

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS
Senator Latvala, Chair
Senator Flores, Vice Chair

MEETING DATE: Thursday, December 15, 2016
TIME: 1:30—3:30 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Latvala, Chair; Senator Flores, Vice Chair; Senators Bean, Benacquisto, Book, Bracy, Bradley, Brandes, Braynon, Gainer, Galvano, Gibson, Grimsley, Montford, Powell, Simmons, Simpson, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Introduction of Staff		Discussed
2	Presentation on the Long-Range Financial Outlook by Amy Baker, Coordinator, Office of Economic and Demographic Research		Presented
3	Update on Citrus Canker Litigation -Dr. Trevor Smith, Director, Division of Plant Industry, Department of Agriculture and Consumer Services -Wesley Parsons of Clarke Silverglate, P.A., on behalf of the Department of Agriculture and Consumer Services		Presented
4	Presentation on Potential Fiscal Impact from Hurricanes -Bryan Koon, Director, Division of Emergency Management -Debbie Flack, President, Florida Shore and Beach Preservation Association -Trina Vielhauer, Director, Division of Water Restoration Assistance, Department of Environmental Protection -Alex Reed, Program Administrator, Beach Management Funding Assistance Program, Division of Water Restoration Assistance, Department of Environmental Protection		Presented
5	Update on Medicaid Managed Care Expenditures and Medicaid Block Grant -Justin M. Senior, Interim Secretary, Agency for Health Care Administration		Not Considered

Other Related Meeting Documents

No materials for this item.

Florida: Long-Range Financial Outlook

December 15, 2016

Contains updated information indicated in "Red."

Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

Economy Recovering

Florida growth rates are generally returning to more typical levels and continue to show progress. **The drags—particularly construction—are more persistent than past events, but the strength in tourism is largely compensating for this.** Overall, it will take another year to climb completely out of the hole left by the recession. In the various forecasts, normalcy has been largely achieved by the end of FY 2016-17. Overall...

- The recovery in the national economy is near completion on all fronts. While most areas of commercial and consumer credit have significantly strengthened – residential credit for home purchases still remains somewhat difficult for consumers to access with a weighted average credit score of 731 and a LTV of 78 percent on all closed loans in September. Student loans and recently undertaken auto debts appear to be affecting the ability to qualify for residential credit.
- By the close of the 2015-16 fiscal year, most measures of the Florida economy had returned to or surpassed their prior peaks.
 - All personal income metrics, about half of the employment sectors and all of the tourism counts had exceeded their prior peaks.
 - Still other measures were posting solid year-over-year improvements, even if they were not yet back to peak performance levels.
 - In the current forecast, none of the key construction metrics show a return to peak levels until 2020-21.

Upside Risks...

Construction...

- The “shadow inventory” of homes that are in foreclosure or carry delinquent or defaulted mortgages may contain a significant number of “ghost” homes that are distressed beyond realistic use, in that they have not been physically maintained or are located in distressed pockets that will not come back in a reasonable timeframe. This means that the supply has become two-tiered – viable homes and seriously distressed homes.
- To the extent that the number of viable homes is limited, new construction may come back quicker than expected.

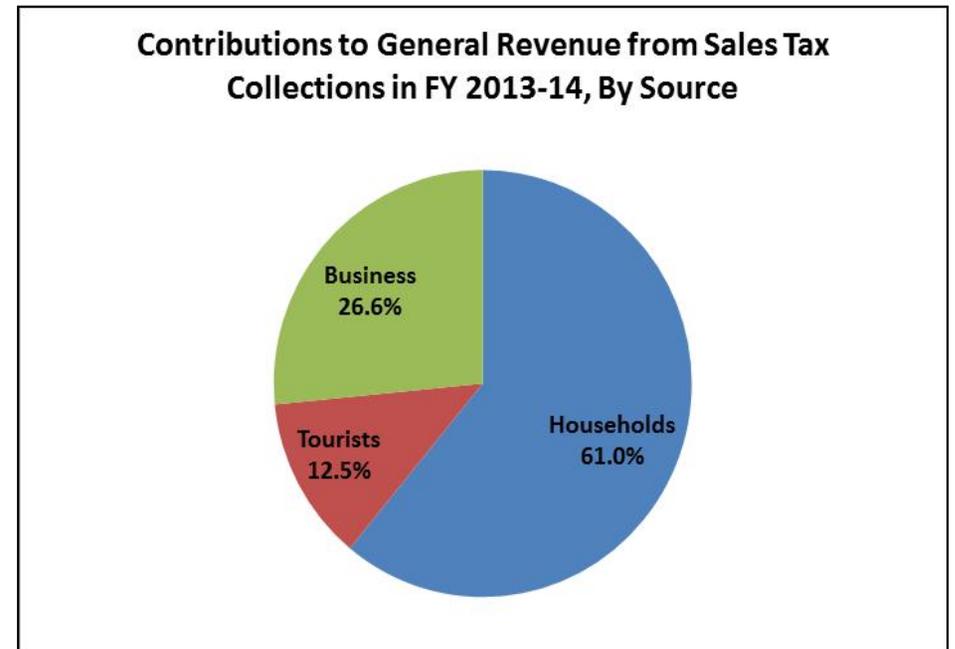
More Buyers...

- In 2015, the first wave of homeowners affected by foreclosures and short sales went past the seven-year window generally needed to repair credit.
- While there is no evidence yet, atypical household formation will ultimately unwind—driving up the demand for housing.

Downside Risk...

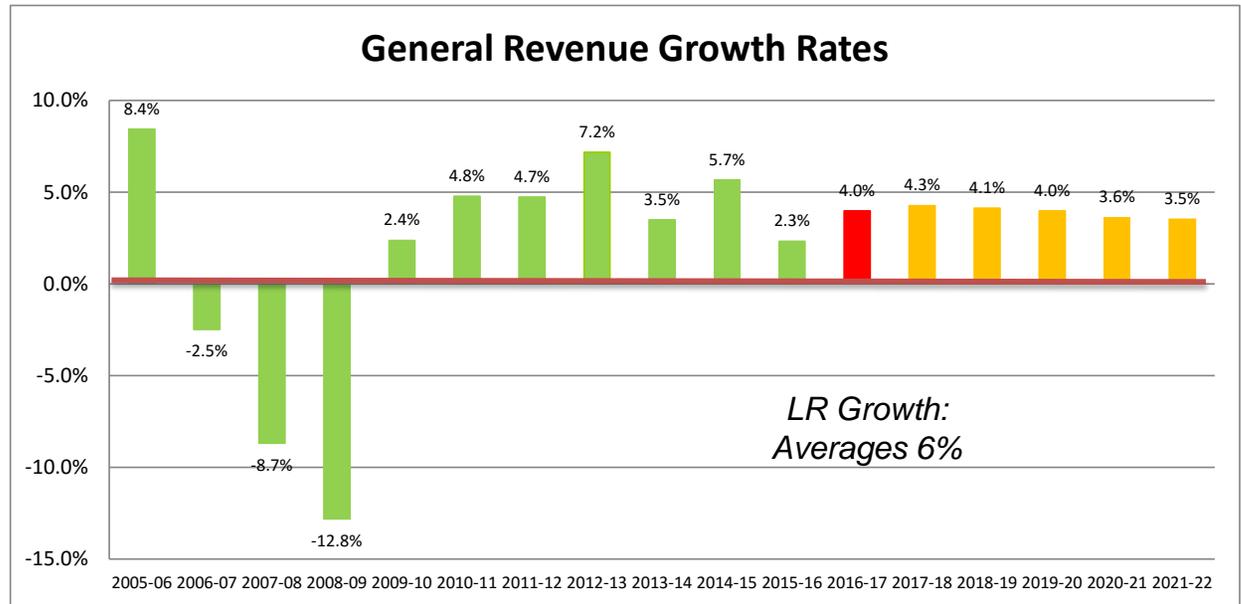
- The most recent sales tax forecast relies heavily on strong tourism growth. It makes no adjustments for Zika-related impacts and assumes no other events that have significant repercussions affecting tourism occur during the forecast window.
 - Currently, tourism-related revenue losses pose Zika's greatest potential risk to the economic outlook.
 - Previous economic studies of disease outbreaks and natural or manmade disasters have shown that tourism demand is very sensitive to such events.

In an unrelated study, the Legislative Office of Economic and Demographic Research performed an empirical analysis of the source of the state's sales tax collections. In FY 2013-14, sales tax collections provided \$19.7 billion dollars or 75% Florida's total General Revenue collections. Of this amount, an estimated 12.5% (nearly \$2.5 billion) was attributable to purchases made by tourists.



New General Revenue Forecast

In FY 2014-15, General Revenue collections surpassed the prior peak in 2005-06 for the first time since then. After slowing in FY 2015-16, growth is expected to pick up during the 2016-17 through 2019-20 time period as the construction industry recovers, slowly shifting down to long-run growth of 3.5%.



Fiscal Year	Aug 2016 Forecast	Dec 2016 Forecast	Difference	Incremental Growth	Growth
2005-06	27074.8	27074.8	0.0	670.7	8.4%
2006-07	26404.1	26404.1	0.0	-2292.0	-2.5%
2007-08	24112.1	24112.1	0.0	-3086.5	-8.7%
2008-09	21025.6	21025.6	0.0	-407.5	-12.8%
2009-10	21523.1	21523.1	0.0	1028.5	2.4%
2010-11	22551.6	22551.6	0.0	1685.3	4.8%
2011-12	23618.8	23618.8	0.0	1067.2	4.7%
2012-13	25314.6	25314.6	0.0	1685.3	7.2%
2013-14	26198.0	26198.0	0.0	883.4	3.5%
2014-15	27681.1	27485.9	(195.2)	1287.9	5.7%
2015-16	28325.4	28325.4	0.0	644.3	2.3%
2016-17	29,332.8	29,452.1	119.3	1126.7	4.0%
2017-18	30,686.9	30,709.5	22.6	1257.4	4.3%
2018-19	31,948.2	31,978.9	30.7	1269.4	4.1%
2019-20	33,223.9	33,253.0	29.1	1274.1	4.0%
2020-21	34,395.1	34,465.3	70.2	1212.3	3.6%
2021-22	35,614.9	35,680.8	65.9	1215.5	3.5%

The added dollar amounts through FY 2019-20 (totaling \$201.7 million in the column labeled "Difference") are additive to the Long-Range Financial Outlook. Because the added money from the new forecast is largely front-loaded, the recurring benefit is much smaller. It starts with FY 2017-18 (\$22.6 million); the \$119.3 million in FY 2016-17 will be treated as nonrecurring.

Total State Reserves Are Strong...

Outlook Year	Baseline Fiscal Year	Unallocated General Revenue	Budget Stabilization Fund	Lawton Chiles Endowment Fund	Total Reserves	GR Summer Revenue Estimate*	% of GR Estimate
2011	2011-12	1,357.5	493.6	696.2	2,547.3	23,795.1	10.7%
2012	2012-13	1,577.7	708.1	426.1	2,711.9	24,631.6	11.0%
2013	2013-14	1,893.5	924.8	536.3	3,354.6	26,184.2	12.8%
2014	2014-15	1,589.0	1,139.2	629.3	3,357.5	27,189.4	12.3%
2015	2015-16	1,709.1	1,353.7	590.2	3,653.0	28,414.1	12.9%
2016	2016-17	1,414.2	1,384.4	637.5	3,436.1	29,732.8	11.6%

**Reflects the General Revenue forecast adopted by the Revenue Estimating Conference in the summer preceding the adoption of each Long-Range Financial Outlook. The Fiscal Year 2016-17 amount includes the \$400 million payment associated with the BP Settlement Agreement.*

- Unallocated General Revenue, the Budget Stabilization Fund, and the Lawton Chiles Endowment Fund are generally considered to comprise the state's reserves.
- At the time of adoption for each of the previous five Outlooks, total state reserves have ranged from 10.7% up to 12.9% of the General Revenue estimate. For the current year, total state reserves were projected to be \$3,436.1 million or 11.6% of the General Revenue estimate for FY 2016-17.
 - ✓ Including the new forecast and other adjustments, the percentage has now edged up to 11.8%.
- When the Long-Range Financial Outlook was adopted in September, a projected remaining General Revenue balance of \$1.41 billion in nonrecurring dollars was assumed to be available for use in FY 2017-18.
 - ✓ After taking account of the new revenue forecast and adjustments for budget amendments, this amount has increased by \$70.4 million—the net benefit of adding \$24.6 million from the final closeout of FY 2015-16; adding \$119.3 million from the new forecast for 2016-17; and, subtracting \$73.5 million for budget amendments.

Budget Drivers...

- Tier 1 – Includes only Critical Needs, which are mandatory increases based on estimating conferences and other essential items. The **18** Critical Needs drivers represent the minimum cost to fund the budget without significant programmatic changes. For the General Revenue Fund, the greatest burden occurs in FY 2018-19 when projected expenditures jump sharply from FY 2017-18, largely due to the depletion of one-time trust fund balances that reduce the General Revenue need in FY 2017-18.
- Tier 2 – Other High Priority Needs are added to the Critical Needs. Other High Priority Needs reflect issues that have been funded in most, if not all, of the recent budget years. Both types of drivers are combined to represent a more complete, yet still conservative, approach to estimating future expenditures. In contrast to Critical Needs, the General Revenue burden for the **30** Other High Priority Needs is spread fairly evenly across the fiscal years but declines slightly over time.

