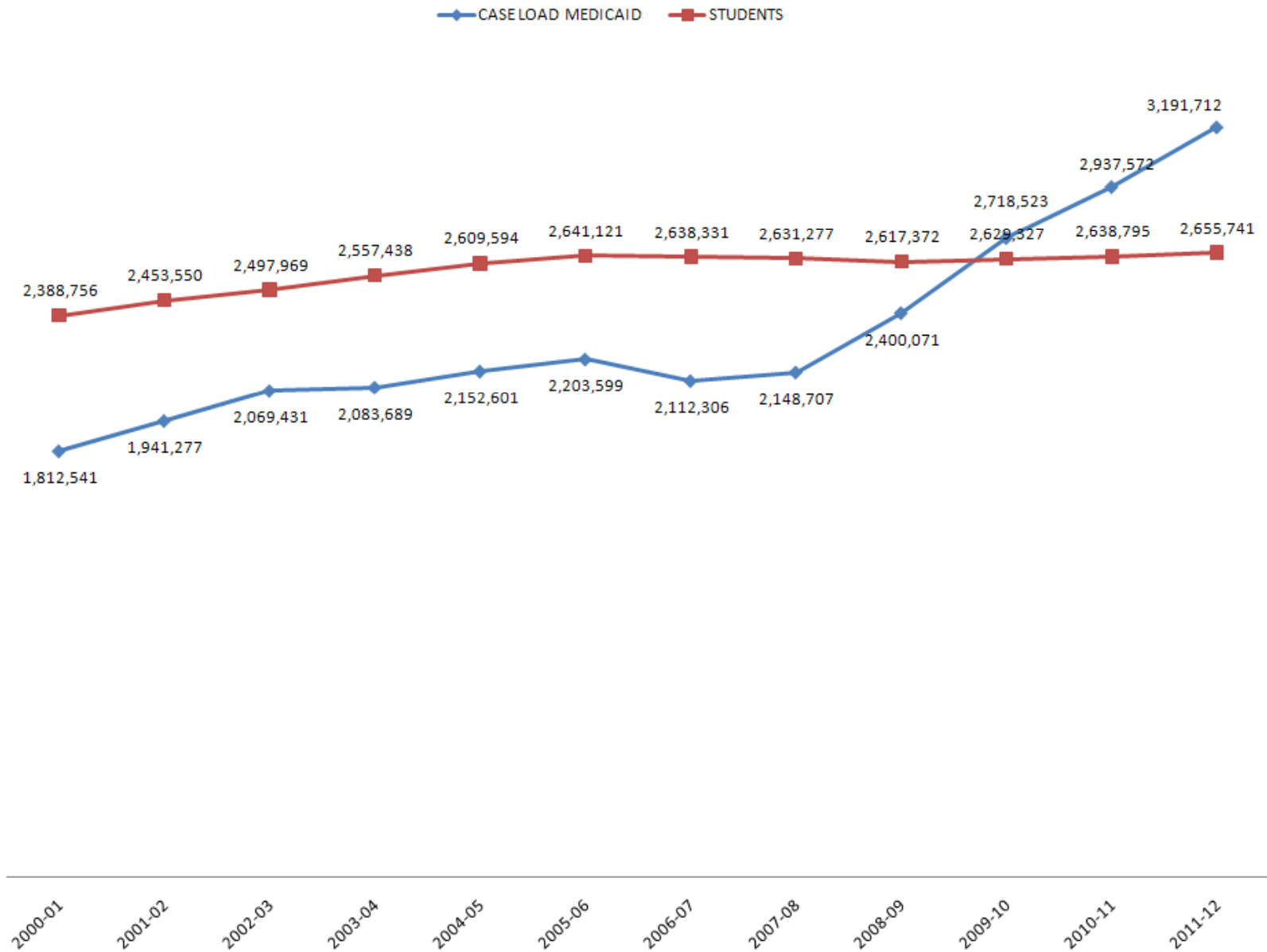


Funds per Public School FTE and Per Medicaid Recipient

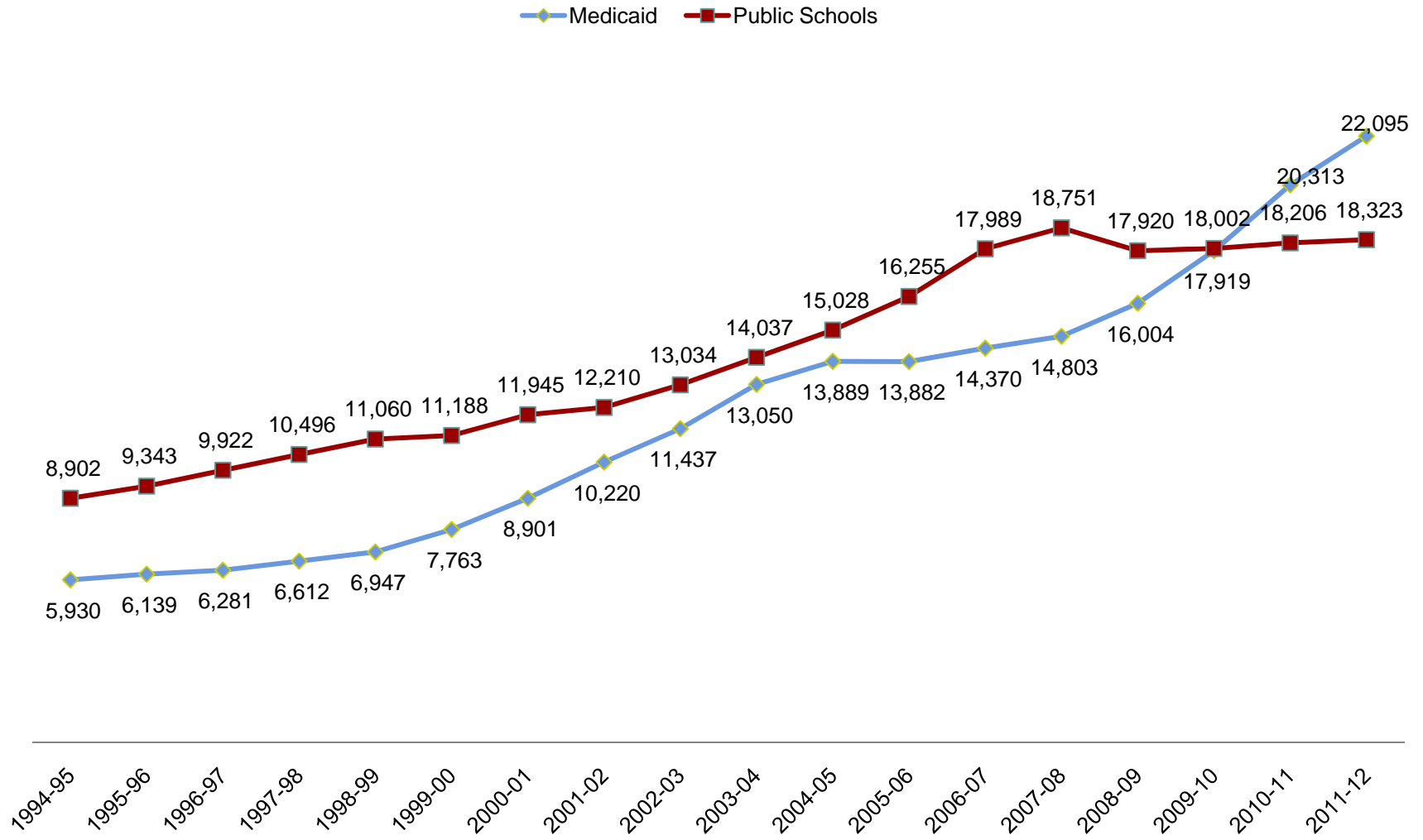


FY 12-13 per Medicaid Recipient cost increases to \$7,137

