

**LEGISLATIVE
BUDGET
COMMISSION**

Thomas Leek, Chair

Doug Broxson, Vice-Chair

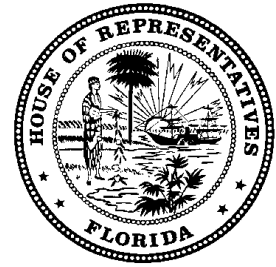
**MEETING PACKET
Friday, September 8, 2023
10:00 a.m.
212 Knott Building**

**(Please bring this packet to the committee meeting.
Duplicate materials will not be available.)**



LEGISLATIVE BUDGET COMMISSION AGENDA

Friday, September 8, 2023
10:00 a.m.
212 Knott Building



Members

Senator Doug Broxson
Senator Ben Albritton
Senator Lauren Book
Senator Travis Hutson
Senator Debbie Mayfield
Senator Keith Perry
Senator Bobby Powell

Representative Thomas Leek
Representative Alexander Andrade
Representative Robert Brannan
Representative Demi Busatta
Cabrera
Representative Sam Garrison
Representative Christine
Hunschofsky
Representative David Silvers

I. Consideration and adoption of the Long-Range Financial Outlook, Pursuant to Article III, Section 19(c) of the Florida Constitution

II. Consideration of the following budget amendments:

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A. Department of Children and Families	
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State of Florida Long-Range Financial Outlook

FISCAL YEARS 2024-25 THROUGH 2026-27

Draft Fall 2023 Report
As Presented to the Legislative Budget Commission
September 8, 2023

Jointly prepared by the following:
The Senate Committee on Appropriations
The House Appropriations Committee
The Legislative Office of Economic and Demographic Research

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EXECUTIVE SUMMARY

KEY POINTS

- ❖ The State of Florida's General Revenue Fund collections have continued to exceed expectations, in part because the previously expected recession failed to materialize during the 2022-23 fiscal year.
- ❖ Within the Outlook period, projected expenditures are less than the General Revenue funds expected to be available. While surpluses are projected for all three fiscal years, the ending balances decrease each year of the forecast.
- ❖ A minimum reserve equivalent to 3.9 percent of the revenue estimate is maintained in the General Revenue Fund for each year of the Outlook.
- ❖ The Outlook does not account for any new or expanded programs or potential risks such as hurricanes or other natural disasters. Decisions regarding additional expenditures beyond the levels contemplated in the Outlook should consider the out-year impacts.

The Long-Range Financial Outlook (Outlook) is issued annually by the Legislative Budget Commission as required by article III, section 19(c)(1) of the Florida Constitution. The Outlook provides a longer-range picture of the state's fiscal position that integrates expenditure projections for the major programs driving Florida's annual budget requirements with the latest official revenue estimates. The 2023 Outlook includes projections for Fiscal Years 2024-25, 2025-26, and 2026-27. The estimates included in the Outlook are based upon the summer 2023 estimating conference results and recent historical experience. The Outlook does not predict the overall funding levels of future state budgets or the final amount of funds to be allocated to the respective budget areas—it simply presents a reasonable baseline to help the Legislature avoid future budget difficulties and maintain financial stability between fiscal years.

Expenditure projections, or budget drivers, are grouped into two categories: (1) Critical Needs, which are generally mandatory increases based on estimating conferences and other essential needs; and (2) Other High Priority Needs, which are issues that have been funded in most, if not all, recent budgets. This year's Outlook identifies 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of \$4.9 billion in Fiscal Year 2024-25, \$5.3 billion in Fiscal Year 2025-26, and \$4.7 billion in Fiscal Year 2026-27. The combined cost for both the Critical Needs and Other High Priority Needs budget drivers shows the impact of continuing the programs and priorities funded in recent years into the three years included in the Outlook. Notably, the three-year cost for the budget drivers included in this year's Outlook is nearly \$15 billion—more than twice the \$7.2 billion contemplated in the 2022 Outlook.

The revenue projections directly included in the Outlook are primarily focused on the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Tobacco Settlement Trust Fund, but the latest forecasts for many of the other revenues were also used to develop the expenditure projections. While the latest estimates for the three major trust funds show mixed results relative to prior forecasts, the estimates for General Revenue collections were increased for each year of the Outlook. A sizable reserve balance is projected to remain at the end of Fiscal Year 2023-24 in the General Revenue Fund and will be available for use in Fiscal Year 2024-25. Similar to the budget drivers,

two types of revenue adjustments affecting the General Revenue Fund are included in the Outlook: (1) tax and fee adjustments; and (2) trust fund transfers. The Outlook assumes similar adjustments will be made in future years as have been made in the recent past. In this year’s Outlook, the net impact of these adjustments to the General Revenue Fund is -\$626.8 million in Fiscal Year 2024-25; -\$761.6 million in Fiscal Year 2025-26; and -\$896.4 million in Fiscal Year 2026-27. Similar to the budget drivers, this year’s revenue adjustments are significantly larger than those included in the 2022 Outlook.

The revenue and expenditures estimates included in the Outlook primarily reflect current law requirements. The budget drivers do not include any assumptions regarding the creation of new programs or expansion of current programs. Further, the Outlook does not make any discrete adjustments for potential risks, such as major hurricanes or other natural disasters.

