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## **Florida House Releases 2013-2014 General Appropriations Act**

**Tallahassee, Fla.**—Today the Florida House of Representatives presented its budget recommendations for the 2013-2014 fiscal year. State Representative Seth McKeel (R-Lakeland), Chair of the House Appropriations Committee, released the following statement regarding the House’s proposed budget:

“In recent years, the Florida Legislature made responsible choices in tough economic times to balance the state budget and provide a fiscally sustainable future, without putting the burden off on our taxpayers through increased taxes. These efforts, combined with improving economic conditions, have resulted in a budget surplus in our state for the first time in seven years. Though we are no longer facing a significant shortfall, the Florida House remains committed to the disciplined fiscal principles that led us to where we are today and sought to prioritize funding in the best interest of all Floridians.

“With the opportunity this year to provide additional funding for state priorities, this proposal includes significant increases in education funding, highlighted by our commitment to provide \$1 billion in new K-12 education funding and restore the \$300 million reduction in state university funding that occurred last year. \$676 million of this new funding is enhancement funding that can be used for teacher pay at the option of the districts.

We have also sought to strengthen Florida’s safety net by increasing funding to serve our most vulnerable populations such as our elderly, disabled and citizens in need of mental health and substance abuse treatment. Additionally, for the first time in over six years, we have also made it a priority to reward Florida’s hard working state employees with an across the board raise of \$1,400 with flexibility for state agencies to provide merit pay increases.

“With this proposal we once again have a balanced state budget that directs significant new funding toward key services without raising taxes on Floridians. Though our economy is seeing signs of improvement, government must responsibly plan for the future, just like Florida families must do. I believe this budget strikes the right balance between funding our state’s priorities, keeping taxes low and maintaining over \$1.2 billion in General Revenue reserves needed to prepare for any potential future economic uncertainty.”

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# Overview of the 2013-2014 House General Appropriations Act

## By the Numbers

- **Total House Recommended Budget: \$74.4 billion**
  - General Revenue Funds \$26.6 billion
  - State Trust Funds \$21.3 billion
  - Federal Funds \$26.5 billion
- **Compared to the FY 2012-13 Budget – up by \$4.4 billion (6.3%)**
  - General Revenue Funds – up by \$1.8 billion (7.5%)
  - State Trust Funds – up by \$899.2 million (4.4%)
  - Federal Funds – up by \$1.7 billion (6.8%)
- **Compared to the Base Budget -- up by \$13.8 billion (22.8%)**
  - General Revenue Funds – up by \$2.0 billion (7.9%)
  - State Trust Funds – up by \$6.6 billion (45.4%)
  - Federal Funds – up by \$5.2 billion (24.4%)
- **FTE's**
  - FY 2013-14 FTE = 114,678
  - FY 2012-13 FTE = 117,930
  - Reduction of 3,252 FTE; (-2.8%)
- **Reserves -- \$2.4 billion**
  - General Revenue Fund = \$1.2 billion
  - Budget Stabilization Fund = \$708.3 million
  - Lawton Chiles Endowment Fund = \$499.3 million
- **Trust Fund Sweeps -- \$309.0 million**
  - Agriculture & Natural Resources - \$31.0 million
  - Government Operations -- \$20.0 million
  - Health Care -- \$75.3 million
  - Transportation & Economic Development -- \$182.7 million

## Agriculture & Natural Resources

The Agriculture & Natural Resources Appropriations Subcommittee proposed budget is \$3 billion in total funding (\$286M in general revenue funds and \$2.7B in trust funds) and includes funding for 8,937.5 authorized positions.

There is a \$150.4M (4.7%) decrease in total spending—a \$79.8M (38.7%) increase in general revenue funds and a \$230.3M (7.7%) decrease in trust funds, primarily from the decrease in debt service on environmental bonds, over the current year appropriation.