Medicaid Caseload Growth vs Public School Enrollment

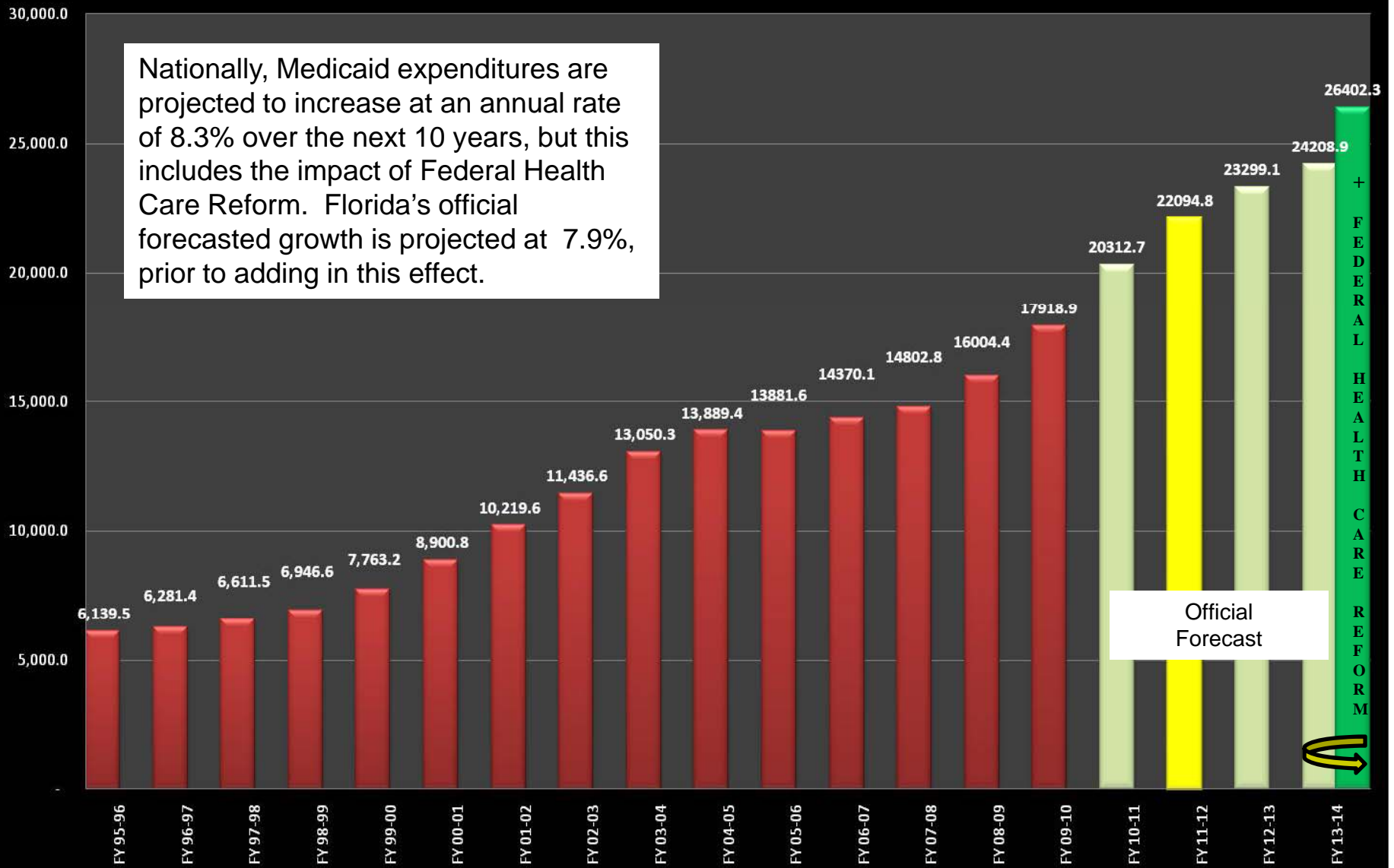


Total Expenditures - Medicaid vs. Total Public School Funding



Medicaid Expenditures (\$ millions)

