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Florida House Releases 2014-2015 Budget Proposal

Tallahassee, Fla.—The Florida House Appropriations Committee today released its budget recommendations for the 2014-2015 fiscal year. State Representative Seth McKeel (R-Lakeland), Chair of the House Appropriations Committee, released the following statement regarding the House's proposed budget:

"Thanks to improving economic conditions and the Legislature's continued fiscal restraint, our state is well on the road to recovery. The Florida House remains committed to the fiscal principles that led us to this point and has proposed a budget that responsibly prioritizes funding in the best interest of all Floridians.

"With increased state revenue, we have the opportunity this year to provide hard-working Floridians with over $500 million in tax relief—the largest tax and fee cut of its kind in over a decade. We have also made significant investments in our state's education system, with a three percent increase in per student funding and total education funding exceeding any previous year. We are rewarding state universities that help students get jobs after graduation, not just framed degrees, by setting aside $60 million for performance funding.

"Our budget continues to strengthen Florida's safety net to serve our most vulnerable populations. We have provided funding to serve all citizens with intensive needs on the Agency for Persons with Disabilities Medicaid Waiver waiting list to help provide them with the services they need. We have also invested in Florida's child welfare system to reduce caseloads for Child Protective Investigators and better protect the children in our state.

"The House has also made significant investments to protect the environment, ensure the safety of our citizens, and improve our transportation infrastructure. I believe this budget strikes the right balance between funding our state's priorities, providing meaningful tax relief to Floridians and maintaining over $1.2 billion in General Revenue reserves to prepare for any potential future economic uncertainty."

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Overview of the 2014-2015 House General Appropriations Act

By the Numbers

- **Total House Recommended Budget: $75.3 billion**
    - General Revenue Funds $27.68 billion
    - State Trust Funds $22.1 billion
    - Federal Funds $25.6 billion
- **Compared to the FY 2013-14 Budget – up by $1.0 billion (3.8%)**
    - General Revenue Funds – up by $892.9 million (3.8%)
    - State Trust Funds – up by $1,022.4 million (4.6%)
    - Federal Funds – down by $867.1 million (-3.4%)
- **FTE's**
    - FY 2014-15 FTE = 114,166
    - FY 2013-14 FTE = 114,486
    - Reduction of 319 FTE; (-0.3%)
- **Reserves – $2.9 billion**
    - General Revenue Fund = $1.2 billion
    - Budget Stabilization Fund = $1,137.8 million
    - Lawton Chiles Endowment Fund = $585.2 million
- **Trust Fund Sweeps – $325.0 million**
    - Agriculture & Natural Resources – $55.0 million
    - Government Operations – $16.7 million
    - Health Care – $85.0 million
    - Transportation & Economic Development – $168.3 million

Education

Education state funding exceeds any previous year's funding.

The Education budget proposes an overall budget totaling $20.7 billion, which is a $380.0 million (1.87%) increase over the current year budget.

- General Revenue is increased by $216.1 million (1.53%) for a total General Revenue allocation of $14.4 billion.
- State trust funds are increased by $547.0 million (3.45%) for a total trust fund allocation of $6.3 billion.

The Education budget proposes an overall budget totaling $20.7 billion, which is a $511.5 million (2.54%) increase over the base budget.

- General Revenue is increased by $259 million (1.84%) for a total General Revenue allocation of $14.4 billion.
- State trust funds are increased by $412.8 million (4.33%) for a total trust fund allocation of $6.3 billion.

Early Learning

The Office of Early Learning budget totals $1 billion, an increase of $24.7 million or 2.45% from the current year, or an increase of $24.7 million or 2.45% from base budget.

- Increases are provided as follows:

- $2 million for the Home Instruction Program for Preschool Youngsters (HIPPY)
- $2 million for School Readiness Teacher Training
- $10 million for School Readiness Performance Funding
- $1.6 million for VPK Pre- and Post-Assessments
- $100,000 for Literacy Jump Start Pilot Project
- $2 million for the Florida Developmental Disabilities Council Help Me Grow Florida Network

Voluntary Prekindergarten Program
The VPK program budget totals $404.9 million, which is level-funded despite a projected decline in enrollment.

