



Appropriations Committee

Tuesday, February 5, 2013
2:00 PM – 6:00 PM
212 Knott Building

Action Packet

Will Weatherford
Speaker

Seth McKeel
Chair

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Appropriations Committee

Start Date and Time: Tuesday, February 05, 2013 02:00 pm
End Date and Time: Tuesday, February 05, 2013 06:00 pm
Location: Webster Hall (212 Knott)
Duration: 4.00 hrs

Presentation of the Governor's Recommended Budget for FY 2013-14 (if budget has been issued)

NOTICE FINALIZED on 01/29/2013 15:55 by CTR

COMMITTEE MEETING REPORT

Appropriations Committee

2/5/2013 2:00:00PM

Location: Webster Hall (212 Knott)

Summary: No Bills Considered

Committee meeting was reported out: Tuesday, February 05, 2013 5:10:30PM

COMMITTEE MEETING REPORT

Appropriations Committee

2/5/2013 2:00:00PM

Location: Webster Hall (212 Knott)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Seth McKeel (Chair)	X		
Ben Albritton	X		
Dennis Baxley	X		
Marti Coley			X
Richard Corcoran	X		
Steve Crisafulli	X		
Janet Cruz	X		
Erik Fresen	X		
Reggie Fullwood	X		
Joseph Gibbons	X		
Eduardo Gonzalez	X		
Ed Hooper	X		
Matt Hudson	X		
Clay Ingram	X		
Mia Jones	X		
Charles McBurney	X		
H. Marlene O'Toole	X		
Mark Pafford	X		
Jimmy Patronis	X		
Stephen Precourt	X		
Hazelle Rogers	X		
Darryl Rouson	X		
Cynthia Stafford	X		
W. Gregory Steube	X		
Perry Thurston, Jr.	X		
Alan Williams	X		
Totals:	25	0	1

Committee meeting was reported out: Tuesday, February 05, 2013 5:10:30PM

COMMITTEE MEETING REPORT

Appropriations Committee

2/5/2013 2:00:00PM

Location: Webster Hall (212 Knott)

Presentation/Workshop/Other Business Appearances:

Governor's Recommended Budget for FY 2013-14

McDaniel, Jerry (Lobbyist) (State Employee) (At Request Of Chair) - Information Only

Executive Office of the Governor

PL-05 The Capitol

Tallahassee FL 32399

Phone: (850) 717-9371

Committee meeting was reported out: Tuesday, February 05, 2013 5:10:30PM

Appropriations Committee
February 5, 2013
Updated Presentation

The Office of Policy & Budget has updated the PowerPoint presentation to include the 3 missing slides. The new slides are 9, 10, and 11.

GOVERNOR RICK SCOTT

Fiscal Year 2013-2014

Policy and Budget Recommendations

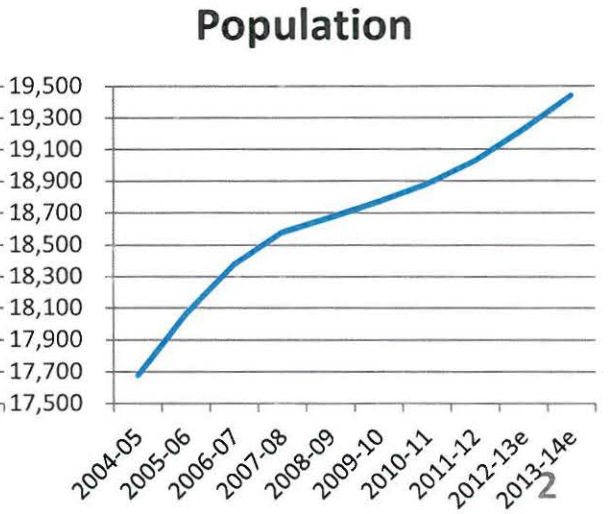
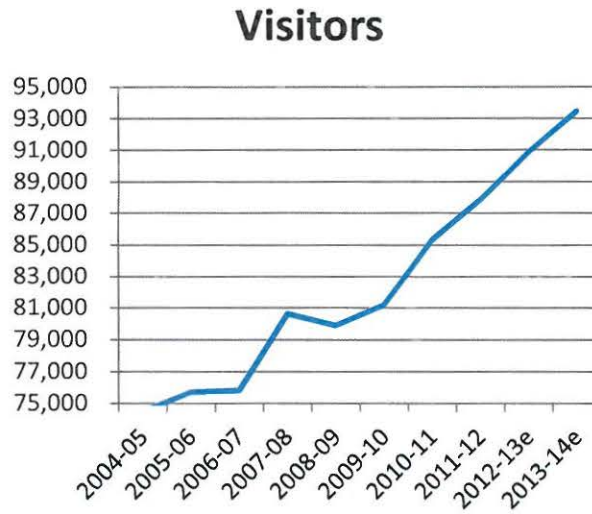
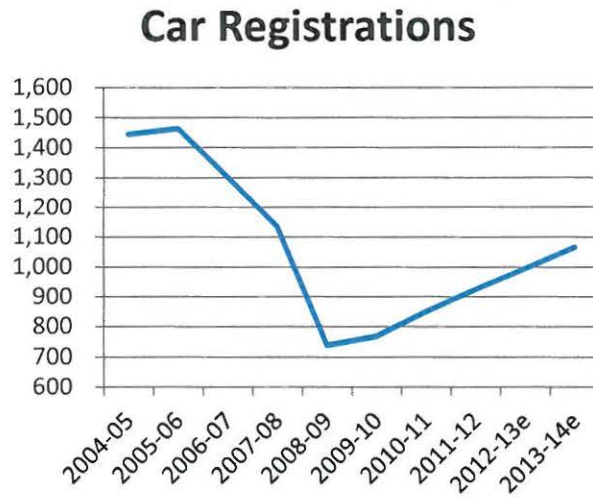
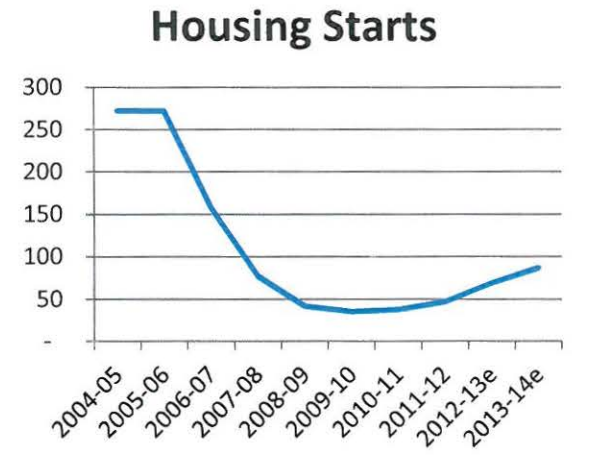
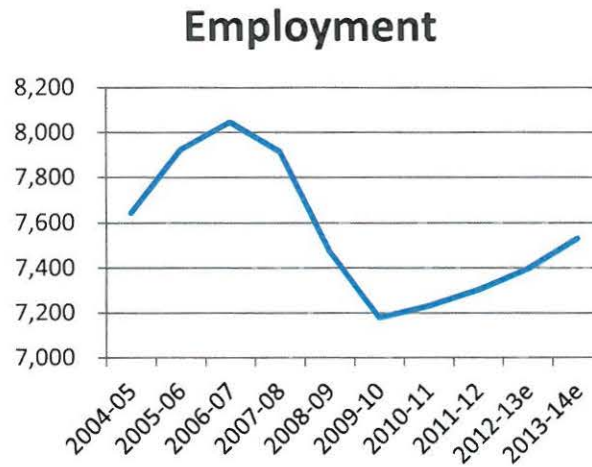
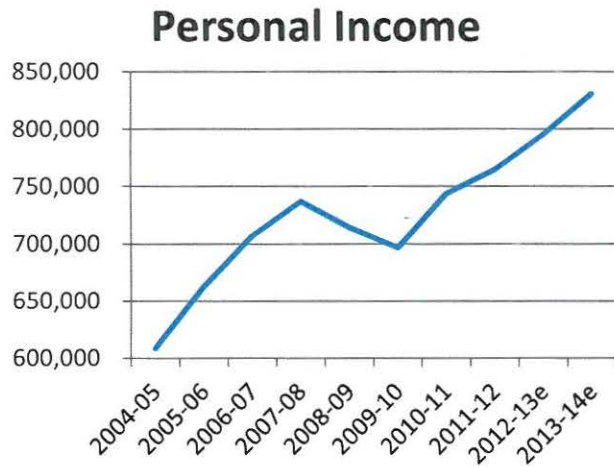


Education

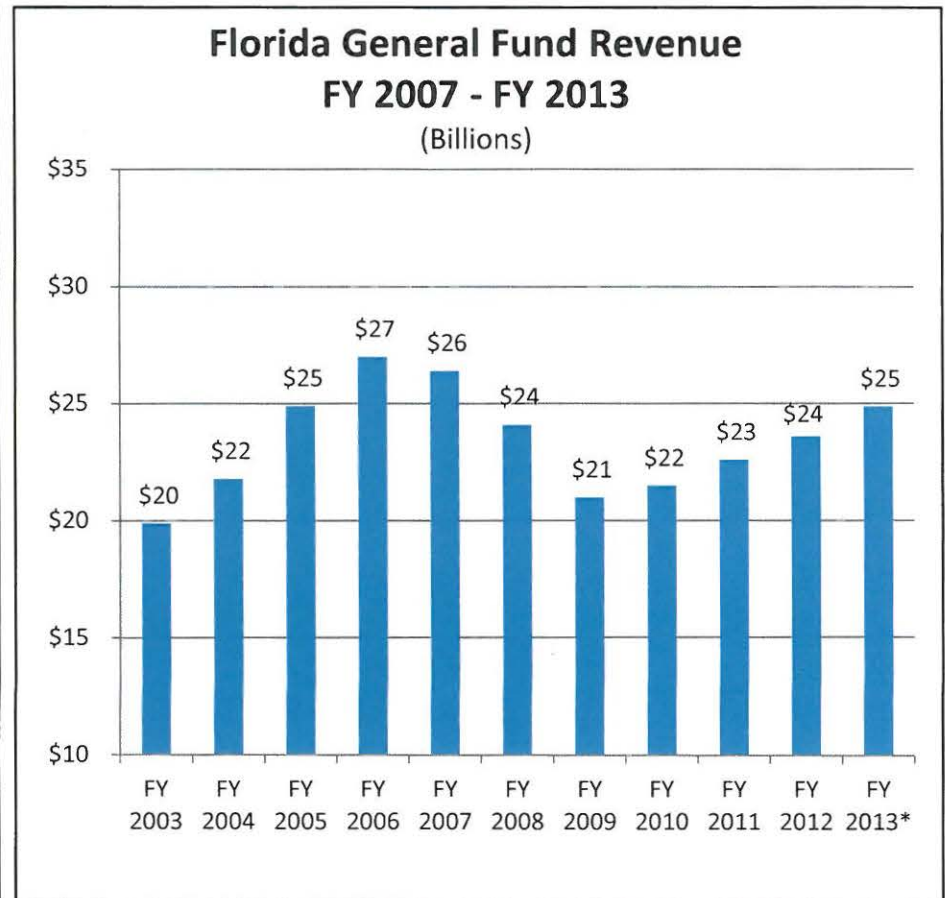
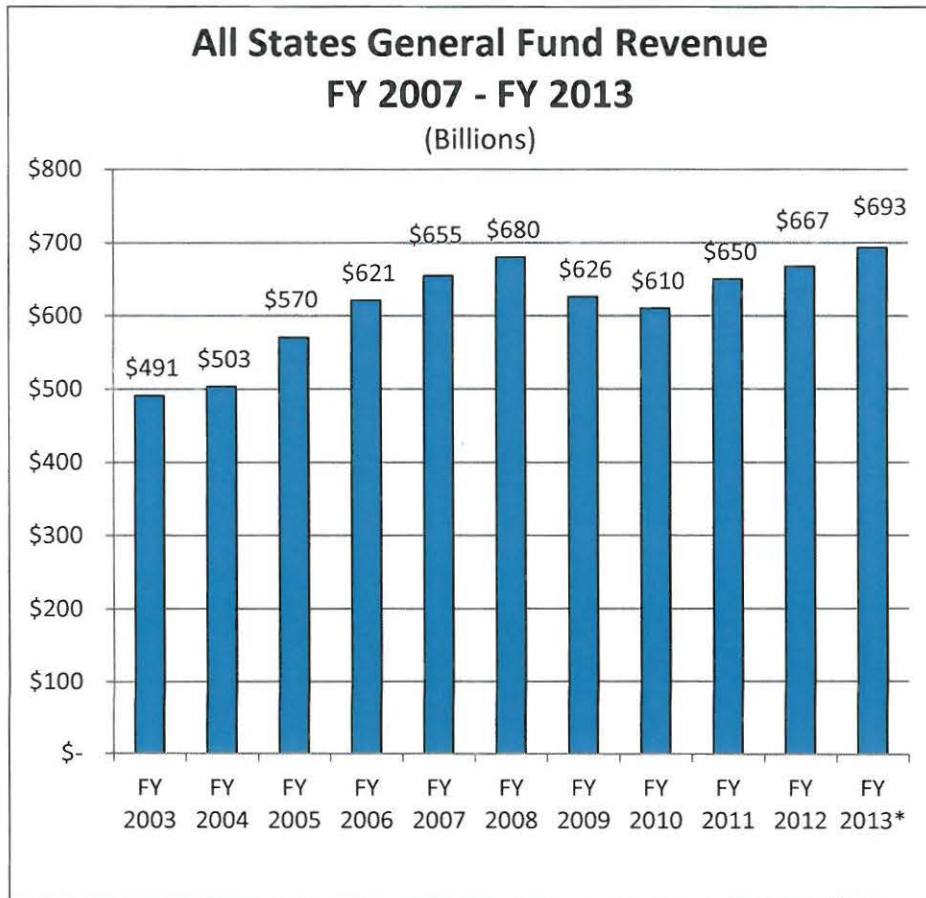
Creating Jobs