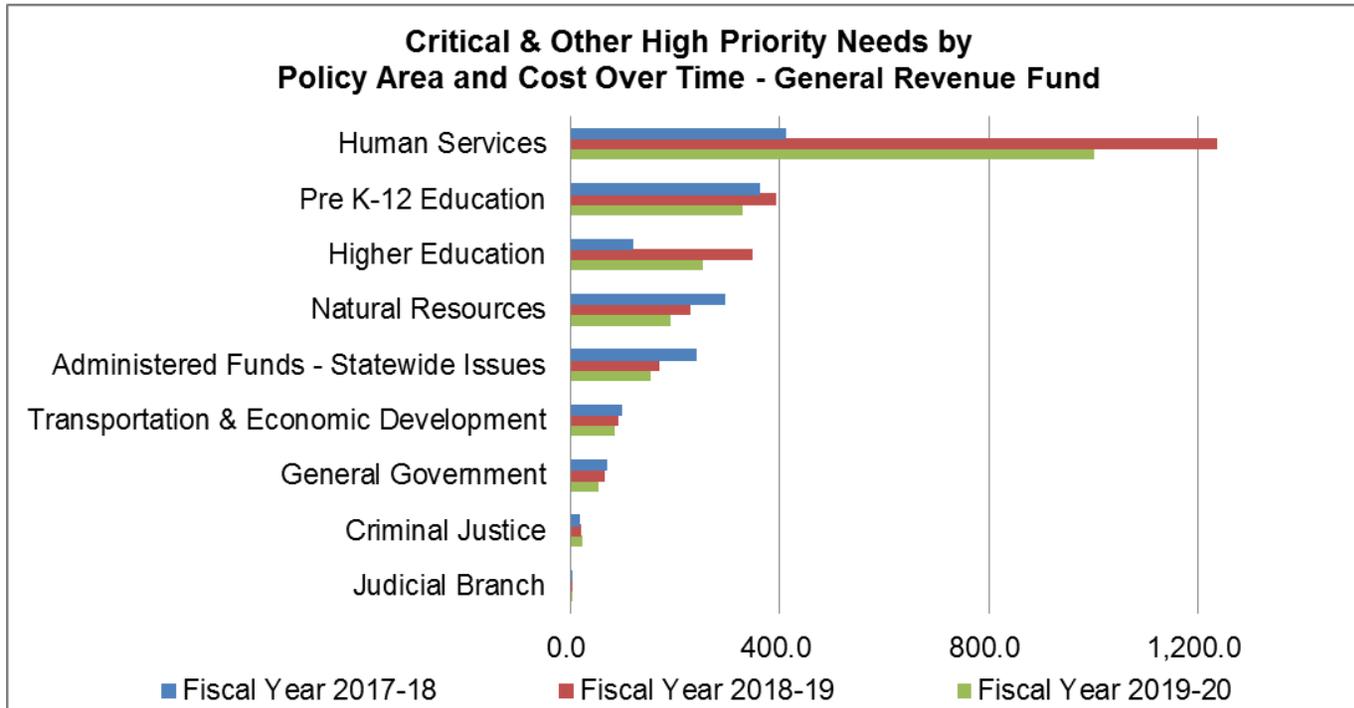
DOLLAR VALUE OF CRITICAL AND OTHER HIGH PRIORITY NEEDS

GENERAL REVENUE FUND	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
Total Tier 1 - Critical Needs	484.9	1,493.0	1,087.1
Total - Other High Priority Needs	1,145.1	1,064.1	1,009.6
Total Tier 2 - Critical and Other High Priority Needs	1,630.0	2,557.1	2,096.7

PERCENTAGE OF TOTAL CRITICAL AND OTHER HIGH PRIORITY NEEDS

GENERAL REVENUE FUND	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
Total Tier 1 - Critical Needs	29.7%	58.4%	51.8%
Total - Other High Priority Needs	70.3%	41.6%	48.2%
Total Tier 2 - Critical and Other High Priority Needs	100.0%	100.0%	100.0%

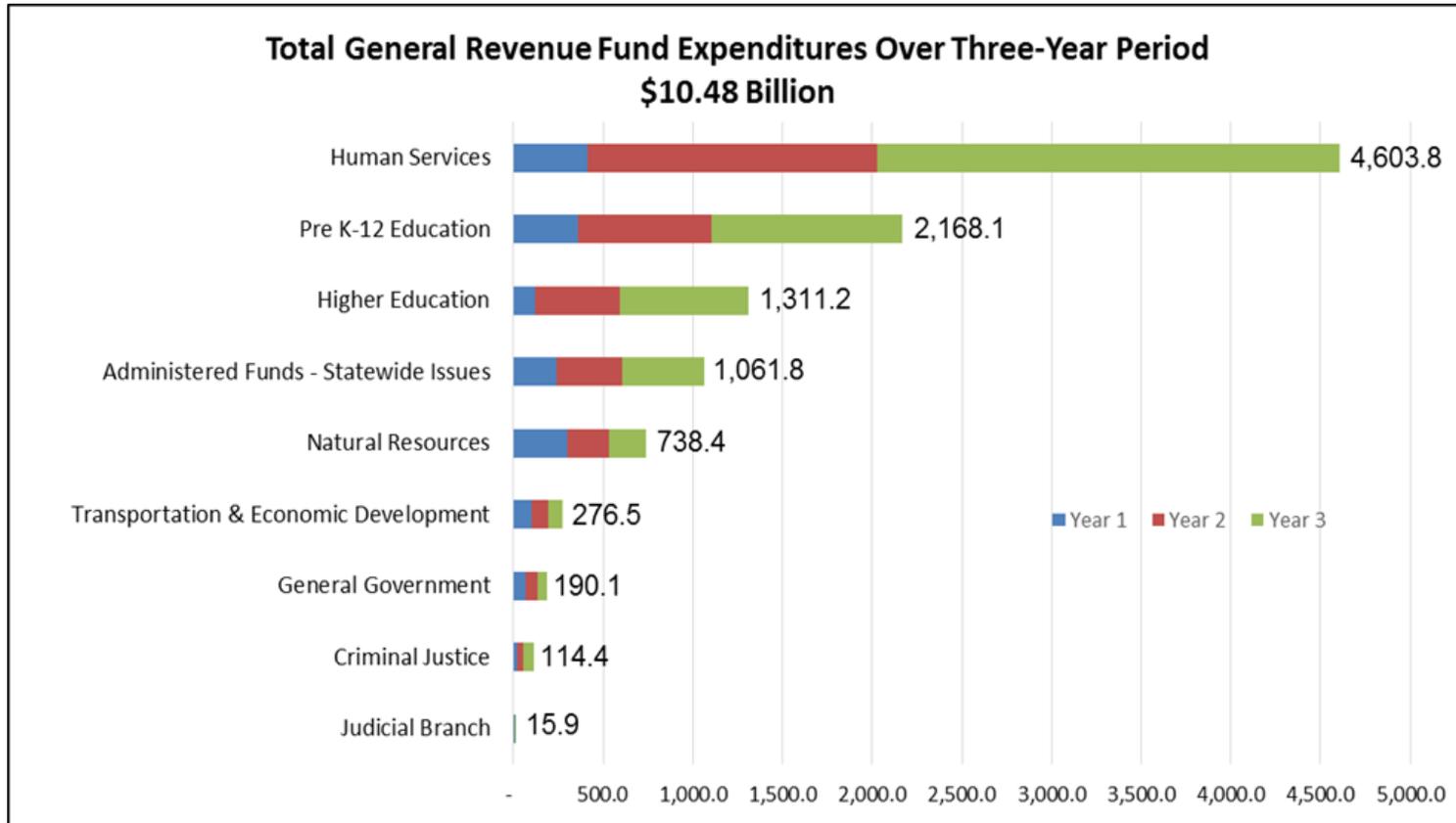
GR Drivers by Policy Area...



POLICY AREAS	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
Pre K-12 Education	362.7	393.1	328.9
Higher Education	121.1	347.5	252.9
Human Services	412.6	1,235.6	1,000.9
Criminal Justice	19.1	19.5	24.1
Judicial Branch	5.0	4.7	5.0
Transportation & Economic Development	100.1	91.4	85.0
Natural Resources	297.0	229.8	191.8
General Government	70.1	66.4	53.7
Administered Funds - Statewide Issues	<u>242.3</u>	<u>169.1</u>	<u>154.4</u>
Total New Issues	1,630.0	2,557.1	2,096.7

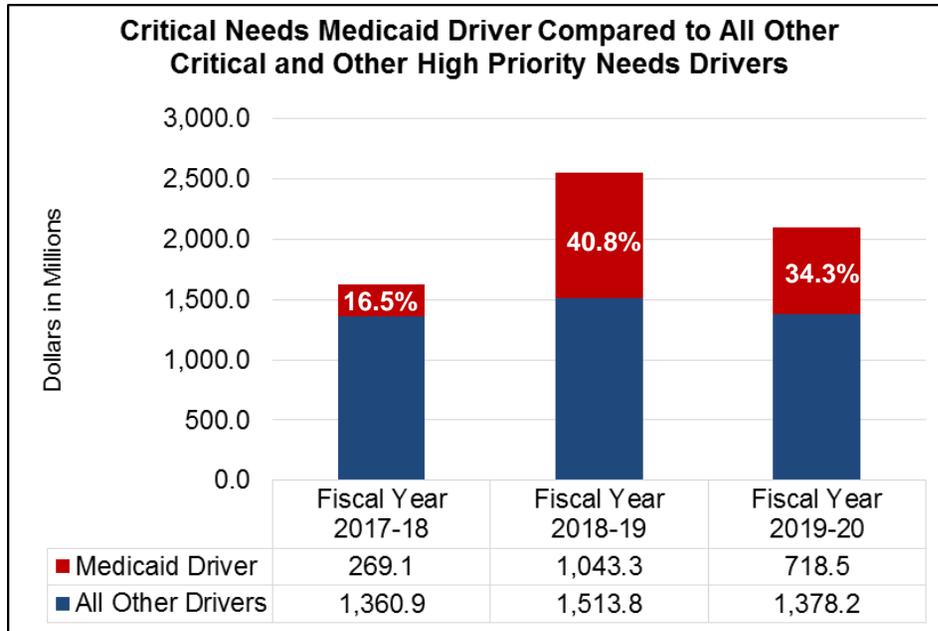
About ½ of the policy areas, in particular Administered Funds / Statewide Issues and Natural Resources, have the largest needs in the 1st year with a detectable drop off in the subsequent years. Human Services and Education have a different pattern with greater needs in the 2nd year of the Outlook, prior to stabilizing in the 3rd year. These two areas are most affected by the depletion of available trust fund balances in FY 2017-18.

Total GR Expenditures - \$10.5 Billion

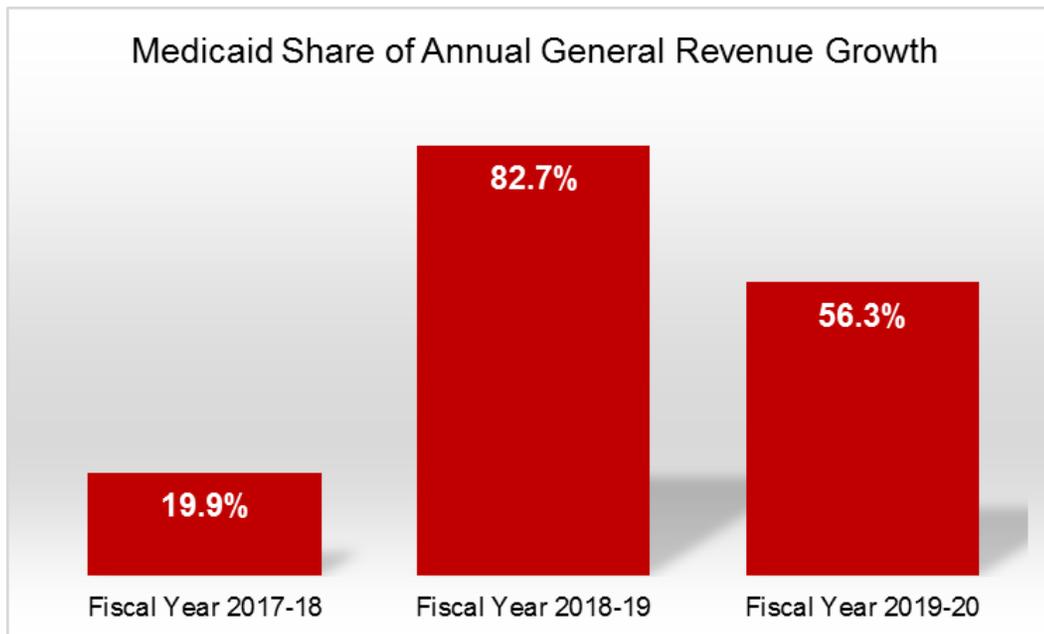


Over the entire Outlook period, the combined recurring and nonrecurring drivers result in nearly \$10.5 billion of actual General Revenue expenditures on Critical and Other High Priority Needs. Of the \$10.5 billion total, nearly \$1.5 billion will be spent on nonrecurring issues, or approximately 14% of the total. The remaining \$9.0 billion results from a 16.3% increase in recurring expenditures from the starting point in FY 2017-18 to the end of the three-year period.

Medicaid Driver Dominates...



Although the Critical Needs driver for the Medicaid Program is the second largest driver in the 1st year of the Outlook, it is the largest driver in subsequent years, representing 69.9% of the total Critical Needs in FY 2018-19 and 66.1% in FY 2019-20. When including all Critical Needs and Other High Priority Needs, the Medicaid program driver represents 16.5%, 40.8%, and 34.3%, respectively, of total needs for each year of the Outlook.



Over the three-year period covered by the Outlook, the additional Medicaid need each year consumes an average of 53.0% of the expected General Revenue growth for that year.

Medicaid Conference Results...

- ✓ While still growing strongly, projected caseload was significantly reduced.

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Old	3,970,742	4,145,027	4,350,384	4,551,370	4,751,070	N/A
New	3,967,169	4,045,610	4,186,492	4,326,375	4,468,729	4,608,561
Change	(3,574)	(99,417)	(163,892)	(224,995)	(282,341)	N/A
New Growth		1.98%	3.48%	3.34%	3.29%	3.13%

- ✓ While still growing faster than caseload and medical trends, projected Medicaid expenditures were reduced overall. Part of the savings due to a lower caseload forecast was offset because projected annual managed care rate increases were higher based on the 2016 actual increase.

Medicaid Expenditures	FY 17-18	FY 18-19	FY 19-20	TOTAL
Original Long-Range Financial Outlook Need	\$269.1	\$1,043.3	\$718.5	\$2,030.9
Adjusted Long-Range Financial Outlook Need	\$174.5	\$988.8	\$803.9	\$1,967.3
LRFO Difference	(\$94.6)	(\$54.5)	\$85.4	(\$63.6)

Rate Forecast - Medicaid Prepaid Health Plans (before program changes)

	OLD (Used for LRFO)	NHE Projection	Difference
Sep-16	3.7%	3.0%	0.7
Oct-17	4.2%	3.2%	1.0
Oct-18	4.9%	4.1%	0.8
Oct-19	5.2%	4.7%	0.5
Oct-20	N/A	4.9%	N/A

Rate Forecast - Medicaid Prepaid Health Plans (before program changes)

	New (Adopted)	NHE Projection	Difference
Sep-16	5.8%	3.0%	2.80
Oct-17	5.15%	3.2%	1.95
Oct-18	5.35%	4.1%	1.25
Oct-19	5.50%	4.7%	0.80
Oct-20	5.65%	4.9%	0.75

PreK-12 Conference Results...

- ✓ FTEs...While still growing strongly, the number of projected FTEs was reduced by approximately one-half of one percent per year.

July 2016 and December 2016 Forecasts			
	July 2016 Forecast	December 2016 Forecast	LRFO Difference
2015-16 4th vs Final Calc	2,780,132.90	2,778,914.83	
2016-17 Appropriated vs 3rd Calc Adj	2,807,961.85	2,801,408.03	
2017-18	2,838,889.12	2,828,202.04	-10,687.08
2018-19	2,861,814.75	2,850,053.34	-11,761.41
2019-20	2,886,657.54	2,872,224.90	-14,432.64
2020-21	2,915,914.29	2,901,655.53	
2021-22	2,946,955.11	2,931,889.40	

- ✓ Ad Valorem...Taxable value increased; however, the impact is unknown. During the 2016 Session, the Legislature made the policy decision to hold Required Local Effort (RLE) to the FY 2015-16 level. The LRFO convention is to assume that the current year's certified millage rate is the starting point for projected expenditures in all subsequent years. In this regard, the statewide average millage rate was 4.638 on July 15, 2016, for Fiscal Year 2016-17. This was used in the LRFO, allowing projected taxable value increases to feed through the plan. The Legislature may not agree, and may instead choose to hold the level flat again. To hold the level flat would require an additional GR infusion.

Original Cost to Hold RLE Level		Taxable Value Increased			
	Summer Impact Add'l GR Need	August 2016 Forecast	Growth Rates	December 2016 Forecast	Growth Rates
2017-18	427.60	1,876,030	5.88%	1,887,990	6.56%
2018-19	438.27	1,981,646	5.63%	1,995,651	5.70%
2021-22	446.71	2,089,006	5.42%	2,102,065	5.33%

Other Conference Results...