- The base student allocations of $2,491 for the school year program and $2,134 for the summer program represent an increase of $108 to both base student allocations.
- The VPK program is funded at the same level. While the program is anticipated to have fewer students, funds per student have been increased.

School Readiness
The School Readiness program total budget is $558.5 million, which includes an additional $6 million for an additional 1,200+ slots.

FEFP
The FEFP budget increases the funds per student 3.07%, which is a $207.98 per student increase.

- The FEFP includes $18.0 billion in total funding, an increase of $740.8 million.
- This includes $81.3 million for a technology supplemental allocation. The breakout of specific expenditure authority is:
  - $23.4 million, which represents:
    - Paying for the non e-rate amount ($11.5 million) to bring 1MB of bandwidth per student to each district.
    - Acquiring content filtering and additional security offerings ($11.9 million) to ensure compliance with all federal and state security and privacy laws for protecting student data.
  - $25.1 million to pay for the special construction cost at the individual school level.
    - This will bring fiber to the individual school level so the school can connect to the district area network and access its 1MB of bandwidth per student.
  - $32.7 million to help districts upgrade their network infrastructures necessary to deliver high-capacity Internet access.
- There is an additional $5.1 million (funding outside of the FEFP) to pay for special construction costs at the district level, which will primarily involve bringing fiber to those district area networks where it is not already available. This amount will be transferred to the Department of Management Services, who will work with the current contract holder of the FIRN contract to ensure this work is completed by the end of FY 14-15.

Other K-12 program funding

The Non-FEFP budget proposes total funding of $274.8 million, an increase of $19.6 million or 7.67% from current year, or an increase of $47.3 million or 20.76% from base budget.

Educational Media and Technology
The Educational Media and Technology budget totals $10.6 million, a decrease of $2.6 million or -19.4% from current year, or an increase of $1.4 million or 15.6% from base budget.

State University System
The State University System budget totals $4.3 billion, an increase of $167.4 million or 4.09% from current year, or an increase of $170.5 million or 4.17% from base budget.

- The State University System budget *state* funding totals $2.4 billion, an increase of $119.3 million or 5.22% from current year, or an increase of $120.8 million or 5.29% from base budget.
- The House budget includes $45 million additional funds and $15 million repurposed from the Gap Analysis Funding for State University Performance Funding, for which the Board of Governors will adopt a methodology to allocate the funds.

Florida College System
The Florida College System budget totals $1.2 billion, an increase of $66.0 million or 5.89% from current year, or an increase of $69.8 million or 6.26% from base budget.

Workforce Education
While there is no increase overall to the Workforce Education budget, the Education budget repurposes funds to allow district workforce centers to receive performance funding as follows:

- $2.5 million for Adult General Education programs
- $5.0 million for High-Skill/High-Wage occupational areas
- $5.0 million in continued funding for Industry Certifications, with additional certifications eligible for funding
- $5.0 million in funding for a Postsecondary Workforce Education Student Information System Pilot program

Student Financial Assistance
The budget reduces Bright Futures funding by $43.2 million (14 percent) due to decreased enrollment in the program. Bright Futures award amounts are maintained at the FY 2013-2014 level.

Vocational Rehabilitation
The budget provides $18.3 million in General Revenue to enable the department to draw down the full amount of its federal grant award, an additional $68 million dollars. This will allow the division to eliminate the waiting lists (projected to be 15,500 customers by June 30, 2014) by June 30, 2015.

Private Colleges and Universities
Both FRAG and ABLE student tuition assistance programs were increased. $5.1 million was provided for enrollment growth and fully funding newly eligible institutions in the FRAG and

ABLE programs. $12.4 million was provided to increase each program's award amount per student by $300 per award.