Nationally, Medicaid expenditures are projected to increase at an annual rate of 8.3% over the next 10 years, but this includes the impact of Federal Health Care Reform. Florida's official forecasted growth is projected at 7.9%, prior to adding in this effect.



Official
Forecast



FEDERAL
HEALTH
CARE
REFORM

MEDICAID FEDERAL SHARE OF MATCHING FUNDS

based on revised FMAP calculation

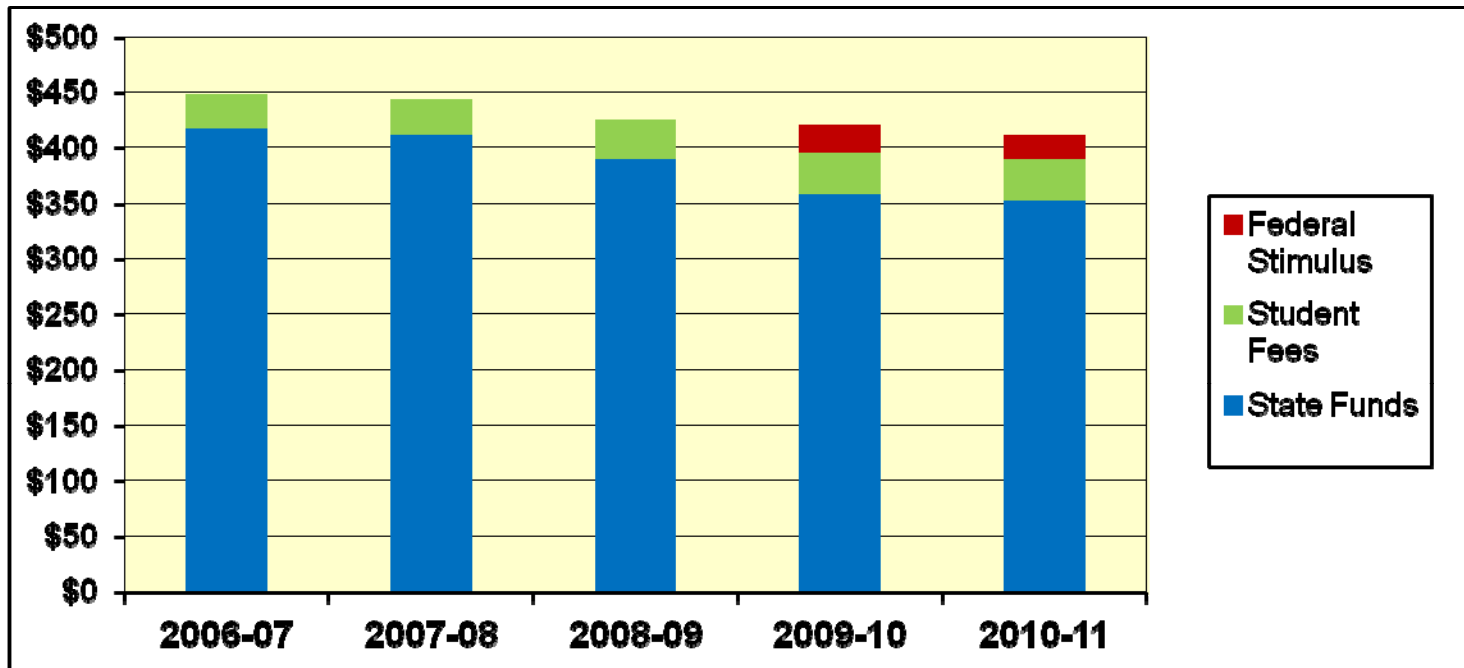
November 29, 2010

	State budgeted FMAP adopted August 2010	State budgeted FMAP based on updated calculation	Differences in FMAP	Percentage change in Federal Funds	Status of underlying federal percentage calculation
FY2009-10	0.6764	0.6764	0.0000	0.00%	actual
FY2010-11	0.6483	0.6482	-0.0001	-0.02%	confirmed
FY2011-12	0.5631	0.5594	-0.0037	-0.66%	confirmed
FY2012-13	0.5715	0.5627	-0.0088	-1.54%	estimated
FY2013-14	0.5746	0.5604	-0.0142	-2.47%	estimated

The federal fiscal year percentages used in calculating the estimated federal share of Medicaid matching funds as budgeted by state fiscal year are subject to future revision depending on changes to the forecasts of Florida and U.S. personal income and population. The personal income and population figures used in this forecast are based on the National and Florida economic forecasts as adopted by the Revenue Estimating Conference in November, 2010. The State budgeted FMAP shown above is a blended rate designed to take account of the estimated distribution of payments among months.

