

Transportation & Economic Development Appropriations Subcommittee

**Tuesday, February 8, 2011
9:00 AM - 12:00 PM
Reed Hall**

Meeting Packet



The Florida House of Representatives

Appropriations Committee

Transportation & Economic Development Appropriations Subcommittee

Dean Cannon
Speaker

Mike Horner
Chair

February 8, 2011

AGENDA
9:00 AM – 12:00 PM
Reed Hall

- I. **Call to Order/Roll Call**
- II. **Presentation of the Governor's Recommended Budget FY 2011-12**
Phillip Miller, Policy Coordinator, Office of Policy and Budget
- III. **Agency Introduction and Overview**
 - Department of Transportation**
Ananth Prasad, Assistant Secretary for Engineering and Operations
 - Work Program – DOT**
Lora Hollingsworth, Assistant Secretary for Finance and Administration
 - Turnpike Enterprise Overview and Rail Enterprise Update-DOT**
Kevin Thibault, Executive Director for Florida Turnpike Enterprise and Florida Rail Enterprise
- IV. **Adjourn**

**Governor's Budget
Recommendations**

GOVERNOR RICK SCOTT

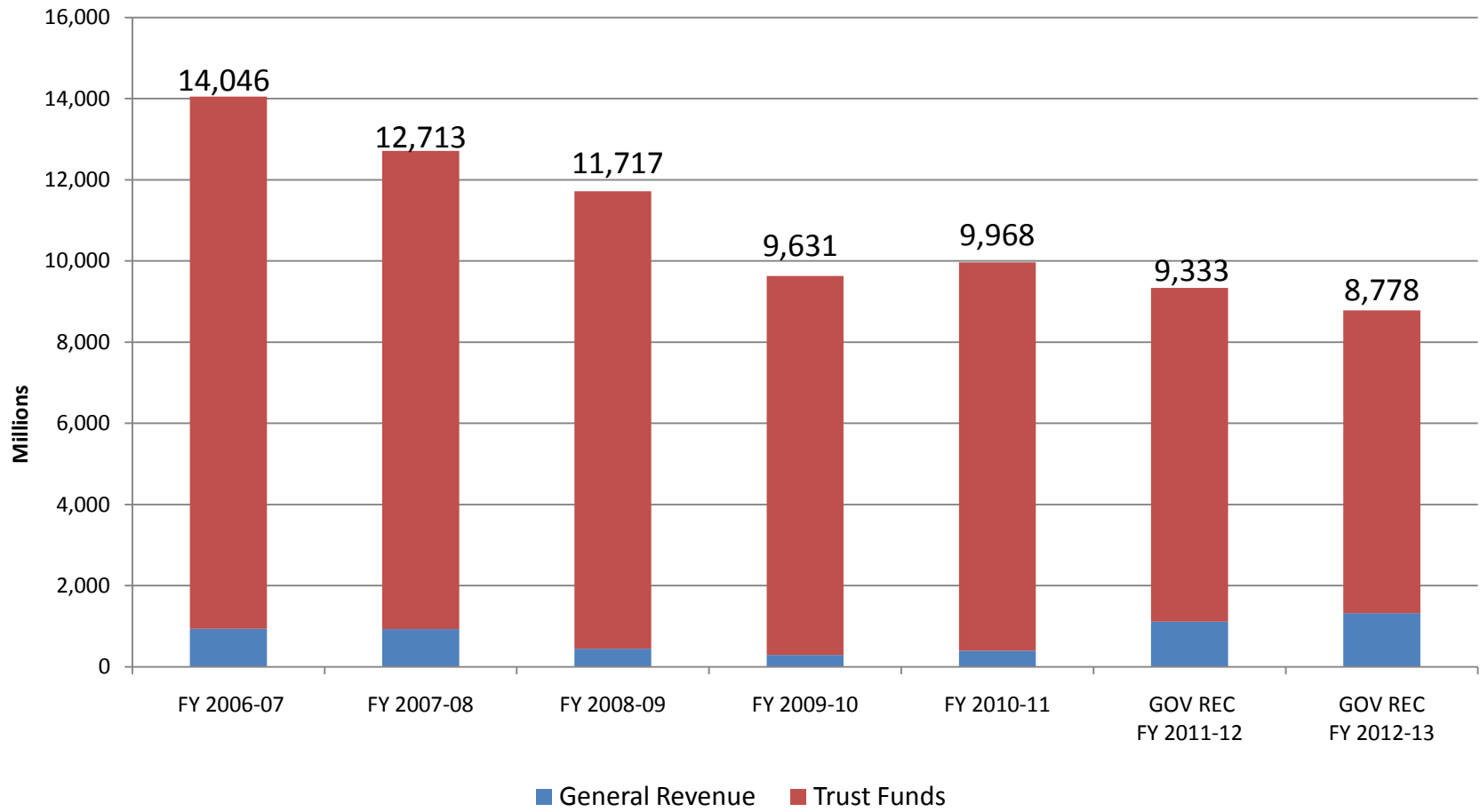
“Let’s Get to Work”



Transportation and Economic Development Policy Unit

Policy and Budget Recommendations

History of TED Appropriations



Governor Scott's Solution

1. Accountability Budgeting

2. Reduce Government Spending

3. Regulatory Reform

4. Focus on Job Growth and Retention

5. World Class Education

6. Reduce Property Taxes

7. Eliminate Florida's Corporate Income Tax



Implementing Governor Scott's Solutions

Guiding Principles

- Should government perform this function?
- Is this a core function of the agency?
- Avoid duplication with other agencies, the locals and the feds
- Eliminate mission creep
- Consolidate/merge similar functions, when appropriate
- Eliminate non-core functions
- Eliminate trust funds, where appropriate



Accountability Budgeting

- A budget aimed at “performance” and “effectiveness” with a focus on “outcomes”
- A budget focused on “services” rather than dense layers of budget categories
- A budget with accountability criteria for each line item
- A budget designed to show the taxpayers what is “behind the budget”
- A budget that reduces the number of line items from 3,267 to 469
- A two-year budget to ensure spending recommendations are balanced going forward



The New Look

Line Item	Current
	Program: Office of the Secretary and Administrative Services
	Executive Direction and Support Services
	Approved Salary Rate 2,982,600
1	Salaries And Benefits Positions 53.00 From General Revenue Fund 3,276,044 From Federal Grants Trust Fund 92,886 From Grants and Donations Trust Fund 431,138
2	Expenses From General Revenue Fund 405,193
3	Operating Capital Outlay From General Revenue Fund 1,250
4	Special Categories Contracted Services From General Revenue Fund 22,890
5	Special Categories Litigation Expenses From General Revenue Fund 1,200,000
6	Special Categories Risk Management Insurance From General Revenue Fund 41,678
7	Special Categories Transfer To Department Of Management Services - Human Resources Services Purchased Per Statewide Contract From General Revenue Fund 21,391 From Federal Grants Trust Fund 454 From Grants and Donations Trust Fund 336
8	Data Processing Services Other Data Processing Services From General Revenue Fund 15,000

Line Item#	Proposed
	Program: Office of the Secretary and Administrative Services
	Executive Direction and Support Services
	This service provides the executive functions of the department and provides administrative support services to departmental programs and activities.
1	Executive Direction and Support Services Positions 53.00 From General Revenue Fund 4,983,446 From Federal Grants Trust Fund 93,340 From Grants and Donations Trust Fund . 431,474
	Funds in Specific Appropriation 1 shall be appropriated for administration; however, the agency shall seek to reduce administrative costs to less than 5% of the agency's total budget and reduce administrative positions to less than 6% of total



Reduce Government Spending: Guidelines

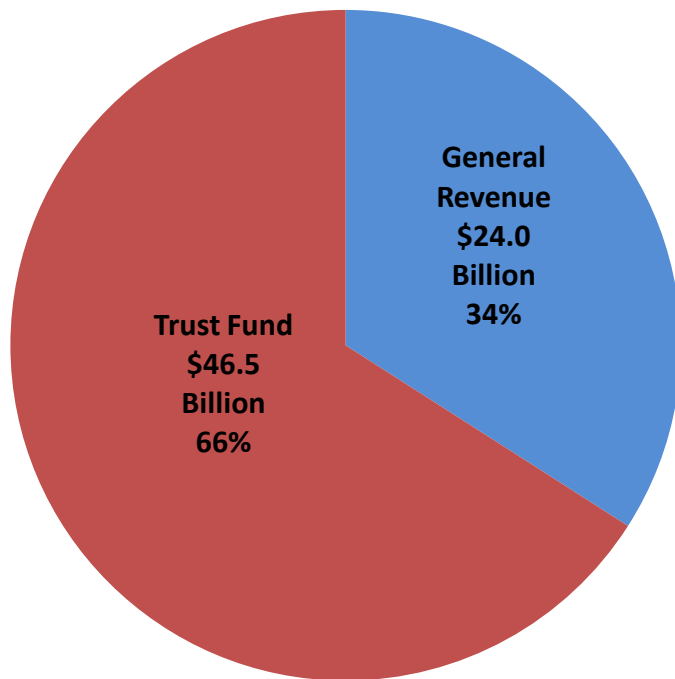
- Operational Efficiencies
 - Targeted workforce reductions, eliminate positions vacant more than 90 days, and administrative reductions – 557 positions for a savings of \$115.2 million
 - Renegotiate leases over the next 2 years – 10% each year for a savings of \$1.7 million
- Eliminate 14 trust funds and redirect state revenues for Transportation Disadvantaged Trust Fund to GR
- Continue to consolidate state data centers for a savings of \$1.7 million and 9 positions
- Eliminate Earmarks and Mission Creep for a savings of \$10.6 million
- Consolidations within agencies to eliminate 10.5 positions and save \$941,000