There is a 3.5 (less than 1%) net add in the number of positions. Highlights:

- **Land Purchases/Conservation Easements \$100M (\$50M GR)**—Florida Forever program \$75M; Rural and Family Lands Protection program \$25M.
- **Petroleum Tanks Cleanup Program \$126M TF**—Provides funding for the clean-up of contaminated petroleum sites, including \$1 million for state lands.
- **Drinking Water and Wastewater Revolving Loan programs \$203.2M (\$12.5M GR)**—Provides financial assistance to local governments for the construction of drinking water systems and critical environmental infrastructure.
- **Small Community Wastewater Treatment Grants \$25.3M**— Provides grant funding for disadvantaged small communities to assist with meeting their needs for adequate sewer facilities
- **Beach Restoration \$30.9M total (\$13.3M GR)**—Provides nonrecurring financial assistance to local and state governments and special taxing authorities for beach and dune restoration.
- **Water Projects \$24M GR**—Provides nonrecurring funds for various stormwater and wastewater treatment economic development incentives in local communities.
- **Northern Everglades \$6M GR**—Provides \$3 million for implementation of water resource protection best management practices and \$3 million for hybrid wetlands in the Northern Everglades and Estuaries Protection Area.
- **Forestry Wildfire Equipment \$3.3 million GR**—Provides nonrecurring funding for the replacement of critical firefighting equipment.
- **Position Reductions**—87 positions are eliminated as a result of consolidations, efficiencies and reorganizations.
- **Trust Fund Transfers to General Revenue Fund**—\$31 M is transferred from state trust funds to the General Revenue Fund.

## **Education**

The Education Appropriations Subcommittee proposed an overall budget totaling \$20.2 billion which is a \$1.3 billion (7 percent) increase over the base budget. The budget increases General Revenue by \$1.1 billion (8.5 percent) for a total General Revenue allocation of \$14 billion and provides an increase of \$158.5 million in state trust funds dedicated to education for a total trust fund allocation of \$6.1 billion.

### **PreK-12**

The PreK-12 budget totals \$13.7 billion which is a \$1.0 billion (7.86 percent) increase over the base budget. The budget increases General Revenue by \$1.0 billion (9.57 percent) for a total General Revenue allocation of \$10.6 billion and provides an increase of \$100.7 million (19.0 percent) for a total trust fund allocation of \$3.1 billion.

Highlights:

#### **Voluntary Prekindergarten Program**

- \$404.9 million, a decrease of \$8.4 (2 percent) million due to an expected decline in enrollment of 3,300 students
- Base student allocations maintained at 2012-13 levels of:
  - \$2,383 for the school year program
  - \$2,026 for the summer program

#### Early Learning Services – School Readiness

- \$595.3 million total funding, provides the same amount of funding for the School Readiness Program as provided in 2012-13.

#### FEFP

- \$18.3 billion total funding, an increase of \$1.0 billion from base budget
- Per student funding is \$6,781.61, or \$394.86 (6.18 percent) increase from the 2012-13 3rd FEFP calculation
  - Florida Retirement System Normal Costs of \$1.1 million
  - Florida Retirement System Unfunded Actuarial Liability Contribution of \$296.9 million
  - School Recognition increase from \$100 per student to \$125
  - Teachers Lead Allocation increase from \$200 per teacher to \$250
  - Sparsity Supplement increase of \$10 million
  - Enhancement funding of \$676.4 million

#### Educational Media and Technology

- The Educational Media and Technology Budget Entity proposes total funding of \$10 million, an increase of \$3.2 million or 47% from base budget
- Restored non-recurring funding of \$1,000,000 plus an additional workload of \$845,000 for the Capital Technical Center to continue hardware/mechanical updates.
- Provides \$800,000 to WFSU for lease renewal and maintenance of satellite transponder
- Added New Program:
  - Federal Equipment Matching Grants of \$307,093

#### Federal Grants

- The K-12 Program Federal Grants Budget Entity proposes total funding of \$1.77 billion, a decrease in budget authority of \$27.3 million or 1.52% from base budget

#### Administrative

- The Office of Early Learning Budget Entity proposes total funding of \$1.0 billion, a decrease of \$8.4 million or 0.83% from base budget due to the expired ARRA federal funding grant
- The State Board of Education Budget Entity proposes total funding of \$201.1 million, an increase of \$1.0 million or 0.52% from base budget in trust fund budget authority