Workforce Education Funding History

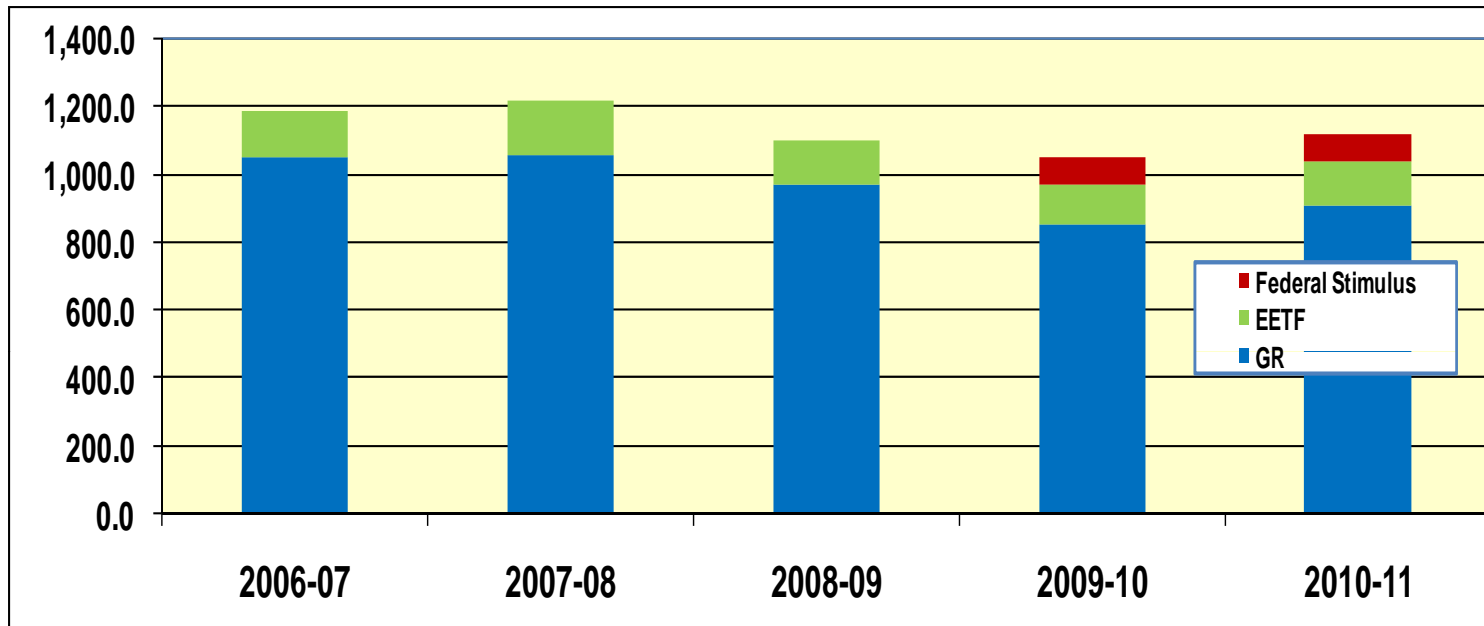
Millions



	State Funds	Student Fees	Federal Stimulus	Total
2006-07	\$417.6	\$31.0	\$0.0	\$448.6
2007-08	\$411.2	\$32.1	\$0.0	\$443.3
2008-09	\$389.7	\$35.1	\$0.0	\$424.8
2009-10	\$358.1	\$37.6	\$24.5	\$420.2
2010-11	\$352.7	\$36.8	\$22.0	\$411.5