Supporting Florida Families

Economic Indicators Fiscal Years 2005 through 2014



General Fund Revenue



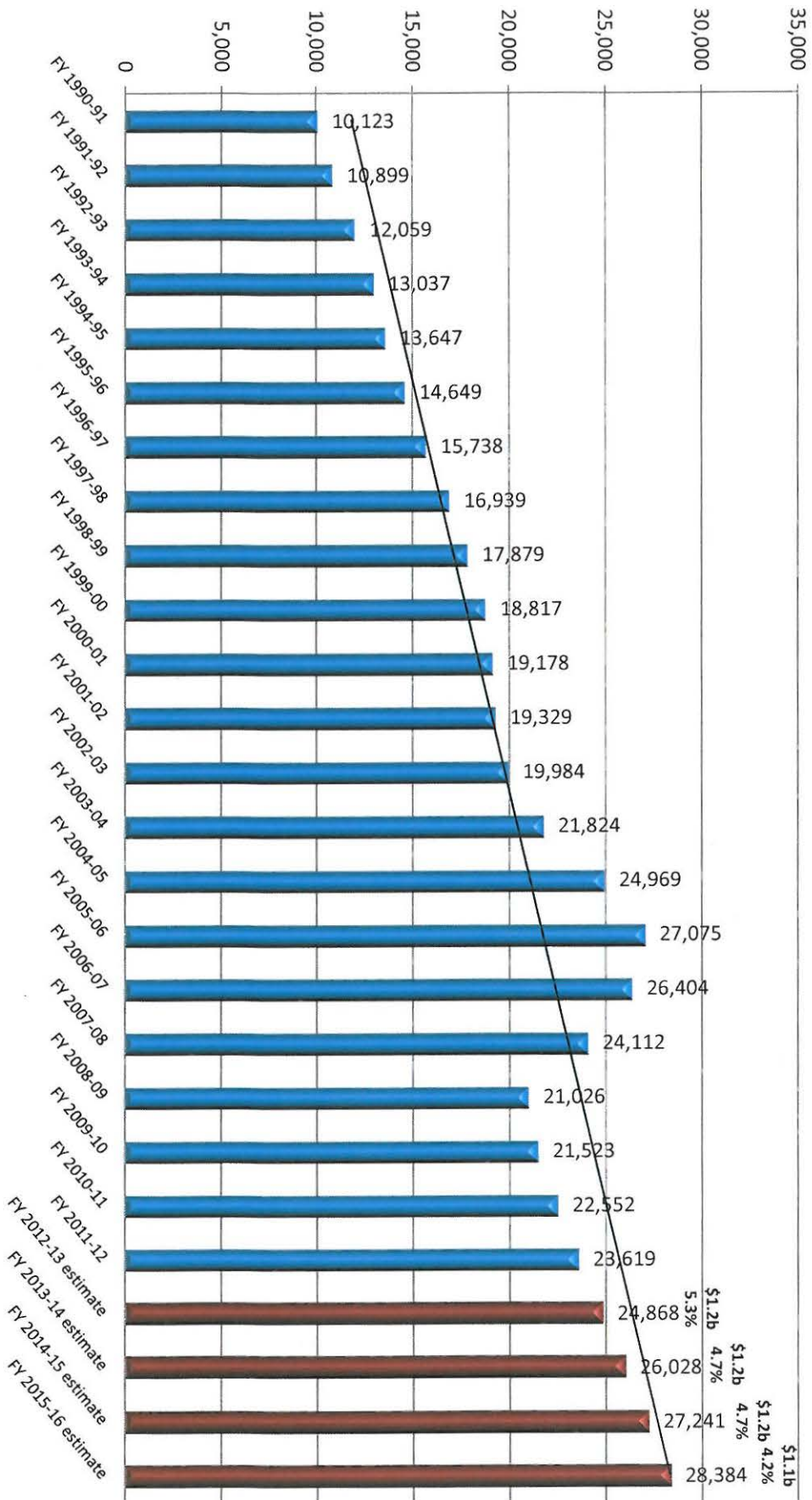
All States Source: National Association of State Budget Officers (NASBO)

Florida Source: Governor's Office of Policy and Budget

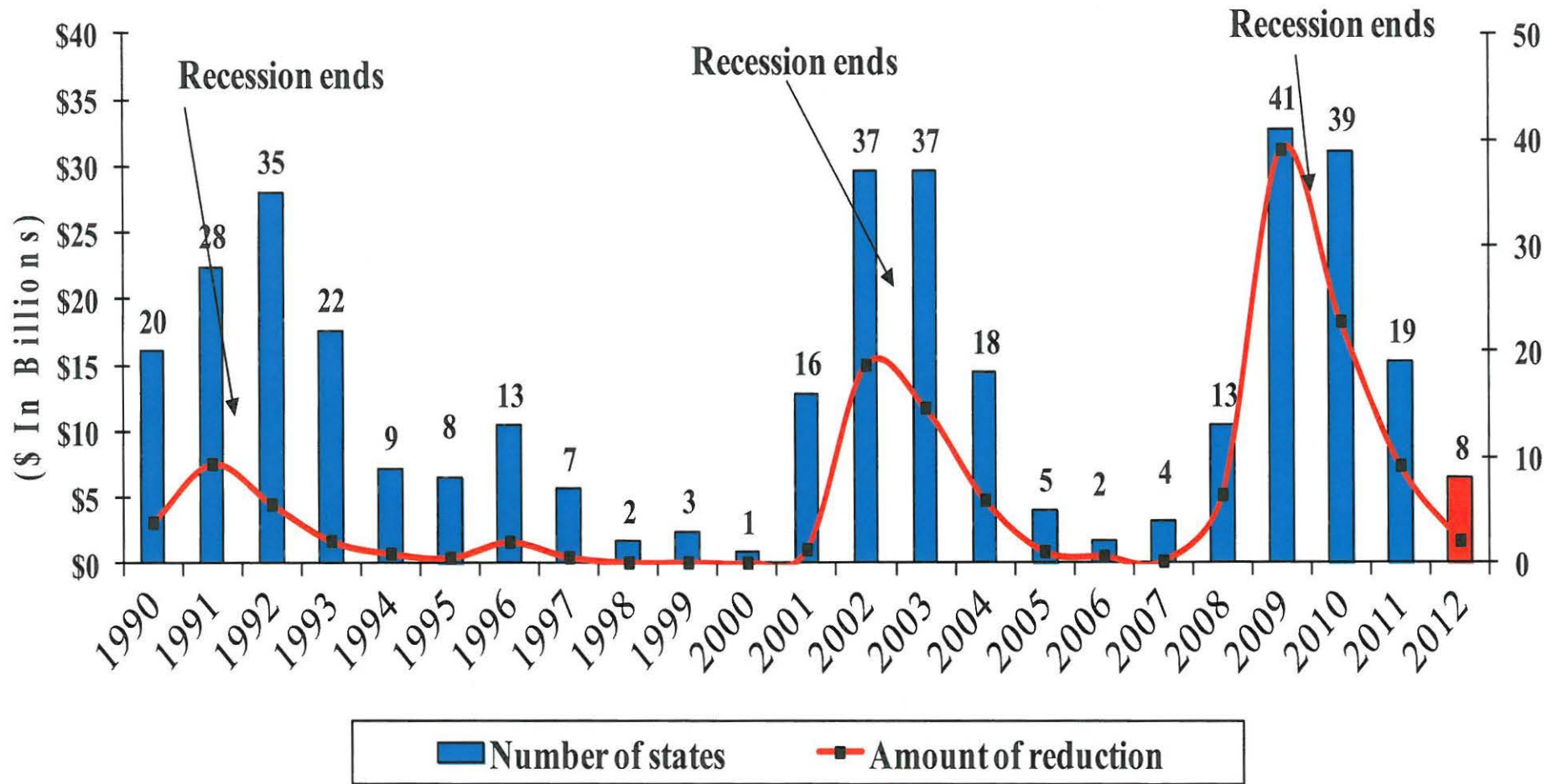
* FY 2003 – 2012 are actual and FY 2013 is estimated.



General Revenues – December 2012 - REC



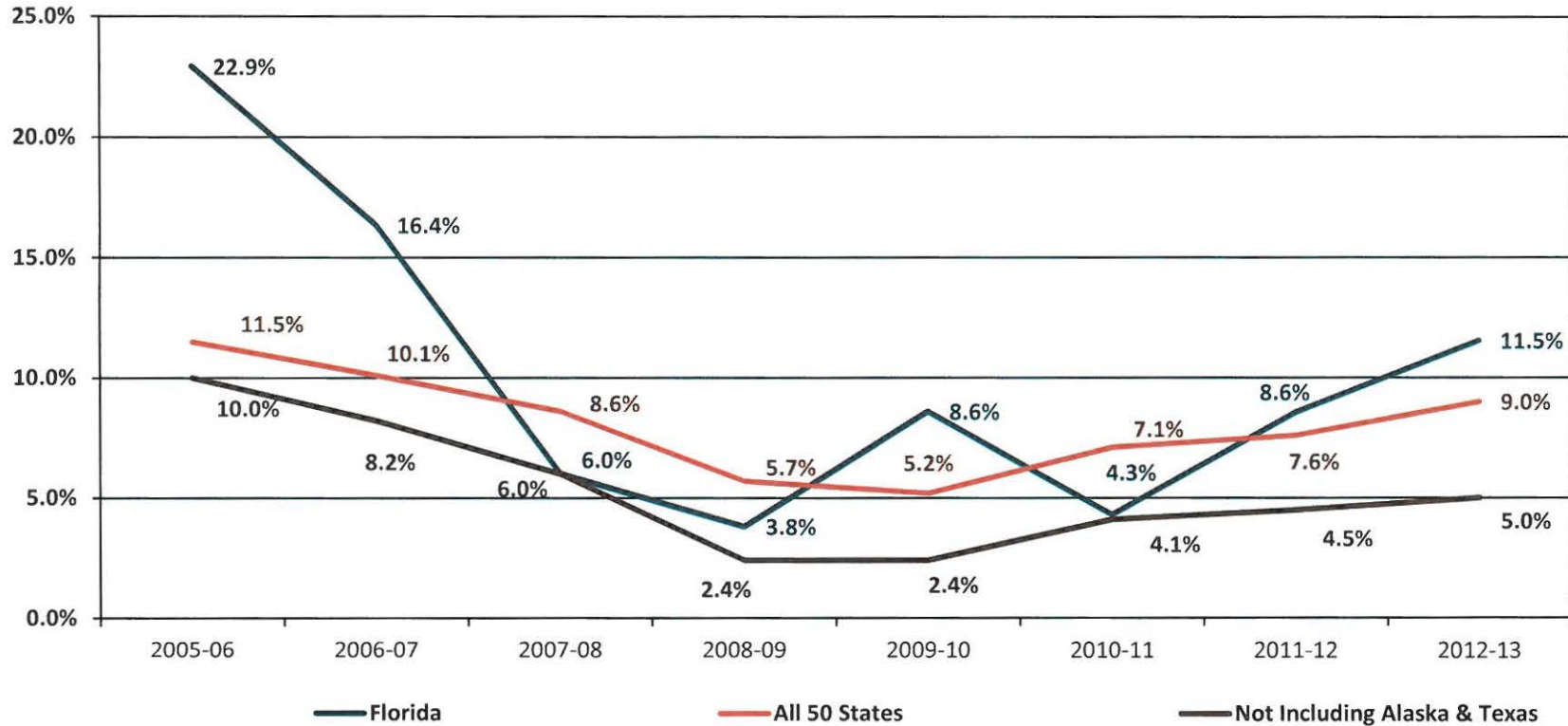
Budget Cuts Made After the Budget Passed



Source: National Association of State Budget Officers (NASBO)