Total Savings – 605 positions and \$214.8 million over two years

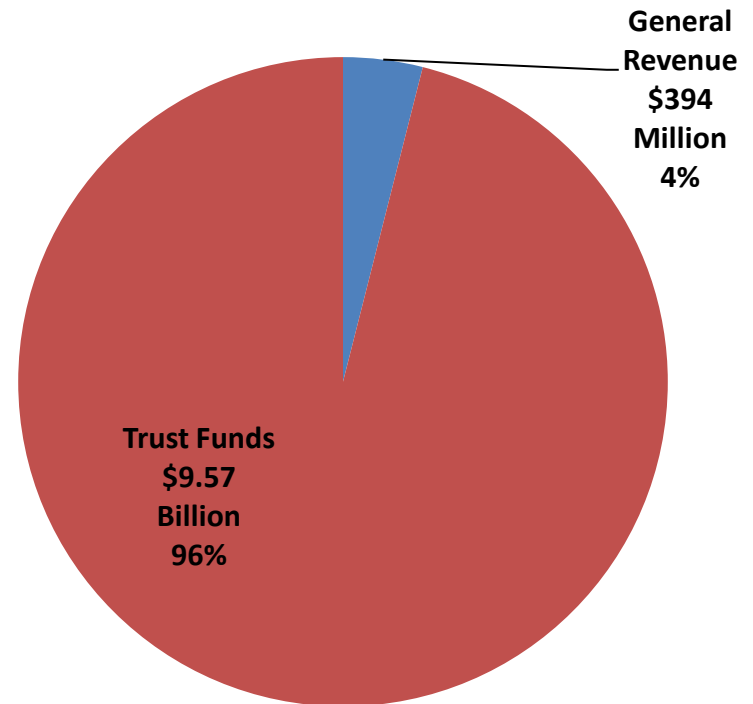


Trust Fund Consolidation Competing for General Revenue

**Statewide
Total \$70.5 Billion**



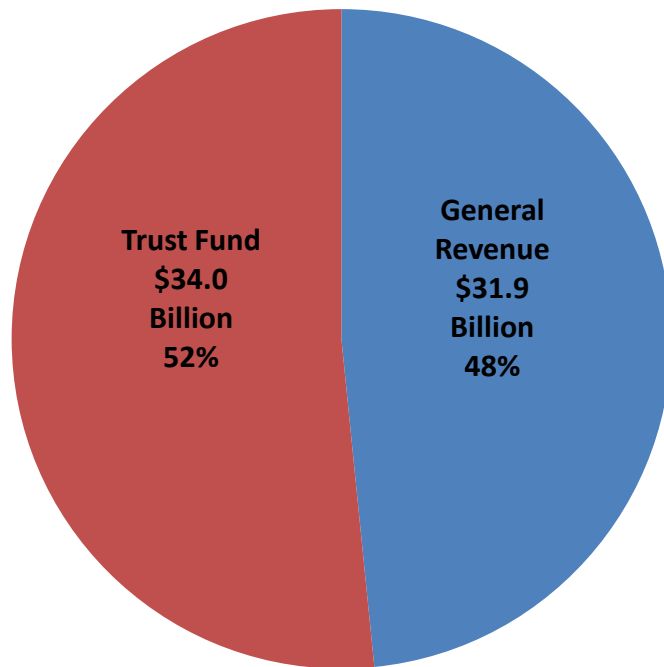
**TED Agencies
Total \$9.97 Billion**



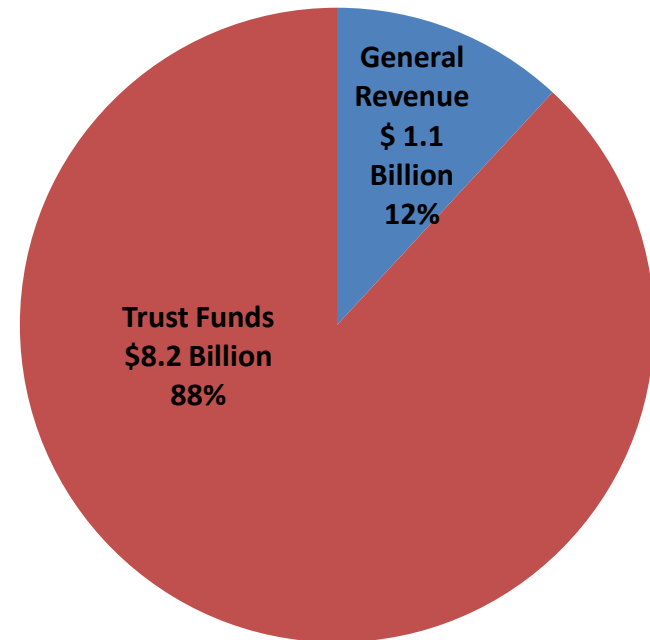
Trust Fund Consolidation

Competing for General Revenue

Proposed for 2011-12
Statewide
Total \$65.9 Billion



Proposed for 2011-12
TED Agencies
Total \$9.3 Billion



Regulatory Reform

- Reorganize the Department of Community Affairs
 - Transfer to the Department of Environmental Protection:
 - Community Planning
 - Florida Communities Trust
 - Public Service Energy Initiatives
 - Transfer the Division of Emergency Management to the Executive Office of the Governor
 - Transfer the Florida Building Commission to the Department of Business and Professional Regulation



Focus on Job Growth and Retention

The Governor's budget changes how we use the existing programs that attract new businesses to our state.

- Consolidate funding for incentive programs to provide the flexibility to tailor state incentives to the needs of new and existing businesses that create jobs and grow our economy.
 - Qualified Targeted Industry (QTI)
 - Qualified Defense Contractor (QDC)
 - High Impact Performance Incentive (HIPI)
 - Quick Action Closing Fund (QAC)
 - Brownfield Redevelopment Bonus Fund
 - Innovation Incentive (IIF)
 - Economic Development Transportation Projects (Road Fund)



Focus on Job Growth and Retention

- Increase incentive funding from \$125.2 million in FY 2010-11 to:
 - \$303.4 million in FY 2011-12 (143% increase over current year funding)
 - \$503.4 million in FY 2012-13 (302% increase over current year funding)
- Enhance our ability to use the \$303.4 million to incentivize job growth by protecting these funds from reversion.
- Retain the existing requirements that govern the use of the incentives.



Unemployment Compensation Payment of Federal Interest Due

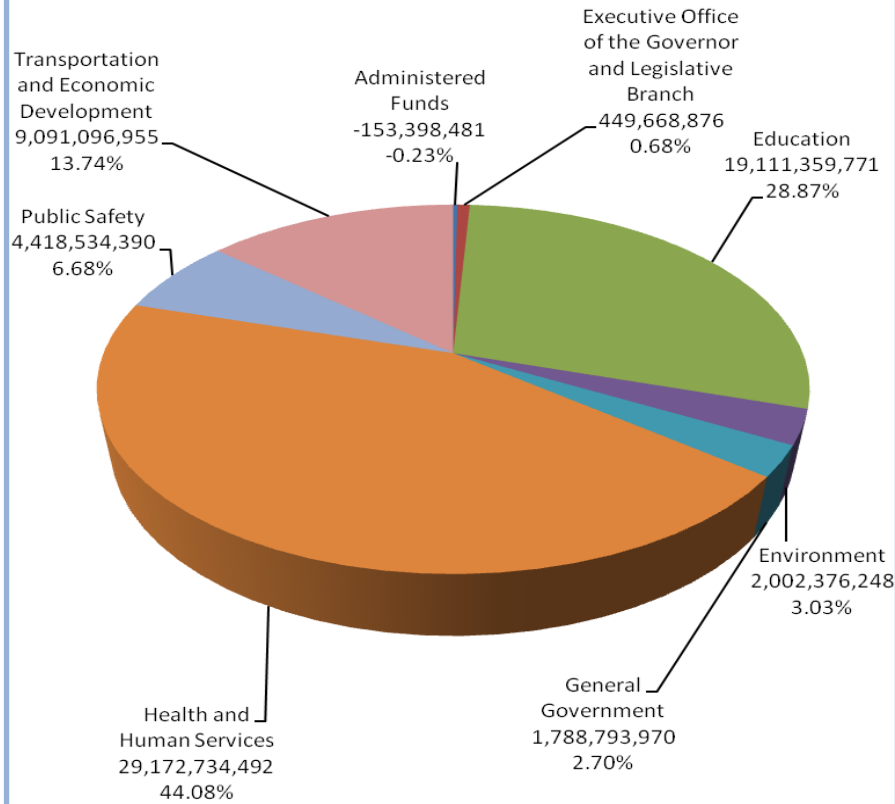
- Interest Due on \$2 billion in Federal Advances:
 - \$61.4 million – FY 2011-12
 - \$89.4 million – FY 2012-13