State Support for Florida Colleges - Funding History

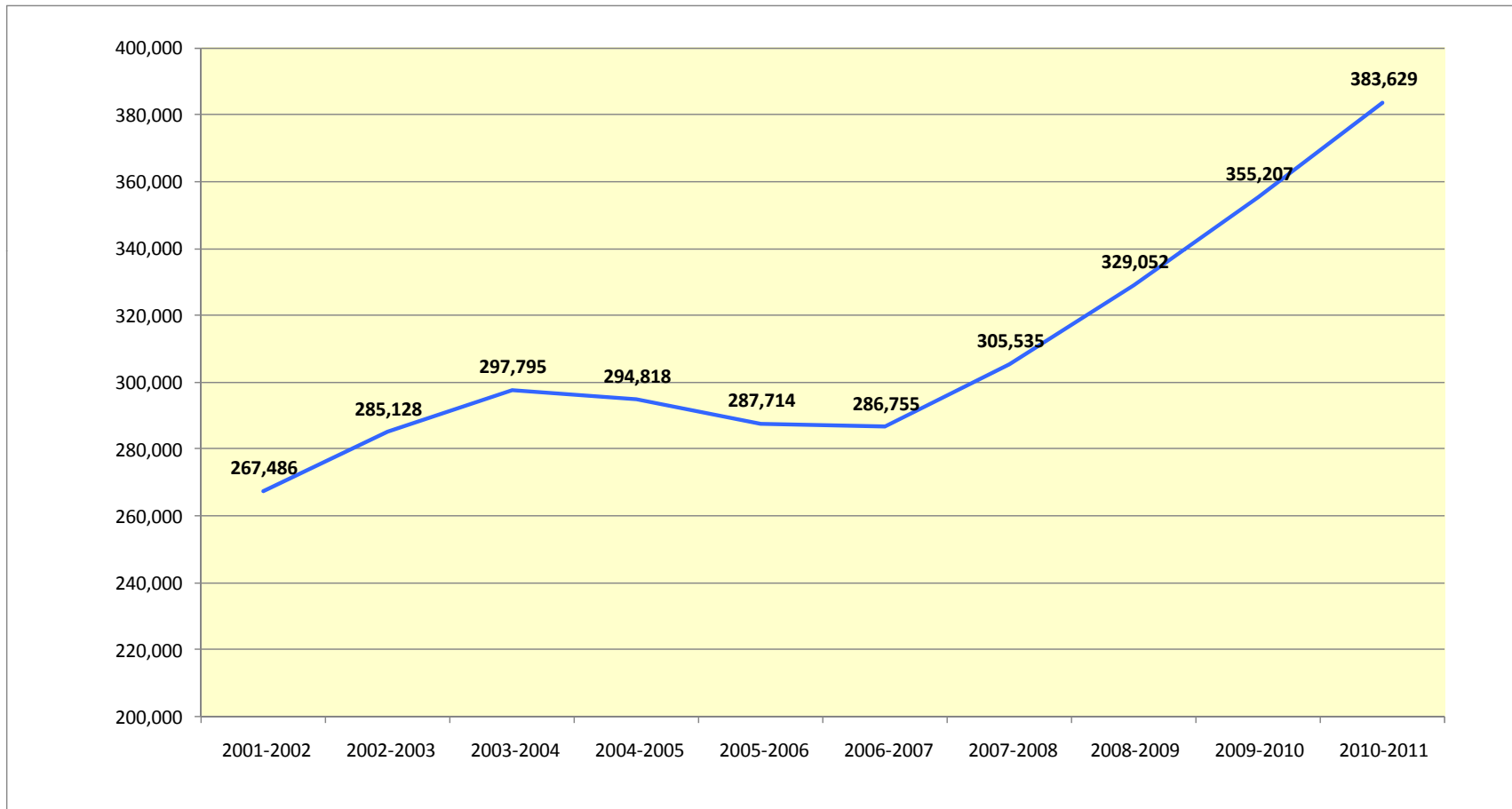
Millions



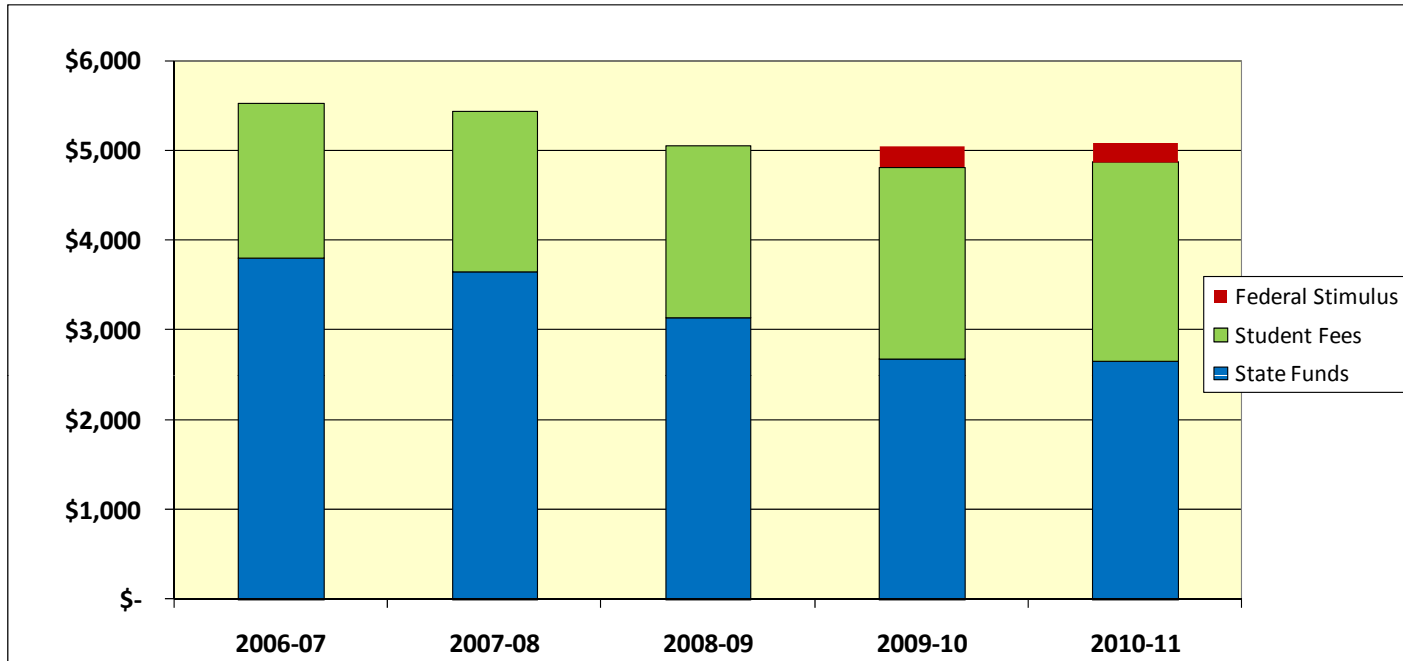
	General Revenue	Educational Enhancement Trust Fund	Federal Stimulus	Total
2006-07	1,048,279,059	140,000,000		1,188,279,059
2007-08	1,056,342,895	161,401,183		1,217,744,078
2008-09	932,494,372	124,770,300		1,057,264,672
2009-10	851,298,793	116,959,158	83,318,845	1,051,576,796
2010-11	910,002,452	126,959,158	83,045,378	1,120,006,988