	<i>Key Conference Results</i> <small>(FY 2017-18 to FY 2018-19)</small>	<i>LRFO Impact</i> <small>(Relative to Assumptions)</small>
Health & Human Services	Kidcare...caseload up & expenditures mixed but up overall.	More costly.
	TANF...caseload up & expenditures up.	More costly.
Education	VPK...enrollment down, but still growing.	Less costly.
	College System Enrollment...enrollment slightly increased, but still declining.	No change—program cost remains the same, implying reduced funds per FTE.
	Student Financial Aid...overall projections for students and costs are down, particularly in Bright Futures.	Less costly.
	Prison Population...projections are further down.	No change—LRFO does not assume reductions.
Administered Funds & Statewide Issues	Florida Retirement System (FRS)...assumptions were changed.	Less costly overall than placeholder included in LRFO.
	Risk Management Insurance...the Fund is now expected to be negative in FY 2018-19, one year earlier than anticipated in the Summer.	More costly.
	State Employees' Health Insurance...projections for ending cash balances improved; still turns negative in FY 2019-20.	Less costly.
Revenue	Public Education Capital Outlay (PECO)...projected cash / bonding capacity are reduced throughout.	Not included in LRFO.
	State School Trust Fund (SSTF)...projected receipts are down throughout.	Since used in lieu of GR, increases the need for GR in K-12.
	Educational Enhancement Trust Fund (EETF)...projected receipts are down overall; Lottery ticket sales are down throughout and mixed up and down for Slots.	Since used in lieu of GR, increases the need for GR in Education.
	Land Acquisition Trust Fund (LATF)...projected receipts are down throughout.	Increases demand for GR in Natural Resources.

Revenue Adjustments...

- Revenue Adjustments to the General Revenue Fund are again included in the Outlook to reflect legislative actions that alter the revenue-side of the state's fiscal picture. These adjustments are based on three-year averages and include:
 - Tax and Significant Fee Changes...* These changes fall into two categories with different effects. The continuing tax and fee changes reflect adjustments to the funds otherwise available and build over time since the impact of each year's change is added to the recurring impacts from prior years. Conversely, the time-limited tax and fee changes are confined to each year and are held constant throughout the Outlook.
 - Trust Fund Transfers (GAA)...* The nonrecurring transfers are positive adjustments to the funds otherwise available and are held constant each year.

	2017-18			2018-19			2019-20		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Continuing Tax and Fee Changes	(254.0)	59.9	(194.1)	(254.0)	59.9	(194.1)	(254.0)	59.9	(194.1)
Recurring Impact of Prior Years' Tax and Fee Changes	0.0	0.0	0.0	(254.0)	0.0	(254.0)	(508.0)	0.0	(508.0)
Time-Limited Tax and Fee Changes	0.0	(67.5)	(67.5)	0.0	(67.5)	(67.5)	0.0	(67.5)	(67.5)
Trust Fund Transfers (GAA)	0.0	242.5	242.5	0.0	242.5	242.5	0.0	242.5	242.5
Total	(254.0)	234.9	(19.1)	(508.0)	234.9	(273.1)	(762.0)	234.9	(527.1)

Reported Results from LRFO...

OUTLOOK PROJECTION – FISCAL YEAR 2017-18 <i>(in millions)</i>			
	RECURRING	NON RECURRING	TOTAL
AVAILABLE GENERAL REVENUE	\$30,808.0	\$1,387.7	\$32,195.7
<i>Base Budget</i>	\$29,507.2	\$0.0	\$29,507.2
<i>Transfer to Budget Stabilization Fund</i>	\$0.0	\$31.9	\$31.9
<i>Critical Needs</i>	\$439.9	\$45.0	\$484.9
<i>Other High Priority Needs</i>	\$631.3	\$513.8	\$1,145.1
<i>Reserve</i>	\$0.0	\$1,000.0	\$1,000.0
TOTAL EXPENDITURES	\$30,578.4	\$1,590.7	\$32,169.1
<i>Revenue Adjustments</i>	(\$254.0)	\$234.9	(\$19.1)
ENDING BALANCE	(\$24.4)	\$31.9	\$7.5

- Combined, recurring and nonrecurring General Revenue program needs before the Fall Conference season—including a minimum reserve of \$1 billion—are less than the available General Revenue dollars, meaning there is no budget gap for FY 2017-18. Anticipated expenditures, potential revenue adjustments, and the reserve can be fully funded and the budget will be in balance as constitutionally required.
- Although there is no budget gap in the first year, there is essentially no remaining General Revenue for discretionary issues—the projected surplus of \$7.5 million equates to just 0.02% of the General Revenue estimate for FY 2017-18.
- Further, the projected recurring expenditures and revenue adjustments, in combination, outstrip the available recurring resources by \$24.4 million.

Outlook Projections Over Time

Outlook	For the Period Beginning	Year 1 (\$ Millions)	Year 2 (\$ Millions)	Year 3 (\$ Millions)	Level of Reserves
2007	Fiscal Year 2008-09	(2,334.5)	(2,860.7)	(3,066.0)	0.0
2008	Fiscal Year 2009-10	(3,306.3)	(2,482.5)	(1,816.8)	0.0
2009	Fiscal Year 2010-11	(2,654.4)	(5,473.2)	(5,228.6)	0.0
2010	Fiscal Year 2011-12	(2,510.7)	(2,846.3)	(1,930.3)	0.0
2011	Fiscal Year 2012-13	273.8	692.1	840.6	1,000.0
2012	Fiscal Year 2013-14	71.3	53.5	594.0	1,000.0
2013	Fiscal Year 2014-15	845.7	1,426.7	3,295.3	1,000.0
2014	Fiscal Year 2015-16	336.2	1,004.5	2,156.1	1,000.0
2015	Fiscal Year 2016-17	635.4	583.7	222.2	1,000.0
2016	Fiscal Year 2017-18	7.5	(1,300.9)	(1,897.7)	1,000.0

- For the first time since the 2010 Outlook, there is a projected budget gap, or potential shortfall between revenues and expenditures during the three-year period.
- FY 2018-19 and FY 2019-20 (Years 2 and 3 of the Outlook) both show projected budget needs significantly in excess of available revenue for Critical and Other High Priority Needs. The shortfalls are even greater when factoring in the potential revenue adjustments.

The Bottom Line...

2016 Outlook	For the Period Beginning Fiscal Year 2017-18	Year 1	Year 2	Year 3	Level of Reserves
		(\$ Millions)	(\$ Millions)	(\$ Millions)	
Tier 1	<i>Critical Needs</i>	\$1,171.7	\$1,831.8	\$2,706.2	\$1,000.0
Tier 2	<i>Critical Needs & Other High Priority Needs</i>	\$26.6	(\$1,008.7)	(\$1,370.6)	\$1,000.0
Tier 3	<i>Critical Needs, Other High Priority Needs & Revenue Adjustments</i>	\$7.5	(\$1,300.9)	(\$1,897.7)	\$1,000.0

- While revenues are sufficient to cover the Critical Needs in Tier 1 for all three years of the Outlook, the large negative ending balances for FY 2018-19 and FY 2019-20 in both Tiers 2 and 3 indicate a looming problem—notwithstanding the small positive ending balances projected in both scenarios for FY 2017-18.
- Particularly problematic is the fact that the recurring General Revenue demands exceed the amount of recurring General Revenue available in two of the three years for Tier 2 and in all three years for Tier 3. This indicates that a structural imbalance is occurring between expenditures and revenues.
- Since the increase in projected recurring expenditures (and negative revenue adjustments in Tier 3) in FY 2017-18 clearly contributes to and worsens the problems in FY 2018-19 and FY 2019-20, Fiscal Strategies are advisable for all three years of the Outlook in order to manage the problems in the out-years.

Net Impact...

- ✓ The Outlook is a tool that provides an opportunity to both avoid future budget problems and maintain financial stability between state fiscal years. It does not purport to predict the overall funding levels of future state budgets or the final amount of funds to be allocated to the respective budget areas.
- ✓ This is because very few assumptions are made regarding future legislative policy decisions on discretionary spending, making this document simply a reasonable baseline. Particularly in regard to Other High Priorities, the specifics will begin to change as the Legislature moves through its decision-making process.
- ✓ The changes coming out of the Fall Conference season indicate a modest reduction in the overall pressure, but do not change the original conclusions. The greatest impact of the Fall changes is on the first two years (FY 2017-18 and FY 2018-19).
- ✓ Some significant policy decisions with spending implications have yet to be made:
 - Section 288.8013, Florida Statutes, establishes Triumph Gulf Coast, Inc., and the Recovery Fund for the benefit of disproportionately affected counties by the Deepwater Horizon Disaster. If the Legislature places 75% of the funds recovered in FY 2016-17 (.75 x \$400 million) into the fund, that \$300 million would be a reduction in the funds otherwise assumed to be available in the plan. This would offset most of the more significant gains coming out of the Fall Conference season.
 - A decision to hold the RLE flat would have an even greater effect (~ \$400 million).
 - A decision to ratify a new Indian Gaming Compact, depending on the provisions of the implementing legislation, would likely add revenue.

Timing of Corrective Action...

- When budget gaps between revenues and expenditures occurred in the past, each of the three years of the Outlook was affected, and they displayed negatives of similar magnitude.
 - This had the practical effect of limiting the number of potential strategies because any strategy deployed to cure the problem in the first year had ripple effects throughout the remaining years of the plan.
 - In those instances, the strategies were discretely identified and laid out.
- In this year's Outlook, only the two outer years reveal actual shortfalls.
 - This necessitates a different treatment because the number of possible permutations is too great to allow specific identification of each one. Among the many variables that should be considered is the timing of the corrective action.
 - While a fiscal strategy is required no later than FY 2018-19 to address the projected gap between revenues and expenditures, less disruptive courses of action would argue for at least some level of deployment beginning in FY 2017-18. Otherwise, there is the potential to increase funding for programs in Year 1 that would not survive Year 2. Further, 61.2% of the recurring growth comes from Tier 1—Critical Needs, which are the most difficult for the Legislature to tackle without significant redesign and substantive legislation.

Fiscal Strategies...

- Conceptually, there are five options to eliminate a proposed budget gap in any given year of the Outlook.
 - Budget Reductions and Reduced Program Growth
 - Reduction or Elimination of Revenue Adjustments Affecting Taxes and Fees in Tier 3
 - Revenue Enhancements and Redirections
 - Trust Fund Transfers or Sweeps
 - Reserve Reductions
- With the exception of trust fund transfers or sweeps and reserve reductions, these options can be deployed on either a recurring or nonrecurring basis. When they are used to bring about a recurring change, they also have an impact on the following fiscal years.
- The magnitude of the recurring shortfall cannot be fixed by nonrecurring solutions alone. A simple reduction in the level of reserves or added trust fund transfers or sweeps (in excess of those included in Tier 3) will close the gap in a particular year; however, these strategies do not solve the recurring problem.
- The other three options will become the basis of more meaningful strategies.

Overview of Citrus Canker in Florida

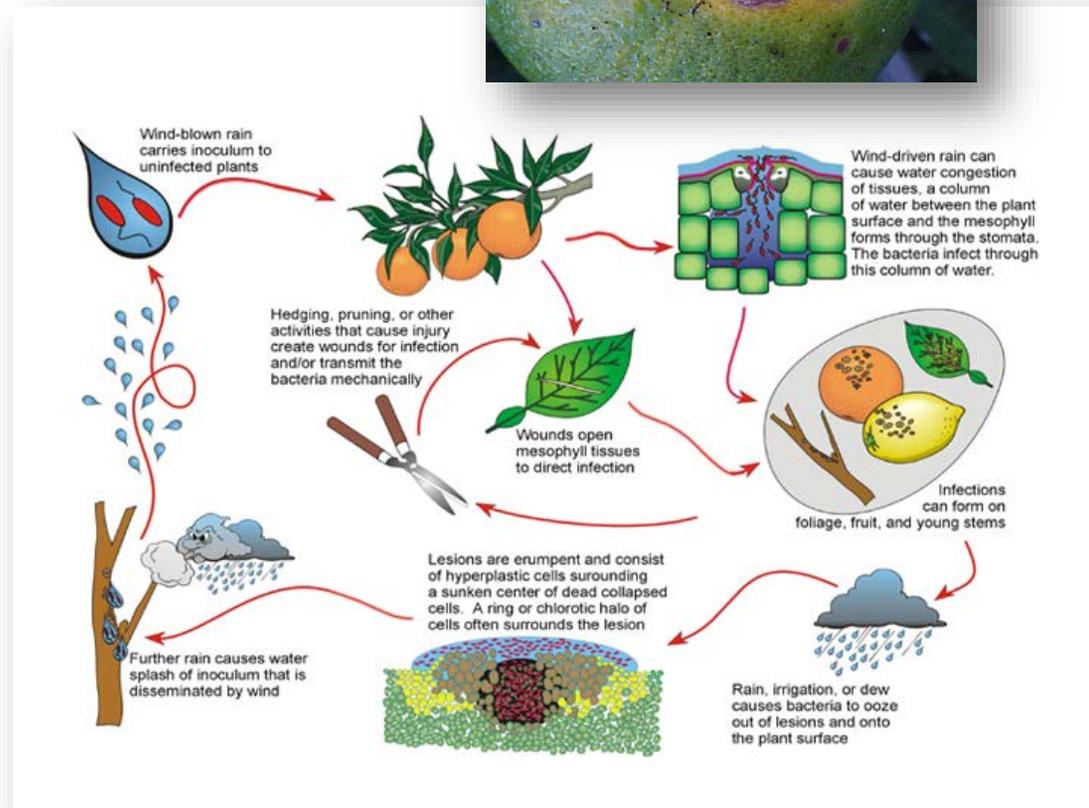


**Senate Appropriations Committee
December 15, 2016
Senator Jack Latvala, Chair**



What is Canker

- Canker is a bacterial disease spread by:
 - Wind-blown rain
 - People and equipment
 - Movement of infected plant material
- There is no known cure for canker.
- Only method of control is to remove infected and exposed trees.



History of Citrus Canker in Florida

- 1915, canker first found.
- Approximately 1,000,000 trees were destroyed.
- 1933, canker eradicated after 18-year program (1915-1933).



Canker History

- Florida went over 50 years without another outbreak
- 1986 - 1992, citrus canker found in Manatee County.
 - Eradication program control activities drove canker below the detectable level.
- 1995, canker identified in a residential area of Miami-Dade County near Miami International Airport.
- Citrus Canker eradication effort jointly operated from 1995-2006 by FDACS and the USDA.



Eradication Program

Florida Legislature supported eradication efforts and unanimously passed:

**581.184 Adoption of rules; citrus disease management
(authority to remove trees)**

**581.1845 Citrus canker eradication;
compensation to
homeowners whose trees have been removed**



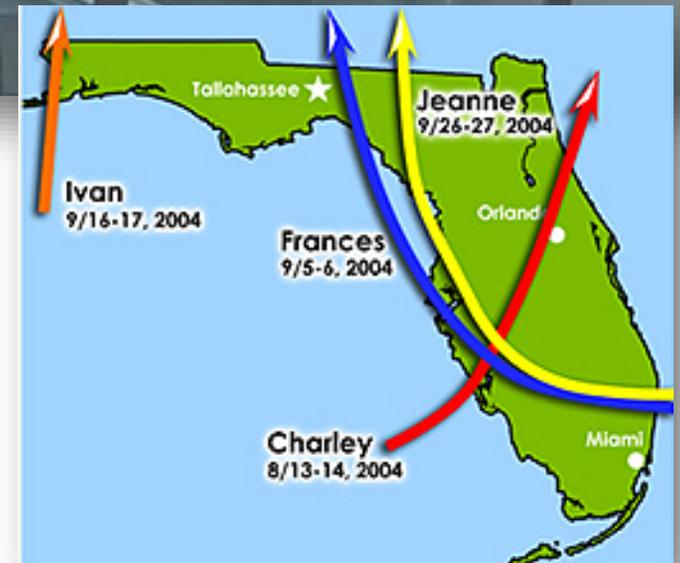
Eradication Program

- In 2000, estimated that only 80,000 positive/exposed trees remained to be removed.
- 2000-2004 court injunctions stalled eradication program:
 - More than 200,000 additional trees became infected, resulting in hundreds of square miles of canker inoculum left to build up and spread.
- 2004, FL Supreme Court ruled in favor of program, and eradication mobilization efforts began again.