Education Fixed Capital Outlay

Maintenance Funding: $308.6 million total

- Public Schools – $50 million
- Charter Schools – $100 million
- Florida Colleges
  - Regular Maintenance Category – $22.8 million
  - Critical Maintenance – $41.6 million
- State Universities
  - Regular Maintenance Category – $34.0 million
  - Critical Deferred Maintenance – $60.1 million

Continuation of Previously Funded Projects

- Florida Colleges - $67.5 million
- Universities – $147.9 million

New Construction/New Renovation Projects

- Florida Colleges – $5.3 million
- Universities - $11.0 million
- Special Facilities Construction – $27.3 million
  - Glades County (2nd of 3 Years) – $7.9 million
  - Levy County (1st of 3 Years) - $11.5 million
  - Calhoun County (1st of 3 Years) - $7.9 million

Other Issues

- Florida School for the Deaf and Blind – $1.1 million
- Public Broadcasting Projects – $2.2 million
- Capital Improvement Fee Trust Funded Projects – $31.1 million

Healthcare

The Health Care Appropriations Subcommittee overall proposed budget totals $30.7 Billion ($8.2 billion from General Revenue and $22.5 billion from Trust Funds). This total includes funding for 32,943 authorized positions. There is a 1.6% decrease in total spending and a 4.83% increase in General Revenue funds over the Fiscal Year 2013-14 appropriation. This includes a 1.6% reduction in state FTE or a reduction of 540 FTE.

Highlights

- **Medicaid Price Level and Workload Adjustment - ($600.4) M, $260.0 M GR -** Funding for Medicaid caseloads and price level adjustments as agreed upon by the February 2014 Social Service Estimating Conference for an anticipated 3.7 million Medicaid

beneficiaries. No category of Medicaid eligibility is eliminated or reduced. No provider rates are reduced.

- **Long Term Care Waitlist Reductions - $19.8 M, $8.0 M GR -** Funding to reduce waitlist clients for the Elderly Long Term Care Medicaid Waiver to serve approximately 1,295 additional individuals.

- **Florida Kid Care Enrollment - ($36.3) M, ($12.7) M GR –** Fully funds the KidCare program for the 2014-15 Fiscal Year to serve approximately 269,778 children.

- **Medicaid Electronic Health Record Incentive Program - $156.6 M TF -** Funding to continue the Medicaid Provider Incentive Payment program, which provides incentive payments to eligible Medicaid providers and hospitals for the adoption and meaningful use of electronic health records.

- **Medicaid Provider Rate Increases - $14.0 M total, $5.6 M GR -** Provides funding to increase private duty nursing rates by 10% and Prescribed Pediatric Extended Care (PPEC) reimbursement rates by 3.5% , and provides a 2% increase to Adult Day Training Providers.

- **Medicaid Rural Hospital Reimbursement Adjustment - $2.7 M, $1.1 M GR -** Funding to increase reimbursement to rural Medicaid hospitals.

- **Enriching Seniors Initiative - $6.0 M GR -** Nonrecurring funding to expand the Public Guardianship program statewide ($3.0 M) and for increasing visits by the State Ombudsman ($3.0 M).

- **Alzheimer's Disease and Community Care for the Elderly Initiatives - $9.0 M GR -** Funding ($8.0 million recurring and $1.0 million nonrecurring) to reduce the waitlist by 392 individuals for Alzheimer's respite services and 751 for the Community Care for the Elderly program.

- **Program of All Inclusive Care for the Elderly (PACE) - $5.1 M, $2.1 M GR -** Funding to support the Program of All-inclusive Care for the Elderly (PACE) by funding 250 additional slots in Palm Beach County (200), Lee County (30), Collier County (10), and Charlotte County (10).

- **Restoration of Nonrecurring Funds in DCF - $38.3 M, $33.1 M GR**
    - $2.0 million Healthy Families Program
    - $1.1 million children's substance abuse services
    - $2.5 million community adult substance abuse services
    - $4.0 million community adult mental health services
    - $3.0 million community adult mental health services - County Criminal Justice Grants
    - $8.1 million support for regional and circuit administration
    - $17.6 million maintenance adoption subsidies (MAS)

- **Maintenance Adoption Subsidies (MAS) Growth - $11.2 M, $7.8 M GR -** Provides additional funding for an anticipated increase of 3,000 new adoptions.

- **Improvements to the Child Welfare System - $44.5 M GR**
    - $13.1 million for an additional 191 additional Child Protective Investigators (CPIs) to reduce the investigator to caseload ratio and supervisor to investigator ratio.
    - $8.1 million to six county Sheriffs who perform child abuse investigations in lieu of the Department.
    - $7.5 million to expand the Healthy Families Program, which provides voluntary, in-home services to prevent child abuse and neglect that may lead to the removal of the child from the home.
    - $2.8 million to the Department of Health's Child Protection Teams to support costs associated with developing new assessment tools for alleged child abuse and neglect cases.
    - $10.0 million to the Community Based Care (CBC) agencies.
    - $3.0 million specifically for sexually exploited youth.