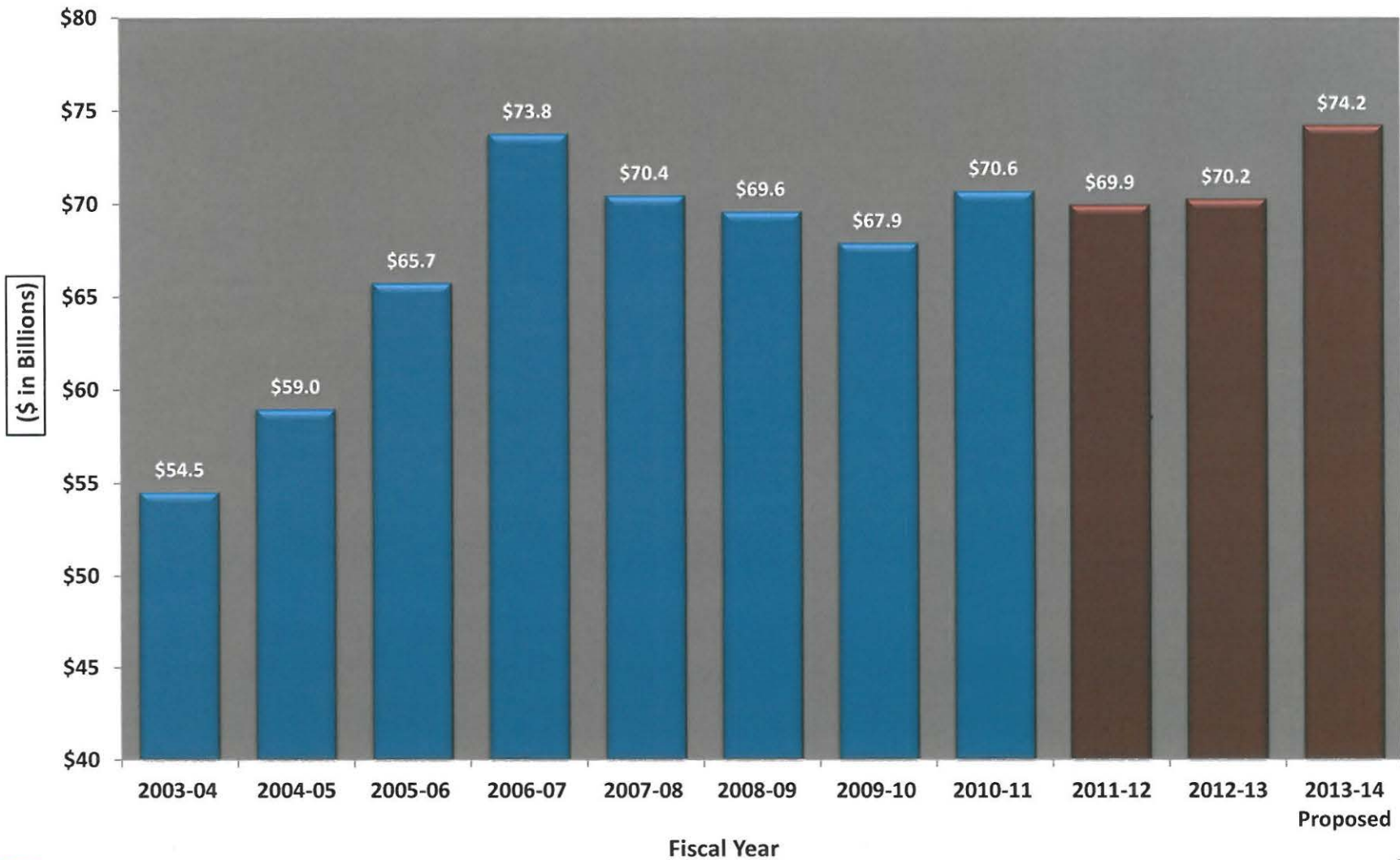
Balances as a Percent of Expenditures



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



History of Appropriations



Per Capita Budget Comparison

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



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

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

Total Difference \$4 Billion



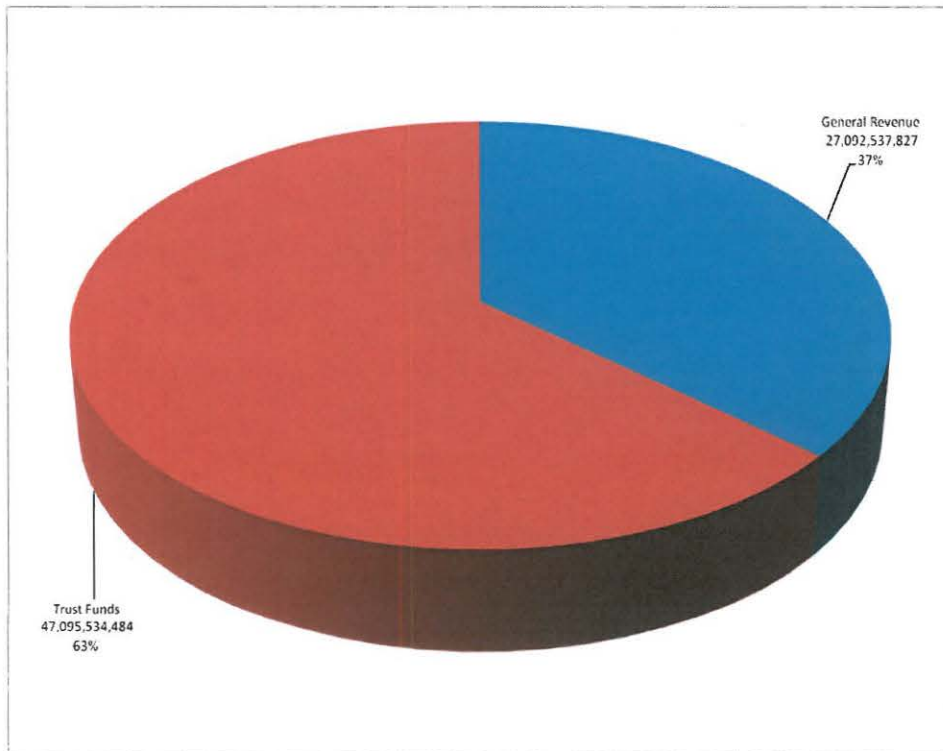
2013-14 Governor's Recommended Budget
Savings
(\$ In Millions)

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

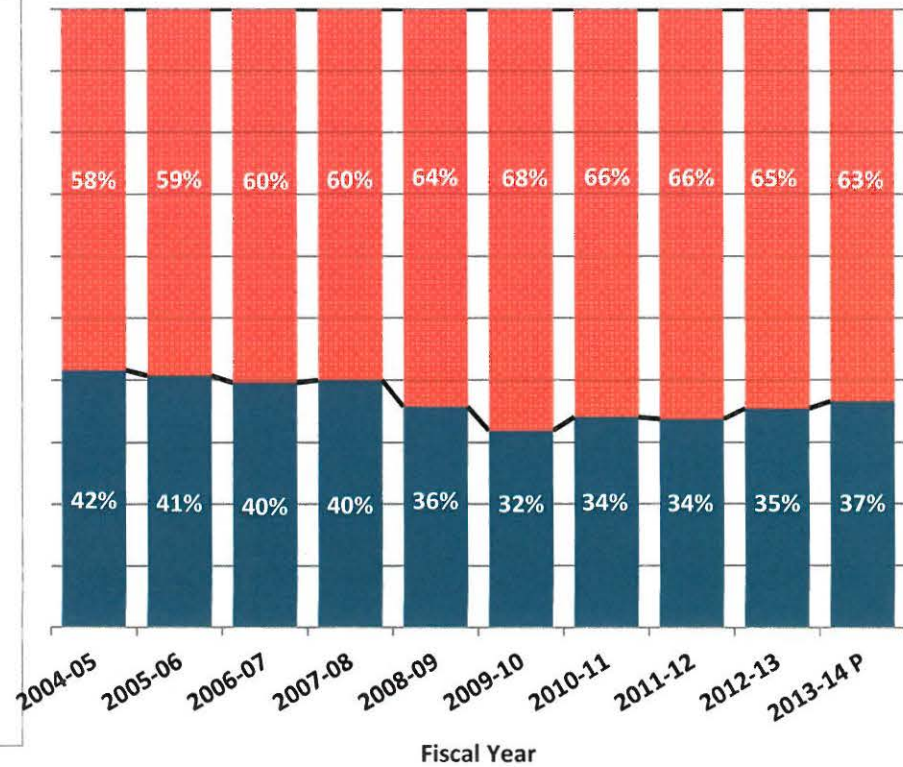


Governor's Budget Recommendations Fiscal Year 2013-14 - \$74.2 billion

Governor's Budget Fund Split



Historical Fund Split

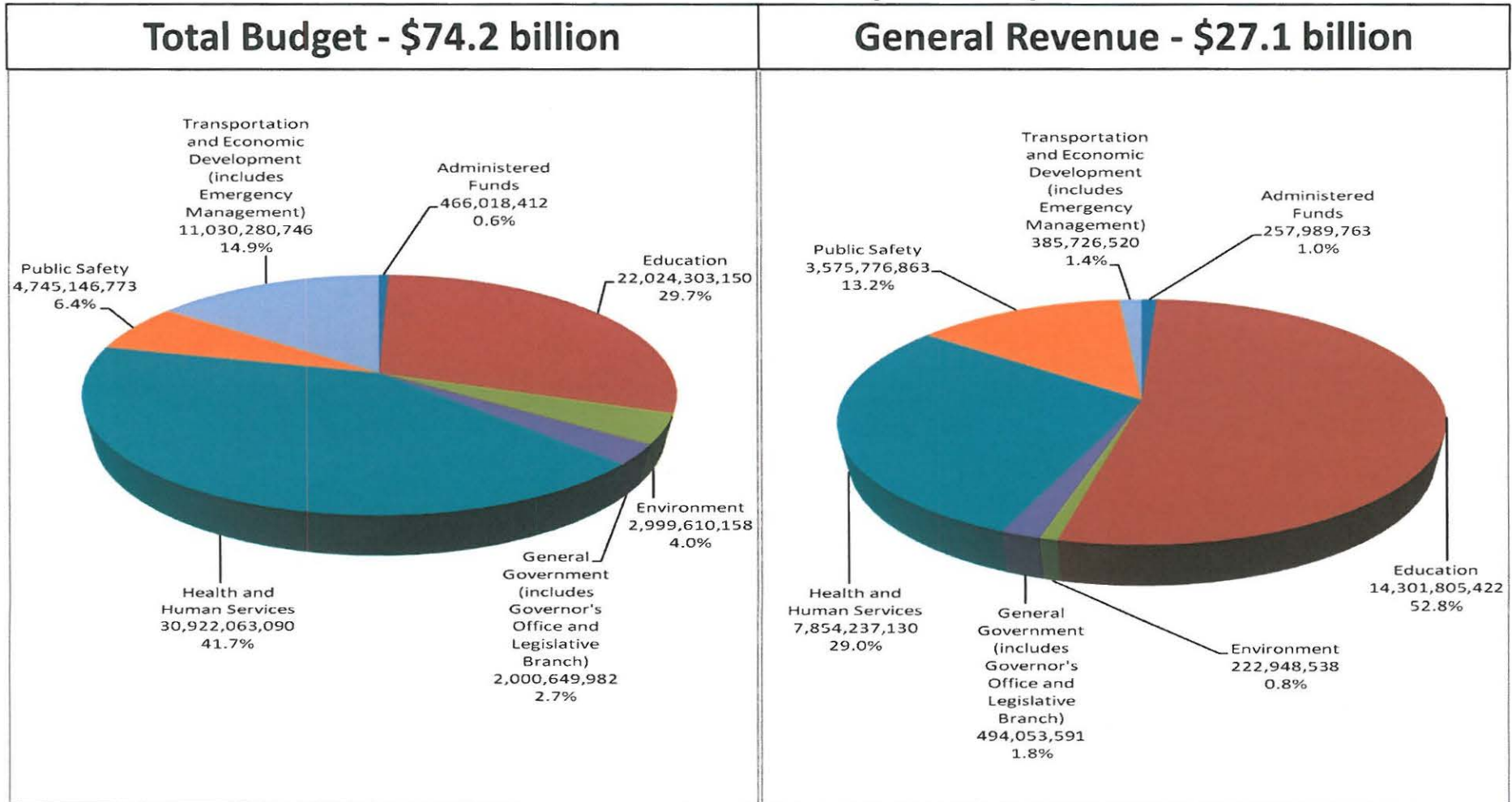


■ General Revenue ■ Trust Funds

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



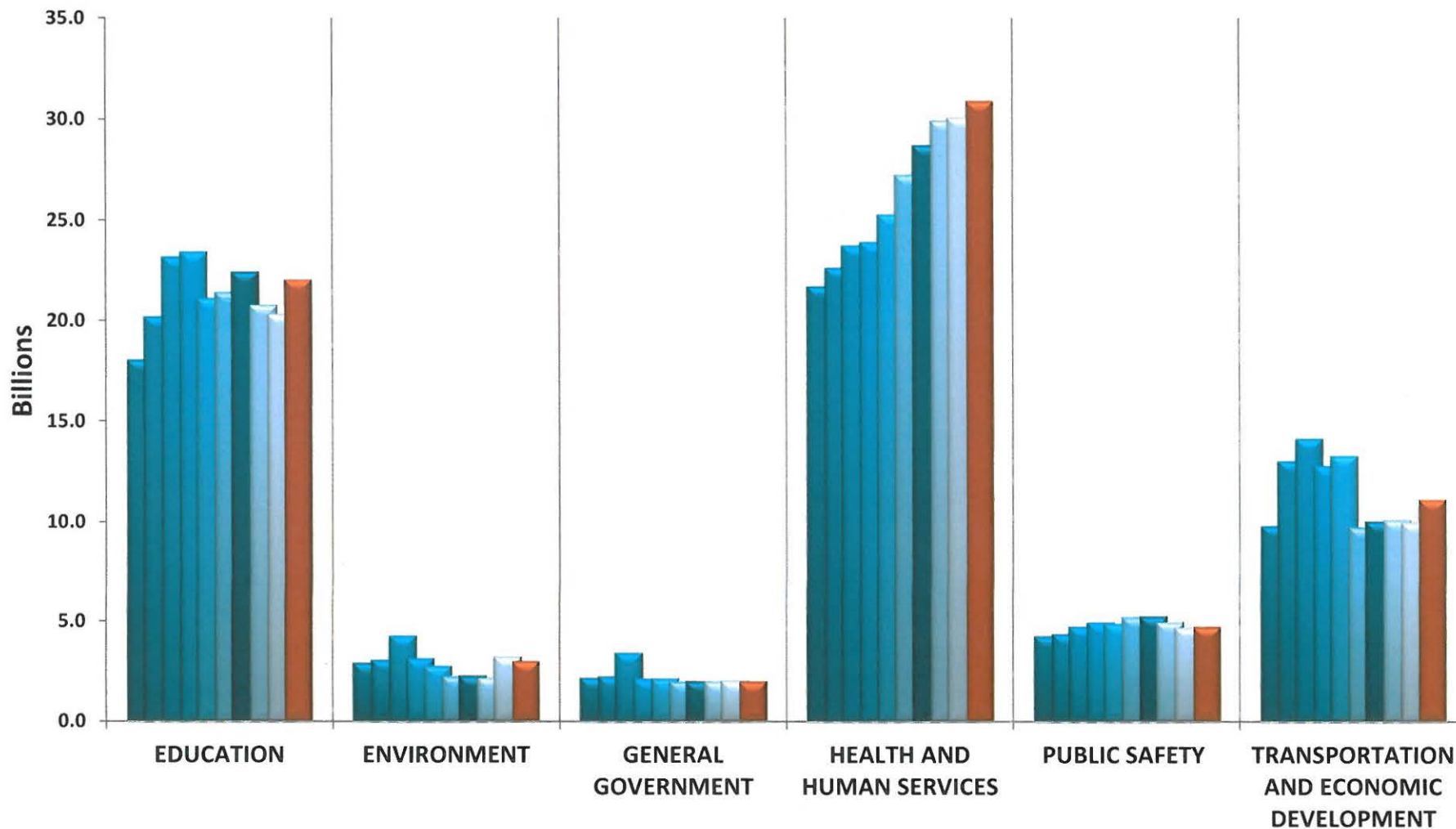
Governor's Budget Recommendations Fiscal Year 2013-14 by Policy Area



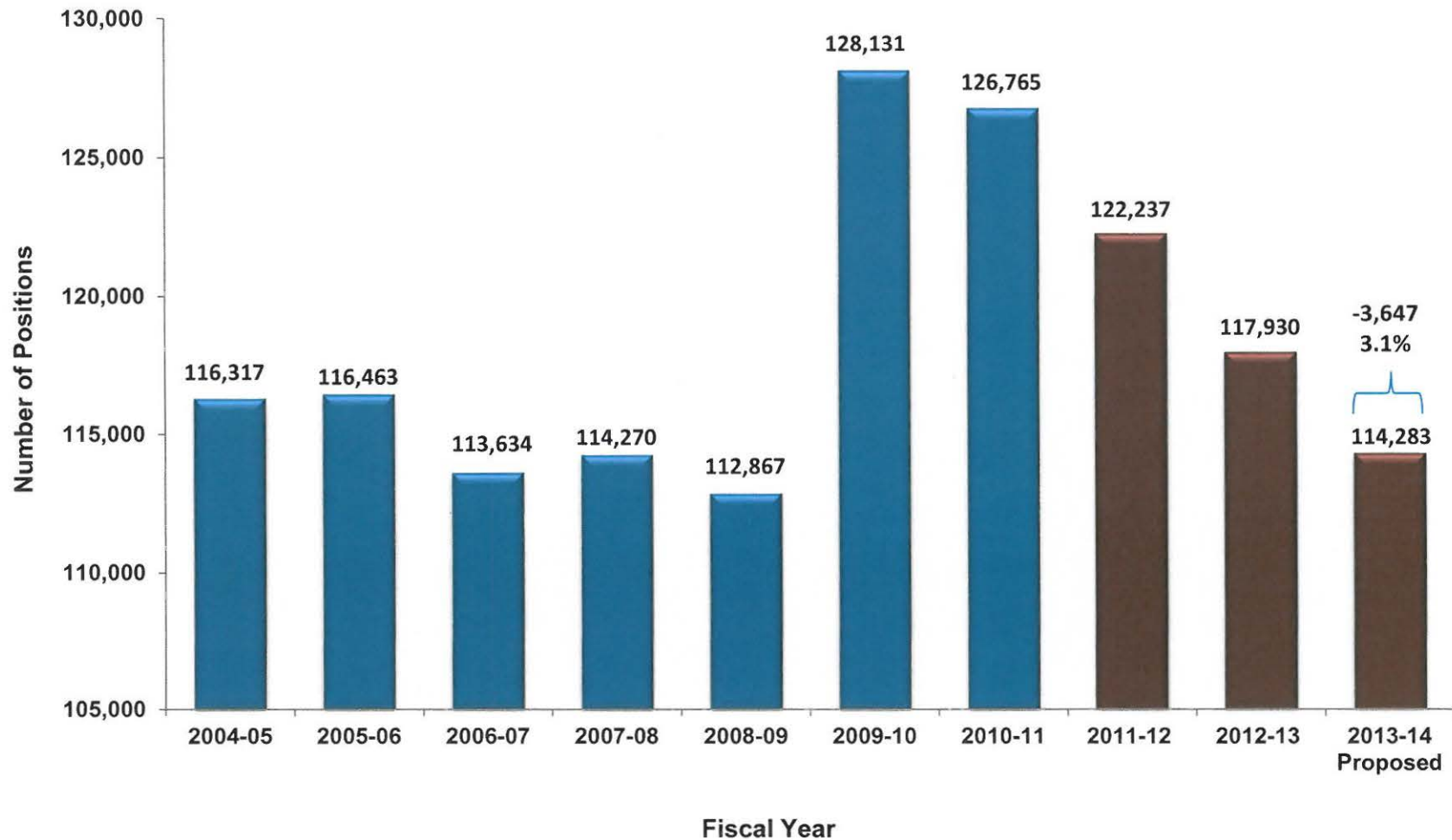
*Education Local Funding not included in above total: K-12 RLE \$7.8 billion; Florida College System Tuition \$886.0 million; K-12 Workforce Tuition \$50.2 million (total \$8.7 billion).