Eradication Program

- 2004/2005, hurricanes spread canker to over 80,000 acres of commercial citrus.
- 2005, USDA scientists estimate canker could impact up to 220,000 acres of commercial citrus.
- 2006, USDA deems eradication unfeasible and withdraws funding for eradication.



Resulting Impacts of Canker

- Economists have calculated an economic impact of \$194.2 million annually to the Florida Citrus Industry due to citrus canker.
- Does not include costs to residents who are also trying to manage the disease.



Compensation to Homeowners

Homeowners received a \$100 Shade Florida debit card, good at Walmart Garden Centers for the first tree removed

Homeowners received \$55 cash for the second and subsequent trees removed

Grants were provided to counties to distribute to homeowners to purchase replacement plants at nurseries.

In total more than \$50 million was distributed to homeowners in this fashion.



Class Action Litigation

- Lawsuits were brought seeking additional compensation, over and above the Shade Florida debits cards and cash payments authorized by the legislature.
- There are class action lawsuits pending in five counties: Broward, Palm Beach, Miami-Dade, Lee and Orange.
- In total the plaintiffs have sued for approximately \$300 million.
- The class in each county consists of the homeowners whose canker-exposed trees were removed after January 1, 2000, under the joint eradication program.



Overview of Lawsuits

Broward County

- First compensation lawsuit filed in late 2000
- 133,720 canker-exposed trees removed
- Plaintiffs sought \$430 per tree; verdict from jury was \$32 per tree, plus pre-judgement interest, for a total of \$8,043,541
- Plaintiffs ultimately awarded attorneys' fees and cost in the amount of \$4,133,083
- Total amount for judgment, interest, attorneys' fees and costs is \$16,368,685



Overview of Lawsuits

Lee County

- Lawsuit file 2003
- 33,957 canker-exposed trees removed
- Plaintiffs sought more than \$500 tree; verdict from jury was \$234 per tree, plus pre-judgement interest, for a total of \$13,625,249
- Attorneys' fees and cost awarded in the amount of \$821,993; second fee request made
- Total amount for judgment, interest, attorneys' fees and cost is \$15,964,619



Overview of Lawsuits

Orange County

- Lawsuit filed 2005
- 60,174 canker-exposed trees removed
- Plaintiffs sought more than \$500 per tree; verdict from jury was \$312 per tree, plus pre-judgement interest, for a total of \$31,534,722
- Attorneys' fees and cost requested but not awarded; currently no hearing date set
- Total amount for judgment, interest, attorneys' fees and cost is \$34,600,802



Overview of Lawsuits

Palm Beach County

- Lawsuit filed 2002
- 63,455 canker-exposed trees removed
- Original compensation verdict reversed due to refusal of trial judge to allow scientific evidence; second trial ordered. Plaintiffs sought about \$500 per tree; verdict based on the heights of the trees, ranging from \$105 to \$448, plus pre-judgement interest, for a total of \$23,653,376
- Attorneys' fees and cost awarded in the amount of \$2,422,830
- Case currently on appeal. Total amount for judgment, interest, attorneys' fees and cost is \$27,878,377



Overview of Lawsuits

Miami-Dade County

- Lawsuit filed 2003
- 249,111 canker-exposed trees removed
- Plaintiffs are seeking about \$500 per tree
- Liability bench trial took place in May 2016; no decision has been rendered



Overview of Lawsuits

County	No. of Trees Removed	Judgment	Attorneys' fees and costs	Post-Judgment Interest	Total including interest	Verdict per tree
Broward	133,720	\$8,043,541	\$4,133,083	\$4,192,061	\$16,368,685	\$32
Lee	33,957	\$13,625,249	\$821,993	\$1,517,377	\$15,964,619	\$234
Orange	60,174	\$31,534,721	0	\$3,066,081	\$34,600,802	\$312
Palm Beach	63,455	\$23,653,376	\$2,422,830	\$1,802,171	\$27,878,377	\$213
Miami-Dade	249,111	0	0	0	0	
Total	540,417	\$76,856,887	\$7,377,906	\$10,577,690	\$94,812,483	



Questions?



Disaster Overview Open Federally Declared Disasters

Bryan Koon
Director, Division of Emergency Management
December 15, 2016

THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT



Public Assistance Grant Program

- Federal disaster assistance provided upon receipt of a presidential declaration
- Two thresholds must be met to be eligible for assistance
 - State Threshold of \$26.5M aggregate for Hermine and \$26.9M aggregate for Matthew
 - County Threshold based on county population times a per-capita amount of \$3.57 for Hermine and \$3.61 for Matthew
- State & Local Governments, Tribal Governments & certain Private Non-Profits eligible to receive funding.
- Cost share normally 75% federal/25% Non-Federal
- Reimbursement based



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Public Assistance Funding Process



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Hazard Mitigation Grant Program

- Funding eligible from a declared disaster to eliminate long term risk from natural hazards
- Eligible applicants are state, local, tribal governments and private non-profits
- Total funding based on a percentage of the total Individual Assistance and Public Assistance funding
- Funding first offered to applicants within the designated declared counties and then any remaining funds are offered statewide
- Projects must be identified in a FEMA approved and adopted local mitigation strategy plan
- Projects are funded 75% federal and 25% non-federal on a cost reimbursement basis – non-federal share is 100% borne by the applicant



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Pre-2016 PA Disasters

	ELIGIBLE OBLIGATED TOTALS	OUTSTANDING REIMBURSEMENTS	OUTSTANDING DEOBLIGATIONS DUE TO FEMA/STATE*	PENDING ADJUSTMENTS WITH FEMA**	OUTSTANDING APPEALS	ESTIMATED TIMEFRAME FOR DISASTER CLOSEOUT***
Pre-2004	\$418,437,884	\$525,610	\$1,388,593	(\$179,379)	\$2,417,979	2019
2004	\$2,660,000,059	\$38,589,457	\$15,624,858	\$11,068,212	\$34,644,064	2018
2005	\$1,870,144,566	\$60,006,047	\$23,592,148	\$2,519,241	\$31,659,120	2018
2007	\$17,219,059	\$5,133,708	\$449,977	(\$2,180,547)	\$248,515	2017
2008	\$150,225,063	\$17,024,386	\$1,786,935	(\$1,418,761)	\$630,233	2017-2018
2009	\$49,879,842	\$4,070,379	\$650,857	(\$1,110,073)	\$610,930	2018
2012	\$94,956,054	\$36,231,706	\$131,514	(\$1,062,653)	\$2,739,517	2020
2013	\$50,690,586	\$32,183,750	\$0	(\$217,352)	\$8,290,528	2021
2014	\$170,074,815	\$101,499,571	\$23,821	(\$3,453,853)	\$137,050	2022
TOTALS	\$5,481,627,928	\$295,264,614	\$43,648,703	\$3,964,835	\$81,377,936	

*Funding due back from local governments and non-profits for costs disallowed by FEMA during closeout.

Adjustments for cost overruns/underruns that have not been posted. *Calendar year



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Pre 2016 Hazard Mitigation Disasters

	ELIGIBLE FEDERAL OBLIGATED TOTALS	OUTSTANDING PROJECT TOTALS	UNOBLIGATED TOTALS	ESTIMATED TIMEFRAME FOR PROJECT COMPLETION*
2004	\$292,160,984	\$1,891,909	\$14,207,363	2016
2005	\$159,683,404	\$9,900,268	\$6,641,633	2018
2008	\$21,388,113	\$1,743,240	\$0	2017
2009	\$10,228,781	\$1,604,174	\$0	2017
2012	\$19,264,947	\$6,070,907	\$7,227,910	2017
2013	\$7,289,149	\$1,937,712	\$2,682,712	2017
2014	\$36,923,793	\$10,877,415	\$25,773,206	2018
TOTALS	\$546,939,171	\$34,025,625	\$56,532,824	

*Estimated timeframe based on current project completion dates. If project expansion or phase approved, dates will extend.



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Hurricane Hermine Costs

- Total Estimated Disaster Costs \$66,629,686
- Estimated eligible FEMA Costs \$58,849,019
 - Estimated Federal Share (75%) – \$44,135,227
 - Local Federal Share - \$30,574,490
 - State Agencies Federal Share - \$13,560,737
 - Estimated Non-Federal Share (25%) - \$14,711,742
 - Estimated State Share – \$9,615,994
 - State Share for locals (12.5%) - \$5,095,748
 - State Share for state agencies (25%) – \$4,520,246
 - Estimated Local Share (12.5%) - \$5,095,748



Hurricane Hermine State Funding Impacts

- Local Governments
 - 12.5% Match Requirement Provided by State \$5,095,748
 - Estimated amount to be paid by 6/30/17 - \$2,094,875
- State Agencies
 - Total Cost Reported - \$25,174,229
 - 25% Match Requirement to reimburse agencies \$4,520,246
 - Estimated amount to be paid by 6/30/17 - \$2,407,336



Hurricane Matthew

• Total Estimated Disaster Costs	\$430,815,442
• Estimated eligible FEMA Costs	\$374,047,962
• Estimated Federal Share (75%)	\$280,506,407
• Estimated Non-Federal Share (25%)	\$93,511,991
• Estimate State Share –	\$71,571,179
• State Share for locals (12.5%)	\$18,223,344
• State Share for state agencies (25%)	\$53,347,835
• Estimated Local Share -	\$21,940,812



Hurricane Matthew State Funding Impacts

- Local Governments

- 12.5% State Match Requirement

\$18,223,344

- Estimated amount to be paid by 6/30/17 - \$11,878,480

- State Agencies

- Total Cost Reported

\$268,498,784

- 25% State Match Requirement to reimburse agencies

\$ 53,337,980

- Estimated amount to be paid by 6/30/17 - \$11,732,290



THE FLORIDA DIVISION OF EMERGENCY MANAGEMENT

Lessons Learned

- Procedures for handling (State-controlled) Waterway debris
- Debris removal on private property
- Utility Service Coordinators and Staging



HURRICANE MATTHEW

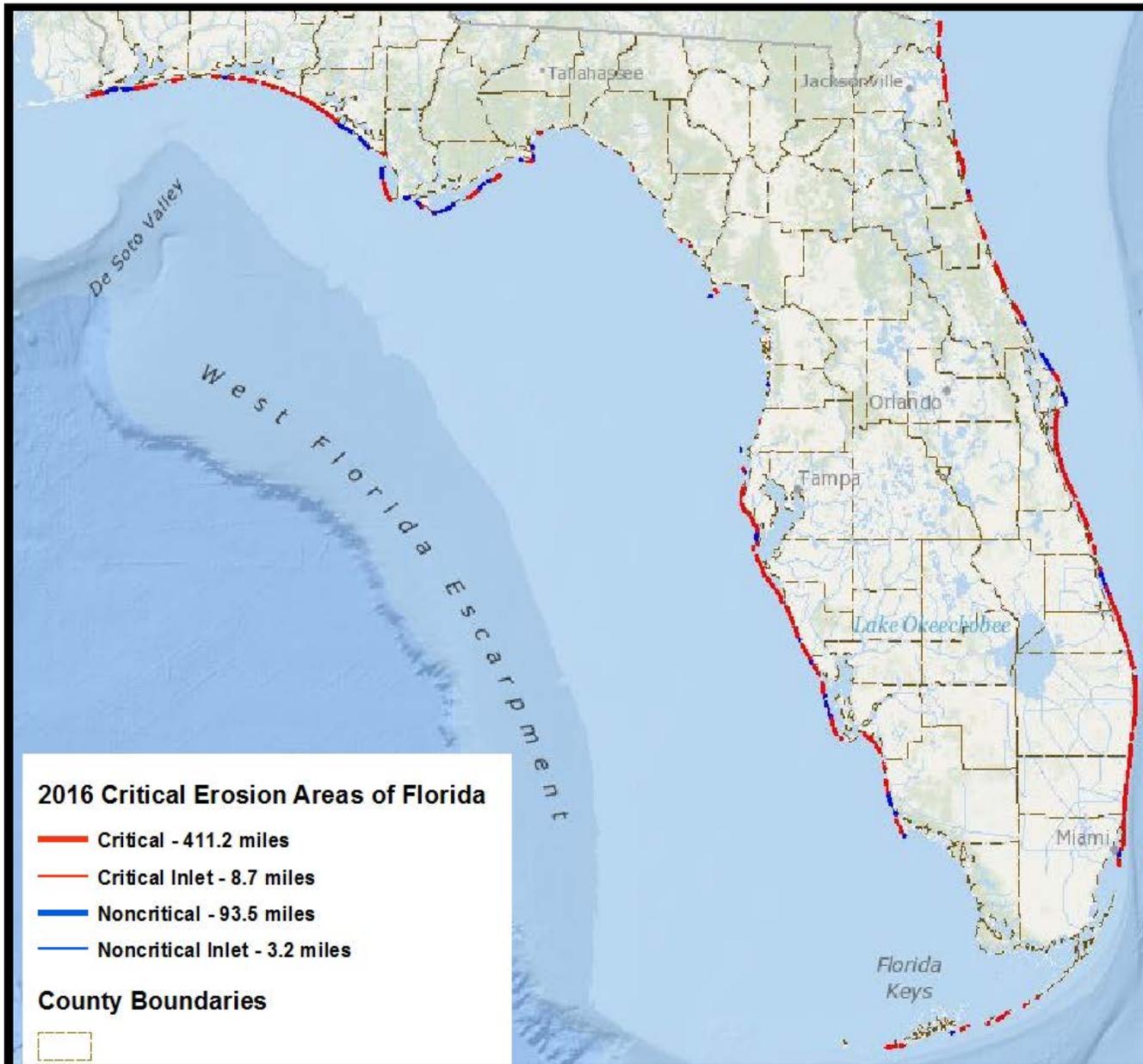
BEACH DAMAGES, RECOVERY NEEDS & FISCAL IMPACTS

Senate Appropriations Committee
Senator Jack Latvala, Chair

Presented by Deborah Flack, President 
Florida Shore & Beach Preservation Association

December 15, 2016

Setting the Stage



Florida's Beaches Statewide Status

825 mi Florida's Sandy beaches

411 mi Critically eroded beaches (red on map)

227 mi Critically eroded managed beaches

184 mi Eroded beaches w/o projects

+60 Statewide Program Projects

Two Groups / Categories of Projects

1) Federally Authorized Projects

- 26 Projects
- Federal share: 62% average
- Non-federal share: 50-50% State and local