- **Continuation of Mental Health and Substance Abuse Initiatives - $16.5 M GR**
    - $7.6 million to continue and expand the children and adolescent Community Action Treatment (CAT) teams.
    - $8.9 million to continue substance abuse services directed towards pregnant women and their affected children.

- **APD Medicaid Waiver Waiting List - $20.0 M, $8.1 M GR -** Funding to serve all "intensive needs" clients who are currently on the waiting list for services. Funding is expected to serve approximately 1,260.

- **Alzheimer's Research Funding - $3 M GR -** Provides funding for Alzheimer's Research through the Ed and Ethel Moore Alzheimer's Research Program contingent upon the passage of House Bill 709.

- **Epilepsy Services Program - $1 M GR -** Provides additional nonrecurring funding to support the statewide program.

- **Biomedical Research Funding - $28.6 M, $23 M GR -** Provides biomedical research funding to the following:
    - $10 million - James and Ester King Biomedical Research Program
    - $10 million - William G. "Bill" Bankhead, Jr. and David Coley Cancer Research Program
    - $5.6 million - Sanford-Burnham (nonrecurring)
    - $3 million - Vaccine and Gene Therapy Institute (nonrecurring)

- **Cancer Centers Funding - $60 M, $42.4 M GR -** Provides funding to support the Florida Consortium of National Cancer Institute Centers Program to enhance the quality and competitiveness of cancer care in the state, further a statewide biomedical research strategy

responsive to the health needs of Florida's citizens, and capitalize on the potential educational opportunities available to its students.

- Realigns $26.75 million from existing funding for biomedical research.
- Provides an additional $33.25 from the General Revenue Fund.

- **New State Veterans' Nursing Home - $11 M TF -** Provides funding for the planning, design, and construction of one new State Veterans' Nursing Home – Year 1 of 3-year construction project.

Justice

The Justice Appropriations Subcommittee proposed budget totals $4.61 billion ($3.85 billion General Revenue, $598.6 million Trust Fund, $166 million Federal funds). The budget includes funding for 44,846 FTE positions. There is a $171.3 million (or 3.9%) increase in total spending compared to FY 2013-14 Appropriations. General Revenue is increased from the current year funding of $3,659 million to $3,846.6 million, an increase of $187.6 million or 5.1%. Trust fund appropriations are increased from current year funding of $534.3 million to $598.6 million, an increase of $64.3 million or 12%.

Highlights

Department of Corrections

- $41 M for current year deficit
- $12.4 M for current year CJEC increase
- $34.5 M (488 FTE) for 2014-15 CJEC increase
- $6.4 M to restore security salary lapse
- $2.9 M for electronic monitoring
- $6.8 M for maintenance and repair
- $975,000 for substance abuse treatment
- $360,000 for replacement of motor vehicles (transport inmates)
- Debt service reduction associated with contract reductions: $8.2 M

Justice Administration Entities

- Guardian ad Litem: $6 M (105 FTE) for volunteer initiative
- State Attorneys, Public Defenders, Regional Conflict Counsels, Capital Collateral Regional Counsels: $5.3 M (75 FTE) for workload
- JAC, State Attorneys, Public Defenders, Regional Conflict Counsels, Capital Collateral Regional Counsels: $1.8 M for electronic filing mandate and other IT replacement issues

Department of Juvenile Justice

- $ 37.4M for current year Detention Cost Share and Medicaid deficit
- $29.5 M for Detention Cost Share adjustment (state will pay 50%)
- $10.8 M and $7.5 M fund shift from AHCA for Medicaid funds

- $1.6 M for PACE Centers statewide
- $1.8 M for CINS/FINS Statewide
- $3.7 M for other prevention services
- $2.9 M for maintenance and repair

Florida Department of Law Enforcement

- $3.9 M for the Standards and Training TF needs
- $880,000 for maintenance contracts for lab equipment

