

STATE AGENCIES REQUEST A 3.0 PERCENT GENERAL REVENUE FUNDING INCREASE FOR NEXT YEAR

Florida's state government agencies have requested \$77.835 billion¹ in funding from the Legislature for FY2016-17, which is \$1.2 billion (1.6 percent)² more than these agencies are expected to spend in the current year. The total request is made up of \$29.481 billion in general revenue (GR) and \$48.354 billion in trust funds. The GR request is an increase of \$854.5 million (3.0 percent). The latest revenue estimates forecast \$31.653 billion in GR will be available for FY2016-17 meaning that the agency requests would leave GR reserves of \$2 billion.³

The agencies' Legislative Budget Requests (LBRs) are the first step in developing a budget for the next fiscal year. The Governor will use the LBRs in developing his budget recommendations.

Agencies appear more optimistic about funding than they were last year, when they requested a smaller increase of \$660.8 million (0.9 percent). While 22 agencies requested an increase in funding, eight agencies asked for less than they will spend this year, although three of those decreases are very small.

Even when agencies request increased spending for specific programs, total requests can be lower than current spending in large part due to non-recurring appropriations in the current budget (such as local projects and one-time grants), which are often not requested for the next budget.

Agencies are also requesting 114,700 state employee positions, an increase of 1,083 positions (1.0 percent). Most of the increase comes from Justice Administration (State Attorneys and Public Defenders) and the Department of Corrections.

The next step in the budget process is the Governor's budget recommendations, which will be released in November 2015 and will be analyzed in an upcoming *Budget Watch*. The agency LBRs are only requests, and the Governor can choose not to recommend individual components of the LBRs, he can adjust the amounts, and he can add his own initiatives. In addition, his expected tax cut recommendations will reduce the money available for appropriation. The Governor's recommended budget will then be the starting point for legislative budget deliberations. The Legislature can make any changes it sees fit, including adding back items from the LBRs not recommended by the Governor.

¹ This does not include the Legislative Branch and Administered Funds. These budget entities do not produce Legislative Budget Requests. Current year appropriations for these two budget entities total \$242.8 million.

² This increase assumes the Dept. of Transportation's LBR and its current year spending are the same amount. Due to its unique cash flow system, DOT's LBR is artificially low. An amended LBR will be developed based on the new tentative work program. It is anticipated that request will be much closer to current year appropriations.

³ Assuming no change in GR funding for the Legislative Branch and Administered Funds.

HIGHLIGHTS OF THE LEGISLATIVE BUDGET REQUESTS

Education

The Department of Education (DOE) is requesting \$23.222 billion, \$297.8 million (1.3 percent) more than it is spending this year. K-12, state colleges and universities, early learning, vocational rehabilitation, adult education and fixed capital outlay would all receive funding increases. Only spending for private colleges and universities would be slightly decreased from the current year.

K-12 Education – Although total state spending on K-12 would only increase slightly, spending for the Florida Education Finance Program (FEFP) would rise by 2.4 percent to \$20.183 billion. This would increase per-student funding to its highest level ever: \$7,209 per student, up \$104 per student. This \$476 million increase would come almost entirely from local property taxes, state funds would only provide \$50 million of the increase. This may be a tough sell to the Legislature. **Senator Don Gaetz**, chairman of the **Senate Education Appropriations Subcommittee**, has correctly pointed out that this is a tax increase and has indicated it would be difficult for the Senate to support.

Within the FEFP, DOE is requesting \$86.8 million in new funds for the Lowest Performing Schools Allocation, a \$20 million increase in Digital Classrooms Allocation, and a \$10 million increase in the Safe Schools Allocation.

Higher Education – Florida Colleges are requesting \$1.192 billion, a slight \$12 million (1.0 percent) increase over the current year. When tuition is counted, total funding would exceed \$2 billion. The request includes \$20 million in performance funding, \$5 million in new funds to create a \$10,000 STEM Bachelor Degree program, a \$5 million increase for summer dual enrollment and a \$5 million increase to double the funding for Performance Incentives for Industry Certifications.

Universities are requesting \$4.663 billion, a \$156 million (3.5 percent) increase. This includes \$100 million more in performance funding, bringing the total to \$500 million -- \$250 million from the state and \$250 million from the universities' base budgets. Universities also requested \$145.8 million in fixed capital outlay funding for renovations and repairs and to continue seven constructions projects. The Board of Governors is also considering \$460 million in additional university building requests for possible inclusion in an amended LBR next month.