Florida College Enrollment

FTE



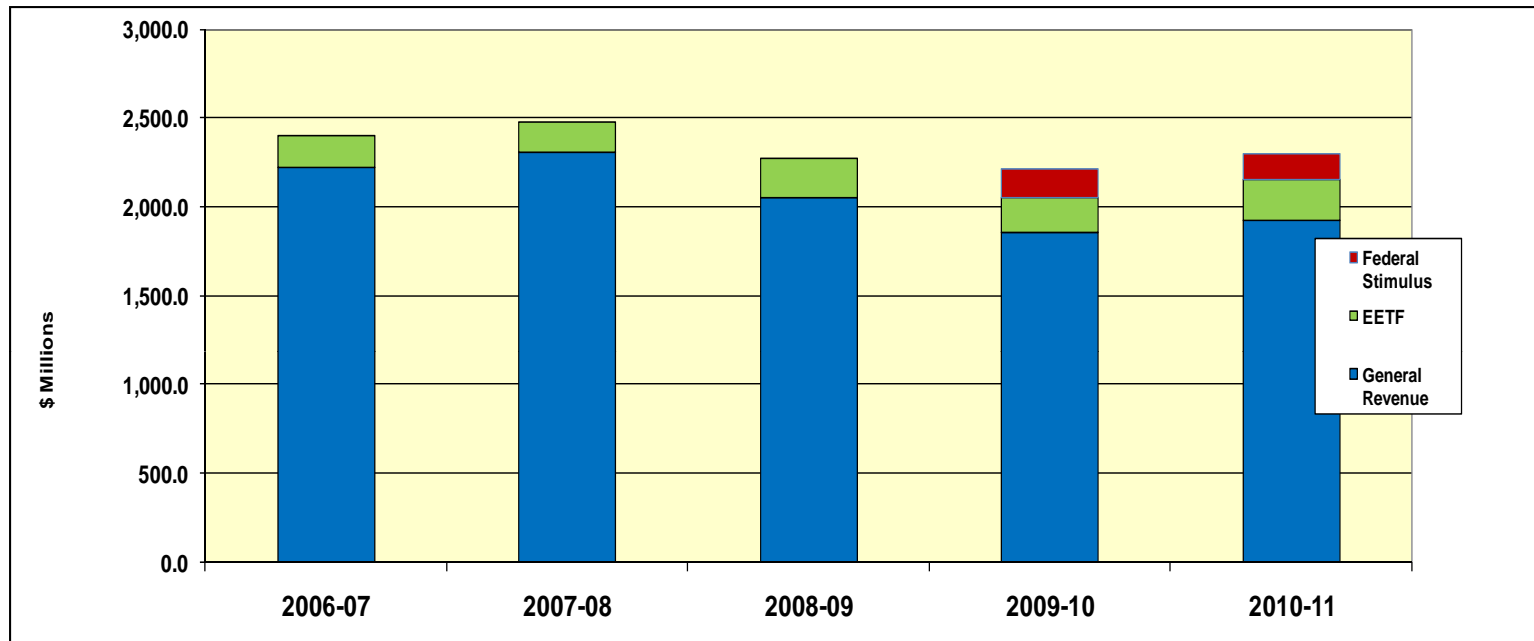
Florida College Funds per FTE



Year	State Funds	Federal Stimulus	Student Fees	Total Funds	% Increase
2006-07	\$3,793		\$1,728	\$5,521	8.82%
2007-08	\$3,643		\$1,784	\$5,428	-1.69%
2008-09	\$3,131		\$1,922	\$5,053	-6.90%
2009-10	\$2,670	\$233	\$2,139	\$5,043	-0.19%
2010-11	\$2,649	\$216	\$2,217	\$5,083	0.79%