Funding History 2004-05 through 2013-14 Proposed



History of Workforce



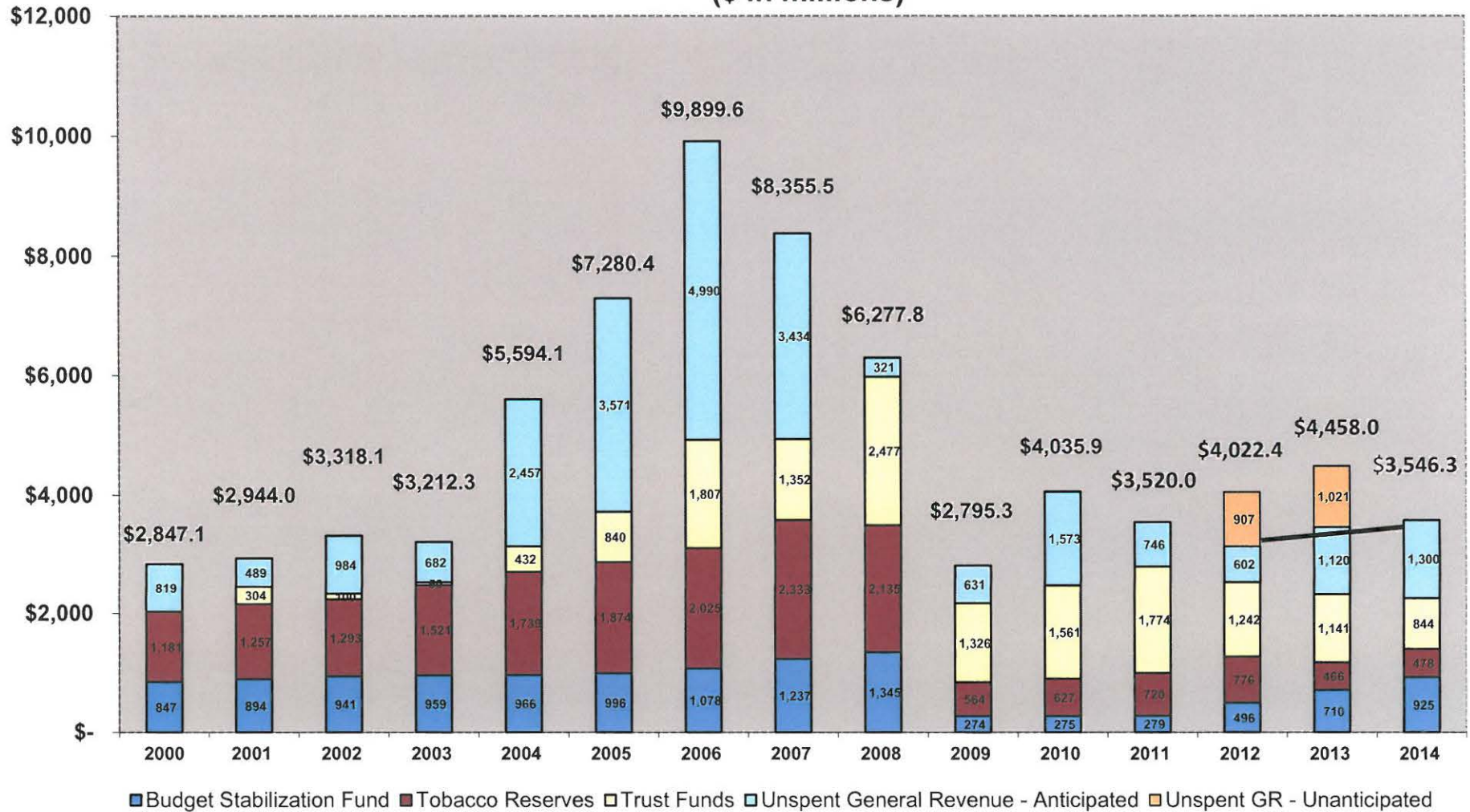
Notes:

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



Florida Reserves

(\$ in millions)

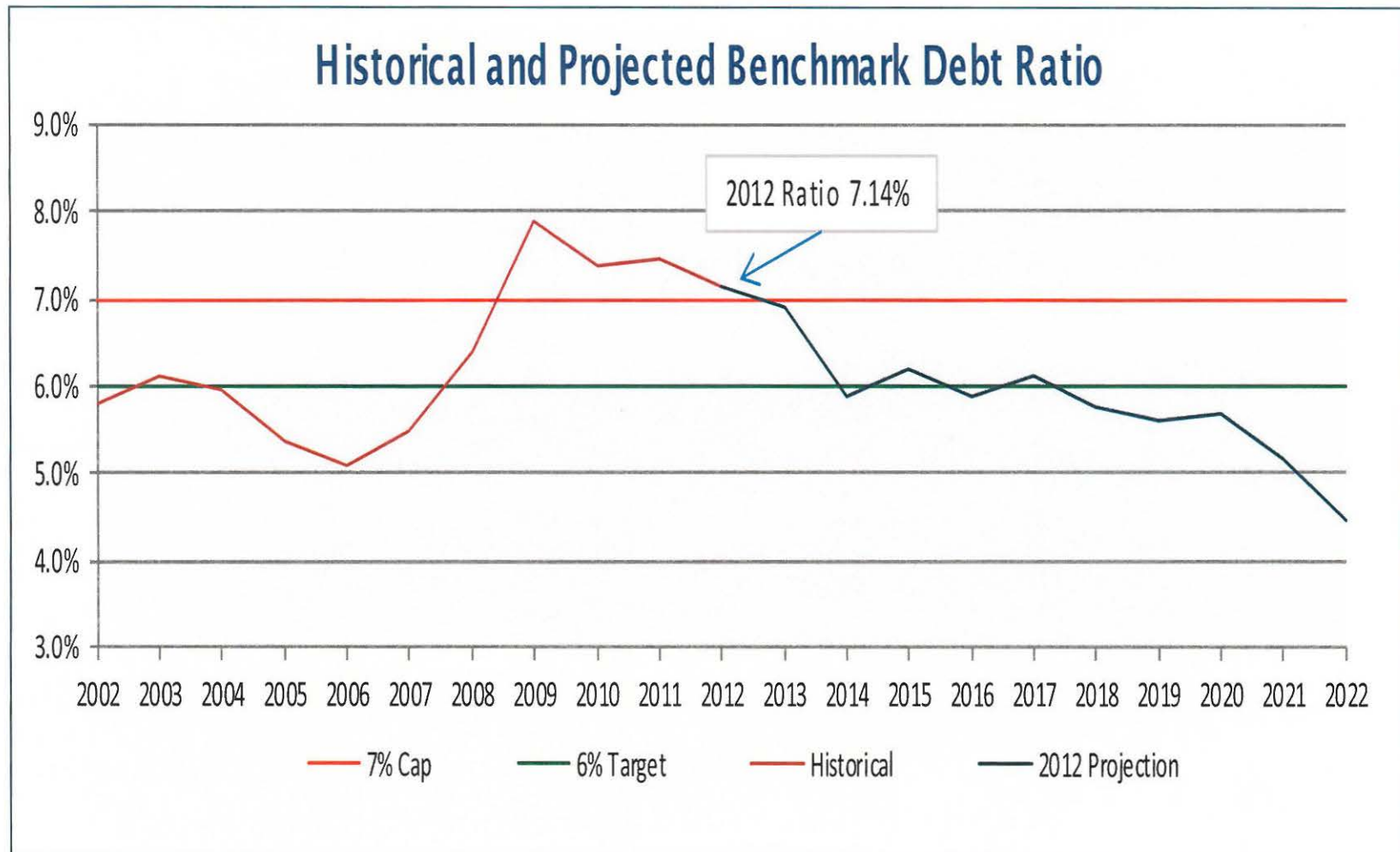


Florida Families First

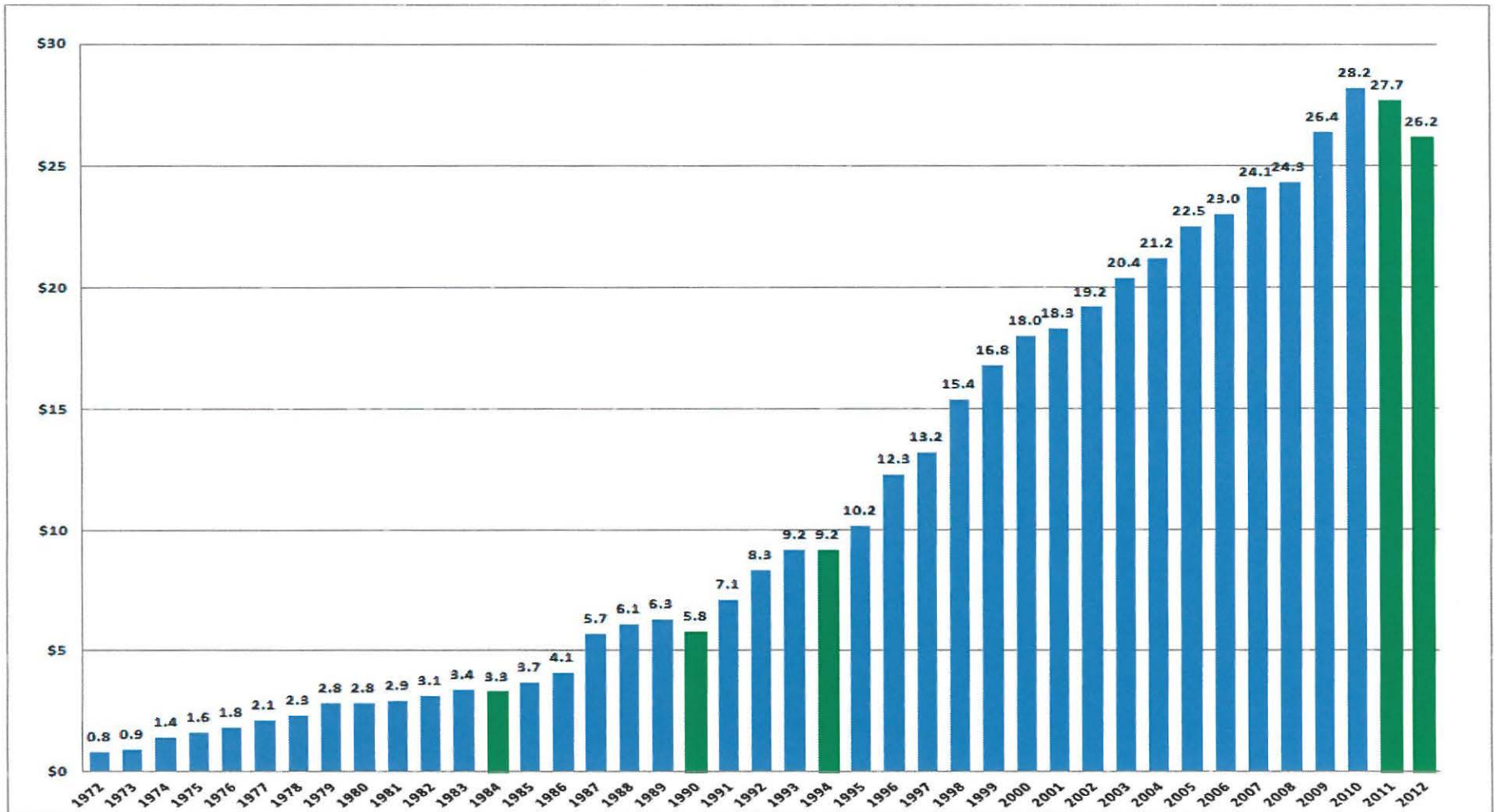
FY 2013-14 GENERAL REVENUE OUTLOOK (\$ in millions)	Recurring	Non-recurring	Total
Balance Forward From FY 2012-13		2,141	2,141
Estimated Revenues	25,738	386	26,123
TOTAL REVENUE ESTIMATE	25,738	2,527	28,265
Less Adjustments:			
Current Year Deficits (APD, DOC and TANF)		(109)	(109)
Unused Appropriations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