Budget by Policy Area – FY 2011-12

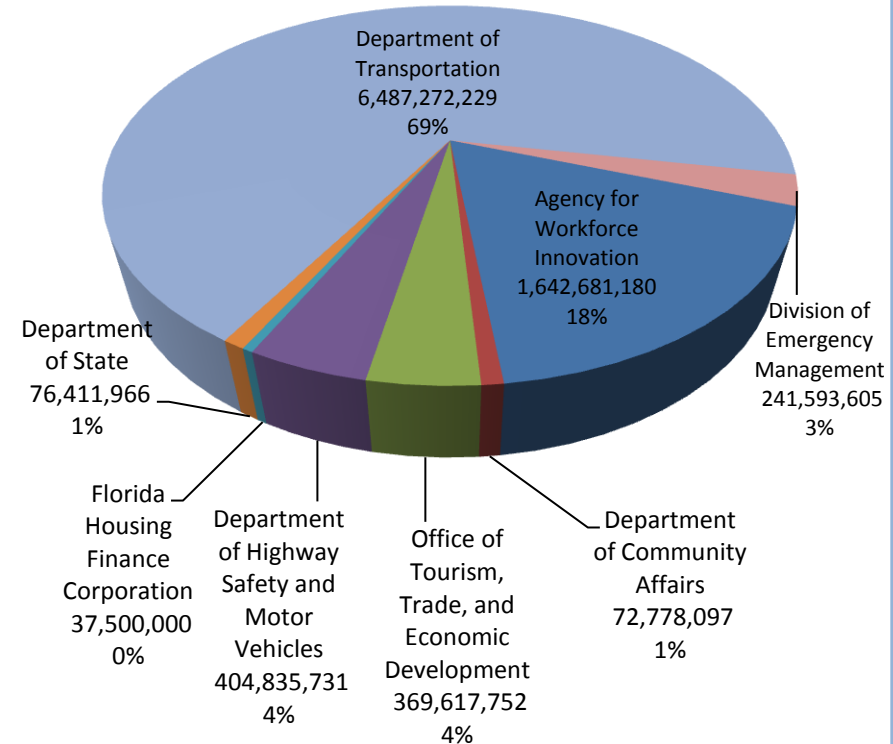
Total Budget by Policy Area

Total Budget \$65.9 billion



Total Budget – TED Agencies

Total Budget \$9.3 Billion

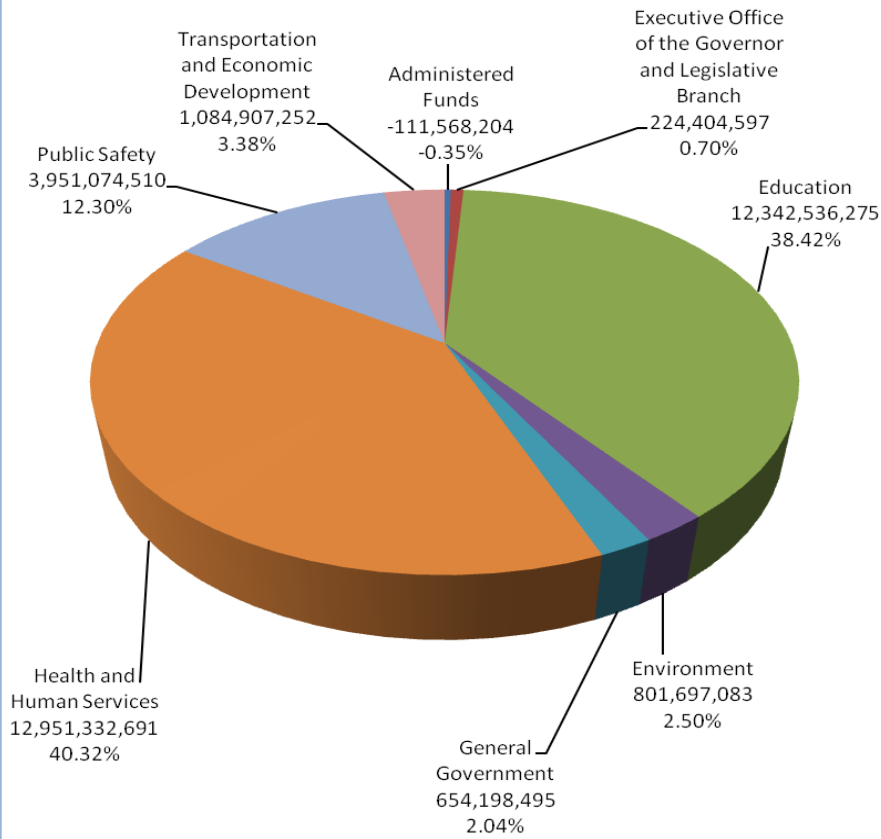


Budget by Policy Area – FY 2011-12

General Revenue

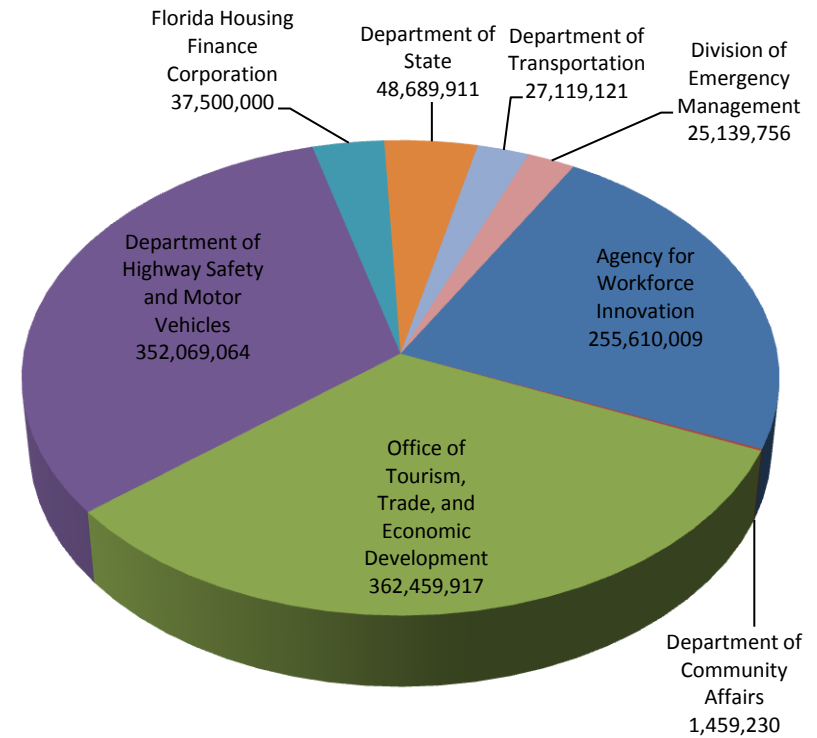
General Revenue Appropriation by Policy Area

Total General Revenue \$31.9 billion



Total General Revenue Budget – TED Agencies

Total General Revenue \$1.1 Billion



Budget by Agency

Agency	Fiscal Year 2011-12			Fiscal Year 2012-13		
	General Revenue	All Funds	Positions	General Revenue	All Funds	Positions
AWI	\$255.6 M	\$1.6 B	1,550.5	\$281.4 M	\$1.66 B	1,550.5
DCA	\$1.4 M	\$72.8 M	40.0	\$1.5 M	\$33.3 M	40.0
FHFC	\$37.5 M	\$37.5 M	0.0	\$36.9 M	\$36.9 M	0.0
DEM	\$25.1 M	\$241.6 M	128.0	\$17.3 M	\$148.5 M	128.0
DHSMV	\$352.1 M	\$404.8 M	4,676.5	\$344.3 M	\$397.1 M	4,657.5
OTTED	\$362.5 M	\$369.6 M	22.0	\$562.6 M	\$569.6 M	22.0
DOS	\$48.7 M	\$76.4 M	405.0	\$47.7 M	\$75.1 M	405.0
DOT	\$27.1 M	\$6.5 B	6,773.0	\$27.1 M	\$5.9 B	6,773.0
GRAND TOTAL	\$1.11 B	\$9.33 B	13,467.0	\$1.32 B	\$8.778 B	13,448.0



Agency for Workforce Innovation

Total Budget FY 2011-12 \$1.64 Billion

Total Budget FY 2012-13 \$1.66 Billion

- \$61.4/\$89.4 million - Payment of Interest for Federal Unemployment Advances
- \$3.3 million - Quick Response Training
- \$83.2 million/\$92.4 million - Restore Voluntary Prekindergarten and Address Enrollment Growth
- \$45.1 million - Maintain School Readiness Caseload
- Continuation and Completion of the Unemployment Compensation Benefits System Replacement and the Early Learning Information System



Department of Community Affairs

Total Budget FY 2011-12 \$110.3 Million

Total Budget FY 2012-13 \$70.2 Million

Affordable Housing and Neighborhood Redevelopment

Federal Grants

- \$34 Million/\$29.6 Million - Community Development Block Grants
- \$8.5 Million FY 2011-12 - Neighborhood Stabilization Program
- \$26.6 Million in FY 2011-12 - Housing and Urban Development Disaster Grant

Reorganizations

- Transfers 8 FTE and \$670,118 from the Office of the Secretary to the Affordable Housing and Neighborhood Redevelopment Program to consolidate grant support functions

Florida Housing Finance Corporation

- \$37.5 Million/\$36.9 Million for Affordable Housing Programs



Division of Emergency Management

Total Budget FY 2011-12 \$241.6 Million

Total Budget FY 2012-13 \$148.5 Million

- \$6.3 Million/\$2.7 Million - Repetitive Flood Claims and Severe Repetitive Loss Programs
- \$166 Million/\$91.2 Million - Federally Declared Disasters
- \$13.6 Million/\$6 Million - State March for Federally Declared Disasters
- \$7.5 Million/\$10 Million - Pre-Disaster Mitigation and Flood Mitigation Programs
- \$3 Million/\$3 Million - Shelter Retrofit Program



Department of Highway Safety and Motor Vehicles

Total Budget FY 2011-12 \$404.84 Million

Total Budget FY 2012-13 \$397.11 Million

- \$53.4 million - Transfer the Office of Motor Carrier Compliance (MCC) from DOT
- \$498,000/\$1.5 million - Critical Safety Repairs
- \$250,000 - Increased volume associated with online verifications per Federal Real ID Act
- (\$1.6M) - Eliminate 37.5 positions due to process improvements or ability to redistribute workload among existing resources
- (864,828) - Reduce Traffic Homicide Investigations program by 17 FTE



Office of Tourism, Trade and Economic Development

Total Budget FY 2011-12 \$369.62 Million

Total Budget FY 2012-13 \$569.62 Million

- \$303.4 million/\$503.4 million - Economic Development Incentives
- \$11.1 million - Enterprise Florida Operations
- \$26.7 million - VISIT FLORIDA Operations and Marketing
- \$10 million - Space Florida Operations and Workforce Support
- \$2.48 million - Florida Sports Foundation Operations and Sunshine State Games
- \$1.3 million - Rural Community Economic Development Support
- \$1 million - Military Base Protection and Defense Reinvestment
- \$6.1 million - Rural and Defense Infrastructure
- \$2.75 million - Black Business Investment Board and Loan Program
- \$200,000 - Hispanic Business Initiative Fund
- \$800,000 - International Advocacy



Department of State

Total Budget FY 2011-12 \$76.4 Million

Total Budget FY 2012-13 \$75.1 Million

- \$21.2 Million - State Aid to Libraries - allows the State to retain \$8.9M in federal funds
- \$1.6 Million - Reimbursement to Counties for Special Elections
- \$1.2 Million - Department-wide Litigation Expenses
- \$207,000 - Matching funds to draw an additional \$3.9M in Help America Vote Act (HAVA) funds
- \$300,000 - Upgrade Museum Security
- \$75,000 - Voter Information



Department of Transportation

Total Budget FY 2011-12 \$6.49 Billion

Total Budget FY 2012-13 \$5.86 Billion

- \$1.7 billion/\$1.7 billion - Transportation Systems Development and Construction
- \$3.8 billion/\$3.5 billion - Transportation Operations and Maintenance
- \$864.2 million/\$558.3 million - Transportation Enterprise Systems
- \$85.8 million/\$84.1 million - Administration and Support Services
- Includes \$162.2 million - Debt Service Payments
- Includes \$103.9 million - Transportation Disadvantaged Services
- Includes \$74.9 million/\$80.9 million - Administrative and Operational Efficiencies



Rollback of HSMV Fees

The Governor proposes to reduce the following highway safety fees in order to provide a tax relief of \$492M over two years directly to Floridians.

Revenue Source	Current Fee
Reflectorization Fee for License Plates	\$1.50
Original Class E Driver License	\$48
Renewal Class E Driver License	\$48
Original and Renewal Commercial Driver License	\$75
Replacement Driver License	\$25
Original/Renewal/Replacement ID Cards	\$25
Vehicle Registration Fees	varies
Florida Real Time Vehicle Information System	\$1.25
Original or Duplicate Certificate of Title Fee	\$70
Vehicle for Hire Title Fee	\$49
Initial Registration Fees (i.e. "New Wheels")	\$225
License Tax Surcharge to DOT	\$4
General Revenue License Tax Surcharge	\$5.50

GOVERNOR'S PROPOSED BUDGET			
New Fee	Change	11/12 Impact	12/13 Impact
\$1	-33.3%	(8.0)	(8.6)
\$40	-16.7%	(4.2)	(4.5)
\$40	-16.7%	(16.5)	(16.0)
\$70	-6.7%	(0.6)	(0.6)
\$20	-20.0%	(7.3)	(8.1)
\$20	-20.0%	(2.2)	(2.2)
varies	-10.0%	(68.3)	(73.9)
\$1	-20.0%	(4.5)	(4.9)
\$60	-15.0%	(44.3)	(49.1)
\$41.50	-15.0%	(44.3)	(49.1)
\$175	-22.2%	(39.9)	(45.4)
\$3	-25.0%	(15.9)	(17.2)
\$4	-27.3%	(23.8)	(25.8)
		(235.7)	(256.2)