2) State/Local Only Projects

- 50-50% State and local government sponsors

33 Projects Reported Post Hurricane Matthew Impacts

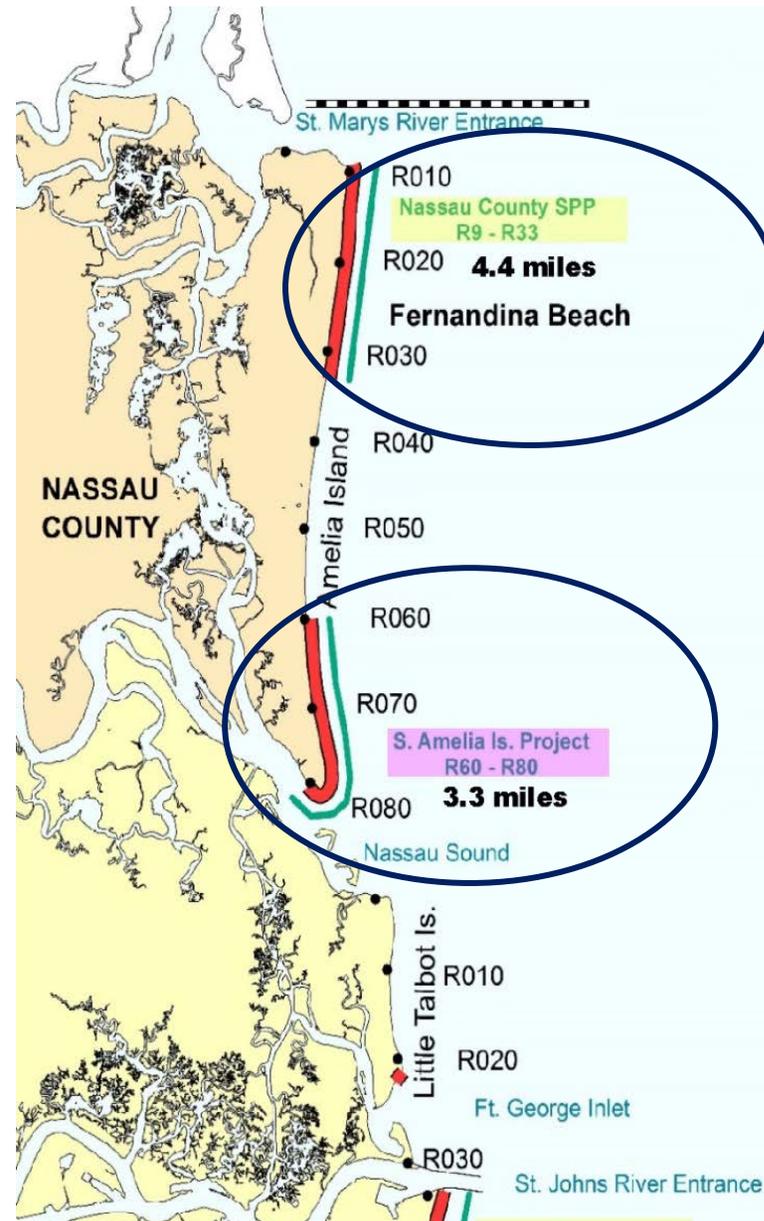
1) 16 Federally Authorized Projects

- 100% Federal funding for sand losses, contractual cost share remainder

2) State/Local Only Projects

- 11 separate projects as of 12/2/16 may qualify for FEMA Category G (sand losses only)
(75% Federal, 12.5% each State and local).
If not approved, then the Legislature may consider 50/50% State and local cost sharing
- Six projects not eligible for FEMA Category G; proposed cost sharing 50% state and local.

Nassau County Hurricane Recovery Efforts



Nassau County Federal Shore Protection Project

Total Project Cost	\$8.4M
Federal Share	\$6.64M
State Share	\$877,800

Amelia Island State / Local Beach Nourishment Project

Total FEMA Cat G Requested	\$4.5M
State Share	\$562,500

Duval County Federal Shore Protection Project

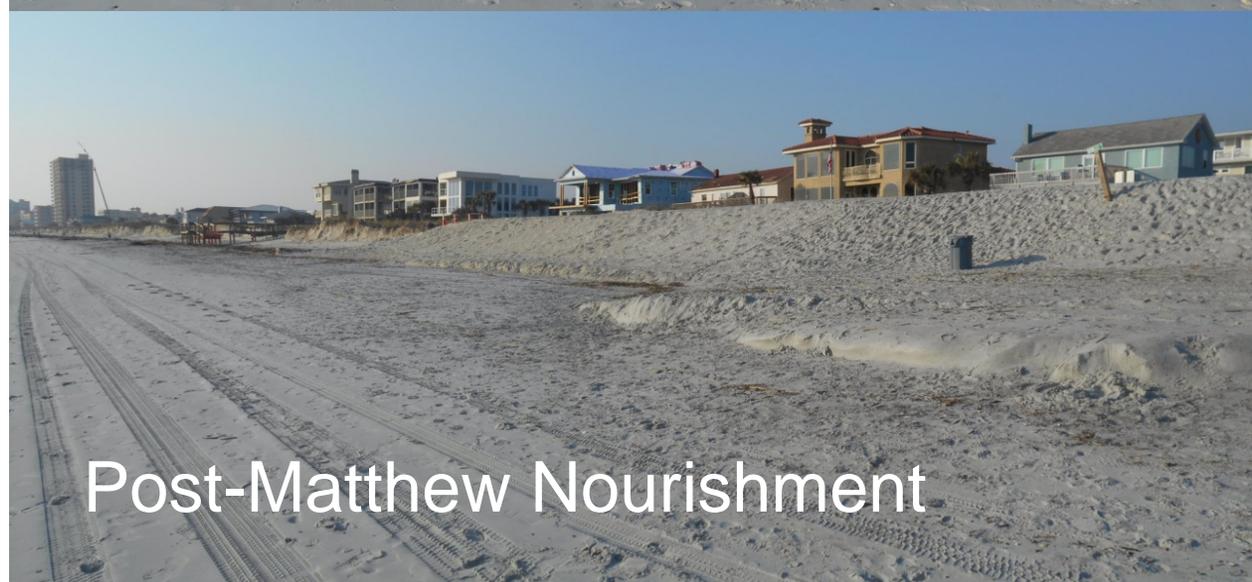
Total Project Cost \$16.2M

Federal Share \$9.98M

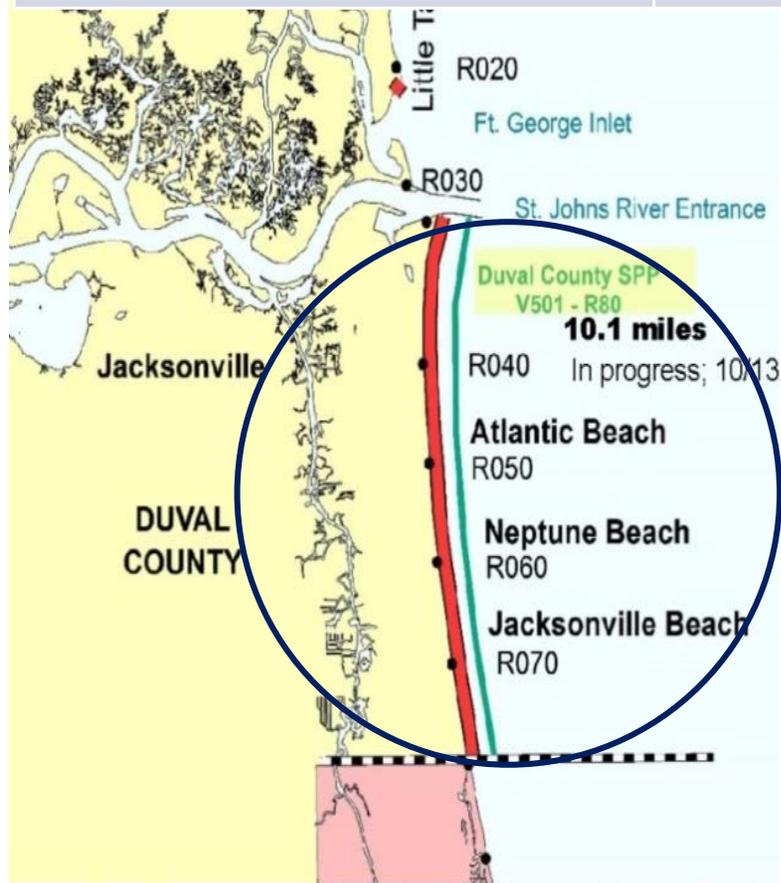
State Share \$3.1M



After Matthew



Post-Matthew Nourishment



Duval County State / Local Dune Enhancement Project

Total Project Cost	\$7.5M
State Share	\$3.75M



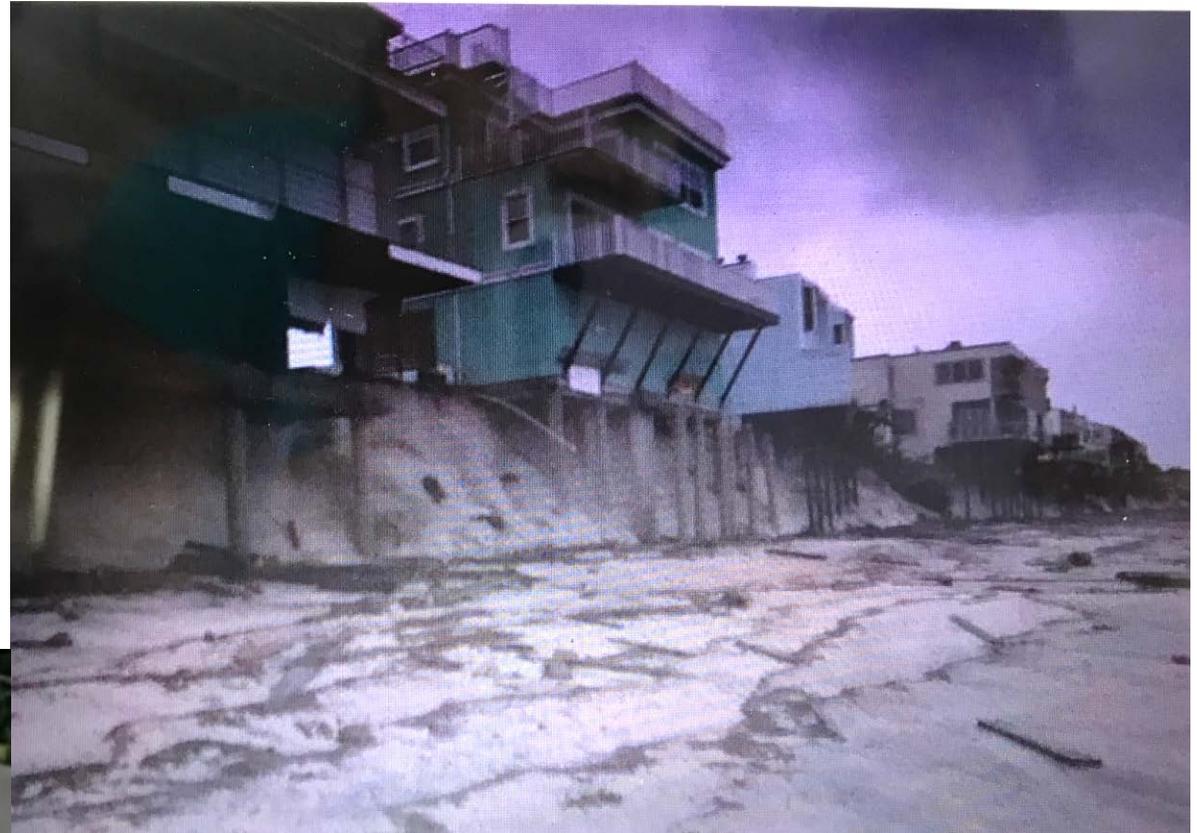
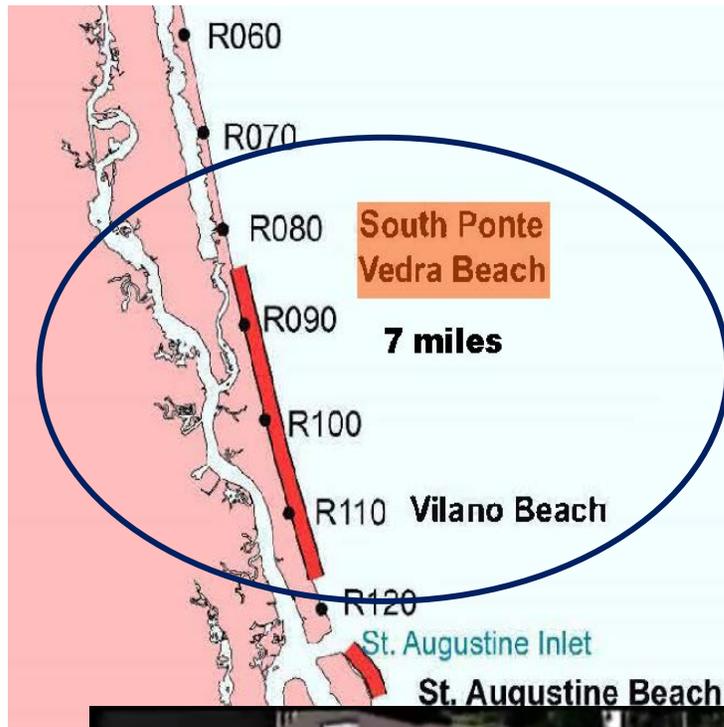
St. Johns County Federal Shore Protection Project

Total Project Cost	\$14.4M
Federal Share (80.5%)	\$11.6M
State Share	\$1.4M
Dune Enhancement Project / State Share (State/Local Project)	\$2M



St. Johns County

South Ponte Vedra - Vilano Storm Damage



South Ponte Vedra – Vilano

Proposed Storm Damage Recovery

Initial Berm Construction – Estimate \$60M

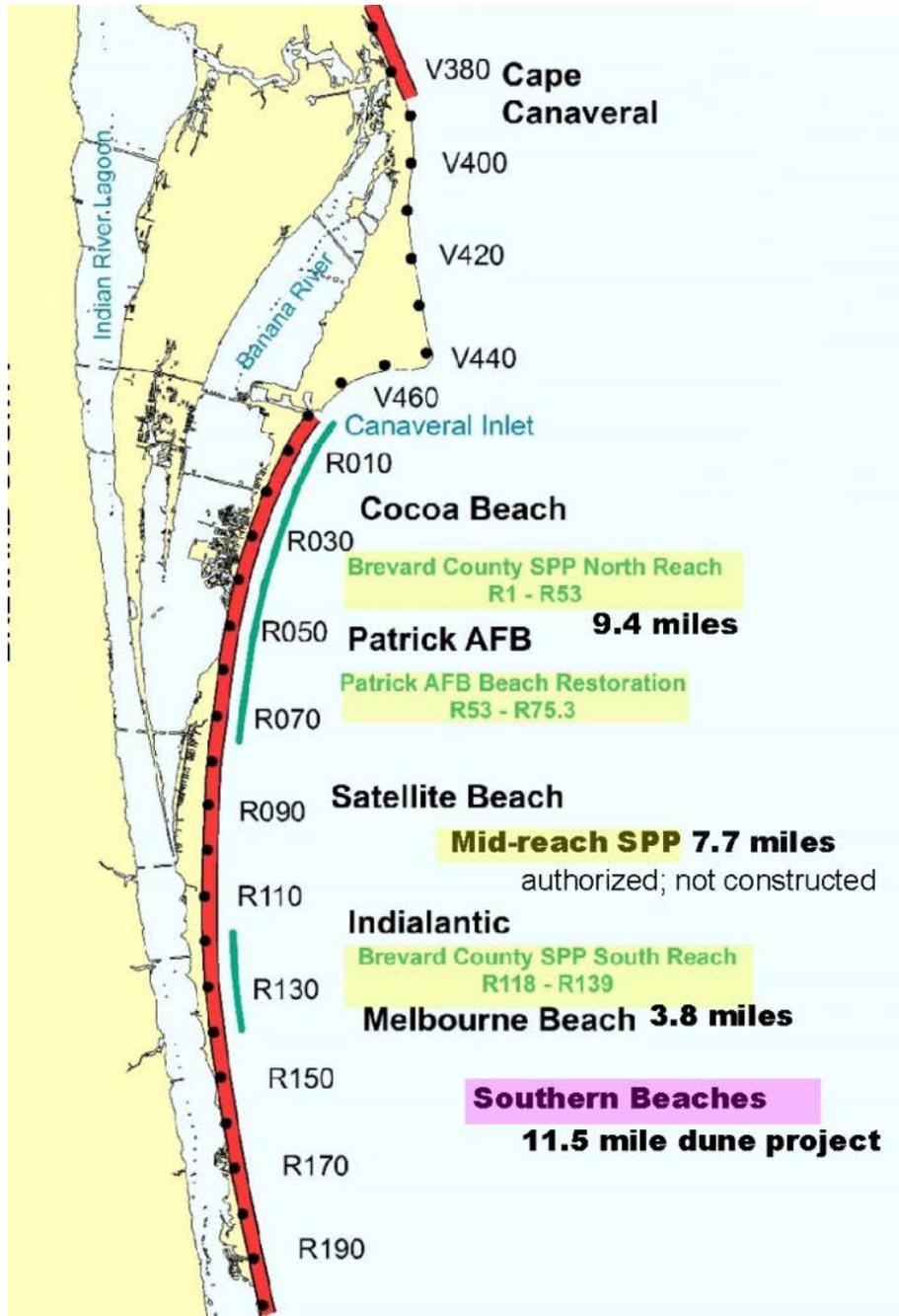


Flagler Federal Infrastructure Protection & Protective Dune Structure ~ \$15M



Remainder of County (~15 miles) not in state program, but much of the shoreline needs dune enhancement and vegetation