Department of Legal Affairs (Attorney General's Office)

- $1 M (10 FTE) for criminal appeals workload
- $522,288 (2 FTE) for statewide prosecution workload

State Courts

- $5.1 M and 50 FTE, of which 21 are judges (3 DCA, 7 Circuit, 11 County)
- $5.5 M for the continuation of drug courts programs
- $800,000 for veterans courts
- $2.3 M for small county courthouses
- $4.5 M for Child Advocacy Centers
- $3 M in maintenance and repair

Parole Commission

- $400,000 for clemency investigations workload
- $120,000 for capital clemency workload

Transportation and Economic Development

The Transportation & Economic Development Appropriations Subcommittee overall proposed budget totals $11.4 billion, which strengthens both Florida's economic development activities and state transportation infrastructure.

Highlights

- The budget ensures safety and security is preserved.
    - Funds are provided for an additional 28 Troopers for the Florida Highway Patrol.
    - The budget has virtually full funding for all the key aspects of the Department of Military Affairs' budget request. It includes an additional $1 million for the Guard Tuition Assistance program and $2.5 million for constructing a new Special Forces headquarters at Camp Blanding.

- The budget continues to achieve greater efficiencies in the Department of Highway Safety by continuing the transition of providing driver license issuance services at tax collector's offices. This saves an additional $152,238 next year.

- This budget allocation requires $168.3 million of trust fund transfers to General Revenue. These come from the State Economic Enhancement and Development Trust Fund and the Local Government Housing Trust Fund. These transfers, however, do not preclude substantial investments made in our economic development and housing programs.

- Economic Development is funded at $216 million. This is approximately 10% greater than historical funding levels (approximately $197M).
    - Within these resources, $60 million 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 $63.5 million to $71.3 million in an effort to promote our state's vital tourism industry through increased marketing and advertising.
    - Additionally, Space Florida's budget was maintained at $19.5 million to further bolster the space and aerospace industry in our state.

- Affordable Housing programs were funded at $89.3 million, evenly divided between the State Apartment Incentive Loan program (SAIL) and the State Housing Initiatives Partnership (SHIP).

- The budget funds State Aid to Libraries at $22.3 million, and for the first time in many years, provides funding for public library construction grants.

- Total funding for cultural and museum grants and cultural facilities is $21.8 million, an increase of 57% from the current year. Historical preservation grants and facilities funding is increased 29% with $10.2 million.

- The budget fully funds the Transportation Work Program at $8.9 billion. This funding level has been augmented with an additional recurring transfer of $100 million from the General Revenue Fund. This additional funding will focus on strategic transportation projects that connect major markets and increase our state's viability in the national and global economies.

Agriculture and Natural Resources

The Agriculture & Natural Resources Appropriations Subcommittee proposed budget totals $3.4 billion ($467.7 million in General Revenue and $2.9 billion in Trust funds) and includes funding for 8,750.25 authorized positions. There is a $265.1 million (8.4%) increase in total spending over the current year, with a $156.2 million (50.1%) increase in general revenue funds and a $108.9 million (3.8%) increase in trust funds. There is a 114.5 net loss in the number of positions (-1.3%).

Highlights

- **Land Purchases/Conservation Easements $70M ($5M GR)**
    - $55M for Florida Forever program ($40M from the sale of nonconservation lands)
    - $15M for Rural and Family Lands Protection program

- **Everglades Restoration $115M ($37M GR**)
    - $32M for Water Quality Plan
    - $40M for the C-44 reservoir
    - $5M for Kissimmee River Restoration project
    - $5M for the C-111 South Dade Project
    - $3M for Northern Everglades (DACS)
    - $30M for Tamiami Trail Bridge in the DOT budget.

- **Northern Everglades $17.5M GR**
    - $10M for nutrient reduction and water retention projects in the Lake Okeechobee Watershed
    - $7.5M for hybrid wetlands in the Northern Everglades and Estuaries Protection Area
- **Springs $50M GR**—Provides $10M from current year and $40M in additional nonrecurring funding for springs restoration around the state.

- **Drinking Water and Wastewater Revolving Loan Programs $225.2M ($16.3M GR)**—Provides financial assistance to local governments for the construction of drinking water systems and critical environmental infrastructure.