Governor Scott's Solution

1. Accountability Budgeting

2. Reduce Government Spending

3. Regulatory Reform

4. Focus on Job Growth and Retention

5. World Class Education

6. Reduce Property Taxes

7. Eliminate Florida's Corporate Income Tax



AGENCY OVERVIEW



Florida Department of Transportation

MISSION AND VISION

OUR MISSION

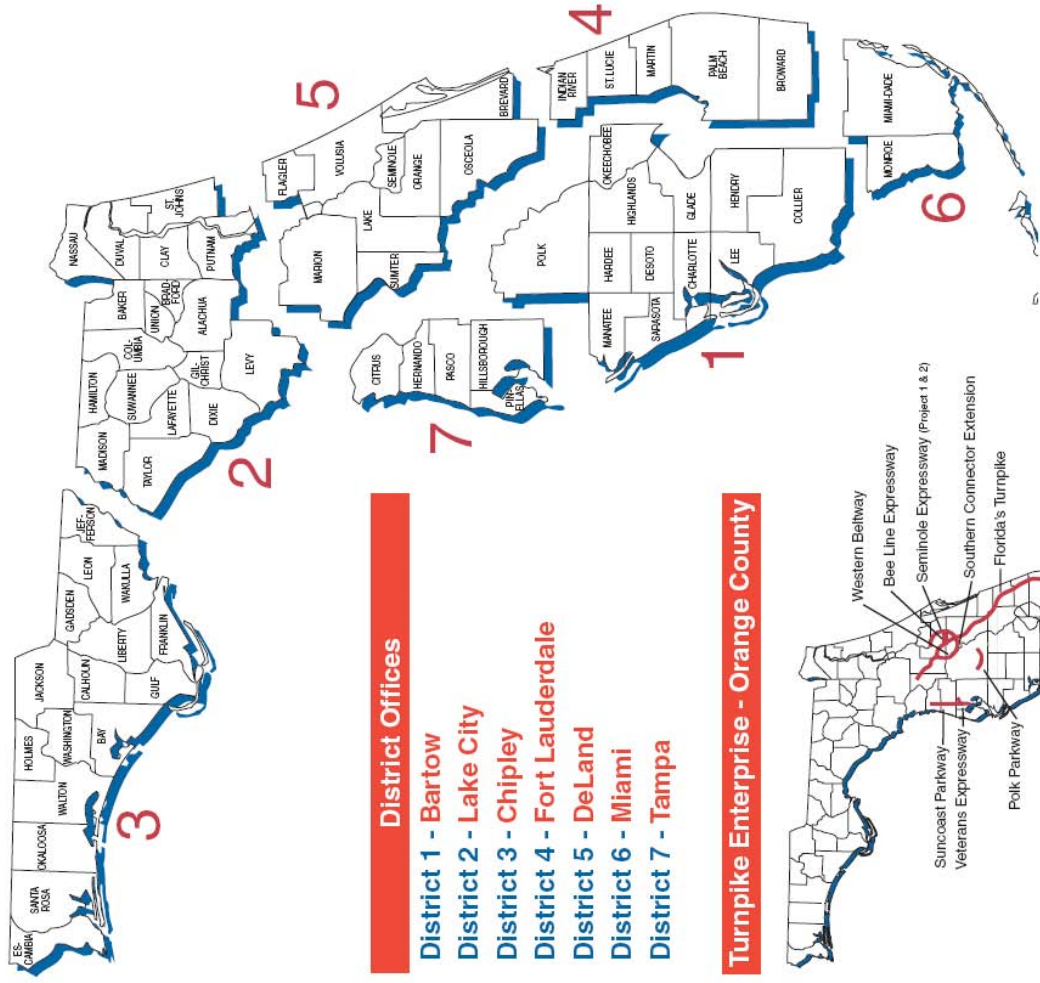
The department will provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity and preserves the quality of our environment and communities.

OUR VISION

Serving the people of Florida by delivering a transportation system that is fatality and congestion free.



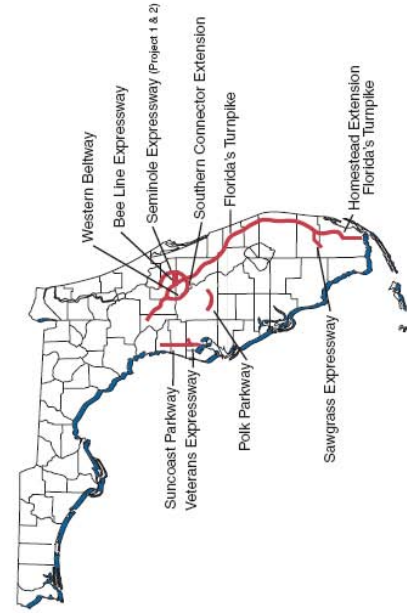
FDOT DISTRICTS

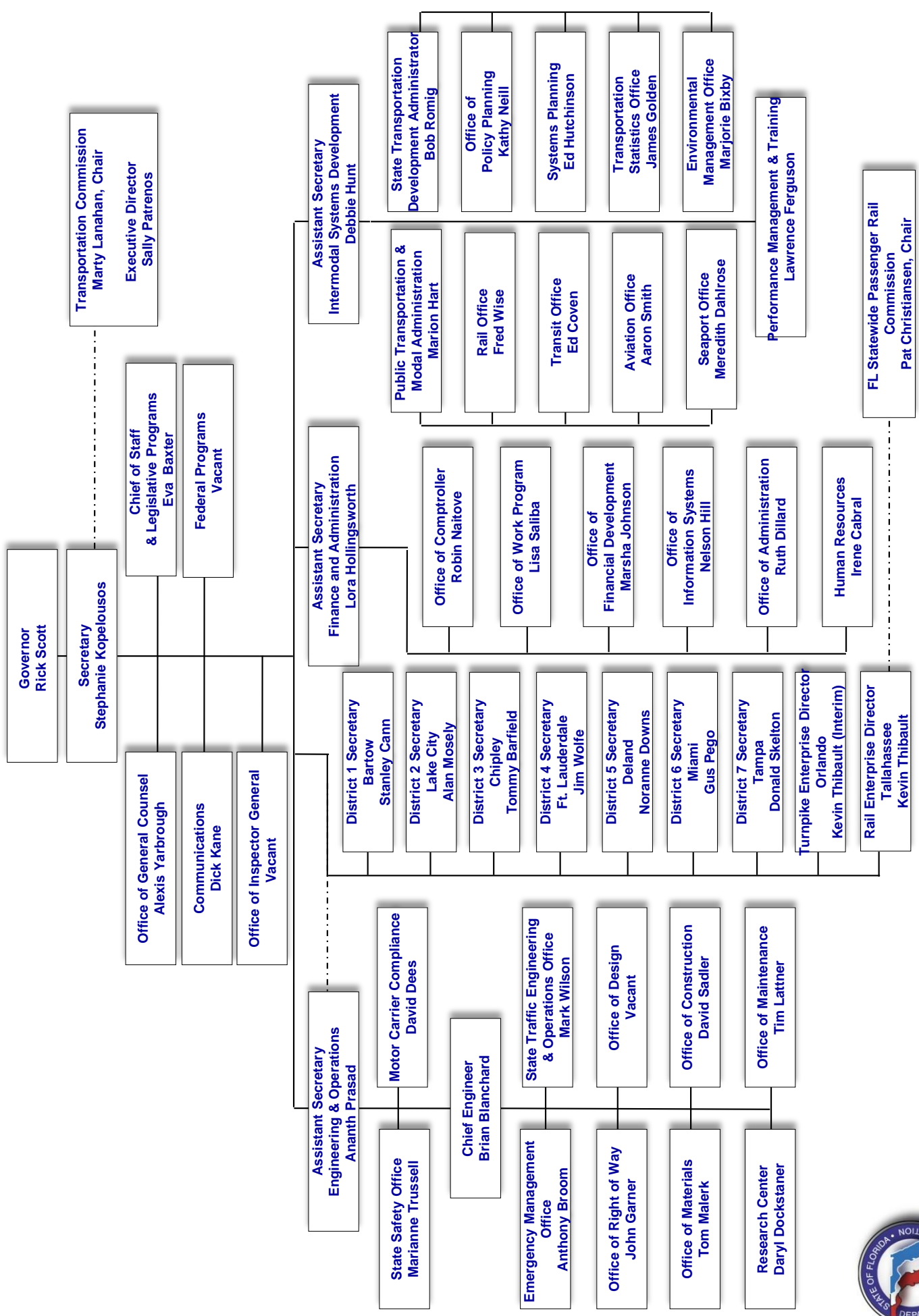


District Offices

- District 1 - Bartow**
- District 2 - Lake City**
- District 3 - Chipley**
- District 4 - Fort Lauderdale**
- District 5 - DeLand**
- District 6 - Miami**
- District 7 - Tampa**

Turnpike Enterprise - Orange County





KEY FACTS

- Decentralized Agency – Seven Districts, Turnpike and Florida Rail Enterprises
- \$7.2 Billion Average Annual Funding (FY 2011-15)
- 7,443 Positions (10,354 in 2001)
- Highly Privatized
 - Construction 100%
 - Toll Collections 99%
 - Design 80%
 - Maintenance 80%
 - Planning 70%



FLORIDA TRANSPORTATION COMMISSION

Citizen oversight board for the FDOT and is composed of nine commissioners appointed by the Governor and confirmed by Senate for four-year terms

Primary statutory functions:

- Reviews major transportation policy initiatives or revisions and makes recommendations on major transportation policies to Governor & Legislature
- Serves as an oversight body for the department
- Serves as a nominating committee in the selection of the Secretary of Transportation



MAJOR PROGRAM AREAS

Mission, Goals & Objectives (334.046(4), Florida Statutes)

1. Safety

a) **Preservation.**---Protecting the state's transportation infrastructure investment. Preservation includes:

2. System Preservation

1. Ensuring that 80% of the pavement on the State Highway System meets department standards;

3. Capacity

2. Ensuring that 90% of department-maintained bridges meet department standards; and

3. Ensuring that the department achieves 100% of the acceptable maintenance standard on the state highway system.



WORK PROGRAM OVERVIEW



TRANSPORTATION WORK PROGRAM

- A five year plan of projects consistent with laws, policy and program objectives and priorities
- Projects initiated at the local level in conjunction with transportation partners
- Must maximize use of resources and remain balanced to available revenues
- Budget is requested annually
- Work Program is updated annually



TRANSPORTATION REVENUE

Transportation projects usually take several years to complete and pay out. FDOT has statutory authority to commit funds based on projected cash needs and estimated cash receipts.