Within the Outlook, the estimated revenues are compared to the expenditure projections and revenue adjustments to yield either a surplus or deficit for each of year of the Outlook. A minimum reserve of 3.9 percent of estimated revenue is maintained in the General Revenue Fund for each year of the Outlook. This year’s Outlook projects surpluses for all three fiscal years as shown in the following table; however, the decreasing ending balances indicate the projected expenditures are beginning to outpace available revenues. Decisions regarding additional expenditures, in the form of either budget drivers or revenue adjustments, beyond the levels contemplated in the Outlook should consider the out-year impacts.

2023 Long-Range Financial Outlook Summary General Revenue Fund (\$Millions)		Year 1 FY 2024-25	Year 2 FY 2025-26	Year 3 FY 2026-27
Revenues Available		47,557	48,725	50,074
Unused Reserve from Prior Year		8,530	8,883	7,260
Expenditures	Minimum Reserve	(1,855)	(1,900)	(1,953)
	Recurring Base Budget	(41,703)	(44,258)	(47,094)
	Critical Needs Budget Drivers	(1,807)	(2,123)	(1,456)
	Other High Priority Needs Budget Drivers	(3,067)	(3,205)	(3,216)
	Ending Balance After Expenditures	7,655	6,122	3,614
Revenue Adjustments	Tax and Fee Changes	(647)	(781)	(916)
	Trust Fund Transfers	20	20	20
	Revenue Adjustments	(627)	(762)	(896)
Projected Surplus / (Deficit)		7,028	5,360	2,718

Note: totals may not add due to rounding.

REVENUE PROJECTIONS

KEY POINTS

- ❖ The state's new forecast for General Revenue is colored by the previously expected recession that failed to materialize in Fiscal Year 2022-23 and elevated inflation that lasts longer into the forecast.
- ❖ Sales Tax collections are shaped by the need to address increasing household debt, the return to a more normal purchasing mix of goods and services, and strong inflationary pressures.
- ❖ The major education revenues (including associated transfers) show mixed results relative to prior forecasts.
- ❖ The outlook for tobacco-related revenues has worsened as the reduction in consumption accelerates.

The revenue projections directly included in the Outlook are primarily focused on the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Tobacco Settlement Trust Fund. While many of the other projections are not described in detail in the Outlook, the latest forecasts for those sources were also used to develop the expenditure projections. A summary table of all revenue estimates adopted during the summer, including links to the official forecasts, is provided in Appendix A. For the purposes of this Outlook, prior expenditures from depleted trust funds have been redirected to the General Revenue Fund when the underlying activities are ongoing in nature.

General Revenue Fund

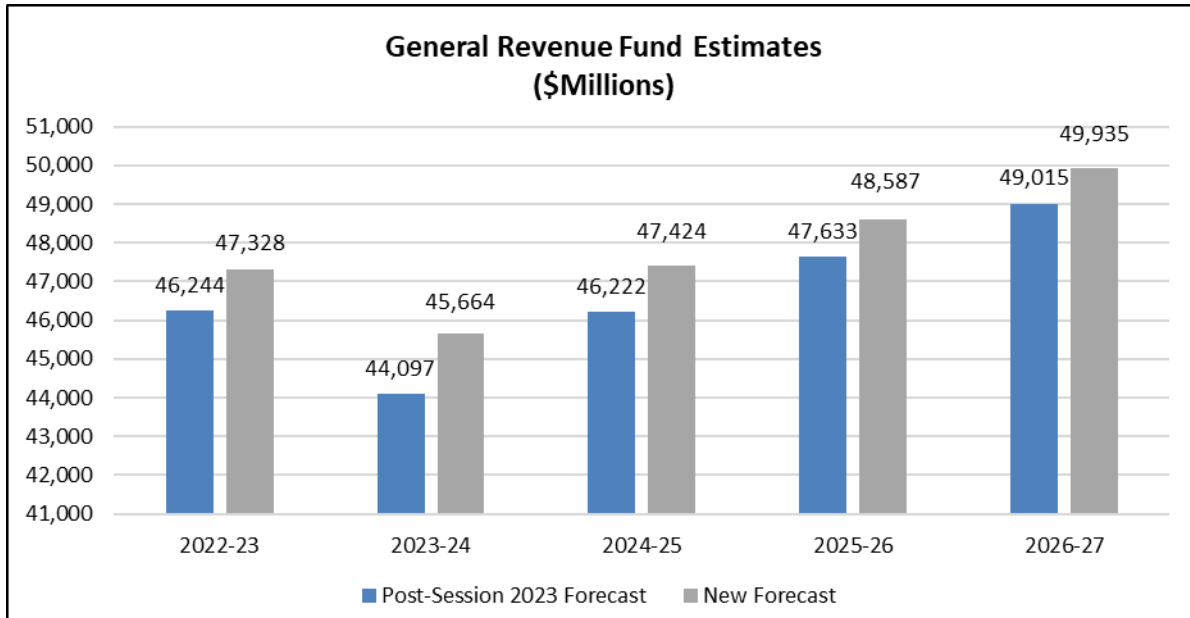
The new state and national economic forecasts adopted in July 2023 were little changed from those adopted in February 2023, although that forecast cycle had assumed a mild recession in the first and second quarters of 2023 that failed to materialize. Even so, economic disruption is still evident, with varied impacts on household savings, elevated use of credit, continued normalization of spending on services and away from taxable goods, and strong inflationary pressures on households. Explained in part by the recession's failure to materialize, revenue collections have exceeded expectations since the March 2023 estimating conference. General Revenue collections across all sources were \$1.08 billion or 2.3 percent over the estimate for the 2022-23 fiscal year.