Brevard County Hurricane Recovery



Mid Reach



Southern Beaches

Brevard County Hurricane Recovery Efforts

Project	Total Cost*	Federal Share	FEMA Cat G	State Share
North Reach	\$8.5M	\$8.5M	\$0	\$0
Mid Reach	\$31M	\$16.3M	\$0	\$7.3M**
Mid Reach (emergency sand placement)	\$6.5M	\$0	\$0	\$3.25M
South Reach	\$9M	\$5.07M	\$0	\$1.97M
Southern Beaches	\$4.5M	\$0	\$3.375M	\$562,500
Total	\$59.5M	\$29.87	\$3.375M	\$13.1M

*Total includes local share

**\$7M appropriated in FY16/17

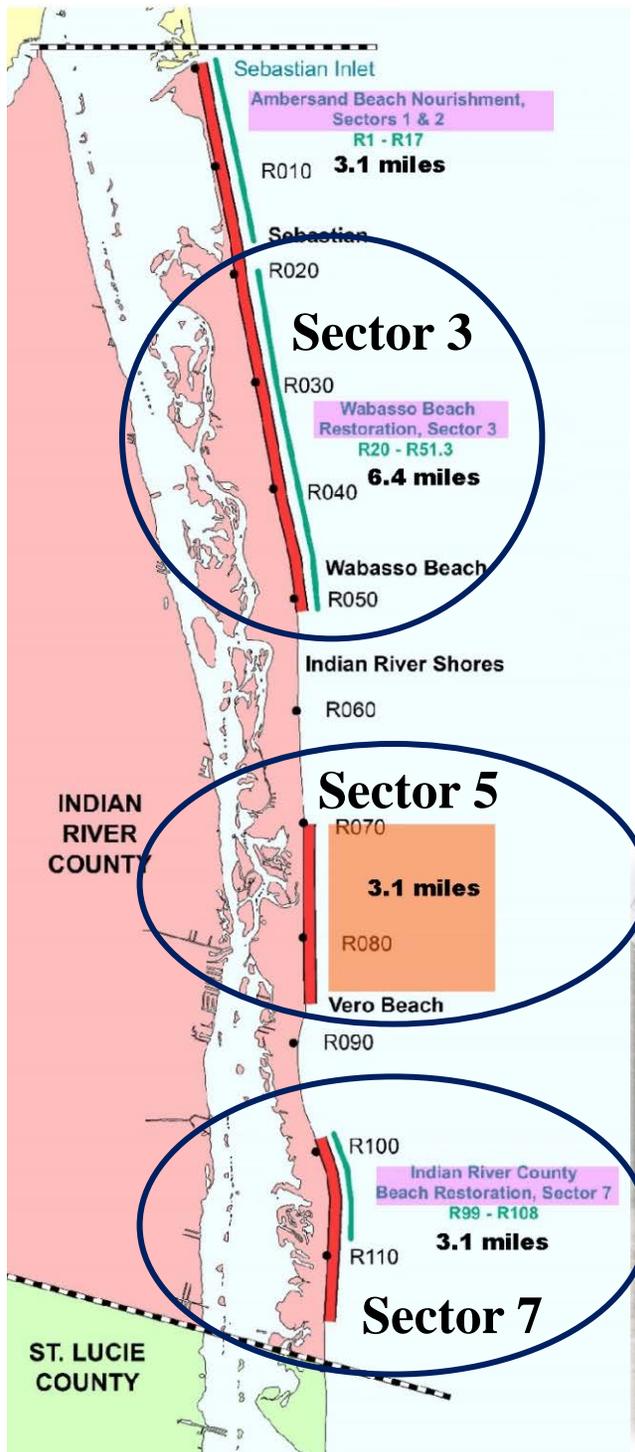
Indian River County Hurricane Recovery Efforts

Sectors 3 & 7

Total FEMA Cat G Requested	\$8M
State Share	\$1M

Sector 5

Total Project Cost	\$2.5M
State Share	\$1.25M



St. Lucie County Hurricane Recovery Efforts

Project	Total*	Federal Share	FEMA Share Cat G	State Share
Ft. Pierce Federal Project	\$7.7M	\$6M	\$0	\$856K
South St. Lucie Beach Project	\$4.4M	\$0	\$3.3M	\$550K



South Beach Project

10/26/2016

*Local share included in Total

Martin County Hurricane Recovery Efforts

Project	Total*	Federal Share	FEMA Share Cat G	State Share
Hutchinson Island Federal Project	\$3.98M	\$1.85M	\$0	\$1.06M
Bathtub Beach Project	\$1.5M	\$0	\$1.125M	\$187K
Jupiter Island Beach Project	\$6.27M	\$0	\$4.7M	\$784K



*Local share included in Total

Palm Beach, Broward, Miami-Dade Counties Hurricane Recovery Efforts

• Four Federal Projects

- Delray Beach
- North Boca Raton
- Broward Co. Segment II
- Sunny Isles

Federal Share: \$28.14M

State Share: \$2.13M

• Four State/Local Only Projects

Projects all in Palm Beach
County

FEMA Share: \$12.4M

State Share: \$2.1M

Beach Repair Funding Needs – Profile

Group 1 – Federal Projects

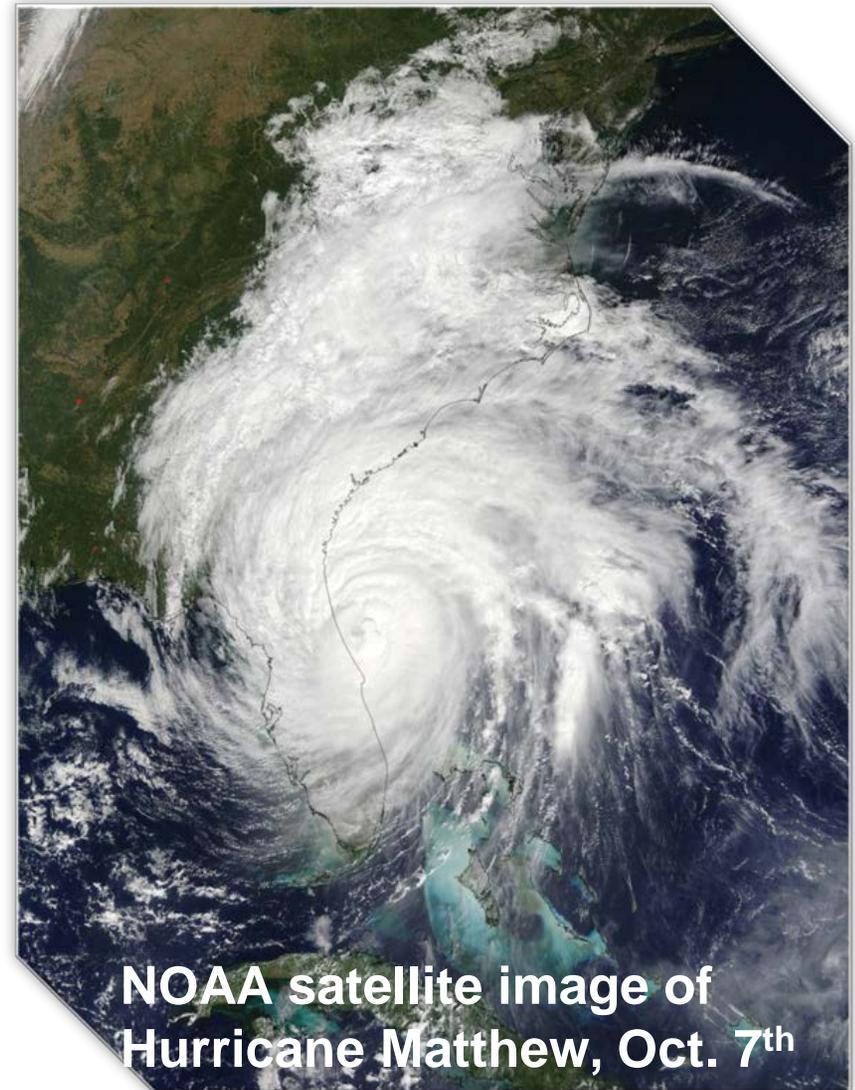
- **Federal Projects**

- 16 Projects
- \$110M Federal Share

\$12.5M State Share*

*Plus an additional \$19.4M has been appropriated or is included in FY2017/18 traditional beach program request

*Estimates are subject to considerable adjustment as recovery needs are refined



NOAA satellite image of Hurricane Matthew, Oct. 7th

Beach Repair Funding Needs – Profile

Group 2: State / Local Projects

Scenario 1 FEMA Cat G Projects

- Projects all approved
(75% Federal)

State share: \$5.7M

Scenario 2 Projects Not Approved for FEMA Cat G

- 50/50 Cost Share

State share: \$22.9M

Scenario 3 Funding Assumption for all Projects Considered for FEMA Cat G

*1/2 Total cost of projects considered plus the 12.5% for approved projects.

State share: \$13.3M

*Subject to considerable adjustment as recovery needs are refined

State / Local Only Projects (State Cost Share)

Not eligible under FEMA Category G

- Jacksonville Beach Dune Enhancement: \$3.75M
- St. Augustine Dune Enhancement: \$2M
- Indian River Co. Sector 5: \$1.25M
- South Ponte Vedra/Vilano Beach: \$30M
- Total State Share: \$37M

Adjusted State share with Brevard and Flagler: \$47.8M

Beach Repair Funding Needs – Summary

Group / Scenario	Total (\$)	Federal (\$)	State (\$)	Local (\$)
Federal Projects	\$135M	\$110M	\$12.5M	\$12.5M
Scenario 3 FEMA Cat G Assumption	\$44.1M	\$17.1M	\$13.3M	\$13.7M
Adjusted State and Local Only Equal Cost Share (Flagler & Brevard Mid Reach)	\$95.6M	N/A	\$47.8M	\$47.8M
Preliminary Funding Needs - Partner Cost Shares (through 12/11/16)	\$274.7M	\$127.1M	\$73.6M	\$74M

Lessons Learned

Performance

- No structures were damaged by erosion where beaches were maintained.
- Far less expensive to replace sand losses than upland structures and infrastructure.

Dunes add more protection and reduce coastal flooding

State program weaknesses

- Many areas with eroded beaches are still not part of the statewide program
- Projects can get caught in planning phase or in a transition to become federally-authorized, and left vulnerable to erosion

State Program Funding Backlog

- Delays planned nourishment schedules and undermines design performance

Closing Thoughts

From EDRs 2015 Economic Evaluation of Florida's Investment in Beaches

“From an economic perspective, it is important to quickly address severe storm-related damage.”

The report considered *“the costs to the state from potential shocks”* like hurricanes. *“It is estimated that a high-impact disaster would require the state to appropriate \$79.9 million for beach restoration while still losing approximately \$56.8 million in tax revenues.”*

Final Closing Thought

“Florida’s economy relies heavily on its beaches, the state’s invisible coastal infrastructure that protects Florida’s communities.” “The State and the U.S. Army Corps of Engineers experience shows the most cost-effective, socially and environmentally suitable way to reduce storm damages and coastal flooding on most open coast sites occurs through beach nourishment.”

(American Society of Civil Engineers, 2016 Report Card for Florida’s Infrastructure).

Deborah Flack
The Florida Shore & Beach Preservation Association
850.906.9227
www.fsbpa.com



Duval County
Dune Enhancement Project

Maps courtesy of the FL Dept. of Environmental Protection's Strategic Beach Management Plan and Critical Erosion Report. Photos courtesy of USACE Jacksonville District, FDEP, local governments, and coastal consultants.



Florida Department of Environmental Protection
Division of Water Restoration Assistance

***2016 Hurricane Recovery Plan:
Florida's Beaches and Dunes***

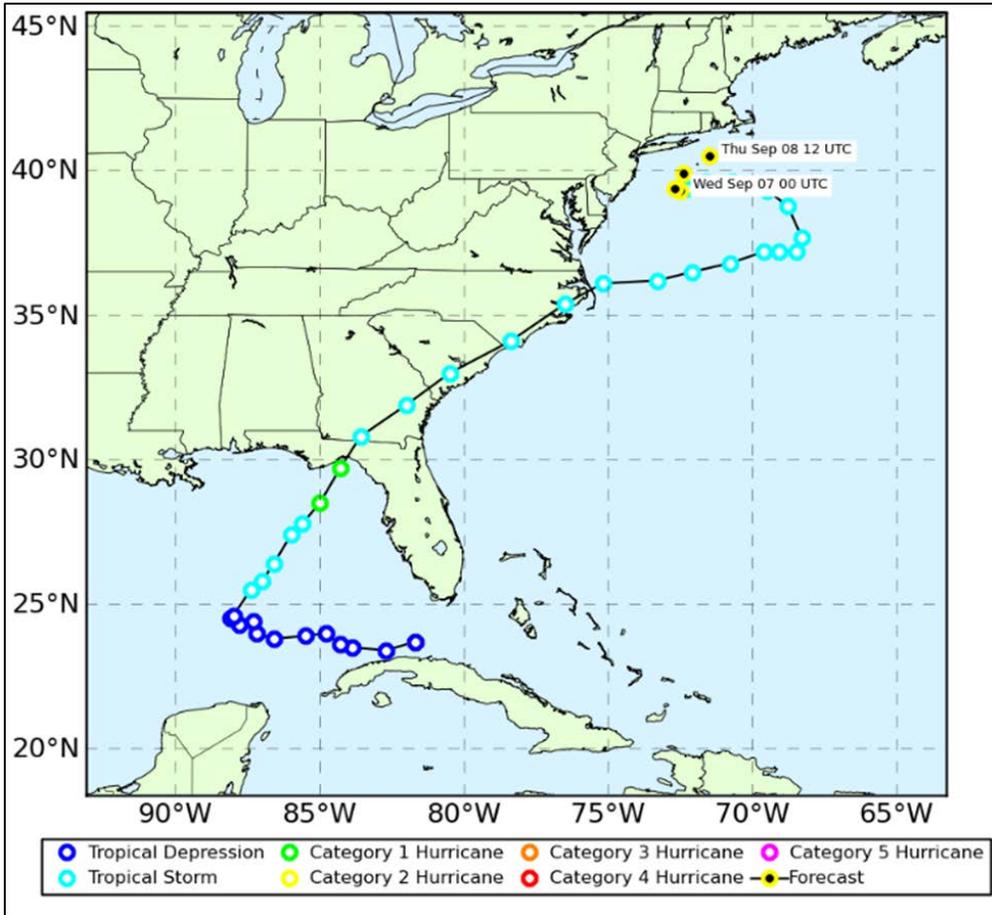
**Florida Department of Environmental
Protection**