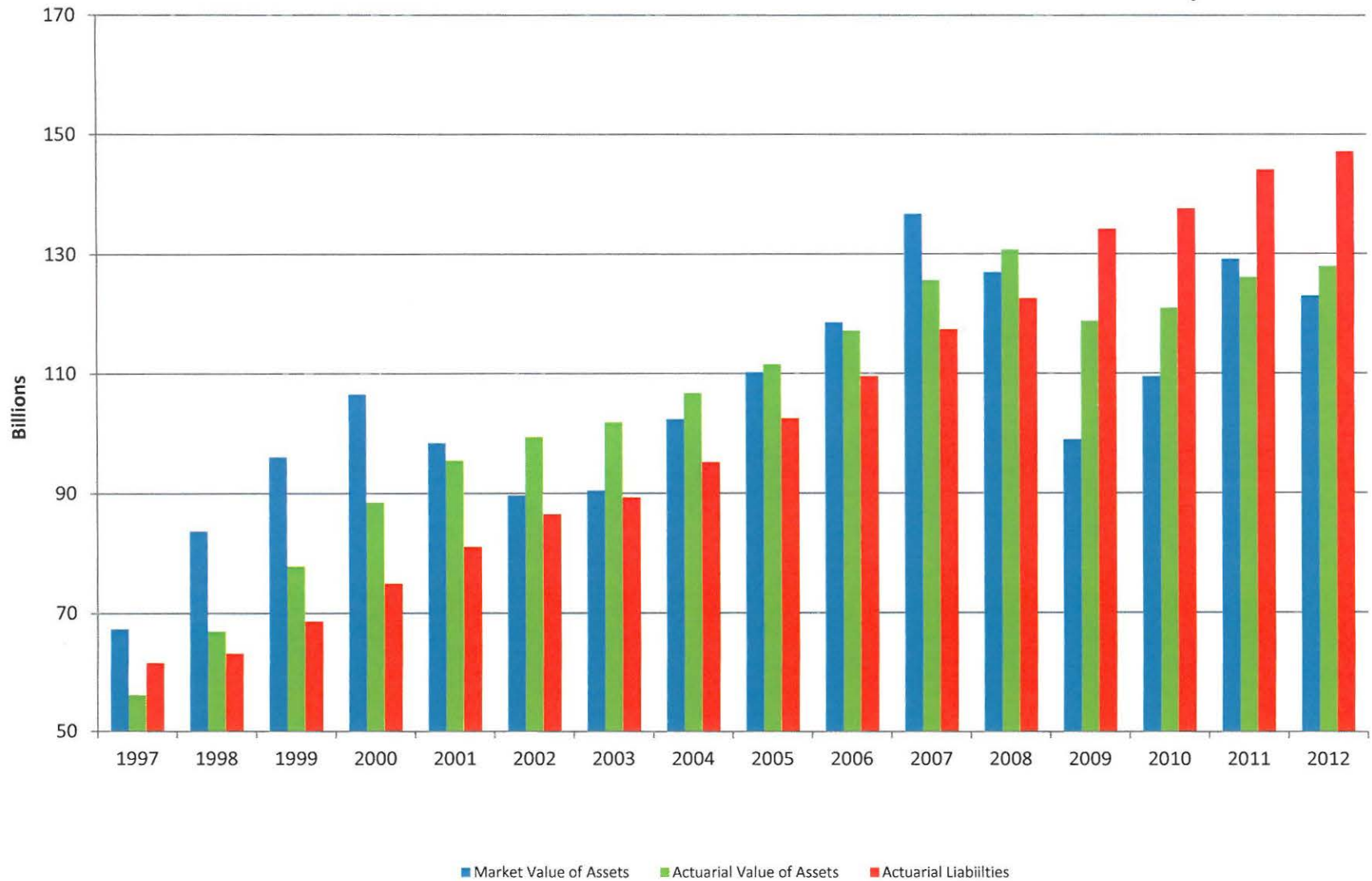
Debt



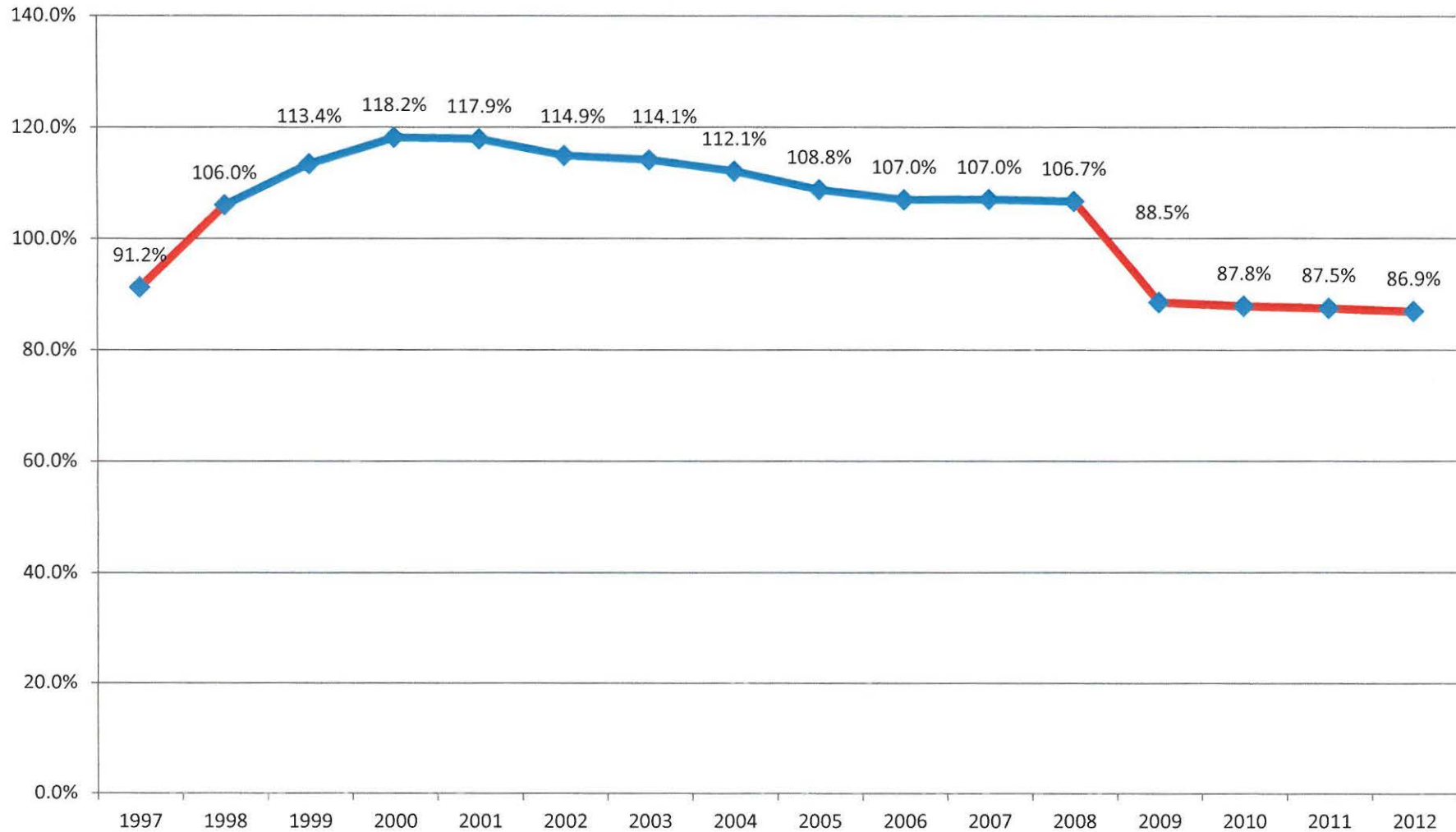
State of Florida Historical Debt Outstanding Fiscal Years 1972 through 2012 (in Millions of Dollars)



Assets and Liabilities of the Florida Retirement System



Funding Levels of the Florida Retirement System



Governor Scott's 2013-14 Priorities

Creating Jobs For Florida Families

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

Strengthening Education For Florida Families

- Prepare students for future success in college and careers.