After taking account of \$1.02 billion in tax relief affecting the General Revenue Fund that was enacted during the 2023 Session, the Revenue Estimating Conference added \$1.57 billion to the estimate for Fiscal Year 2023-24. Relative to Fiscal Year 2022-23, the new forecast for Fiscal Year 2023-24 has a decline of -3.5 percent due to the net effect of legislative changes, the forecast adjustments, and the diminishing impact from Hurricane Ian recovery efforts. The growth in Fiscal Year 2024-25 over Fiscal Year 2023-24, however, is 3.9 percent. The two-year combined increase for Fiscal Year 2023-24 and Fiscal Year 2024-25 adds \$2.77 billion to the prior forecast for this period. These changes reflect increases over the previous estimates of 3.6 percent in Fiscal Year 2023-24 and 2.6 percent in Fiscal Year 2024-25.

While actual Sales Tax collections for Fiscal Year 2022-23 were only 1.2 percent over the estimate, this source had the largest adjustment in the new forecast. In varying ways, Sales Tax has been, and will continue to be, particularly affected by inflation. The anticipated gain to General Revenue is \$907.6 million

in Fiscal Year 2023-24 and \$615.1 million in Fiscal Year 2024-25, with all six Sales Tax categories seeing increases in both years. The Conference noted future risks to Sales Tax collections include consumers returning to a typical purchasing mix of goods and services, dealing with increased debt, and managing personal budget constraints in a period of elevated inflation.

The following chart shows the new forecast compared to the post-session forecast.



After all revenue and appropriation changes are incorporated, the projected ending balance on the state’s official Financial Outlook Statement for Fiscal Year 2023-24 is \$8.8 billion. The Fiscal Year 2024-25 starting point for the Long-Range Financial Outlook, however, also includes \$270.8 million in additional adjustments to address current year projected deficits and shortfalls identified in the various summer estimating conferences. These adjustments include \$218.0 million in the Medicaid program; \$0.1 million in the TANF program; \$30.6 million in the Educational Enhancement Trust Fund; \$4.5 million in Bright Futures scholarships; \$0.9 million in Benacquisto scholarships; \$0.4 million in scholarships for Children/Spouses of Deceased/ Disabled Veterans; and \$16.3 million for fiscally constrained counties. The adjusted \$8.5 billion balance, as shown on Row 2 in Appendix B, is assumed to be available for expenditure in Fiscal Year 2024-25.

Major Revenues for Education

The major revenue sources for expenditure on education programs, including Ad Valorem Assessments; Unclaimed Property Transfers to the State School Trust Fund (SSTF); and transfers to the Educational Enhancement Trust Fund (EETF) from Lottery Ticket Sales and the Slot Machines Tax, have mixed results and are treated separately below.

Ad Valorem Assessments

Estimates of the statewide property tax roll are primarily used in the appropriations process to calculate the Required Local Effort (RLE) millage rates, which are the expected rates local school districts must levy in order to generate the required local funding for participation in the Florida Education Finance Program.

Certified school taxable value for 2023 came in at \$3,367.19 billion or \$80.89 billion (2.5 percent) higher than expected. Based largely on this new information, the new projection for 2024 is \$3,474.08 billion or \$78.59 billion (2.3 percent) higher than the previous estimate for 2024. While not as strong as the 14.79 percent growth seen in 2023, the new estimate for 2024 still represents growth of 3.17 percent over the prior year, with the value of one mill projected to be \$3,335.12 million. Growth in future years gradually improves from this point as monetary policy begins to ease and interest rates become more favorable. While the new growth rates are slightly lower than previously anticipated, the levels are higher coming off the stronger than expected 2023 base. The new estimates for 2025 and 2026 are \$3,652.71 billion (based on 5.14 percent growth) and \$3,854.68 billion (based on 5.53 percent growth), respectively.

Unclaimed Property

Estimates of receipts and refunds to owners from unclaimed property are used to determine the distribution into the State School Trust Fund (SSTF). By the end of Fiscal Year 2022-23, \$425.0 million had been transferred to the trust fund, which was \$140.0 million above the February 2023 estimate. The Conference assumes that receipts will stay strong in Fiscal Year 2023-24, but also foresees higher refunds. Since the annual change in receipts is higher than the change in refunds through Fiscal Year 2025-26, the bottom line is an increase in transfers for three of the four years relevant to the Long-Range Financial Outlook. The new forecast projects transfers to the SSTF of \$387.2 million for Fiscal Year 2023-24, \$284.0 million for Fiscal Year 2024-25, \$255.2 million for Fiscal Year 2025-26, and \$247.2 million for Fiscal Year 2026-27.