State Support for Universities – Funding History

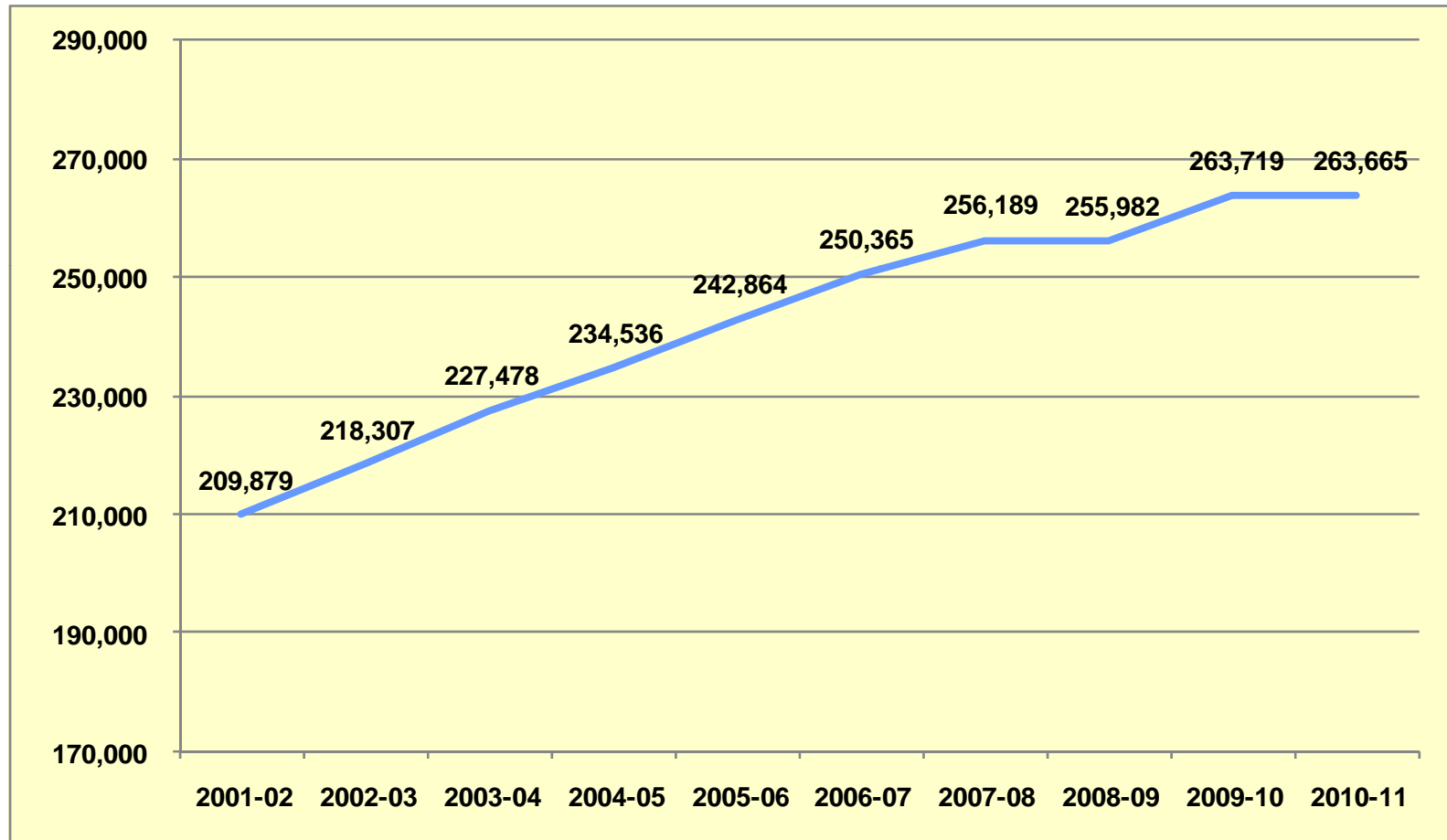
All Units



	General Revenue	Educational Enhancement Trust Fund	Federal Stimulus	Total
2006-07	2,218,624,194	177,032,085		2,395,656,279
2007-08	2,307,490,161	164,687,161		2,472,177,322
2008-09	2,049,598,377	219,373,906		2,268,972,283
2009-10	1,850,774,478	201,172,732	159,300,049	2,211,247,259
2010-11	1,922,196,874	230,671,087	144,670,851	2,297,538,812

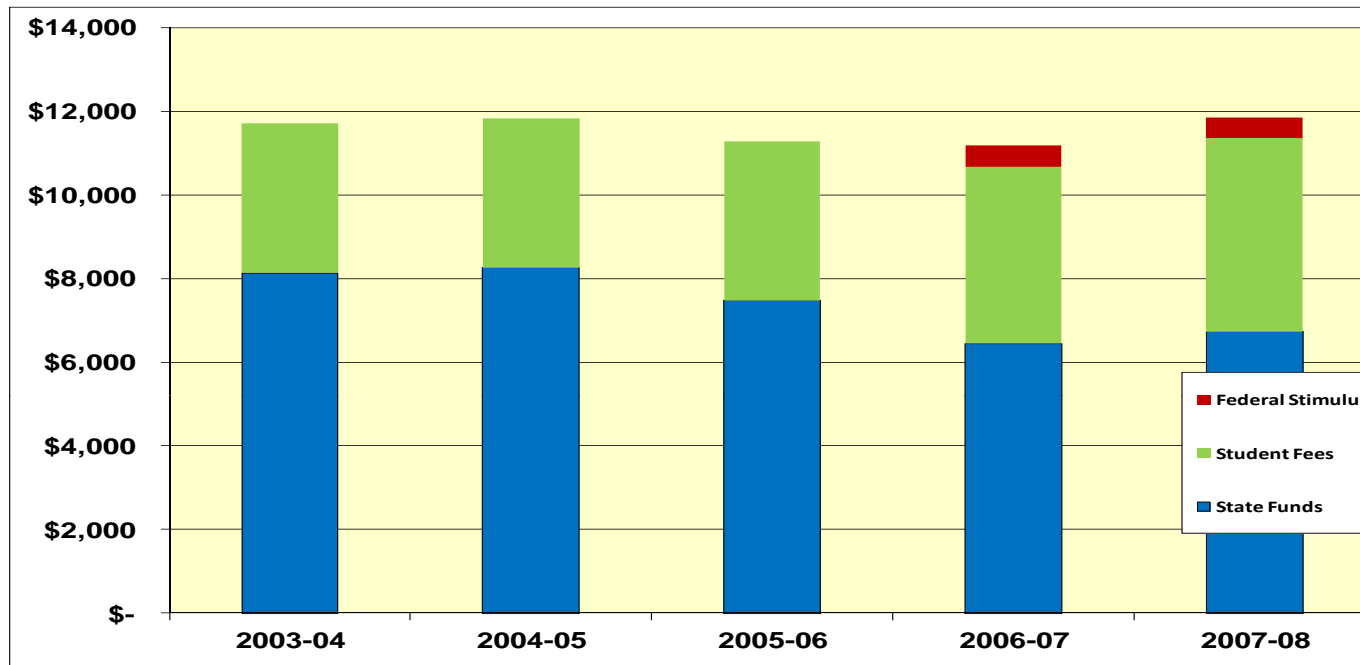
State University Enrollment

E&G Student FTE



University Funds per FTE

E&G



Year	State Funds	Federal Stimulus	Student Fees	Total Funds	% Increase
2006-07	\$8,133		\$3,580	\$11,713	6.21%
2007-08	\$8,264		\$3,565	\$11,829	.99%
2008-09	\$7,474		\$3,792	\$11,266	-4.76%
2009-10	\$6,440	\$508	\$4,230	\$11,178	-0.78%
2010-11	\$6,733	\$489	\$4,628	\$11,850	6.01%