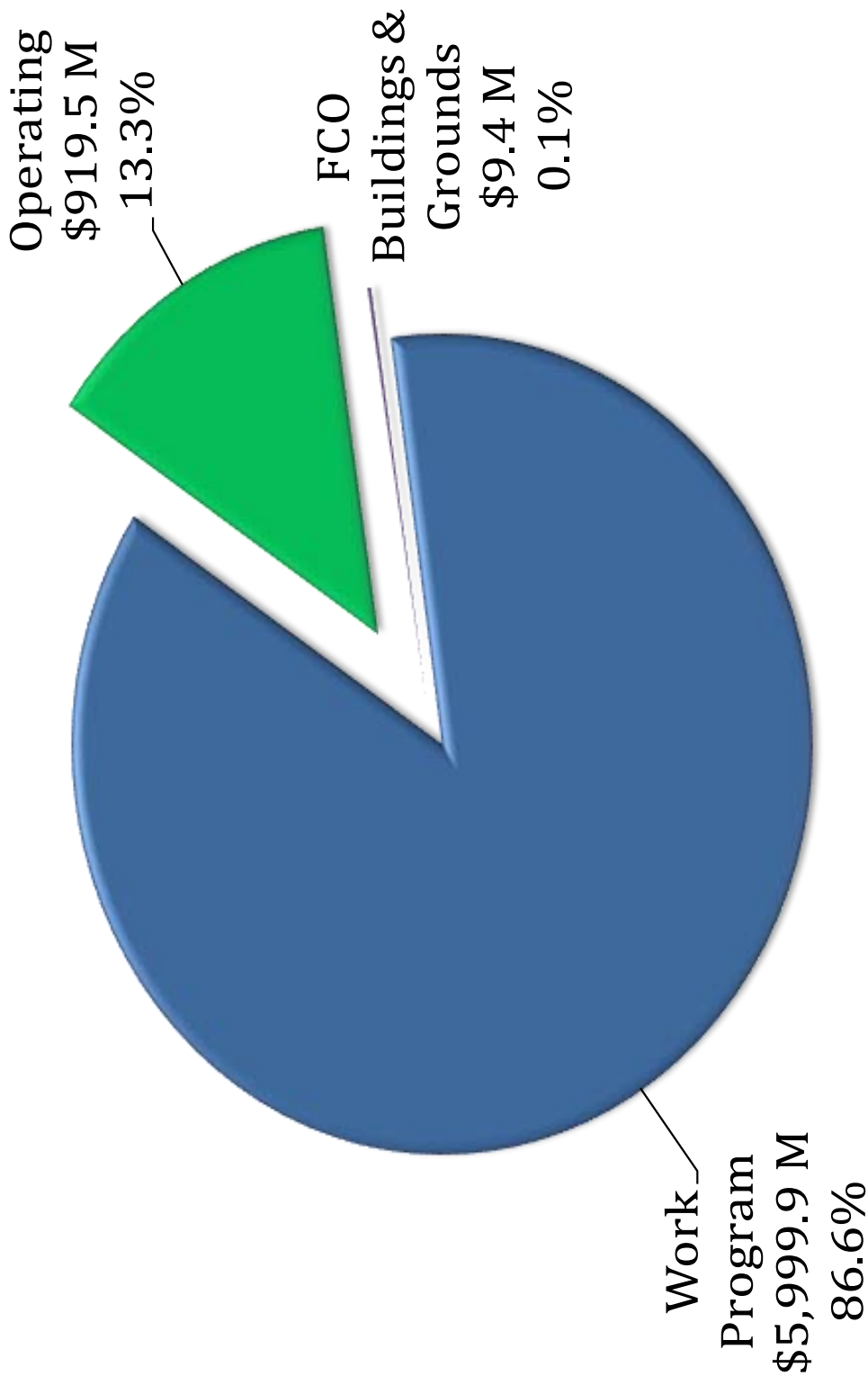
STATE TRANSPORTATION TRUST FUND FISCAL YEAR 2009-10 RECEIPTS		
SOURCE	AMOUNT (Millions)	PERCENT
Fuel Tax	\$1,788	33.44%
Aviation Fuel Tax	\$43	0.80%
Motor Vehicle Fees	\$670	12.52%
Rental Car Surcharge	\$92	1.72%
Documentary Stamps	\$76	1.42%
Miscellaneous Revenue	\$82	1.54%
Reimbursements/Participations*	\$740	13.84%
Interest	\$11	0.21%
Federal Aid	\$1,845	34.51%
Total	\$5,346	100.00%

*Note: Reimbursements from the Turnpike are paid from the revenues shown in the Turnpike chart below.

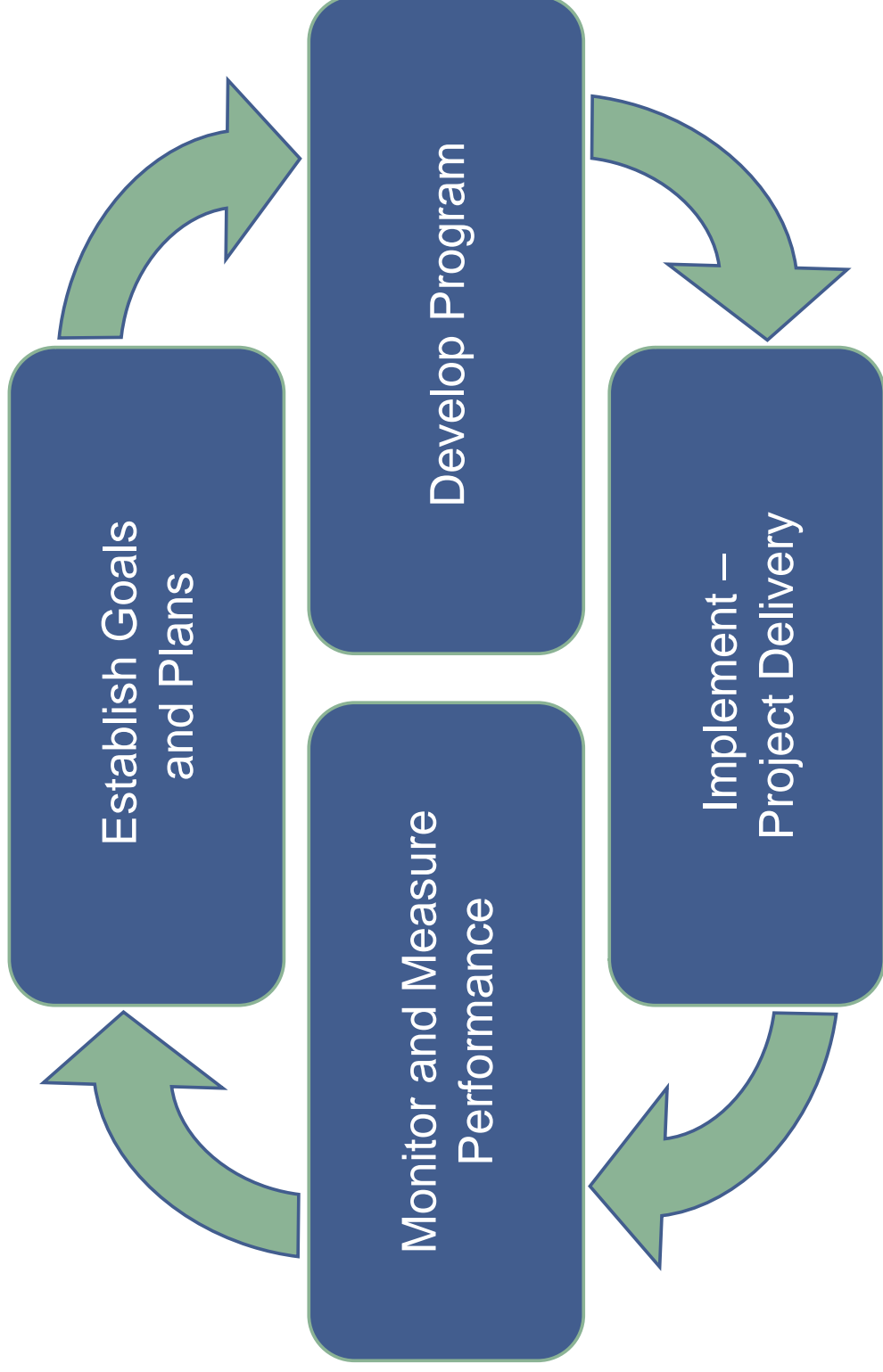
FLORIDA'S TURNPIKE ENTERPRISE FISCAL YEAR 2009-10 REVENUES & BONDS		
SOURCE	AMOUNT (Millions)	PERCENT
Tolls and Concessions	\$608	52.58%
Bond Proceeds	\$548	47.42%
Total	\$1,155	100.00%