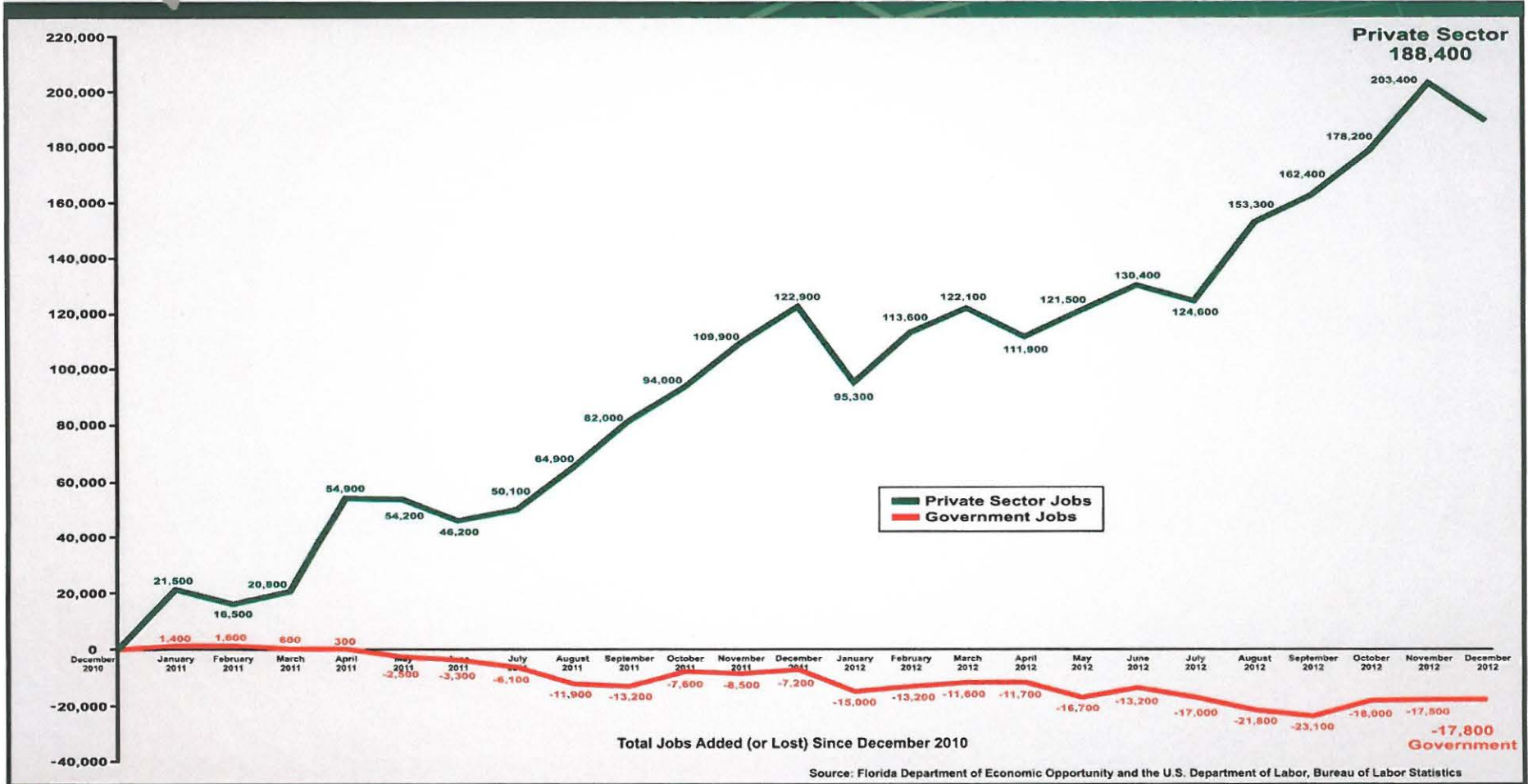


GOVERNOR RICK SCOTT Record of Economic Growth

www.flgov.com

rick.scott@eog.myflorida.com

(850) 488-7146



Creating Jobs for Florida Families

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



Strengthening Education for Florida Families

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



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

Encourage Job Creation

Maintain or Increase Funding for Education

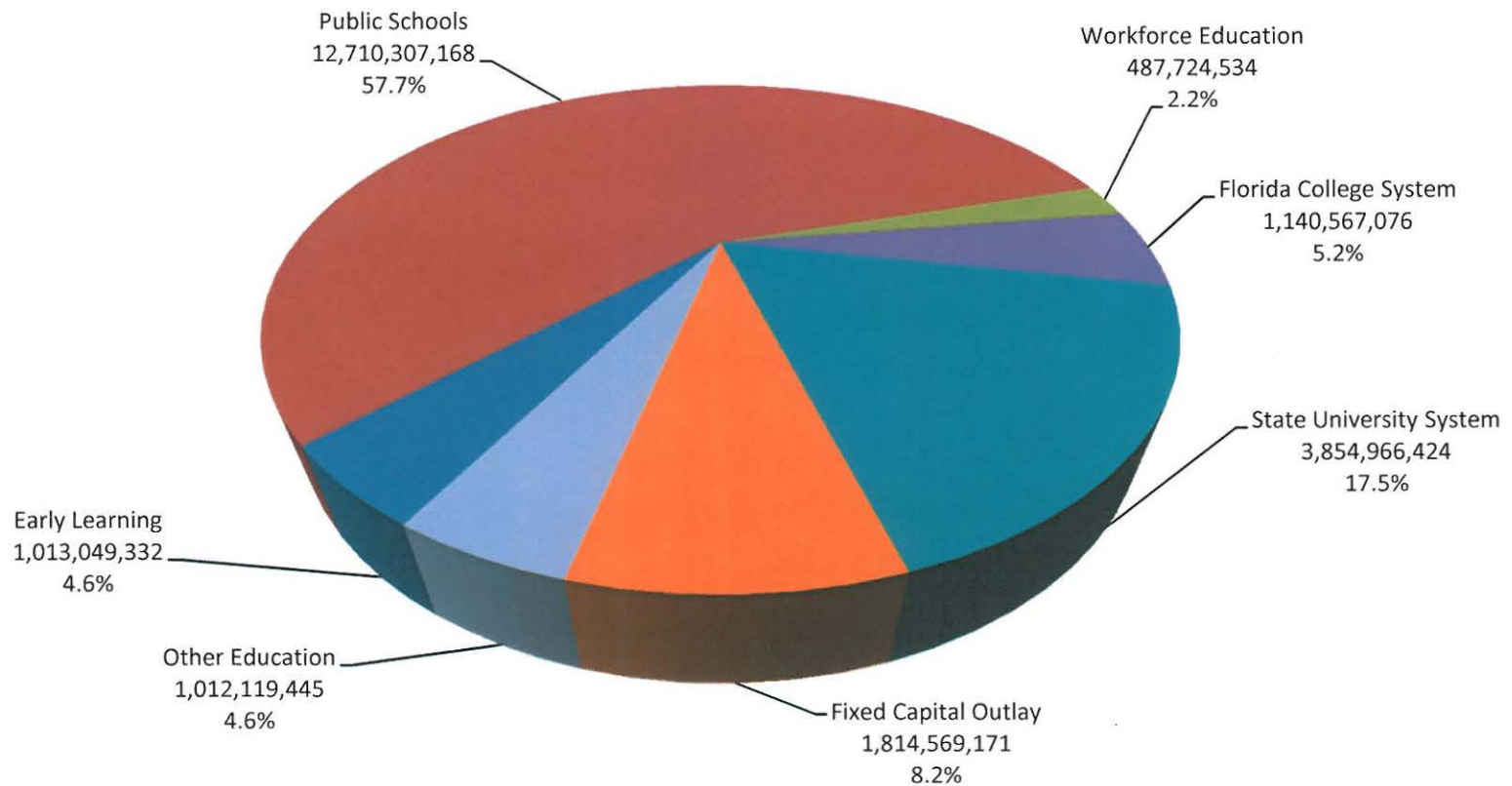
Keep Cost of Living Low

Show a Return on Investment

Demonstrate Other Compelling Need



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



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



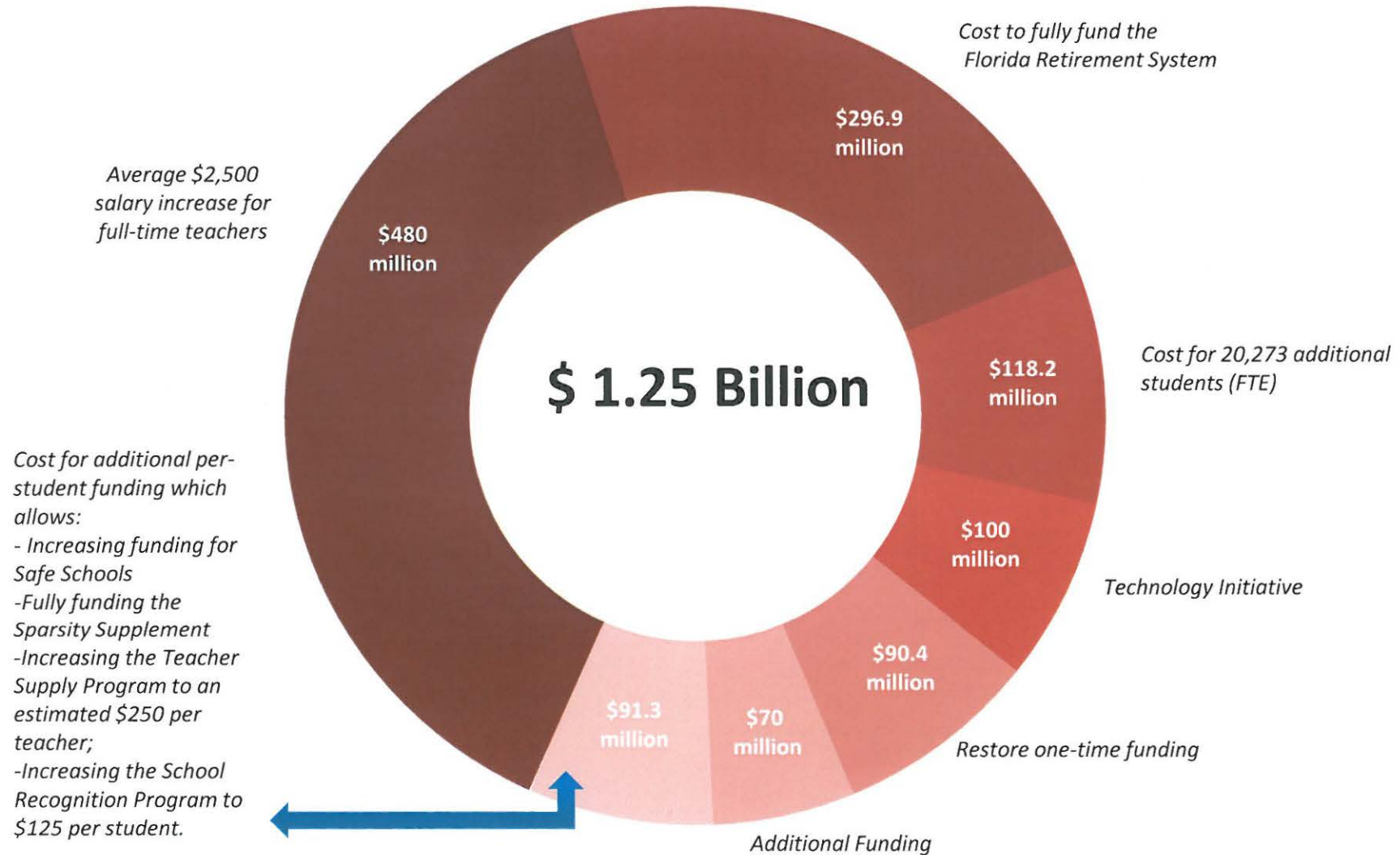
Education Highlights

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

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



Additional State Funding for Education



Ten Year History of State and Local School Funding

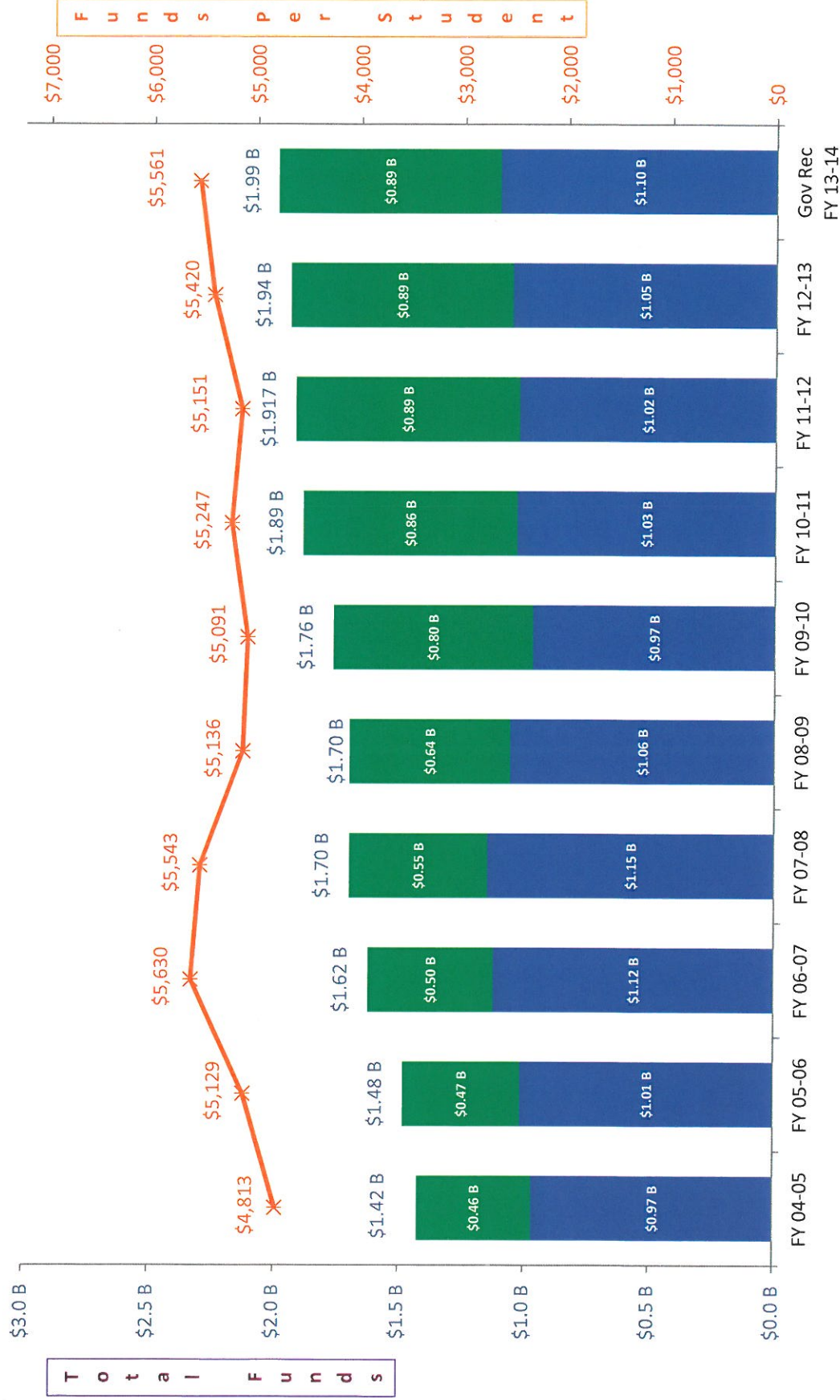


Florida Families First

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



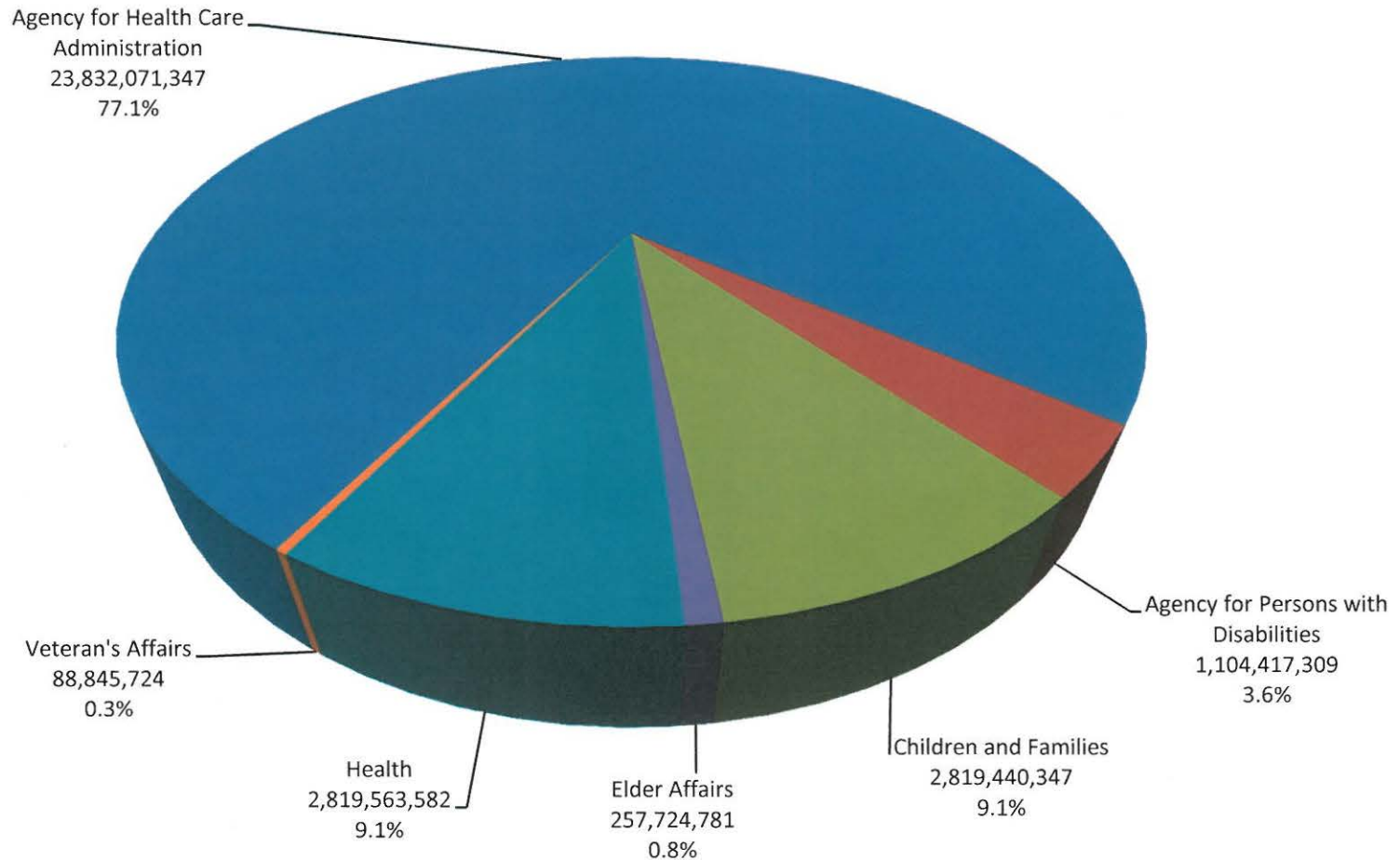
Ten Year History of Florida College System Operating Funding



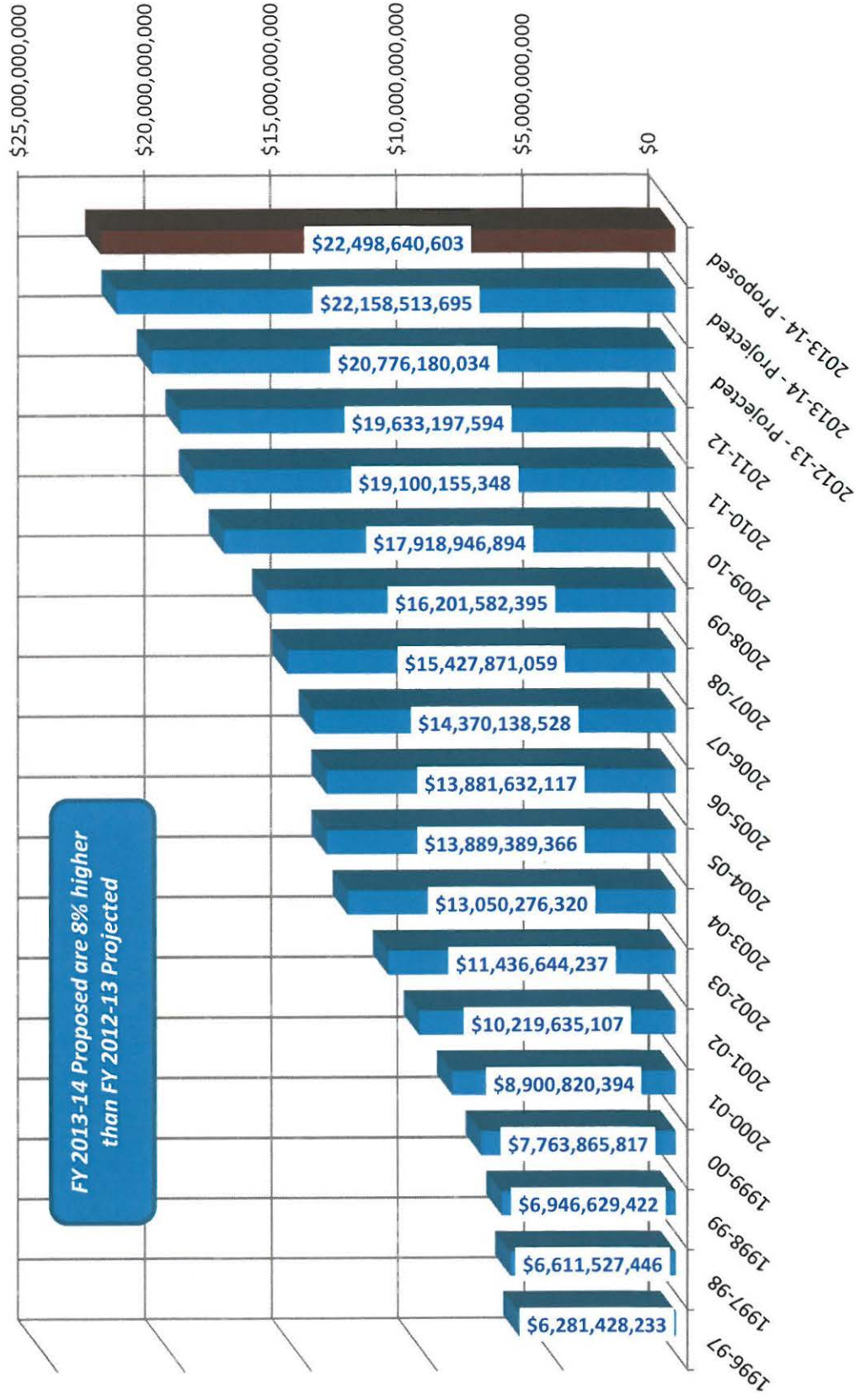
State Funds (left axis) Tuition (left axis) Total Funds Per FTE (right axis)