## **Higher Education**

The higher education budget totals \$4.6 billion – a \$509 million (12 percent) increase from FY 2012-13 when tuition is not included. This includes a 15 percent (\$451 million) increase in general revenue funds and a 7 percent (\$58 million) increase from the Educational Enhancement Trust Fund. **The budget also includes a 6 percent base tuition increase authority for Workforce, Florida’s College and State Universities. With tuition revenues, the State University System realizes a total budget increase of 17 percent and the Florida College System budget realizes a total budget increase of 5 percent.**

State universities have authority in s. 1009.24(16)(b)3., F.S., for a tuition differential fee, which, when combined with base tuition, may not exceed 15 percent over the prior year, or exceed the national average. For Fiscal Year 2013-14, state universities may charge a tuition differential fee of 9 percent in addition to the 6 percent base increase. However, revenues anticipated from the 9 percent differential are not included in the proposed budget totals due to uncertainty about the ability of the institutions to receive BOG approval of the increase.

The proposed budget includes funding for 1,278.75 authorized positions. Highlights:

- Increases state funding for the State University System by \$200 million from the 2012-13 fiscal year; with tuition revenues generated by the 6 percent base tuition increase and other tuition adjustments the State University System realizes a total budget increase of 17%. The authorized tuition increases generate \$37 million for the State University System.
  - Includes increased state funding of \$65 million in additional performance funding and a total of \$42.5 million for preeminent universities.
- Increases state funding for the Florida College System by 3.3 percent from the 2012-2013 fiscal year. With tuition revenues generated by the 6 percent tuition increase, the Florida College System budget realizes a total budget increase of 4.5 percent. The authorized tuition increase generates \$52.8 million for the Florida College System.
- Authorizes a 6 percent tuition increase for Workforce Education programs, which generates an additional \$3.0 million for Workforce Education.

## **Government Operations**

The Government Operations Appropriations Subcommittee’s proposed budget is \$1.83 billion (\$282.5 million in general revenue funds and \$1.5 billion in trust funds) and includes funding for 11,364.25 positions.

Overall there is a \$61.9 million increase (or 3.5%) over the current year (9.4% in general revenue and 2.5% in trust funds) primarily due to funding maintenance/repairs of state facilities and workload issues in several agencies. Highlights:

- **State-Owned Facilities** - \$38.6 million is provided to address the \$118 million backlog of repairs and other needed improvements to state facilities under the direction of the Department of Management Services. The funding will address all life, health and safety issues.

- **Florida Accountability Contract Tracking System (FACTS)** – \$713,167 for the support and maintenance of the CFO’s FACTS initiative. The FACTS System once fully operational will maintain on a secure website all executive branch contracts.

- **One-Stop Business Registration Portal** - \$1.0 million for Department of Revenue to continue the development and implementation of an Internet website that will provide individuals and businesses with a single point-of entry into state government for completing and submitting of documents required to transact business in Florida.
- **Fiscally Constrained Counties** - \$24.0 million. This issue provides funding for counties to off-set the reductions in ad valorem tax revenue as a result of State Constitutional Amendments approved by voters in 2008.
- **Workload** - \$10.5 million and 83 positions is provided to accommodate increased workload in the various state agencies within the Government Operations Appropriations Subcommittee.
- **Reductions** – \$11.7 million in total reductions and 78 positions were eliminated within the agencies in the Government Operations Appropriations Subcommittee.
- **Trust Fund Transfers to General Revenue** - \$20.0 million has been identified as excess cash balances in various trust funds and is transferred to the General Revenue Fund.

### Overview

- The Health Care Appropriations Subcommittee overall proposed budget totals \$31.3 Billion (\$7.8 billion General Revenue and \$23.5 billion Trust Funds). Includes funding for 33,478.25 authorized positions.
- There is a 4.7% increase in total spending and a 2.26% increase in general revenue funds over the Fiscal Year 2012-13 Appropriation. Includes a 2.83% reduction in state FTE or a reduction of 975.0 FTE.