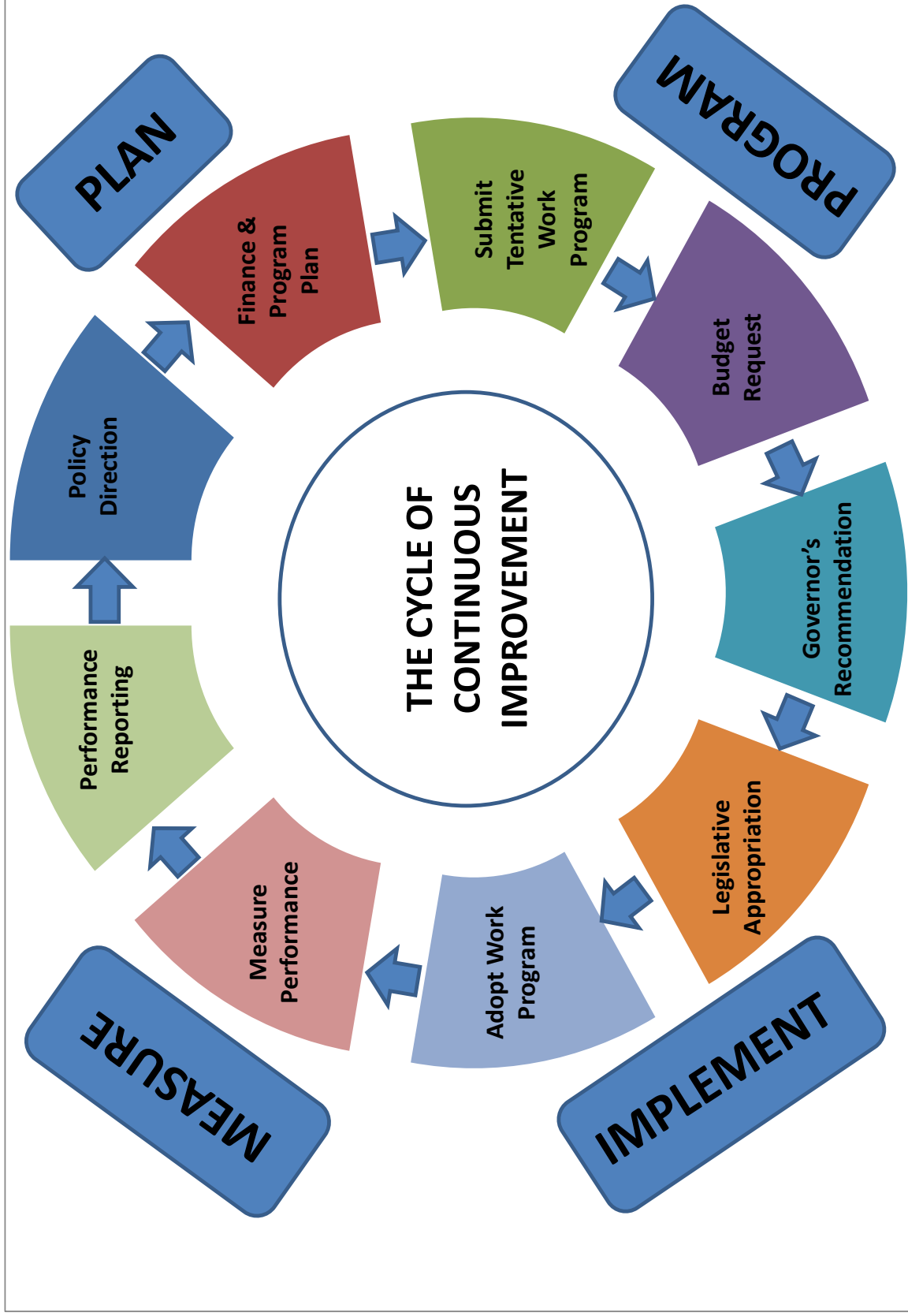
FY 2010-11 APPROPRIATION - \$6.9 B



WORK PROGRAM IS A CONTINUOUS CYCLE



WORK PROGRAM IS A CONTINUOUS CYCLE



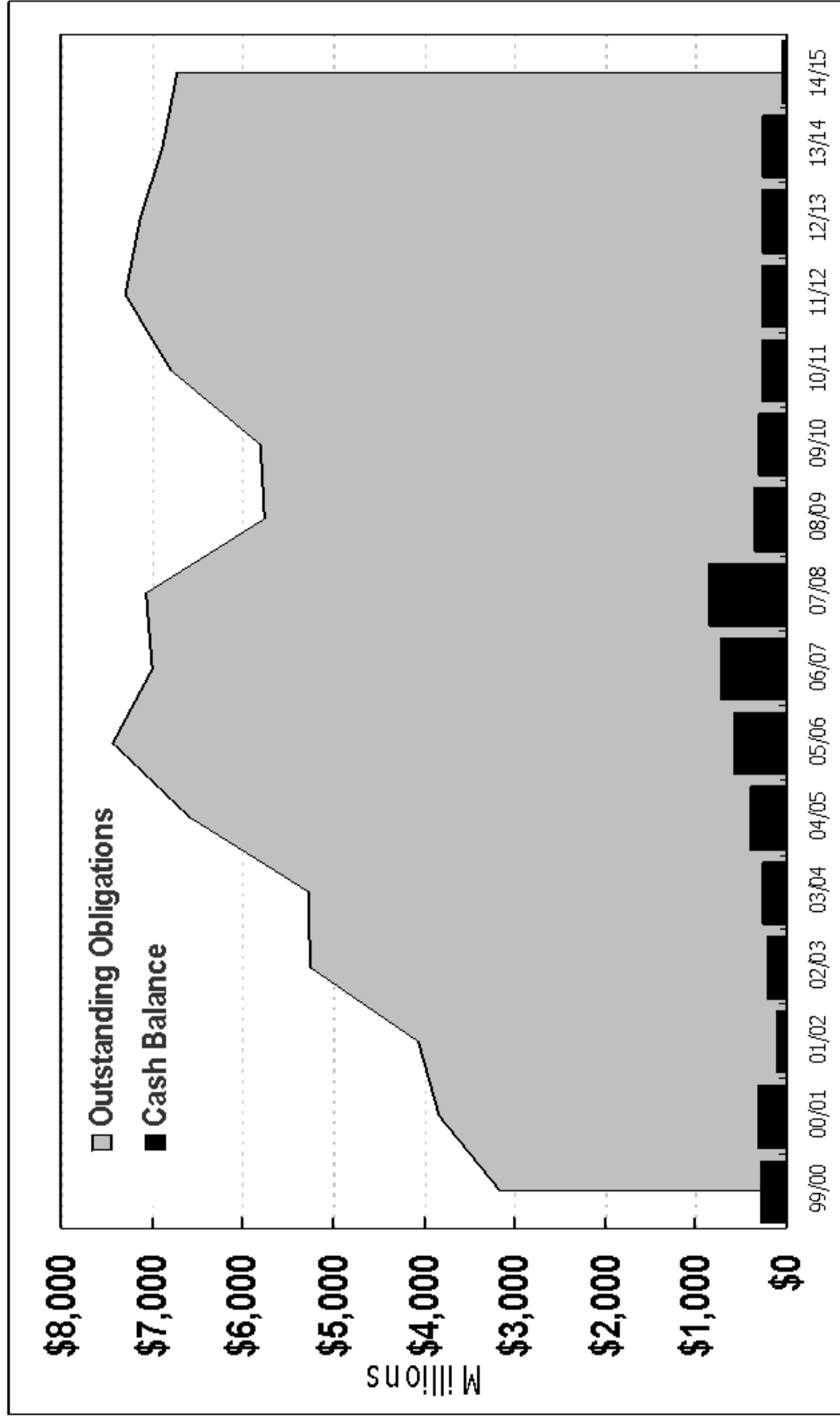
WORK PROGRAM IS A CONTINUOUS CYCLE

ACTIVITY	MAY	JUN	JUL NEW FY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL NEW FY	
MPO ESTABLISH PRIORITIS																
EXECUTIVE COMMITTEE POLICY AND FUNDING DECISIONS																
WORK PROGRAM INSTRUCTIONS ISSUED																
STATEWIDE AND DISTRICT PROGRAMS -PROJECTS IDENTIFIED																
PUBLIC HEARINGS																
DETAILED AND EXECUTIVE OFFICE REVIEW																
TRANSPORTATION COMMISSION REVIEW AND PUBLIC HEARING																
SUBMIT FINAL TENTATIVE WORK PROG TO GOVERNOR/ LEGISLATURE																
APPROVE BUDGET AND ADOPT WORK PROGRAM																

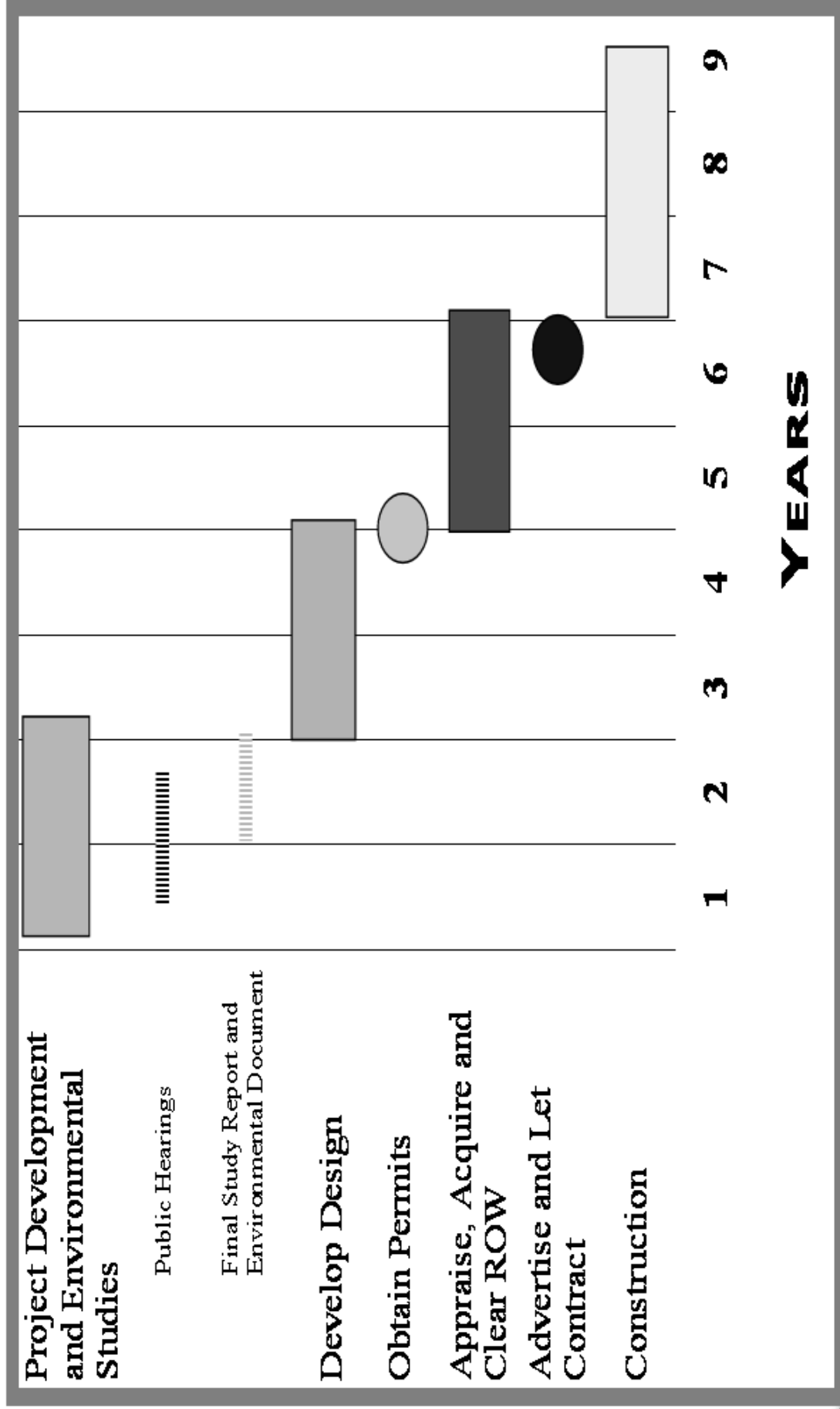


CASH FLOW VS. COMMITMENT

State Transportation Trust Fund Annual Low Point Cash Balance and Contractual Obligations