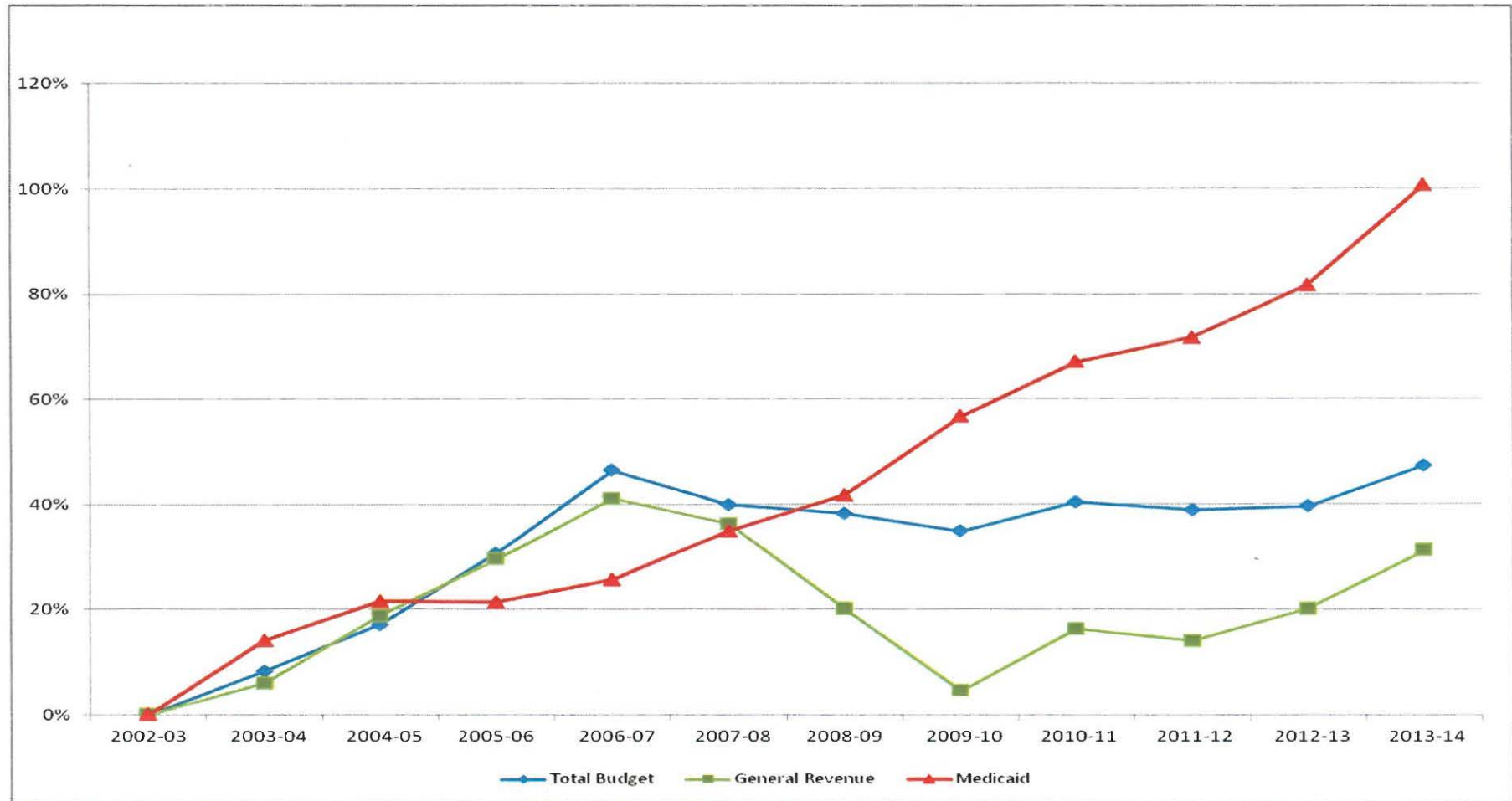
Governor's Recommended Budget Fiscal Year 2013-14 Health and Human Services - \$30.9 Billion



Medicaid Services Expenditures



Growth Rates – Total Budget, General Revenue and Medicaid

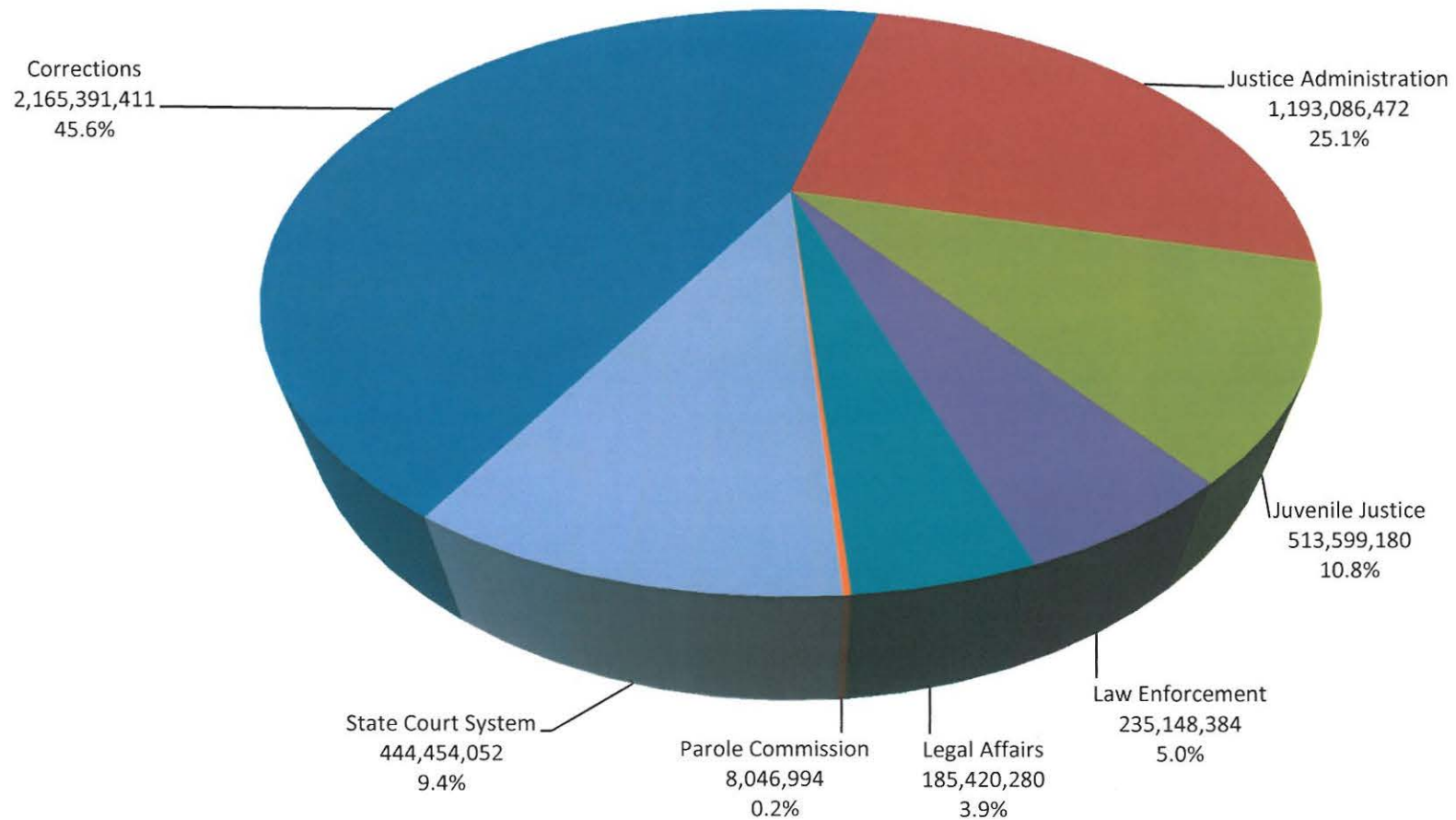


Health and Human Services Highlights

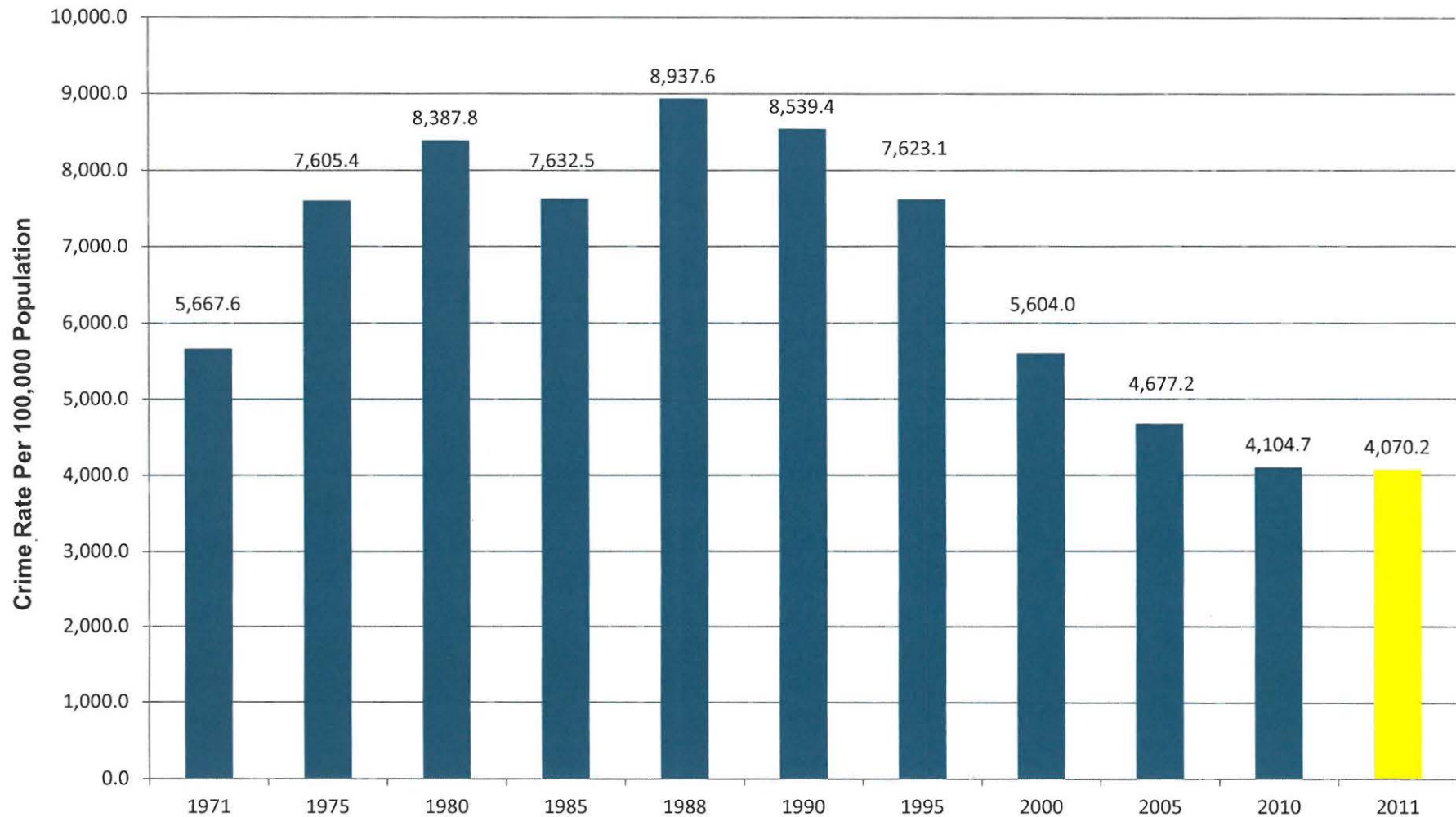
Major Issues Funded	Amount
Medicaid Price Level and Workload – Existing Program	\$1,116 billion
Physician Fee Increase	\$704 million
Federal Health Care Reform –Currently Eligible but not Enrolled	\$116 million
APD Deficits for FY 2012-13	\$40 million
APD Waitlist	\$ 36.3 million
Florida’s Public Assistance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