After all revenue and appropriation changes are incorporated, the projected ending balance on the Financial Outlook Statement for Fiscal Year 2023-24 is \$346.4 million. This balance is assumed to be available for expenditure in Fiscal Year 2024-25.

Lottery Ticket Sales and Slot Machine Revenues

Both Lottery ticket sales and slot machine revenues support the Educational Enhancement Trust Fund (EETF).

Final Lottery ticket sales for Fiscal Year 2022-23 were just over \$9.80 billion, which was \$184.1 million or 1.9 percent lower than the previous estimate. This loss was primarily caused by flagging scratch-off sales. The associated transfer to EETF was \$2.37 billion for the year, which was a loss of \$123.8 million compared to the estimate, or 5.0 percent. In addition to the ticket sales history, the Conference reviews the factors that affect transfers to the EETF. One notable change was the new 6.0 percent retailer commission rate for Fiscal Year 2023-24—an increase from the 5.6 percent previously adopted. As a result of this and other discrete changes to the estimates for individual games, transfers to the EETF are relatively unchanged in Fiscal Year 2023-24, but are reduced from the prior forecast by \$33.1 million to \$38.4 million in each of the subsequent years. The new estimates for EETF transfers are \$2.30 billion for Fiscal Year 2023-24, \$2.26 billion for Fiscal Year 2024-25, \$2.29 billion for Fiscal Year 2025-26, and \$2.31 billion for Fiscal Year 2026-27.

Slot machine tax collections for Fiscal Year 2022-23 were \$241.6 million, or \$1.0 million below the forecast adopted at the last conference. The percentage error (-0.4 percent) is well less than the rate that the Conference typically attributes to noise. Given the relatively small size of the overall loss, the Conference decided to maintain the previously adopted forecast for the current year and all out years, but realigned the estimates for individual facilities to come back to the same total. The new estimates are \$245.4 million for Fiscal Year 2023-24, \$247.9 million for Fiscal Year 2024-25, \$250.7 million for Fiscal Year 2025-26, and \$253.5 million for Fiscal Year 2026-27.

After all revenue and appropriation changes are incorporated for both revenue sources, the Educational Enhancement Trust Fund is now in a projected deficit for the current year, with appropriations exceeding expenditures on the Financial Outlook Statement by \$30.6 million. Florida law requires the negative balance to be cleared prior to the end of the fiscal year.

Tobacco-Related Revenues

Tobacco-related revenues affect expenditures in the Health and Human Services area, particularly those sources supporting the Tobacco Settlement Trust Fund and the Health Care Trust Fund in the Medicaid program. The Revenue Estimating Conference adopted new forecasts this summer for both Tobacco Tax and Surcharge revenues and the Tobacco Settlement payments.

Total Tobacco Tax and Surcharge collections are actually derived from two different sources: the Cigarette Tax and Surcharge and the Other Tobacco Products (OTP) Tax and Surcharge. For the Cigarette Tax and Surcharge, the Conference lowered the forecast to reflect the downward drift that has been seen in recent years. The combined forecast for Cigarette Tax and Surcharge is lower than the prior forecast by \$8.1 million in Fiscal Year 2023-24, \$16.2 million in Fiscal Year 2024-25, \$25.8 million in Fiscal Year 2025-26, and \$34.9 million in Fiscal Year 2026-27. For OTP, the Conference took into consideration the two consecutive years of stalled growth for OTP Tax and Surcharge collections by holding projected collections for Fiscal Year 2023-24 at roughly the same level. Thereafter, growth slowly resumes. As a result, the combined forecast for OTP Tax and Surcharge is lower than the prior forecast by \$5.2 million in Fiscal Year 2023-24, \$6.7 million in Fiscal Year 2024-25, \$7.5 million in Fiscal Year 2025-26, and \$8.4 million in Fiscal Year 2026-27. The distribution most affected by these changes is made to the Health Care Trust Fund. The transfers are lower than previously expected by \$9.0 million in Fiscal Year 2023-24, \$15.5 million in Fiscal Year 2024-25, \$22.7 million in Fiscal Year 2025-26, and \$29.6 million in Fiscal Year 2026-27.

Tobacco settlement payments accrue to the state from a formal settlement agreement entered on August 25, 1997, in response to a lawsuit between the State of Florida and several major tobacco companies. An annual payment is due by December 31 of each year, and a profit adjustment payment is made following the end of each participating company's fiscal year. Both payments continue in perpetuity. When the Conference last convened in April 2023, the final payment for the 2022-23 fiscal year was already known, so no additional adjustments were needed to the receipts for the year. Only two sources of additional data were available for the summer estimating conference: a revised Consumer Price Index series based on the latest forecast from the National Economic Estimating Conference, and new estimates for the percent change in domestic cigarette units sold based on the Tobacco Tax and Surcharge Conference results. The changes to annual payments were increased by \$8.5 million for Fiscal Year 2023-24, \$5.6 million for Fiscal Year 2024-25, and \$1.8 million for Fiscal Year 2025-26, and reduced by \$2.4 million for Fiscal Year 2026-27. After all revenue and appropriation changes are incorporated, the projected ending balance on the Financial Outlook Statement for Fiscal Year 2023-24 is \$30.3 million. This balance is assumed to be available for expenditure in Fiscal Year 2024-25.