Early Learning – The Office of Early Learning, which runs the state's prekindergarten programs, is requesting \$1.055 billion, a \$34 million (3.4 percent) increase. The request includes a \$20 million increase in school readiness funding and a \$9.3 million boost to the base allocation for the Voluntary Prekindergarten Program, which would increase per student funding by \$50 to \$2,487.

Health and Human Services

Agency for Health Care Administration (AHCA) – The AHCA budget is the state’s largest, as it includes Florida’s \$24 billion Medicaid program. AHCA is requesting a total budget of \$25.808 billion, an increase of \$296.1 million (1.2 percent). Although the requested total budget increase is relatively small, the GR portion of the budget would increase by \$536.5 million (9.0 percent). The Medicaid budget is expected to grow from \$23.5 billion to \$24.86 billion and serve 4.2 million Floridians (a 170,000 caseload increase over the current year) in 2016-17.⁴ AHCA is requesting \$326.8 million for price level increases and \$1.1 billion for increased workload.

AHCA is also requesting \$17.4 million for the procurement of the Florida Medicaid Management Information System and the Decision Support System. The current contract expires June 2018. The department’s goal is to award the new contract in January 2017.

The LBR also includes \$2.9 million for the third year of the advanced data analytics and detection services contract. Florida TaxWatch supports this investment to help AHCA more effectively detect and prevent Medicaid fraud and abuse.

Agency for Persons with Disabilities (APD) – APD is requesting a budget of \$1.299 billion, an increase of \$20.5 million (1.7 percent). The LBR includes \$15 million to serve 700 additional clients on the Home and Community Based Waiver Services waitlist, \$3.5 million to continue implementing the Client Data Management System and \$8.7 million for fixed capital outlay.

APD is requesting the reduction of 113 employee positions in Developmental Disability Centers, saving \$6 million. Because of the decline in the number of clients, the positions are no longer needed.

Department of Children and Families (DCF) – DCF requested a total budget of \$3.049 billion, a \$40.2 million (1.3 percent) increase. The LBR includes \$106.6 million in new issues, including \$43.1 million to implement a coordinated system of behavioral health services, an issue supported by Florida TaxWatch research.⁵ DCF is also requesting \$50.4 million for enhanced safety management and child welfare.

Department of Elder Affairs (DEA) – DEA is asking for \$297.2 million, virtually the same amount as current spending. The request does contain new money to reduce wait lists for the Alzheimer’s Disease Initiative and community-based care.

Department of Health (DOH) – DOH is requesting \$2.817 billion, \$4.4 million (0.2 percent) less than this year. This request includes new initiatives totaling \$70.9 million, including \$5.3 million for information technology; \$17.0 for fixed capital outlay and \$34.3 million for the Child Care Food Program.

Department of Veteran Affairs (DVA) – DVA is requesting \$124.5 million, \$16.0 million (14.7 percent) more than this year. DVA’s priorities include \$1.7 million for 41 additional direct care staff in state veterans’ homes, \$12.3 million to continue building three new homes and \$6.4 million for staff salary increases.

⁴ Florida Legislature, Long Range Financial Outlook, Fall 2015. http://edr.state.fl.us/Content/long-range-finacial-outlook/3-Year-Plan_Fall-2015_1617-1819.pdf

⁵ Florida TaxWatch, Analysis of Florida’s Behavioral Health Managing Entities Model, March 2015. <http://www.floridatxwatch.org/resources/pdf/ManagingEntitiesFINAL.pdf>

Public Safety and Courts

Department of Corrections (DOC) – DOC is requesting a \$2.437 billion budget, a \$73.3 million (3.1 percent) increase. The department's request also includes 478 new positions (2.0 percent increase). These new positions include 199 FTE's to reopen closed facilities (two work camps and four dorms) to address capacity issues. Other priorities include \$35.9 million for capital outlay improvements and \$4.0 million to replace 99 vehicles.

Department of Juvenile Justice (DJJ) – DJJ's request of \$545.8 million is a \$5.5 million increase from current year expenditures. Priorities include \$8.2 million for basic repair of buildings, \$1.9 million to achieve optimum staffing ratios in non-secure residential programs, and \$1.3 million for 40 additional slots at Pace Centers for Girls.

Department of Law Enforcement (DLE) – DLE is requesting a budget increase of \$24.0 million (8.9 percent), bringing its budget to \$294.0 million. The request include \$32.2 million in new initiatives, including \$4.0 million to increase crime lab employee pay, \$3.8 million to enhance forensic services, \$3.0 million to build a new Regional Operations Center in Pensacola, and \$2.5 million to continue replacing the Computerized Criminal History System. FDLE is also requesting 37 new positions, including 26 investigative employees (\$3.4 million).