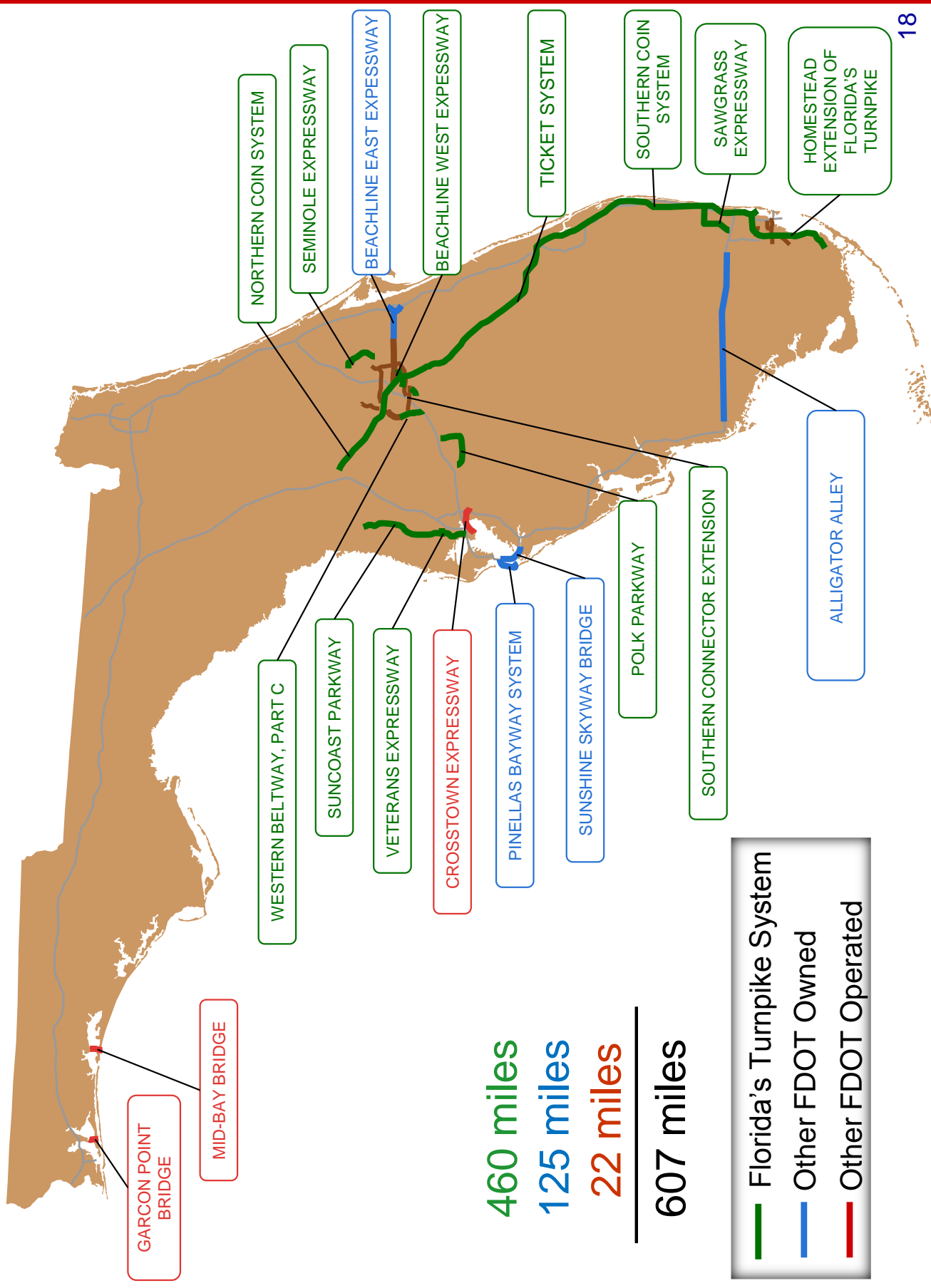
PROJECTS: CONCEPT TO COMPLETION



FLORIDA'S TURNPIKE ENTERPRISE



FLORIDA'S TURNPIKE ENTERPRISE



460 miles
 125 miles
 22 miles

607 miles

- Florida's Turnpike System
- Other FDOT Owned
- Other FDOT Operated



ENTERPRISE FACTS

- Enterprise is part of FDOT
- Largest Toll System in Florida
4th Largest Toll System in Nation
- AA Bond Rating
- Serves approximately 2 million customers per day
SunPass interoperable with other toll facilities



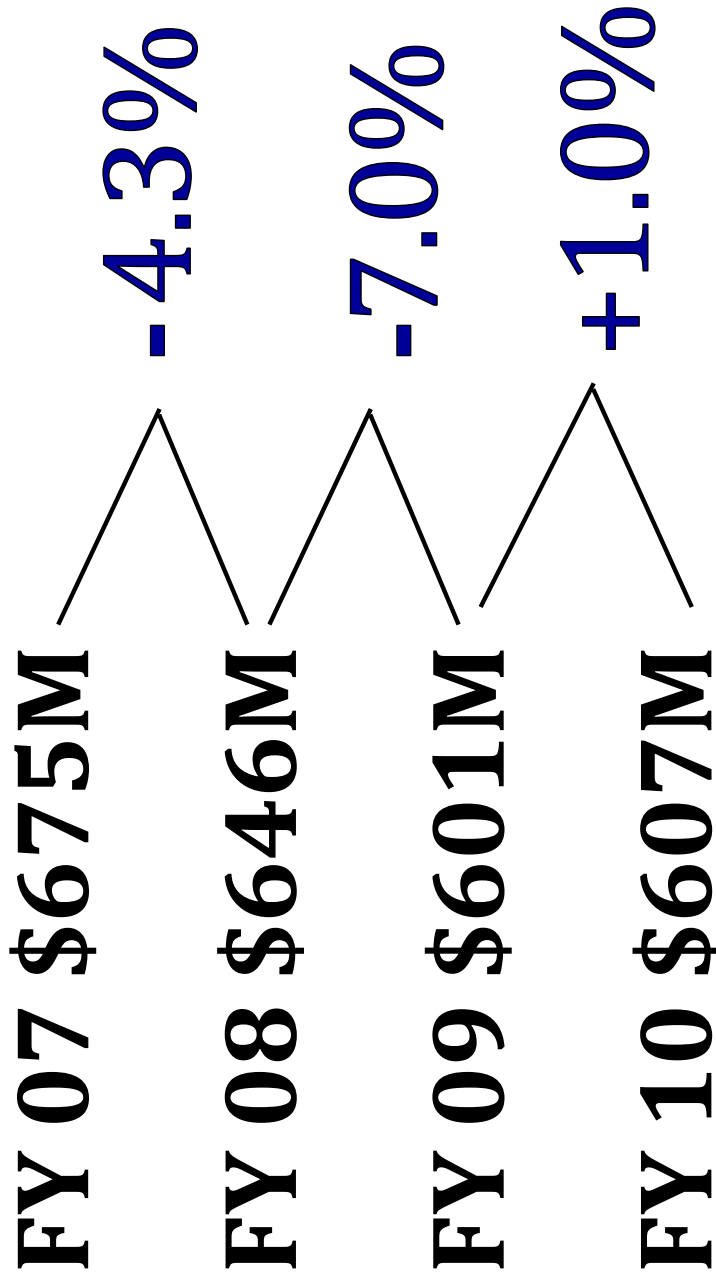
TURNPIKE MISSION STATEMENT

To help meet the State's growing transportation needs, ensuring value to customers, protecting investors and managing the Turnpike System in a business-like manner.

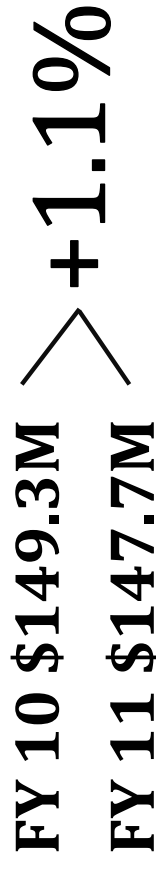
Searching for new projects is a key part of our mission



GROSS REVENUES



1st Quarter



FEASIBILITY STUDIES



- 1.) Is there a *Transportation Need* that can be met by this project?
- 2.) Can this project be built in an *Environmentally Sound* manner?
- 3.) Does the *Local Community Support* this project?
- 4.) Will this project be *Economically Feasible* as a toll facility?

ECONOMIC FEASIBILITY TEST

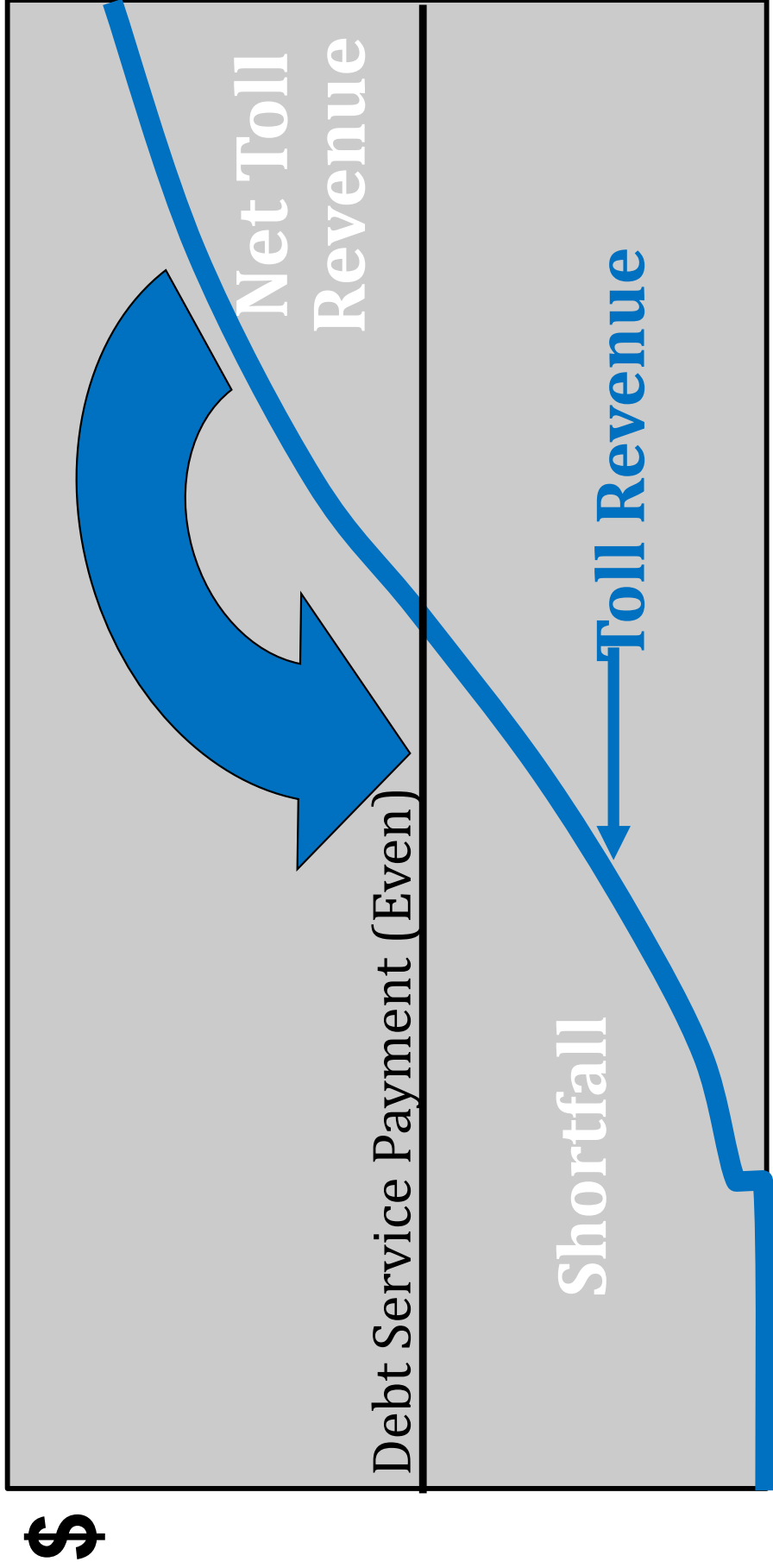
Enterprise Maintains Program Safeguards

Chapter 338.221(8) Florida Statutes

“ ...the estimated net revenues of the proposed
turnpike project...will be sufficient to pay at least
50% of the debt service on the bonds by the end
of the **12th year of operation** and to pay at least
100% of the debt service on the bonds by the end
of the **22nd year of operation**....”