December 15, 2016



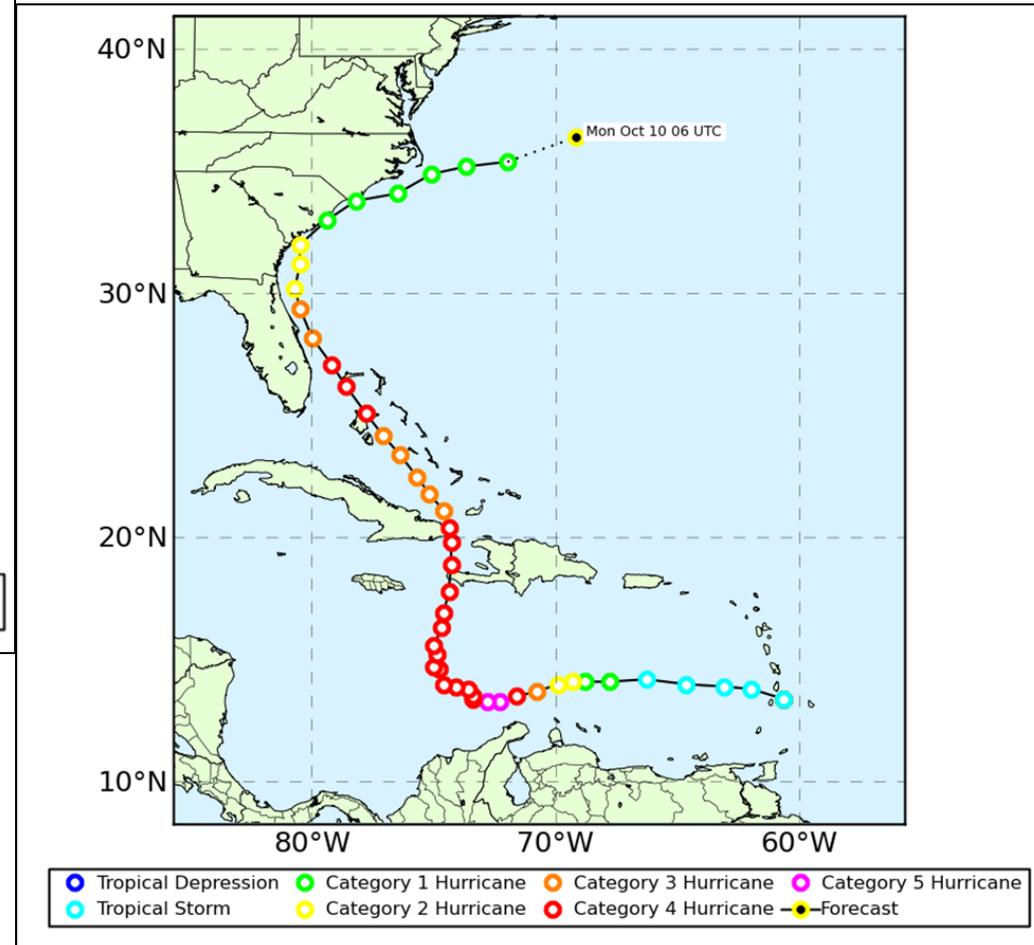


2016 Hurricane Season



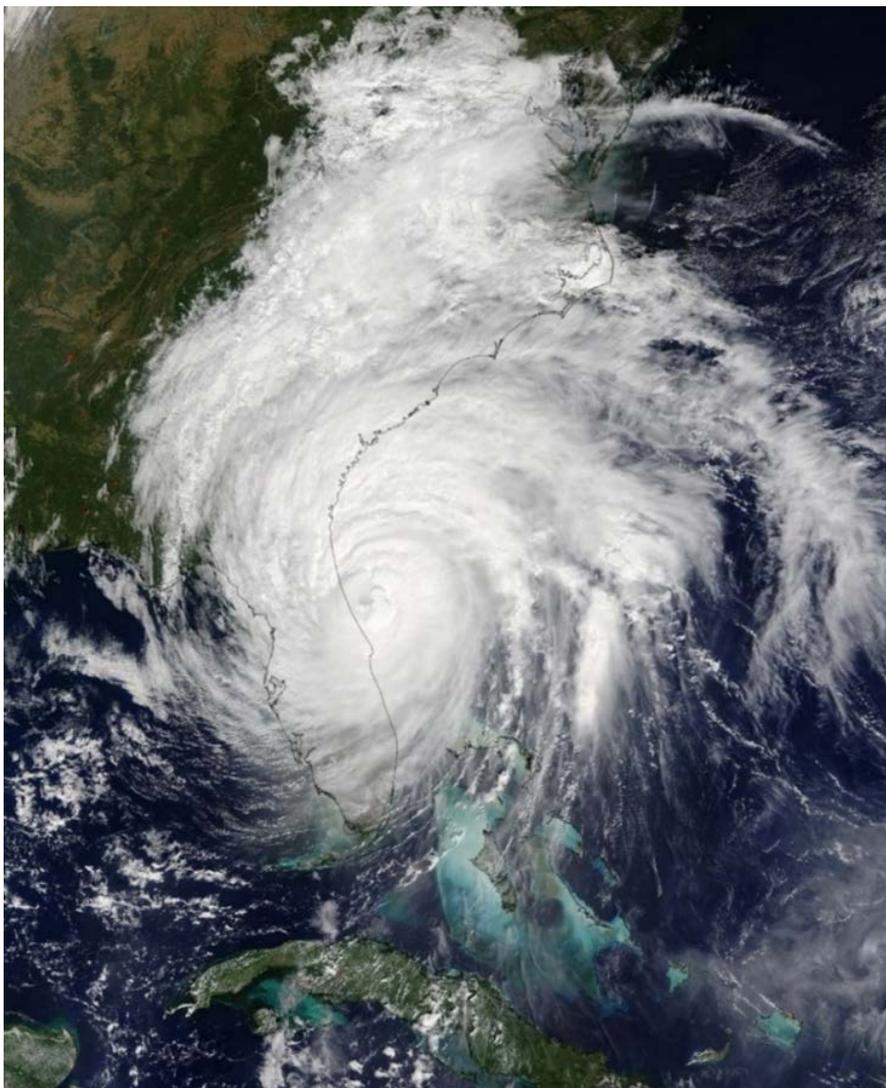
Hermine: September 2

Matthew: October 6 & 7





Planning & Coordination



- Local Communities
- FEMA
- Flood Mitigation Assistance (FDEM)
- USACE
- DEP Beach Management Program
- State Revolving Fund
- Nonpoint Source Program



Hurricane Recovery Plan

- Documents storm damages
- Define management strategies
 - Natural Recovery
 - Dune Restoration
 - Beach and Dune Restoration
 - Accelerated nourishment in existing projects
- Identifies estimated costs for repairs
- Living document



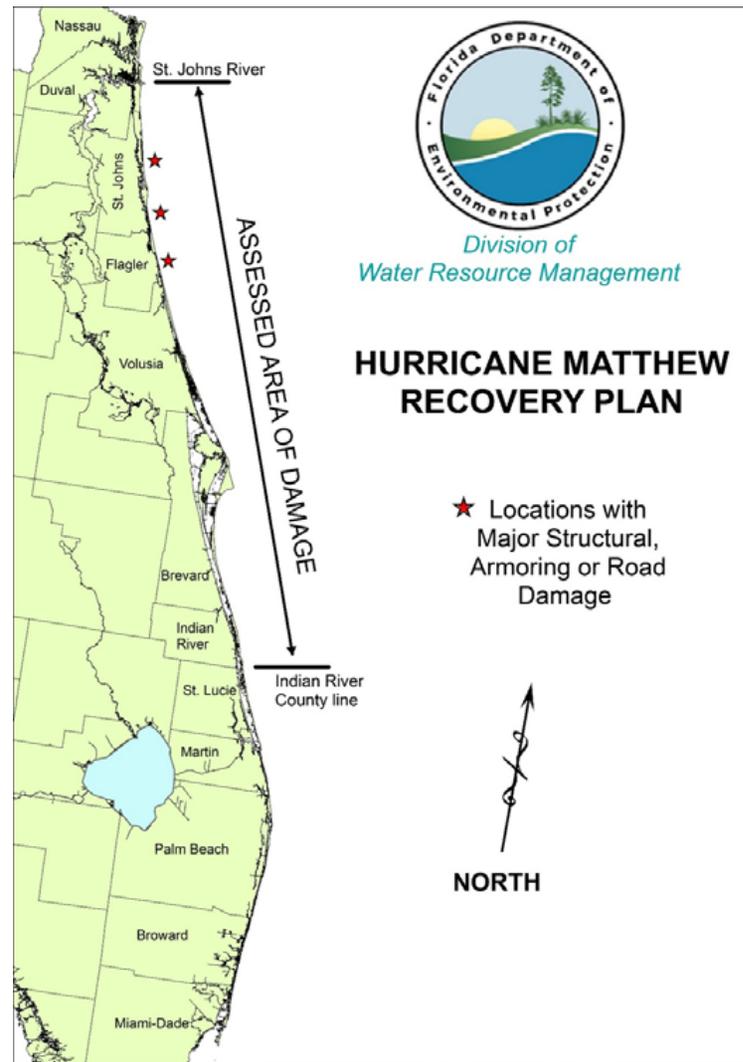


Preliminary Cost Estimates

- Focus on immediate protection for structures
- Projects implemented in a timely manner
- Conduct repairs while long-term strategies developed
- Cost estimates refined as:
 - more data is made available
 - federal funding is established
 - sponsors complete storm repair plans
- DEP staff uses experience and expertise to refine costs
- Not all impacted projects are listed
- Some nourishment may not need to be expedited



Severely Impacted Areas



<i>Project</i>	<i>County</i>	<i>Total Replacement Costs</i>	<i>Anticipated Federal Cost Share</i>	<i>State Share Replacement Costs</i>
Federal Projects (Dunes and New Authorizations)				
Duval County Shore Protection Project (Non-federal dune)	Duval	\$7,500,000	\$0	\$3,750,000
St. Johns County Shore Protection Project (Non-federal dune)	St. Johns	\$4,000,000	\$0	\$2,000,000
Flagler County Federal Restoration	Flagler	\$14,710,000	\$9,561,500	\$2,574,250
Subtotal		\$26,210,000	\$9,561,500	\$8,324,250
New Projects (Not eligible for FEMA) *				
St. Johns County – Countywide Dune Restoration	St. Johns	\$60,000,000	\$0	\$30,000,000
Flagler County – Countywide Dune Restoration	Flagler	\$25,000,000	\$0	\$12,500,000
Volusia County- Countywide Dune Restoration	Volusia	\$24,156,000	\$0	\$12,078,000
Subtotal		\$109,156,000	\$0	\$54,578,000
Existing Projects (Anticipating 75% reimbursement from FEMA)				
Brevard County Shore Protection Project –Mid-Reach and South Beaches	Brevard	\$11,000,000	\$8,250,000	\$1,375,000
Indian River County- All Sectors	Indian River	\$10,500,000	\$7,875,000	\$1,312,500
Subtotal		\$21,500,000	\$16,125,000	\$2,687,500
TOTAL		\$156,866,000	\$25,686,500	\$65,589,750



Areas with Sand Losses

<i>Project</i>	<i>County</i>	<i>Total Replacement Costs</i>	<i>Anticipated Federal Cost Share</i>	<i>State Share Replacement Costs</i>
Hurricane Hermine Impacted Beaches				
Anna Maria Beach/Coquina Beach Nourishment	Manatee	\$6,646,530	\$4,984,898	\$830,816.3
Longboat Key Beach Nourishment	Sarasota	\$300,000	\$225,000	\$37,500.0
Lido Key Shore Protection Project	Sarasota	\$2,399,760	\$1,799,820	\$299,970.0
South Siesta Key Beach Nourishment	Sarasota	\$10,265,000	\$7,698,750	\$1,283,125.0
Subtotal		\$19,611,290	\$14,708,468	\$2,451,411
Hurricane Matthew Impacted Beaches				
South Amelia Island Beach Nourishment	Nassau	\$4,500,000	\$3,375,000	\$562,500
South St. Lucie Beach Restoration	St. Lucie	\$4,400,000	\$3,300,000	\$550,000
Bathtub Reef Beach/Sailfish Point	Martin	\$1,500,000	\$1,125,000	\$187,500
Jupiter Island Beach Nourishment	Martin	\$7,000,000	\$5,250,000	\$875,000
Palm Beach County County-wide Projects	Palm Beach	\$1,932,000	\$1,449,000	\$241,500
Town of Palm Beach Town-wide Projects	Palm Beach	\$8,664,000	\$6,498,000	\$1,083,000
City of Boca Raton City-wide Projects	Palm Beach	\$7,900,000	\$5,925,000	\$987,500
Hillsboro/Deerfield Beach Nourishment	Broward	\$1,400,000	\$1,050,000	\$175,000
Subtotal		\$37,296,000	\$27,972,000	\$4,662,000
<i>Total</i>		\$56,907,290	\$42,680,468	\$7,113,411





Summary

As of December 14, 2016

- Total estimated repairs \$217 million
- Total anticipated federal & local share \$140 million
- Estimated state share \$77 million
 - \$66 million for the most severely impacted areas
 - \$7 million for sand losses in other affected areas
 - \$4 million for sand losses in State Parks & DEP initiatives





Thank you

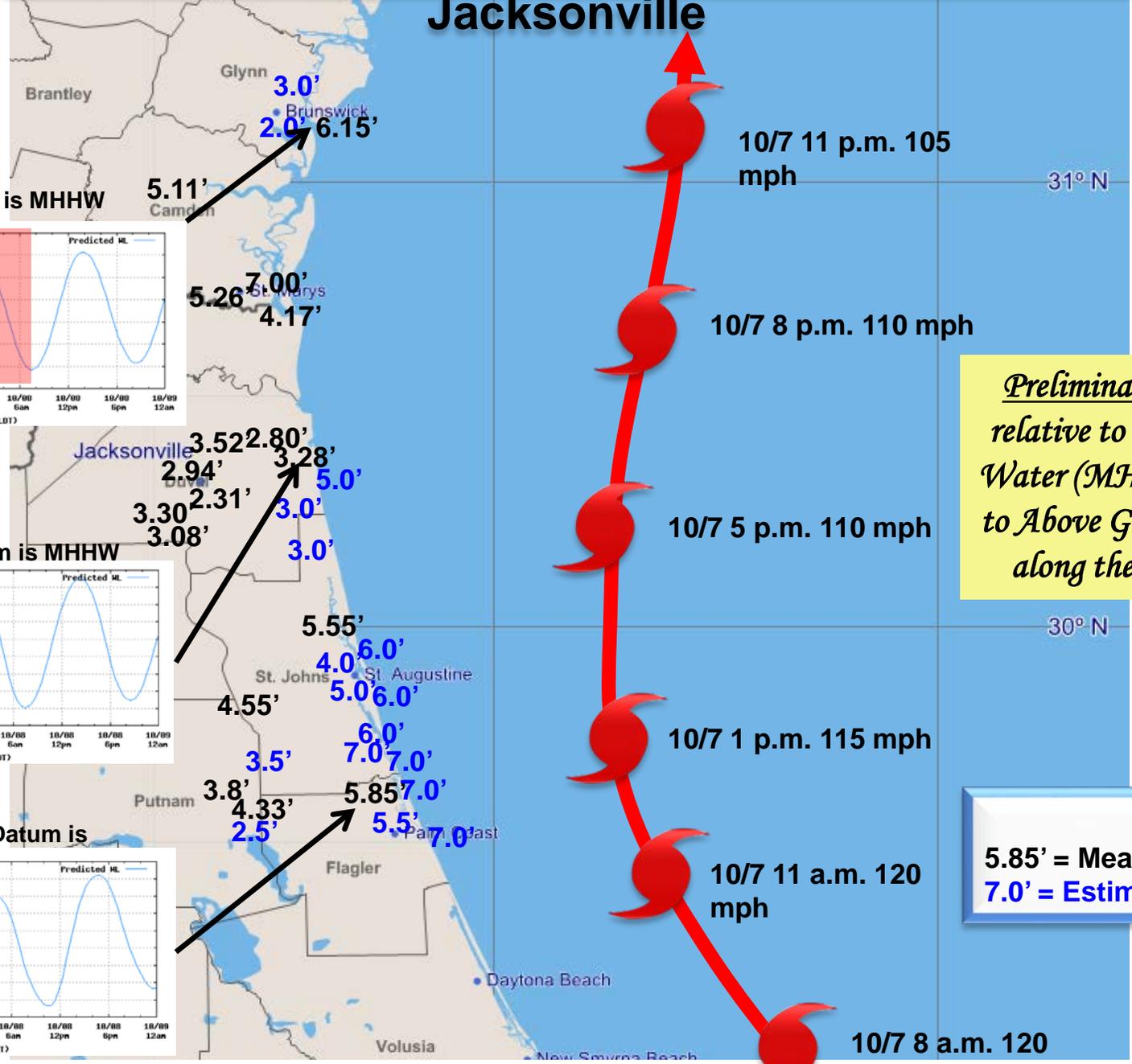
**Trina Vielhauer Director,
Division of Water Restoration Assistance
850-245-2998**