EXPENDITURE PROJECTIONS

KEY POINTS

- ❖ There are 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers included in the Outlook.
- ❖ The projected General Revenue need is \$4.9 billion in Fiscal Year 2024-25; \$5.3 billion in Fiscal Year 2025-26; and \$4.7 billion in Fiscal Year 2026-27.
- ❖ Across the three years of the Outlook, the largest General Revenue needs are in the Natural Resources, Human Services, and Administered Funds & Statewide Issues policy areas.

To develop the expenditure projections included in the Outlook, referred to as budget drivers, all major programs that have historically driven significant increases in the state’s budget were analyzed. Forecasts of future workload increases were developed for each of the major cost drivers using a variety of methods, including the most recent projections from estimating conferences held during the summer, as well as historical funding averages. Exceptional funding needs—the fiscal impact of special issues outside of normal workload and caseload requirements—are identified and addressed when necessary for state operations. When historical funding averages are used, the Outlook relies on three-year averages of pre-veto appropriations, unless otherwise noted. Although emphasis is placed on recurring budget programs that the state is expected or required to continue from year to year, estimates for ongoing programs traditionally funded with nonrecurring funds are also included in the Outlook.

The budget drivers are grouped by policy areas and are categorized as either Critical Needs or Other High Priority Needs. Critical Needs are issues that can generally be thought of as the minimum funding requirements for core government functions within the current policy framework, absent significant law or structural changes. Other High Priority Needs are issues that have been funded in most, if not all, recent budgets. The budget drivers do not include any assumptions regarding the creation of new programs or expansion of current programs.

This year’s Outlook identifies 14 Critical Needs budget drivers and 28 Other High Priority Needs budget drivers, with total General Revenue needs of \$4.9 billion in Fiscal Year 2024-25; \$5.3 billion in Fiscal Year 2025-26; and \$4.7 billion in Fiscal Year 2026-27. Combining both types of budget drivers provides a more complete, yet still conservative, approach to estimating future expenditures. Essentially, the total projected cost for the Critical Needs and Other High Priority Needs shows the impact of continuing the programs and priorities funded in recent years into the three years included in the Outlook.

General Revenue Fund Dollar Value of Critical Needs and Other High Priority Needs (\$Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27
Critical Needs	1,807.3	2,123.3	1,455.8
Other High Priority Needs	3,066.9	3,204.5	3,216.2
Critical Needs and Other High Priority Needs	4,874.2	5,327.9	4,672.0

Note: totals may not add due to rounding.

Across the three years included in the Outlook, the total projected need for new General Revenue spending is nearly \$15 billion, with five of the eight policy areas exceeding \$2 billion in need. The top three policy areas in terms of General Revenue budget drivers are the Natural Resources, Human Services, and Administered Funds and Statewide Issues policy areas, which together represent 56 percent of the three-year total need.

General Revenue Fund Total Critical Needs and Other High Priority Needs by Policy Area (\$Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Three- Year Total	% of Three- Year Total
Pre K-12 Education	767.1	862.8	662.3	2,292.2	15.4%
Higher Education	767.3	716.6	722.9	2,206.8	14.8%
Human Services	803.2	1,233.5	848.4	2,885.1	19.4%
Criminal Justice & Judicial Branch	47.3	47.3	47.3	142.0	1.0%
Transportation & Economic Development	479.6	477.9	479.6	1,437.1	9.7%
Natural Resources	878.6	1,006.1	1,006.7	2,891.4	19.4%
General Government	181.4	172.3	168.7	522.5	3.5%
Administered Funds & Statewide Issues	<u>949.7</u>	<u>811.3</u>	<u>736.1</u>	<u>2,497.0</u>	<u>16.8%</u>
Total New Issues	4,874.2	5,327.9	4,672.0	14,874.1	100.0%

Note: totals may not add due to rounding.

The policy areas differ in their General Revenue needs by year. Three policy areas have greater needs in the second year of the Outlook: Pre K-12 Education, Human Services, and Natural Resources. Within the Human Services policy area, the Social Services Estimating Conference adjusts the amount needed from the General Revenue Fund for the Medicaid program based on projected trust fund revenues. In the new estimate for Fiscal Year 2024-25, available cash balances in the Public Medical Assistance Trust Fund and the Grants and Donations Trust Fund decrease the need for General Revenue in the Medicaid program by \$545.8 million. For the other two policy areas, the Outlook itself maximizes the use of state trust funds prior to using General Revenue. To accomplish this, adjustments are made to the General Revenue Fund, the Educational Enhancement Trust Fund, the State School Trust Fund, and the Land Acquisition Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period. The availability of these trust funds decreases the need for supplemental funding from General Revenue in Fiscal Year 2024-25 by \$269.9 million for Pre K-12 Education and by \$111.9 million for Natural Resources. The largest adjustments occur in the first year of the Outlook as prior year trust fund balances are utilized.