State Court System – The Judicial Branch is requesting \$560.6 million, a \$41.5 million (8.0 percent) increase. The Courts' priorities include \$25.3 million and 65 positions for the Trial Court Technology Comprehensive Plan, a multi-year comprehensive strategy for addressing the statewide technology needs of the trial courts. The LBR also contains \$5.9 million in recurring salary dollars to address pay equity and retention issues and \$3.5 million for 52.5 case management positions in circuit courts. And subject to the Supreme Court's certification of need, \$8.9 million is requested for 32 county judges and 32 judicial assistants and \$1.2 million is requested for three circuit court judges, three assistants, and four trial court clerks.

Justice Administration – The Justice Administration (JA) LBR totals \$938.5 million, a \$78.5 million (9.1 percent) increase. The vast majority of the JA budget is personnel, so this increase is driven by an additional 145 positions, mostly in the 20 state attorney and public defender districts. In addition, the Guardian Ad Litem program is requesting \$1.1 million to fund 13 new child advocate managers, two supervisors and four new program attorneys. This increase will enable the program to serve all currently identified out-of-home care, dependent children at a staffing level that is consistent with national standards for court-appointed special advocates. Another \$1.4 million is requested for 25.5 new FTEs to serve dependent in-home children under age three, as part of a plan to represent all children in the dependency system, both out of home and in-home.

Environment and Natural Resources

Department of Environmental Protection – DEP is requesting \$1.502 billion, a \$59.7 million (4.1 percent) increase over this year. The department is proposing a new Division of Water Restoration Assistance that would consolidate major water-related financial assistance program in one place. These programs, costing \$470 million, include the revolving loan programs, beach restoration, springs, and wastewater treatment grants. Other priorities include Everglades Restoration (\$176 million), land acquisition (\$63 million) spring protection (\$50 million), water supply projects (\$50 million), and state park improvements (45.5 million).

Department of Agriculture and Consumer Services (DACS) – DACS is requesting \$1.687 billion, a 10.3 percent increase over current spending. The LBR contains initiatives totaling \$244.3 million in water policy coordination, the forest service, animal and plant pest and disease control and agricultural products marketing. The agency’s request has been criticized by supporters of Amendment 1 for expenditures from the Land Acquisition Trust Fund on uses they perceive as not consistent with the amendment⁶. This includes \$7.3 million for road repairs, construction and maintenance for the Florida Forest Service, information technology and replacing vehicles.

Fish & Wildlife Conservation Commission – The Commission is requesting \$378.8 million, \$19.8 million (5.5 percent) more than it received this year. New issues totaling \$32.3 million include \$19.7 million for water and land conservation, \$5.7 million for boating improvements and access, \$1.5 million for derelict vessel removal and \$400,000 for black bear education and outreach and lionfish management.⁷

Economic Development and Transportation

The Department of Economic Opportunity – DEO is requesting \$1.246 billion, a \$186 million (17.8 percent) increase. A major priority--of both the Department and the Governor--is \$85 million for the economic incentive “toolkit” used to attract businesses to Florida. It was funded at \$43 million last year. Other priorities include \$10 million for the state’s business branding campaign and \$74 million for Visit Florida, the state’s tourism marketing public-private partnership. DEO is also asking for \$3.5 million to create a new unit to fight unemployment compensation fraud.

Department of Transportation – DOT’s request of \$8.553 billion is far less than the \$10.034 billion expected to be spent in the current year. However, due to its unique cash flow system, DOT’s LBR tends to be artificially low. An amended LBR will be developed based on the new tentative work program. It is anticipated that request will be much closer to current year appropriations. The majority of DOT’s budget is comprised of the Work Program. The LBR contains \$7.633 billion for the Work Program, the current budget contains \$9.119 billion. The non-Work Program component of the LBR totals \$920 million (including \$170.1 million in debt service), up from \$915 million in the current year.