- **Small Community Wastewater Treatment Grants $21M TF**— Provides grant funding for disadvantaged small communities to assist with meeting their needs for adequate sewer facilities.

- **Beach Restoration $27.6M ($10M GR)**—Provides financial assistance to local governments and special taxing authorities for beach and dune restoration and inlet management.

- **Keys Wastewater Plan $50M TF**—New construction secured by $4.3M in documentary stamp tax revenue.

- **Water Projects $110.5M GR**—Provides nonrecurring funds for various stormwater and wastewater treatment economic development incentives in local communities
    - Includes $10M for EGRET Muck Removal project.

- **Petroleum Tanks Cleanup Program $100M TF**—Provides funding for the clean-up of contaminated petroleum sites.

- **Artificial Reef Construction $10.7M TF**

- $0.8M for grants to local governments, qualified nonprofit entities, and state universities for local artificial reef planning, development, assessments, and management
- $9.9M for year one of NRDA projects in Bay, Escambia, Santa Rosa, Okaloosa, and Walton counties

Government Operations

The Government Operations Appropriations Subcommittee proposed budget totals $1.95 billion ($298 million in General Revenue and $1.65 billion in Trust funds) and includes funding for 11,379.25 positions.

Highlights

Department of Management Services

- Reductions of 1 FTE and $5.7 million. The reductions eliminate spending authority for federal grants that have expired and savings realized from a decline in state utility costs.
- $46.5 million for the Florida Information Resource Network to provide bandwidth support for all 67 Florida school districts.
- $33.0 million for building repairs and maintenance in the Florida Facilities Pool.
- $805,000 for repairs and maintenance to the Historic Capitol.
- $2.2 million for enhancements to the Statewide Law Enforcement Radio System (SLERS).
- $2.0 million for a voluntary wellness pilot program for state employees.
- 4 FTE and $1.1 million for the Florida Commission on Human Relations for employees to handle workload increases and for the Commission to move from private office space to a state facility.

Department of Revenue

- Reductions of $2.3 million. The reductions include federal spending authority that is no longer needed and savings from reduced building rental costs.
- $23.5 million for fiscally constrained counties and $173,900 for aerial photography of counties with population of 50,000 or less.
- $32.5 million in budget authority to distribute funds to the clerks of the court. The funding provides for the implementation of chapter 2013-44, Laws of Florida.
- $1.2 million for moving DOR offices into state facilities, which will provide cost savings in future years.

Department of Financial Services

- Reductions of $4.3 million; including 17 positions that have been vacant for more than 120 days.
- $6 million nonrecurring general revenue and 22 positions for FLAIR replacement study.

- $3.46 million FCO funding for the Fire Marshall - related to ADA compliance and repairs to the State Fire College and the Arson Laboratory.
- $850,000 for the Fire Marshall to purchase fire trucks and arson lab equipment.
- $1.5 million for the Office of Insurance Regulation for enhancements to the Florida Public Hurricane Loss Model.
- $810,000 and 5.00 positions for the Office of Financial Regulation for the establishment of a Check Cashing Transaction Database to implement chapter 2013-139, Laws of Florida.

Department of Business and Professional Regulation

- $500K in reductions associated with program reductions and building rental savings.
- $3.0 million increase for the Florida Construction Recovery Fund to pay claims.
- $1.1 million and 4 FTE for the Unlicensed Activity Program to provide dedicated program staff and enhance the operations of the program.
- $1.2 million for Visit Florida to promote tourism in Florida.

Department of Lottery

- Reductions of $194K based on efficiencies due to implementation of mobile sales tools and document management system.
- $5.6 million for Instant Ticket and Terminal draw games contracts based on REC estimates.

Public Service Commission

- Reductions of 10 FTE and $1.1 million. The reductions include eliminating spending authority from expired federal grants and savings from reduced building rental costs.

Southwood Shared Resource Center

- Reduction of 7.25 positions vacant over 120 days.
- $2.76 million reduction based on the projected billing cycle used to build the proposed FY 2014-2015 House GAA.

Northwood Shared Resource Center

- Reduction of 3 positions vacant over 120 days.
- $2.5 million reduction in contract costs.