Focusing solely on the total General Revenue increases needed each year does not present a complete picture of the expenditure impacts on the state's long-term budget. Over the entire three-year period, over 68 percent of the new General Revenue funding must be recurring to support the ongoing nature of the expenditure. Those recurring expenditures accumulate, or stack on top of each other, in the subsequent years. Of the \$4.9 billion needed for the budget drivers in Fiscal Year 2024-25, \$2.6 billion will also be needed in Fiscal Year 2025-26 (and again in Fiscal Year 2026-27) to continue those programs. In effect, the \$14.9 billion in new funding over the Outlook period ultimately results in \$22.8 billion in additional costs over the forecast period. Both effects are accounted for in the Outlook and are illustrated in the table on the following page.

General Revenue Fund Recurring and Nonrecurring Budget Driver Impact (\$Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Three- Year Total	% of Three- Year Total
New Recurring Drivers for Each Year	2,554.4	2,836.9	2,263.3	7,654.5	
Continuation of Year 1 Recurring Drivers		2,554.4	2,554.4	5,108.7	
Continuation of Year 2 Recurring Drivers			2,836.9	2,836.9	
Cumulative Impact of Recurring Drivers	2,554.4	5,391.2	7,654.5	15,600.1	68.4%
Nonrecurring Drivers for Each Year	2,319.9	2,491.0	2,408.7	7,219.6	31.6%
Grand Total	4,874.2	7,882.2	10,063.3	22,819.7	

Note: totals may not add due to rounding.

On the following pages, the Critical Needs and Other High Priority Needs budget drivers with the largest General Revenue needs are discussed, and all of the drivers are listed in a table format, along with a brief description of the assumptions behind the projections.

Critical Needs

Within Critical Needs, the most significant General Revenue budget drivers across the three years of the Outlook are in the Pre K-12 Education, Human Services, and Administered Funds and Statewide Issues policy areas. The four largest General Revenue budget drivers are shown in the following table.

General Revenue Fund Significant Critical Needs Budget Drivers (\$Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Three- Year Total
Driver #2 – Workload and Enrollment - Florida Education Finance Program	992.9	799.9	580.1	2,372.9
Driver #6 – Medicaid Program	242.2	729.2	354.3	1,325.7
Driver #12 – State Match for Federal Emergency Management Agency (FEMA) Funding	306.0	178.8	97.2	582.1
Driver #14 – Increases in Employer-Paid Benefits for State Employees	338.1	327.0	333.3	998.4
Grand Total	1,879.2	2,034.8	1,365.0	5,279.0

Note: totals may not add due to rounding.

Workload and Enrollment – Florida Education Finance Program

The Florida Education Finance Program (FEFP) is the state’s funding model that is aligned with the state’s school choice policy and appropriates funding to school districts for K-12 public school operations, including charter schools, and Family Empowerment Scholarship students. The FEFP is composed of state and local funds and considers various factors such as the individual educational needs of students, the local property tax base, the costs of educational programs, and a comparable wage factor. The FEFP is

forecasted to serve nearly 3.1 million students in Fiscal Year 2023-24, including both public school students and Family Empowerment Scholarship students.

Within the Outlook, Critical Needs funding is provided in Driver #2 to fund projected enrollment growth; increase the total funds per full-time-equivalent (FTE) student; and maintain the prior year millage rate for the Required Local Effort (RLE). Over the three-year forecast period, enrollment for funding purposes is estimated to increase by 131,323.44 FTE over the Fiscal Year 2023-24 FEFP 2nd Calculation,¹ as adopted by the Education Estimating Conference in August 2023.² This forecasted increase includes the estimated number of students counted in the FEFP through the receipt of Family Empowerment Scholarships. The Outlook includes a total funds per FTE student increase of 3.45 percent annually to reflect historical funding trends. State funding projections are based on maintaining the prior year RLE millage rate of 3.189 mills, thus allowing the RLE to increase by its full value, and maintaining the nonvoted discretionary millage of 0.748 mills; both are consistent with the policy adopted by the Legislature for Fiscal Year 2023-24. The tax rolls for Fiscal Years 2024-25 through 2026-27, as projected by the Revenue Estimating Conference in August 2023, provide increased taxable value, which offsets the amount of state funding needed throughout the three-year forecast period.³ The following table shows the calculations used to develop the FEFP state funding projections.

Florida Education Finance Program⁴	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27
FTE Student Enrollment Growth	51,021.48	51,052.37	29,249.59
Total Funds per FTE Student Increased by Three-Year Average	\$8,966.69	\$9,276.05	\$9,596.07
Enrollment Growth Funding	\$442.2 million	\$442.5 million	\$253.5 million
Total Funds per FTE Student Increase Funding	\$940.8 million	\$1,004.3 million	\$1,050.3 million
State Funding Offset for Total Local Funds Increase	(\$390.1) million	(\$646.9) million	(\$723.8) million
State Funds Included in Driver #2	\$992.9 million	\$799.9 million	\$580.1 million

Note: totals may not add due to rounding.

Medicaid Program

The Medicaid program (Title XIX of the Social Security Act) provides health care coverage to certain persons who qualify as low-income children, elderly, disabled, or families with dependent children. Medicaid is a federal and state matching program. It is the largest single program in the state budget, representing 29.1 percent of the total state budget, and is also the largest source of federal funding for the state.