## Health Care

The Health Care Appropriations Subcommittee overall proposed budget totals \$31.3 Billion (\$7.8 billion General Revenue and \$23.5 billion Trust Funds). Includes funding for 33,478.25 authorized positions. There is a 4.7% increase in total spending and a 2.26% increase in general revenue funds over the Fiscal Year 2012-13 Appropriation. Includes a 2.83% reduction in state FTE or a reduction of 975.0 FTE. Highlights:

- **Medicaid Price Level and Workload Adjustment – \$996.3 M total, \$32.9 M GR –** Additional funding for increased Medicaid caseloads and price level adjustments as agreed upon by the February 2013 Social Service Estimating Conference for an anticipated additional 95,018 Medicaid beneficiaries. No category of Medicaid eligibility is eliminated or reduced. No provider rates are reduced below current fiscal year levels.
- **Florida Kid Care Enrollment Increase – (\$3.0) M, (\$3.2) M GR –** Provides funding for the 2013-14 anticipated growth in the Kidcare Program. Funding is expected to serve an additional 6,899 children, a 2.4% enrollment growth rate over the projected enrollment for current year.
- **Medicaid Provider Rate Increases –\$19.3 M total, \$7.98 M GR –** Provides funding to increase private duty nursing rates for Licensed Practical Nurses by 10 percent; increase reimbursements for dialysis provides from \$100 to \$125 per visit; funding to increase nursing home reimbursements for vent dependent residents by \$150 per day; and provide a 3% increase to Adult Day Training Providers.
- **Medicaid Inpatient Hospital Reimbursement Rate Adjustment - \$104.0 M, \$43.1 M GR -** Funding provided to increase Hospital Inpatient Medicaid reimbursement to assist in transitioning to the DRG reimbursement structure. Modified DRG model which provides a policy adjuster to maintain reimbursement levels for rural hospitals, policy adjusters for freestanding rehabilitation hospitals, and a policy adjuster in recognition of facilities providing high levels of pediatric care.
- **Funding for Additional Elder Waiver Slots – \$69.6 M total, \$33.1 M GR –** Funding to provide an additional 5,543 individuals in the community based care diversion programs including nursing home diversion, PACE, Assisted Living Waiver, Aged and Disabled Waiver, Community Care for the Elderly Program. This funding will serve 11.2% of those waiting for services through the maintenance of nursing home reimbursement levels.
- **Alzheimer’s Disease Initiatives – \$2.30 M GR –** Funding to restore Alzheimer's respite care services statewide, funding for Memory Disorder Clinics and other Alzheimer initiatives.

- **Resources to address the APD Medicaid Waiver Waitlist- \$24.2 M total, \$10.0 M GR** – Provides funding to increase those served on the Medicaid Home and Community Based Services Waiver by approximately 750. An additional \$40.2 million (\$17.0 million GR) is also provided for the 2012-13 Fiscal Year to cover carry forward deficits.
- **Maintenance Adoption Subsidies (MAS) Growth - \$10.5 M, \$5.8 M GR -** Provides additional funding for an anticipated increase of 3,000 new adoptions.
- **Restoration of Nonrecurring Funds in DCF- \$47.8 M, \$42.4 M GR**
  - \$2.0 million Healthy Families Program
  - \$1.1 million children’s substance abuse services
  - \$2.4 million community adult substance abuse services
  - \$3.9 million children’s mental health services
  - \$7.7 million community adult mental health services
  - \$3.0 million community adult mental health services – County Criminal Justice Grants
  - \$7.1 million support for regional and circuit administration
  - \$20.6 million maintenance adoption subsidies (MAS)
- **Increase to Substance Abuse Services - \$16.7 M, \$11.7 M GR -** Provides funding for the following:
  - \$5 million – Pilot program available to eight Community Based Care (CBC) Organizations to integrate child welfare and substance abuse services.
  - \$11.7 million – Expansion of community substance abuse services to target pregnant women and women with children. Expected to serve 300 women in residential treatment, 185 families with intensive outpatient services, and 400 women with post-partum case management.
- **Increase to Community Mental Health Services in - \$7.4 M GR -** Provides funding for Mental Health Community Action Teams (CATs) to serve adolescents and young adults with mental health disorders and to divert this population from more costly institutional or foster home care. A pilot program available for 11 community service providers expected to service 1,125 youths statewide.
- **Biomedical Research Funding - \$19.45 M, \$16.85 M GR -** Provides additional biomedical research funding:
  - \$2.85 million - James and Esther King
  - \$5 million - Bankhead/Coley
  - \$3 million - H. Lee Moffitt Cancer Center
  - \$3 million - Sylvester Cancer Center
  - \$3 million - Shands Cancer Center
  - \$2.6 million - Sanford-Burnham
- **Brain and Spinal Cord Injury Program - \$4.3 M, \$574,000 GR:**