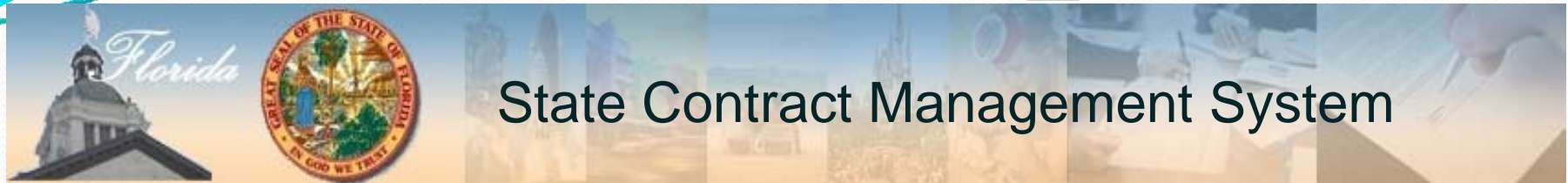
State Contract Management System

Update on the State Contract Management System



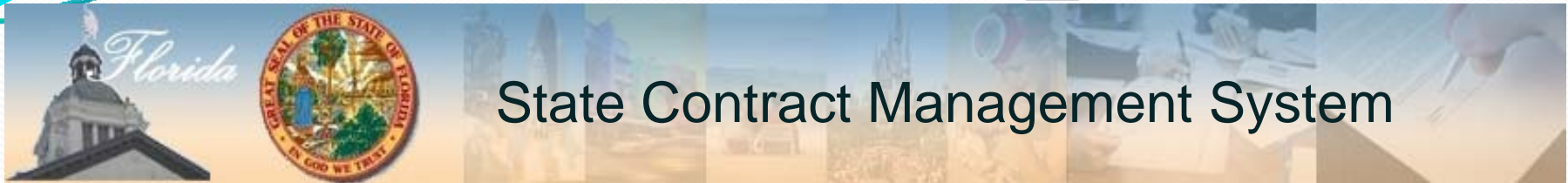
The State Contract Management System is a web based program that provides visibility to state contracts procured by executive and judicial branch agencies in Florida.

- Updated continuously by agency staff to provide real time data on all state contracts; and
- Data is stored in an Excel spreadsheet that is intuitive and is easy to follow.



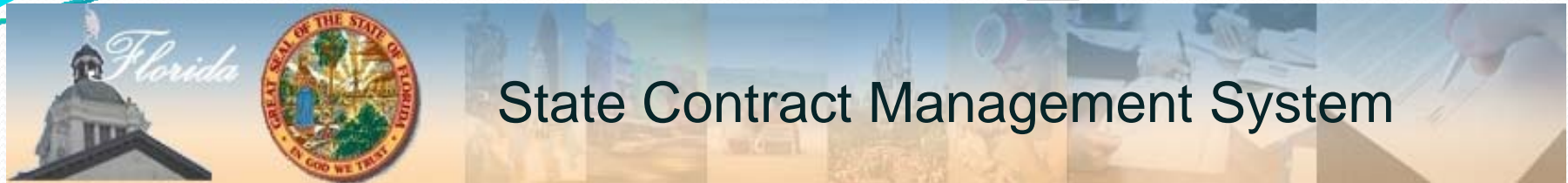
In 2010 the State Contract Management System was initiated at the direction of the Senate in an effort to create a master inventory of contracts. Information is broken down into three basic components:

- 1. Budget Information**
- 2. Contract Information**
- 3. Contract Compliance**



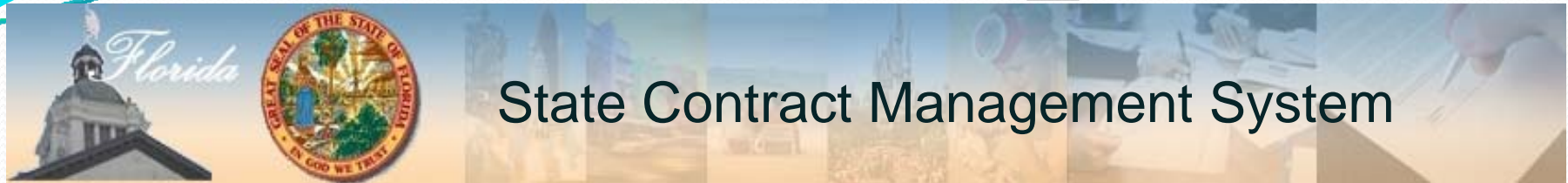
1) Budget Information :

- Budget Entity and Object Code
- Funds source: General Revenue or Trust Fund
- Recurring and Nonrecurring dollars
- Total annual obligated state cost
- Total obligated state Cost-(Life of the Contract)



2) Contract Information :

- Vendor
- Contract Manager (email and phone number)
- Beginning and End date
- Fixed Fee, Contingency Fee
- Are Escalator's present? 3%-12%
- Commodities or Services
- Type of Contract: ITN, RFP, Sole Source, etc....



3) Contract Compliance :

- Are there contract performance metrics in the contract?
- Was a business case completed for the contract?
- The completion of Cost Benefit Analysis?
- Are there any administrative or legal challenges to the contract procurement?
- Have there been any contract extensions or renewals?
- Have there been contract violations or work slippages?



Preliminary Facts:

- To date, the state has over 15,088 contracts with a spend of \$8 billion for FY 2010-11 and \$31 billion over the life of the contracts including reported extensions.
- Over the next fiscal year over 6,144 of those contracts will be renewed, terminated, or re-procured.
- There were 880 contracts that were identified with escalators in them.



- Currently, the Governor's Office of Systems Designs and Development has developed on-line training manual for entering the information into the State Contract Management System.
- Both state and cabinet agencies have been very helpful in assisting in the collection of the contract information.