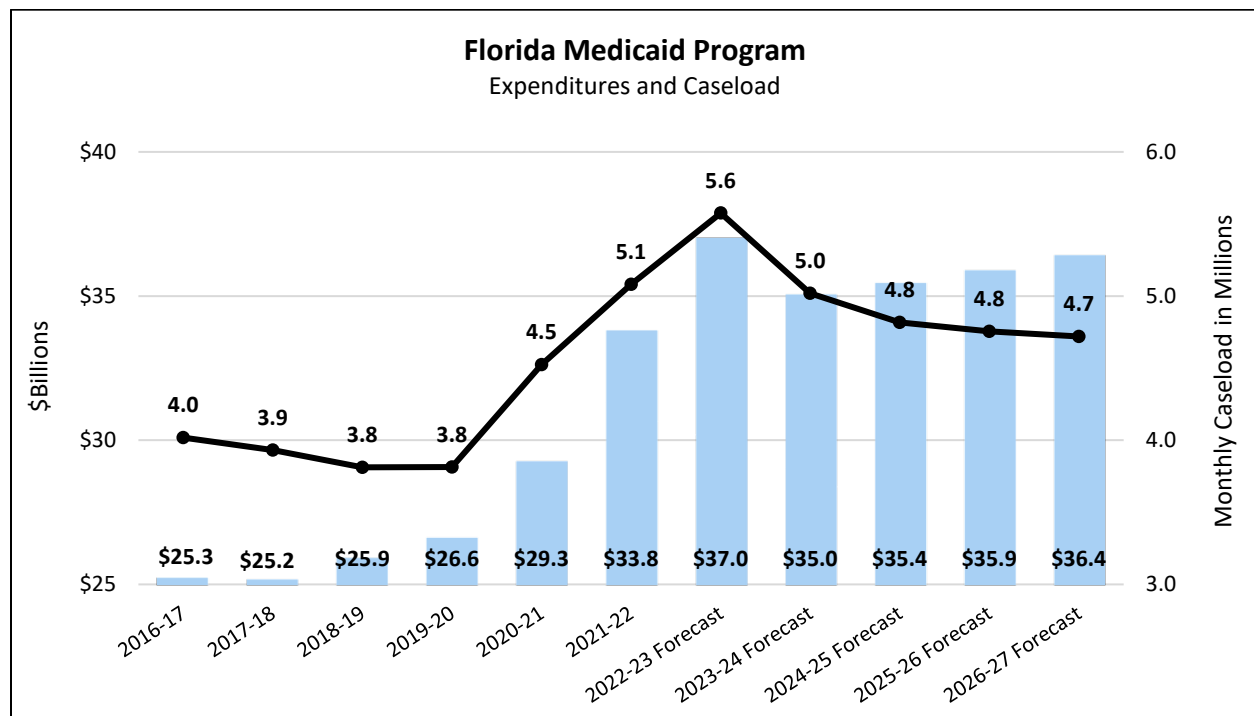
¹ The 2023-24 FEFP Second Calculation is available at <https://www.fldoe.org/core/fileparse.php/7507/urlt/2324FEFP2ndCalc.pdf>

² The forecast for full-time student membership is available at <http://edr.state.fl.us/Content/conferences/publicschools/index.cfm>.

³ The forecast for Ad Valorem assessments is available at <http://edr.state.fl.us/Content/conferences/advalorem/index.cfm>.

⁴ The enrollment growth and increase in total funds per FTE student are calculated based on the Fiscal Year 2023-24 FEFP 2nd calculation, which includes total enrollment of 3,095,082.45 FTE and total funds per student of \$8,667.66 per FTE.

Within the Outlook, Critical Needs funding is provided in Driver #6 to fund caseloads and expenditures as projected by the Social Services Estimating Conferences held in July and August 2023.⁵ The Consolidated Appropriations Act of 2023 decoupled the Medicaid continuous enrollment provision from the federal COVID-19 Public Health Emergency (PHE) effective March 31, 2023. As a result, Florida began performing Medicaid redeterminations in April 2023. Medicaid enrollment is expected to decrease by 556,240 to approximately 5.0 million beneficiaries in Fiscal Year 2023-24, a decrease of 10.0 percent below Fiscal Year 2022-23. The caseload estimate still remains well above the pre-pandemic peak of 4.0 million beneficiaries in Fiscal Year 2016-17. Caseloads are expected to continue declining each year of the forecast, decreasing by 298,938 beneficiaries (6.0 percent) over the three-year period. Despite the expected decline, caseloads are projected to remain significantly higher than the pre-pandemic peak throughout the three-year forecast period.



In Fiscal Year 2023-24, Medicaid service expenditures are expected to be \$35.0 billion. Total Medicaid expenditures for Fiscal Year 2024-25 are expected to be \$35.4 billion, an increase of \$916.0 million above the recurring base budget. The Outlook includes an increase in recurring General Revenue funds of \$211.8 million to meet the state’s share of the total need in Fiscal Year 2024-25. The federal PHE provided an additional 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) that continued while the PHE was in place. Upon the decoupling of the Medicaid continuous enrollment provision, the enhanced FMAP of 6.2 percent began phasing down in April 2023 and will return to the standard FMAP percentage in January 2024. While the Social Services Estimating Conference incorporated the need for additional funding for the Agency for Health Care Administration, other state agencies will also need additional funding. The Outlook includes increases of recurring General Revenue of \$30.4 million in Fiscal Year 2024-25, \$9.9 million in Fiscal Year 2025-26, and \$8.5 million in Fiscal Year 2026-27 to fund the state’s share for these agencies. When the Medicaid state matching funds that are budgeted in other Health and Human Services departments are included, the recurring General Revenue needs are approximately \$242.2 million in Fiscal Year 2024-25, \$729.2 million in Fiscal Year 2025-26, and \$354.3

⁵ The forecast for Medicaid is available at <http://edr.state.fl.us/Content/conferences/medicaid/index.cfm>.

million in Fiscal Year 2026-27. As described earlier in this document, the General Revenue funding need for Fiscal Year 2024-25 is reduced significantly by using one-time trust fund cash balances.