- Provides funding (\$574,000 GR and \$814,822 TF) to expand the Brain & Spinal Cord Injury Program Waiver by an additional 40 waiver slots.
- Realigns funding from the Brain and Spinal Cord Injury Trust Fund to the General Revenue Fund (\$740,000) within the Medicaid waiver category to cover a potential deficit in FY 2013-14.
- Provides additional budget authority (\$3 million) for the Miami Project to Cure Paralysis due to increased revenues associated with Red Light Camera tickets pursuant to section 318.18(15)(b), F.S.

## **Justice**

The Justice Appropriations Subcommittee proposed budget totals \$4.3 billion (\$3.5 billion General Revenue and \$756 million Trust Fund). The budget includes funding for 44,250 positions. There is a \$364.2 million (or 7.84%) decrease in total spending compared to FY 2012-13 Appropriations, largely attributable to the removal of the Clerks from the State budget. General Revenue is increased from the current year funding of \$3,475 million to \$3,527 million an increase of \$51.9 million or 1.49%. Trust fund appropriations are reduced from \$1.2 billion to \$755.8 million a reduction of \$416.1 million or -35.50% (primarily due to the clerks being taken out of the GAA). This budget contemplates no changes in adult sentencing or release policies and ensures continued public safety. Highlights:

- Provides funding in the Department of Corrections for the increase in prison population and to offset the departments' deficit. (\$48.1M)
- Provides funding for in prison substance abuse treatment beds. (\$3.4M )
- Provides funding to support the maintenance and repairs of facilities/buildings in the departments of Correction, Juvenile Justice and the State Courts. (\$20.7M)
- Removes the clerks of court and the Corporation from the state budget and redirect filing fee revenue from the General Revenue Fund to the Clerks of the Court Trust Fund. (-\$445M)
- Provides recurring funding to Guardian Ad Litem to increase the number of volunteers. (\$1.8M )
- Provides additional funding for operational support to the State Attorneys, Public Defenders, Regional Conflict Counsels, Capital Collateral Regional Counsels, and the State Courts. (\$10.6M)
- Reduces funding to the Redirection Program from uncommitted funds in current year. (-\$6M)

## **Transportation**

The Transportation & Economic Development Appropriations Subcommittee crafted a \$10.9 billion budget which maintains both our economic development activities and our state's transportation infrastructure. This budget does not require reductions in recurring General Revenue, but the allocation does, however, require \$182.7 million of trust fund transfers. This comes from one source: the State Housing and Local Government Housing Trust Funds. Highlights:

- Safety and security were preserved:
  - There will be no loss of sworn law enforcement officers (FHP)
  - The budget has virtually full funding for all the key aspects of the Dept. of Military Affairs' budget request, including doubling the funding for the Guard Tuition Assistance program with \$3.5 million, and \$15 million for Armory renovations.
- The budget continues to achieve greater efficiencies in the Dept of Highway Safety by continuing the transition of providing driver license issuance services at tax collector's offices. This saves an additional \$1 million next year.
- Economic Development is funded at \$213.2 million. While this is just down from a high of \$245 million in the current year, it is approximately 7% greater than historical funding levels (approximately \$199M).
  - Within these resources, \$73M is provided to the Governor so he can best utilize economic incentives to take advantage of emerging trends and opportunities that promote job growth and business opportunities around the state.
  - Visit Florida's budget was increased from \$54 million to \$63.5 million in an effort to promote our state's vital tourism industry through increased marketing and advertising. Additionally, Space Florida's budget was increased from \$10 million to \$21.5 million to further bolster the space and aerospace industry in our state.
- The budget increases funding for State Aid to Libraries at \$22.2 million and increases cultural and museum funding by 47% with \$7.6 million. The Cultural Facilities program is funded at \$3.6 million; historic preservation grant programs are funded with an additional \$3 million, and restoration of historic properties at \$3.1 million.
- This budget fully funds the Transportation Work Program at \$8.4 billion.