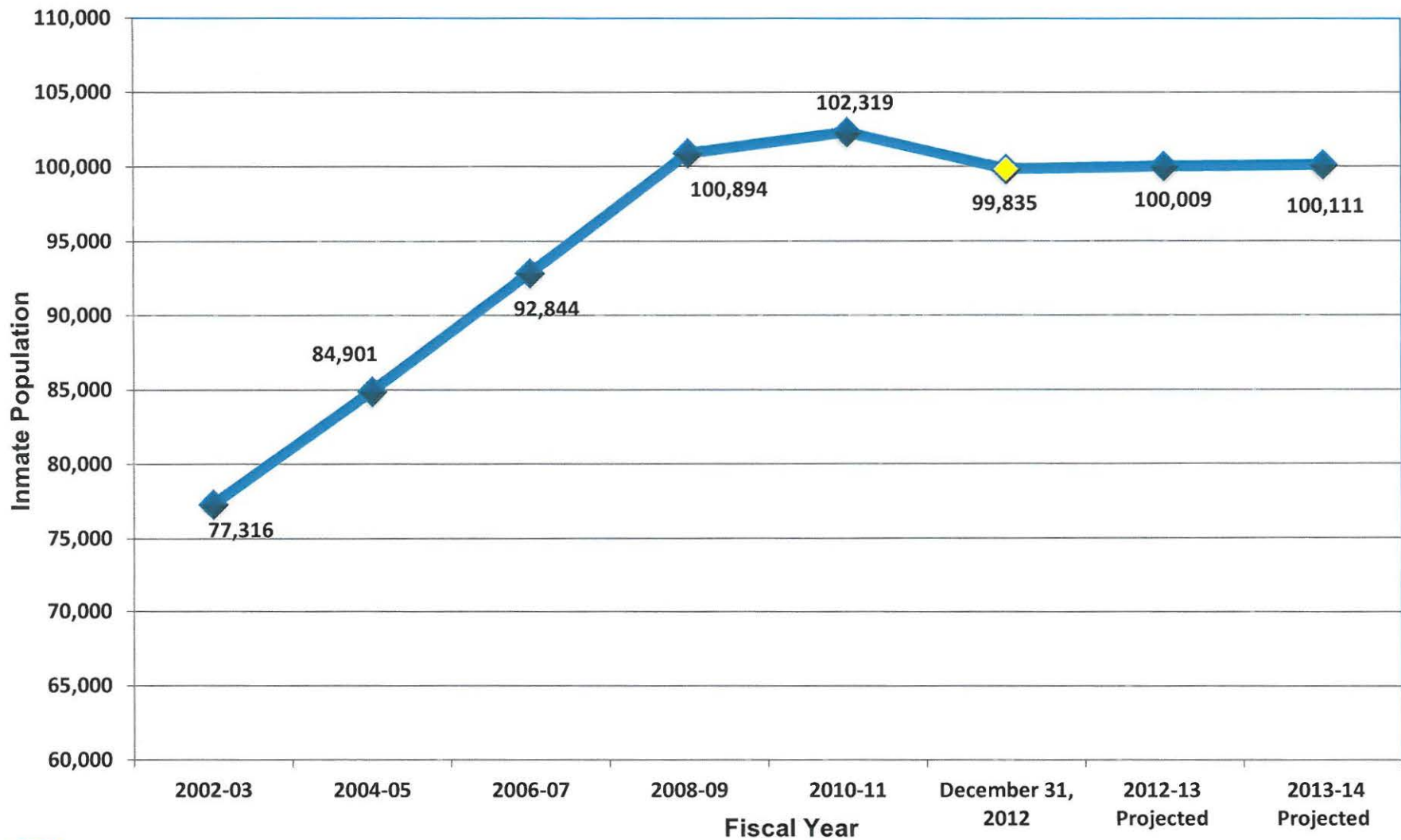
Governor's Recommended Budget Fiscal Year 2013-14 Public Safety - \$4.7 Billion



Crime Rate Per 100,000 Population



Inmate Population by Fiscal Year ending June 30

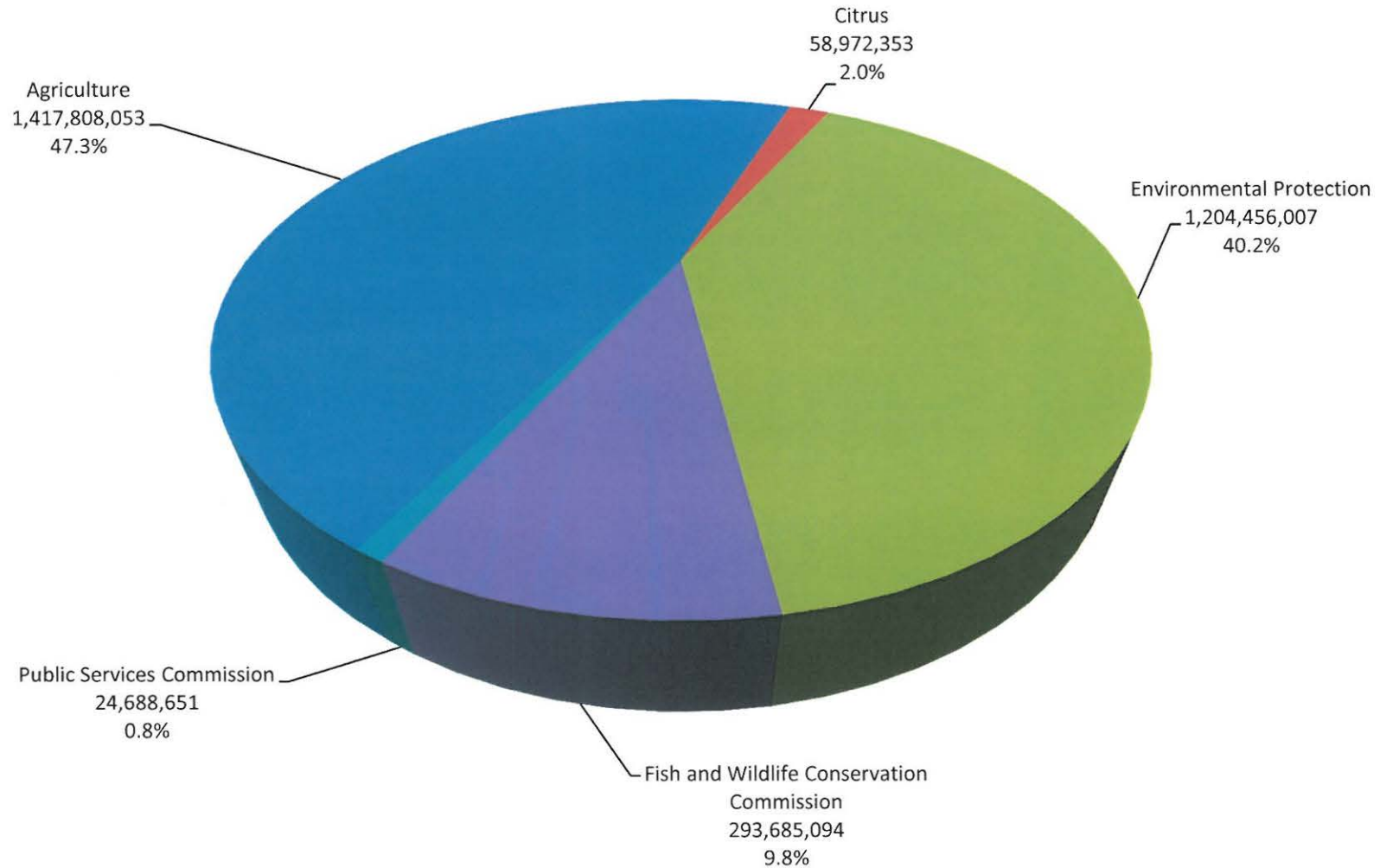


Public Safety Highlights

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



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

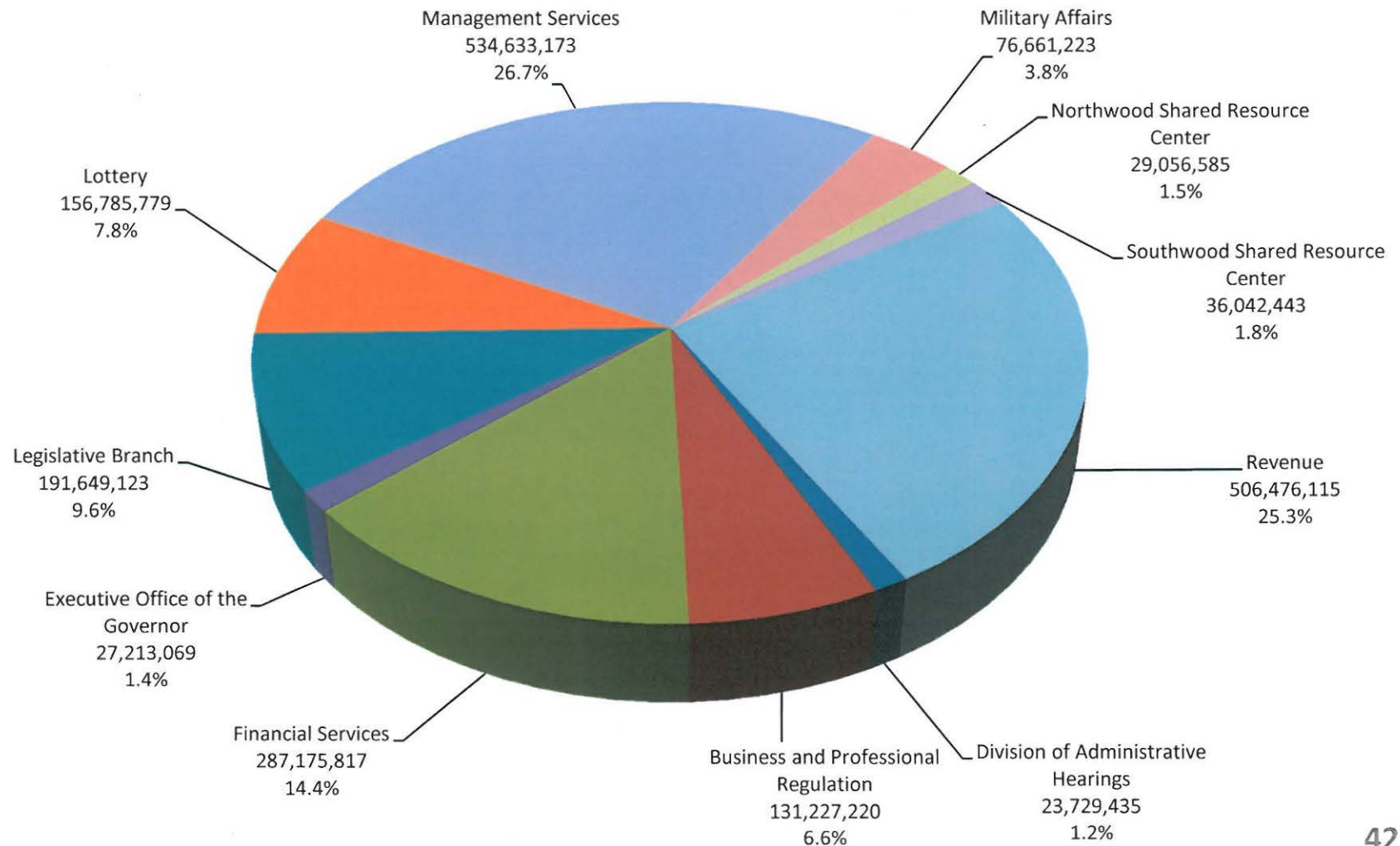


Environment Highlights

Major Issues Funded	Amount
Everglades Restoration	\$60.0 million
Land Acquisition/Florida Forever	\$75.0 million
Beach Projects	\$25.0 million
Petroleum Tanks Cleanup Program	\$135.0 million
Drinking Water/Waste Water Facility Construction	\$215.6 million
Major Decreases	Amount
Various Program Savings	(\$29.1) million



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



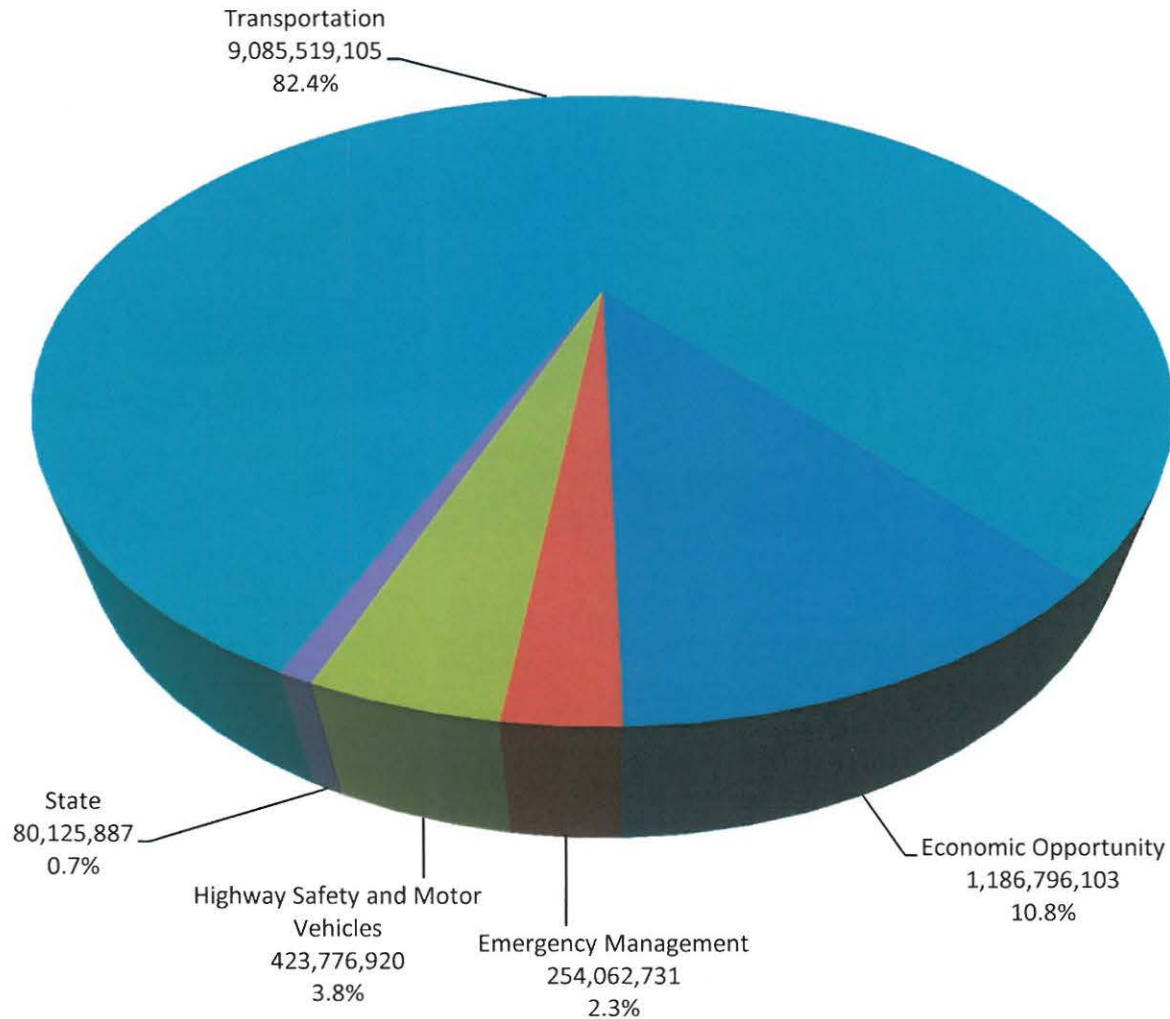
General Government Highlights

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

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



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



Transportation & Economic Development Highlights

Major Issues Funded /	Amount
State Transportation Work Program	\$8.3 billion
Economic Development Tools / Achievement Awards	\$315 million
VISIT Florida	\$75 million
Affordable Housing / State Housing Initiatives Partnership	\$50 million
Space Florida	\$20 million
State Aid to Libraries	\$20.2 million
Quick Response Training Program	\$12 million
Highway Patrol Pursuit Vehicles	\$14.2 million
Major Decreases	Amount
Various Program Savings	(\$21.2) million



Statewide Issues

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

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



Enterprise Efficiency Initiatives

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