FINANCIAL CONCEPT



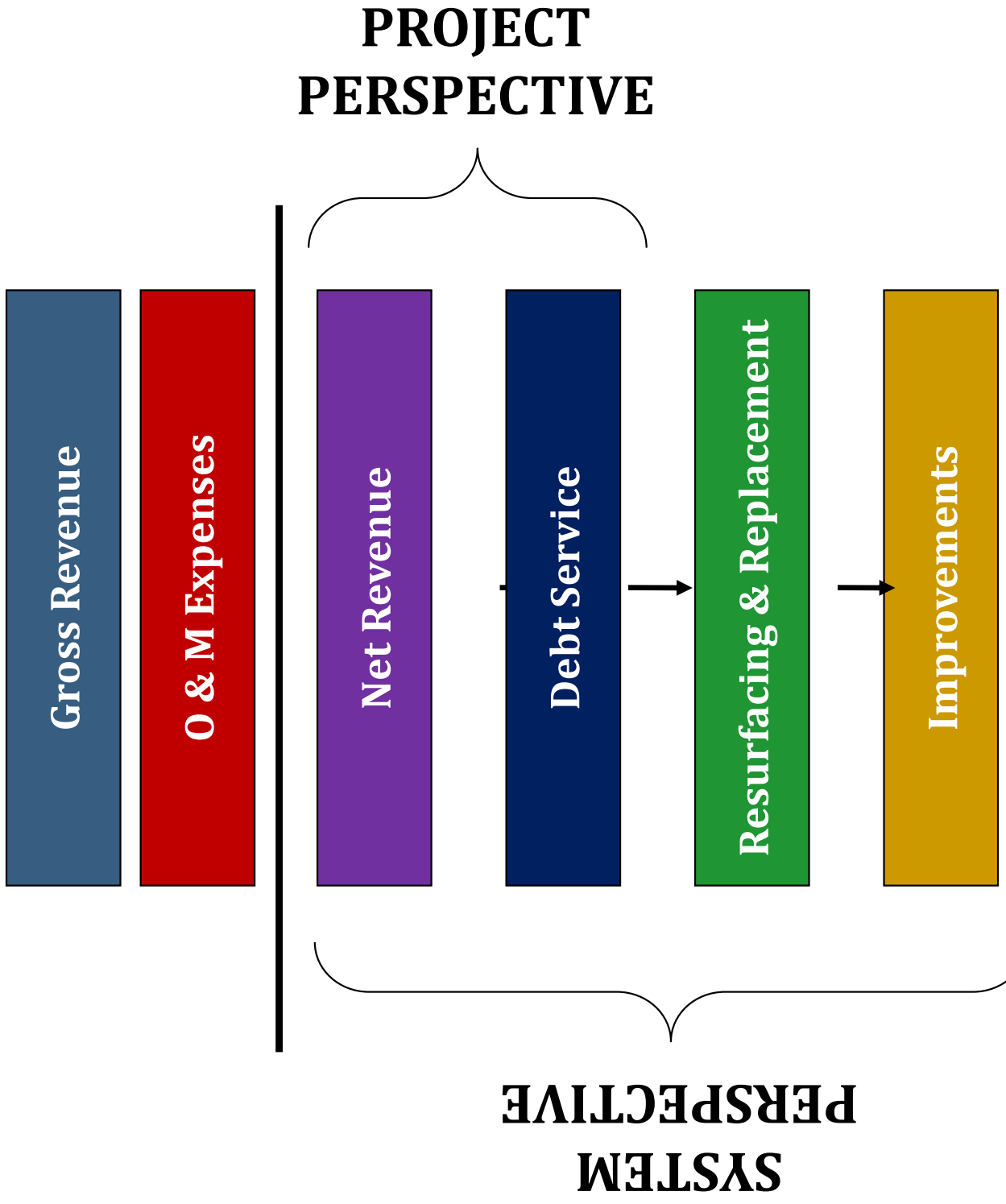
Bond Sale **Open to Traffic**

Year **22**

Year **30**



TYPICAL FLOW OF FUNDS



FLORIDA HIGH SPEED RAIL



UPDATE - FEBRUARY 2011

FLORIDA HIGH SPEED RAIL – FUNDING

TAMPA-ORLANDO

Program Budget: \$2.67 Billion

Jan 2010: \$1.25 billion 100% Federal

Oct 2010: \$800 million Federal + State/Private match up to \$280 million

Dec 2010: \$342 million 100% Federal

Total funding available Tampa-Orlando: \$2.67 Billion

MIAMI-ORLANDO

Three phased-approach, \$30 million total

Oct 2010: \$8 million Federal

First of three phases funded



PHASE ONE: TAMPA TO ORLANDO PROJECT



84 miles

Five stations

Hourly trains plus local service

Max speed over 168 mph



TAMPA-ORLANDO: TWO PROCUREMENTS

EARLY WORKS

- Clear corridor for later HSR construction
- Discover unforeseen conditions on smaller contract
- Create jobs soon – no HSR experience
- Complete work in advance of HSR construction
- Approximately \$200 mill

HSR DBOM&F

Concessionaire will Design-Build, Operate, Maintain & Finance for 30 years

- **Public sector role:**
 - Fund major infrastructure component
 - Protect public interests
- **Private sector role:**
 - Assumption of ridership revenue risk
 - Construction cost over-run risk
 - Long term operations and maintenance

EARLY WORKS = 2,000 JOBS

DBOM&F = 5,500 JOBS

700-1,000 PERMANENT JOBS

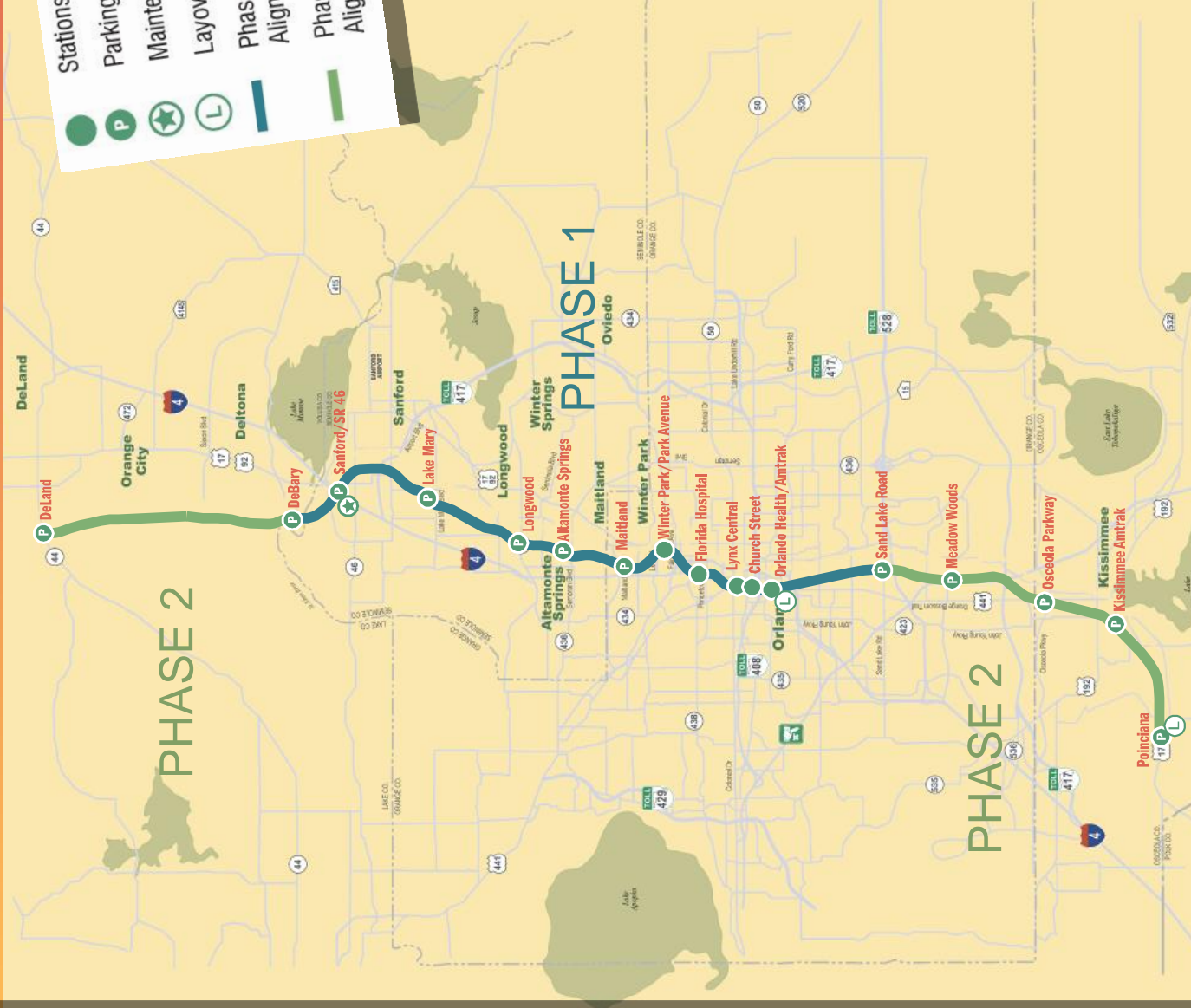
Significant DBE/MBE opportunities





- Phase I – DeBary to Sand Lake Road
 - Operations begin 2013
- Phase II – DeBary to Deland; Sand Lake Road to Poinciana
 - Operations begin 2015
- FDOT will own and control rail corridor

SunRail system map



Stations
 Parking Provided
 Maintenance Facility Option
 Layover Facility Option
 Phase 1 Commuter Rail Alignment
 Phase 2 Commuter Rail Alignment

- 30-minute peak service in each direction from:
 - 5:30 a.m. – 8:30 a.m.
 - 3:30 p.m. – 6:30 p.m.
- 2-hour off-peak service in each direction



PROJECT UPDATE

- Project is a Partnership between FDOT; Volusia, Seminole, Orange, Osceola counties and city of Orlando
- All Interlocal Agreements in Place
- FDOT will own and control rail corridor
- Full Funding Grant Agreement Phase I submitted to FTA on Dec. 30, 2010
- Expect to Receive FFGA in June 2011
- Begin construction on Phase I within two months of receiving FFGA