⁶ Tampa Bay Times, “Agriculture department requests conservation funds to replace out-of-date cars, repair roads”, September 15, 2106. <http://www.tampabay.com/blogs/the-buzz-florida-politics/agriculture-department-requests-conservation-funds-to-replace-out-of-date/2245683>

⁷ For more information see Florida TaxWatch, Economic Commentary, “The Lionfish: Threatening Native Fish and Florida’s Fishing Industries,” March 2015. <http://www.floridatxwatch.org/resources/pdf/Mar15ECFINAL.pdf>

FY 2016-17 AGENCY BUDGET REQUESTS COMPARED TO CURRENT YEAR

\$ millions

Department/ Agency	General Revenue	Trust Funds	Total	GR Over/ (Under) Current Year	Total Over/ (Under) Current Year	Requested Positions	Over/(Under) Current Year
Agriculture & Consumer Services	\$132.6	\$1,554.4	\$1,687.0	\$10.4	\$157.6	3,650.25	36.00
Business & Professional Regulation	\$2.1	\$150.6	\$152.7	-	\$1.6	1,620.25	-
Children & Families	\$1,691.0	\$1,358.5	\$3,049.5	\$40.8	\$40.2	11,838.50	8.00
Citrus	\$7.7	\$41.9	\$49.6	\$7.7	\$7.8	55.00	-
Commission on Offender Review	\$10.0	\$0.1	\$10.0	-	-	132.00	-
Corrections	\$2,365.7	\$70.8	\$2,436.5	\$73.2	\$73.3	24,370.00	478.00
Economic Opportunity	\$24.6	\$1,221.0	\$1,245.7	(\$9.1)	\$186.0	1,540.50	(78.00)
Education	\$15,319.4	\$7,903.1	\$23,222.4	\$206.4	\$297.8	2,325.75	(87.50)
Elder Affairs	\$129.2	\$166.5	\$295.7	\$4.0	(\$0.1)	433.50	-
Environmental Protection	\$41.2	\$1,460.5	\$1,501.7	(\$106.1)	\$59.7	2,976.50	2.00
Financial Services	\$50.7	\$325.5	\$376.2	\$26.5	\$49.3	2,500.50	(109.00)
Fish & Wildlife Conservation	\$36.7	\$342.2	\$378.8	\$7.1	\$19.8	2,118.50	-
Governor's Office	\$27.3	\$282.0	\$309.3	\$5.5	(\$59.3)	433.00	-
Health	\$482.0	\$2,335.3	\$2,817.3	(\$37.3)	(\$4.4)	14,358.50	-
Health Care Administration	\$6,480.7	\$19,327.4	\$25,808.1	\$536.5	\$296.1	1,565.00	2.00
Highway Safety & Motor Vehicles	-	\$465.1	\$465.1	-	\$11.2	4,414.00	-
Justice Administration	\$795.3	\$143.2	\$938.5	\$76.1	\$78.5	11,129.75	747.00
Juvenile Justice	\$395.8	\$150.0	\$545.8	\$5.6	\$5.5	3,265.50	-
Law Enforcement	\$119.4	\$174.6	\$294.0	\$15.5	\$24.0	1,850.00	37.00
Legal Affairs	\$47.7	\$153.5	\$201.3	(\$2.6)	(\$3.0)	1,390.50	29.00
Lottery	-	\$176.5	\$176.5	-	\$6.9	420.00	-
Management Services	\$29.4	\$560.8	\$590.2	(\$25.3)	(\$41.4)	1,083.00	-
Military Affairs	\$32.3	\$44.1	\$76.4	\$3.2	(\$19.9)	453.00	(5.00)
Persons with Disabilities	\$523.7	\$705.7	\$1,229.4	\$19.0	\$20.5	2,752.50	(113.00)
Public Service Commission	\$0.2	\$24.8	\$25.0	\$0.0	(\$0.1)	277.00	(3.00)
Revenue	\$186.3	\$363.4	\$549.7	(\$25.4)	(\$24.5)	5,133.00	-
State	\$58.3	\$33.9	\$92.1	(\$35.7)	(\$40.0)	406.00	-
State Courts	\$469.0	\$91.6	\$560.6	\$48.6	\$41.5	4,482.50	145.00
State Technology	\$4.5	\$68.2	\$72.7	\$0.2	\$1.4	241.00	-
Transportation*	-	\$8,552.9	\$8,552.9	-	-	6,379.00	(75.00)
Veterans Affairs	\$18.3	\$106.2	\$124.5	\$10.1	\$16.0	1,175.00	69.50
Totals	\$29,481.1	\$48,354.3	\$77,835.2	\$854.5	\$1,201.6	114,769.50	1,083.00

Source: Florida TaxWatch, compiled using agency legislative budget requests and the 2015 Final Budget Report, October 2015

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As an independent, nonpartisan, nonprofit taxpayer research institute and government watchdog, it is the mission of Florida TaxWatch to provide the citizens of Florida and public officials with high quality, independent research and analysis of issues related to state and local government taxation, expenditures, policies, and programs. Florida TaxWatch works to improve the productivity and accountability of Florida government. Its research recommends productivity enhancements and explains the statewide impact of fiscal and economic policies and practices on citizens and businesses.

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