**Alex Reed, Administrator,
Beach Management Funding Assistance Program
850-245-2980**

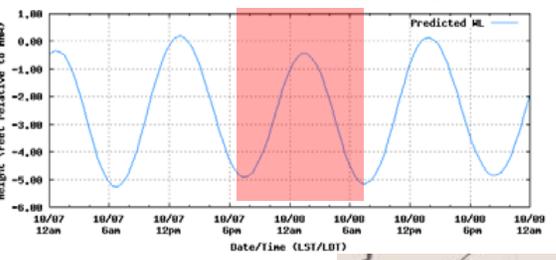
Hurricane Matthew Beach Impacts Brief



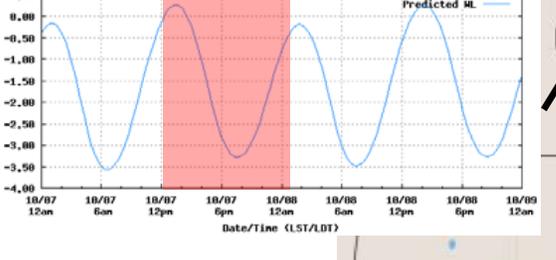
Hurricane Matthew's Storm Tides Near Jacksonville



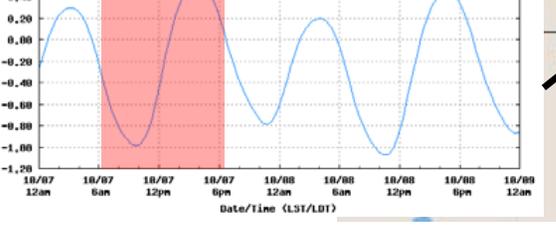
St Simons Light Datum is MHHW



Mayport Bar Pilot Datum is MHHW



Bing's Landing ICWW Datum is MHHW



Preliminary Tide Values are relative to Mean Higher High Water (MHHW) which is close to Above Ground Level (AGL) along the immediate coast.

Legend
 5.85' = Measured Storm Tide
 7.0' = Estimated Storm Tide

FLAGLER BEACH/A1A Directly on Ocean

South County Line to Beverly Beach (approx. 5.3 mi.)

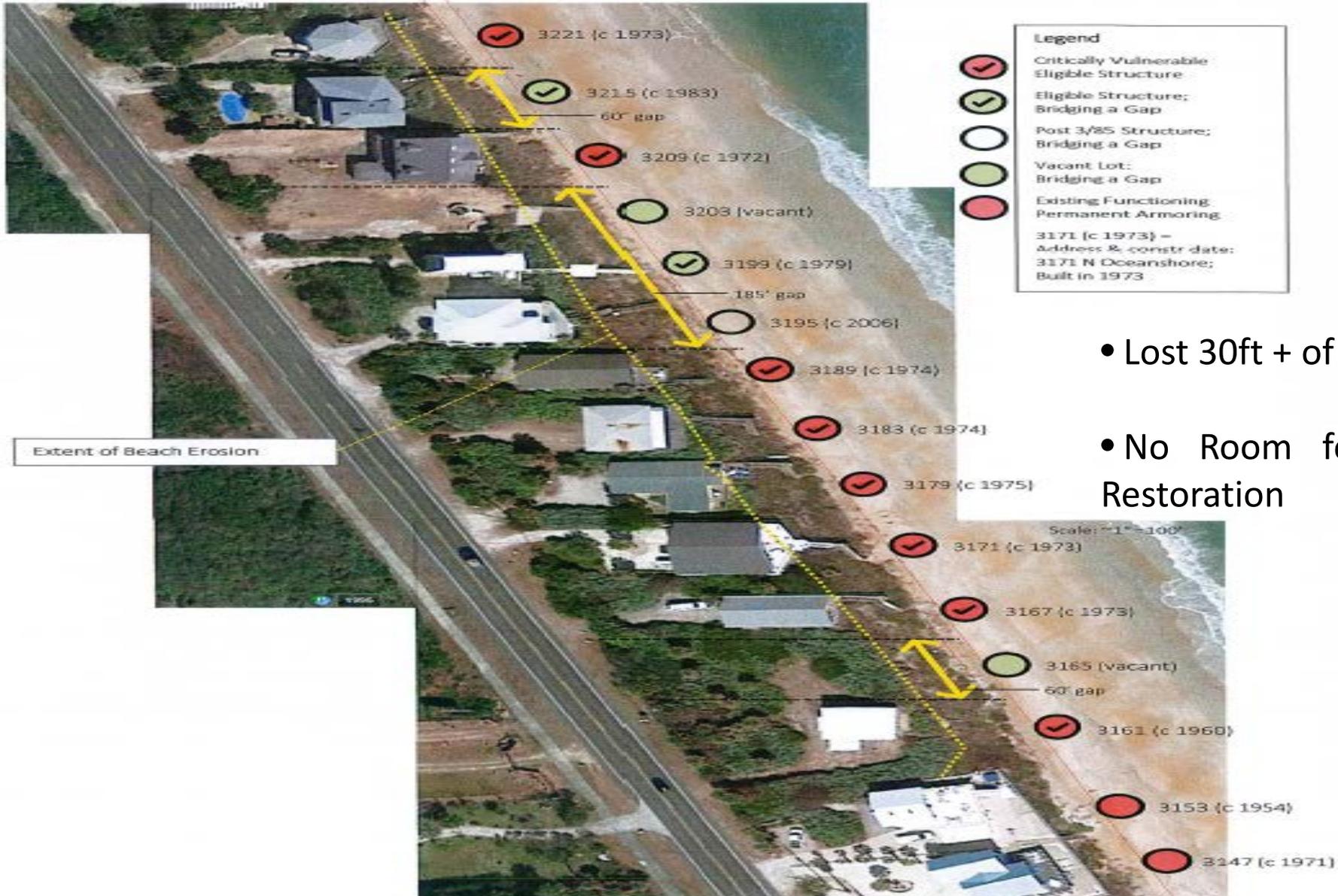


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BEVERLY BEACH TO VARN PARK

Threatened Homes and Property between A1A and Ocean (approx. 2.0 mi.)

Painters Hill Critical Erosion North Section
3161 to 3221 N Oceanfront



- Lost 30ft + of Dune

- No Room for Natural Restoration

BEVERLY BEACH TO VARN PARK

Threatened Homes and Property between A1A and Ocean (approx. 2.0 mi.)



Mid County Widespread Ocean Flooding 600 homes threatened in one area



EMERGENCY RESCUE IN NEIGHBORHOODS



WASHINGTON OAKS STATE PARK

COUNTY CREWS FILLING BREACH 3 Days After Storm



North Flagler County Flooding Ocean to IntraCoastal

**SR A1A Underwater From Washington Oaks State Park north
to the Town of Marineland**



Flagler County's Situation

- We are facing a compromised dune system for our entire 18 miles of coastline.
- As you have seen we are still vulnerable to the threat of homes falling in the ocean and whole neighborhoods re-flooding as northeasters and super tides eat away a bluffs or attack areas with no dunes.
- We are fighting time as well:
 - Turtle Season Start May 1st,
 - Hurricane Season June 1st
 - New State Budget July 1st
- Financially our County is small and lacks the funds take on this issue. We started this year with 4 and ½ million in reserves
- To date we have already spent 5 million in debris cleanup alone. We have over 10 million dollars of other damage – buildings, roads, boardwalks, etc. We don't expect to see any FEMA dollars for months

SUMMARY OF DUNE RESTORATION COSTS TO PROTECT RESIDENTS

Public Dune/Beach Restoration 57 million+

Segment	Fill	Veg	Total
1	\$11,742,214	\$146,778	\$11,888,992
2	\$8,082,630	\$101,033	\$8,183,663
3	\$10,425,532	\$130,319	\$10,555,851
4	\$13,470,796	\$168,385	\$13,639,181
5	\$4,154,015	\$51,925	\$4,205,940
6	<u>\$8,750,751</u>	<u>\$109,384</u>	<u>\$8,860,136</u>
Totals	\$56,625,940	\$707,824	\$57,333,764

We Need Your Help !!!
THANK YOU SENATORS



THE FLORIDA SENATE
APPEARANCE RECORD

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

12/15/14

Meeting Date

Bill Number (if applicable)

Topic Presentation on Potential Impact From Hurricanes

Amendment Barcode (if applicable)

Name Bryan Koon

Job Title Director, DIVISION OF Emergency Management

Address 2555 Shumard Oak Boulevard

Phone 850 519 7966

Street

Tallahassee

City

FL

State

32399

Zip

Email bryan.koon@dem.myflorida.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FDEM

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 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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

12/15/2016

Meeting Date

Bill Number (if applicable)

Topic Hurricane Matthew Fiscal Impacts

Amendment Barcode (if applicable)

Name Deborah Flack

Job Title President, Florida Shore & Beach Preservation Assoc.

Address 1607 Village Square Blvd Suite 7

Phone 850/510-5409

Street

Tallahassee Florida 32309

Email floridabeaches@fsbpa.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing various interests, including local governments, on behalf of Florida's beaches

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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THE FLORIDA SENATE
APPEARANCE RECORD

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

12/15/16

Meeting Date

Bill Number (if applicable)

Topic Hurricane Matthew & Hermine/Beach

Amendment Barcode (if applicable)

Name Trina Vielhauer

Job Title Director, Division of Water Restoration Assistance, DEP

Address 3900 Commonwealth Blvd

Phone 850 245 2998

Street

Tallahassee FL 32399

City

State

Zip

Email trina.vielhauer@dep.state.fl.us

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida DEP

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 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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

12/15/16
Meeting Date

Bill Number (if applicable)

Topic HURRICAN MATTHEW IMPACTS

Amendment Barcode (if applicable)

Name NATE MCLAUGHLIN

Job Title COMMISICNER - FLAGLER COUNTY

Address 1769 E. MOODY BLVD
Street

Phone (326) 313-4001

BUNNELL FL 32110
City State Zip

Email NMCLAUGHLIN@
FLAGLERCOUNTY.ORG

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Flagler County

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.

No materials for this item.

CourtSmart Tag Report

Room: KN 412

Case No.:

Type:

Caption: Senate Appropriations Committee

Judge:

Started: 12/15/2016 1:31:08 PM

Ends: 12/15/2016 3:28:59 PM

Length: 01:57:52

1:32:11 PM Sen. Latvala (Chair)
1:32:42 PM TAB 1 - Staff Introductions
1:32:47 PM Mike Hansen, Staff Director
1:36:23 PM Sen. Latvala
1:37:19 PM TAB 2 - Presentation on Long Range Financial Outlook
1:38:15 PM Amy Baker, Coordinator, Office of Economic and Demographic Research
2:11:51 PM Sen. Latvala
2:14:23 PM Sen. Montford
2:14:26 PM A. Baker
2:14:33 PM Sen. Latvala
2:14:54 PM Sen. Montford
2:15:30 PM Amy Baker
2:16:16 PM Sen. Montford
2:16:37 PM Sen. Gibson
2:17:04 PM A. Baker
2:18:29 PM Sen. Gibson
2:18:37 PM A. Baker
2:20:28 PM Sen. Gibson
2:20:57 PM A. Baker
2:21:39 PM TAB 3 - Update on Citrus Canker Litigation
2:21:40 PM Sen. Latvala
2:23:05 PM Dr. Trevor Smith, Director, Division of Plant Industry, Dept. of Agriculture/Consumer Svcs.
2:27:38 PM Wesley Parsons of Clarke Silverglate, P.A., on behalf of Dept. of Agriculture/Consumer Svcs.
2:30:55 PM Sen. Bradley
2:31:08 PM W. Parsons
2:31:37 PM Sen. Bradley
2:31:59 PM W. Parsons
2:32:26 PM Sen. Latvala
2:32:45 PM W. Parsons
2:33:14 PM Sen. Latvala
2:33:29 PM W. Parsons
2:34:02 PM Sen. Latvala
2:34:10 PM W. Parsons
2:34:32 PM Sen. Latvala
2:34:54 PM W. Parsons
2:35:36 PM Sen. Latvala
2:35:42 PM W. Parsons
2:35:51 PM Sen. Latvala
2:36:23 PM W. Parsons
2:41:41 PM Sen. Bradley
2:41:50 PM W. Parsons
2:42:07 PM Sen. Latvala
2:42:14 PM W. Parsons
2:42:30 PM Sen. Simpson
2:42:57 PM W. Parsons
2:43:12 PM Sen. Simpson
2:43:20 PM W. Parsons
2:43:25 PM Sen. Simpson
2:43:38 PM Sen. Latvala
2:43:44 PM Sen. Simpson
2:43:52 PM Sen. Latvala
2:44:06 PM TAB 4 - Presentation on Potential Fiscal Impact from Hurricanes

2:44:09 PM Sen. Latvala
2:44:40 PM Bryan Koon, Director, Division of Emergency Management
2:51:50 PM Sen. Latvala
2:51:58 PM B. Koon
2:52:26 PM Sen. Montford
2:52:48 PM B. Koon
2:53:43 PM Sen. Montford
2:53:46 PM B. Koon
2:54:14 PM Debbie Flack, President, Florida Shore and Beach Preservation Assn.
3:06:06 PM Sen. Bean
3:06:19 PM Sen. Latvala
3:06:46 PM D. Flack
3:09:50 PM Sen. Bean
3:10:57 PM Sen. Hutson
3:11:37 PM Trina Vielhauer, Director, Div. of Water Restoration Assistance, Dept. of Environmental Protection
3:13:49 PM Sen. Latvala
3:14:17 PM Alex Reed, Program Administrator, Beach Mgmt. Funding Assistance Pgm., Div. of Water...
3:14:18 PM ...Restoration Assistance, Dept. of Environmental Protection
3:20:43 PM Sen. Latvala
3:21:18 PM A. Reed
3:21:45 PM Sen. Latvala
3:22:50 PM Nate McLaughlin, Commissioner, Flagler County