State Match for Federal Emergency Management Agency Funding - State Disaster Funding (Declared Disasters)

When a federal disaster declaration is issued, the federal government often provides funds in the form of reimbursements and grants for emergency response activities, repairing damage, and protecting areas from future potential disasters. Florida is generally required to provide up to 25 percent of the total cost of the grant as state match, depending on the size and severity of the event. The amount of General Revenue funds required in any given year is dependent on the number and severity of prior disasters, the federally required percentage of state match, and the timing of the required match. This driver includes funding for the state match for hurricanes and other natural disasters or emergencies.

Within the Outlook, Critical Needs funding is provided in Driver #12 to meet the outstanding state obligation for all open federally declared disasters. Based on the most recent quarterly estimate from the Division of Emergency Management, the Outlook includes nonrecurring General Revenue funds of \$306.0 million in Fiscal Year 2024-25, \$178.8 million in Fiscal Year 2025-26, and \$97.2 million in Fiscal Year 2026-27. The Outlook does not contemplate any cost estimates for natural disasters or other declared emergencies yet to occur or for which damage assessments are ongoing and have not been completed as of the date this Outlook was prepared.

Increases in Employer-Paid Benefits for State Employees

Health Insurance – The State Group Health Insurance Program is a \$3.3 billion program that provides health insurance for approximately 343,000 state and university employees, retirees, and their families. The total expenses associated with the program are expected to increase by \$279.1 million in Fiscal Year 2024-25, \$265.7 million in Fiscal Year 2025-26, and \$281.5 million in Fiscal Year 2026-27, as projected by the August 2023 Self-Insurance Estimating Conference. The State Employees’ Health Insurance Trust Fund (health insurance trust fund) is projected to have a surplus of \$313.0 million at the end of Fiscal Year 2023-24. However, due to the rising projected expenditures and relatively stable estimated revenues, the health insurance trust fund has estimated deficits of \$348.5 million in Fiscal Year 2024-25, \$910.3 million in Fiscal Year 2025-26, and \$1,174.6 million in Fiscal Year 2026-27.⁶

In recent years the Legislature has implemented different funding policies in the General Appropriations Act to address the need for additional revenue in the health insurance trust fund. In Fiscal Year 2020-21, employer-paid premiums were increased by 6.5 percent. In Fiscal Year 2021-22, no changes to premiums or additional funding was provided. In Fiscal Year 2022-23 and Fiscal Year 2023-24, nonrecurring transfers of \$200 million from the General Revenue Fund were authorized, while premiums remained unchanged. Additionally, in Fiscal Year 2023-24, the Legislature required state agencies to pay an administrative health insurance assessment for vacant positions and required General Revenue funding for state employee salaries and benefits that reverted at the end of Fiscal Year 2022-23 to be transferred to the health insurance trust fund.⁷

Similar to the 2022 Outlook, funds are included in Driver #14 based on applying a 6.5 percent increase to employer-paid premiums, as well as a \$200 million transfer from the General Revenue Fund each year of

⁶ The forecast for the State Employees’ Health Insurance Trust Fund is available at <http://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm>.

⁷ Sec. 8(3)(b) and 238, Ch. 2023-239, L.O.F., and sec. 73, Ch. 2023-240, L.O.F. For Fiscal Year 2023-24, the estimated revenue is \$78.3 million from the administrative health insurance assessment and \$112.3 million from the reverted salaries and benefits funds.

the forecast. This results in the following amounts from both General Revenue and trust funds included in this driver: \$288.0 million for Fiscal Year 2024-25; \$356.5 million for Fiscal Year 2025-26; and \$366.7 million for Fiscal Year 2026-27. Despite these increases, the projected revenues are insufficient to offset the estimated deficits in the health insurance trust fund. Consequently, the Outlook includes an additional one-time transfer of \$53.4 million from the General Revenue Fund to the health insurance trust fund in Fiscal Year 2024-25 to clear the projected deficit in the first year of the Outlook. For years two and three of the Outlook, however, the health insurance trust fund would likely retain significant projected deficits if estimated expenditure growth is realized and no further revenue enhancements or cost containment measures are undertaken by the Legislature.

In the 2022 Session, the Legislature approved two actions that could significantly impact out-year projections but remain pending issues at the time of this Outlook. First, the Legislature directed the Department of Management Services (DMS) to contract for a comprehensive cost containment analysis of the State Group Health Insurance Program to be completed in January 2023.⁸ The analysis was timely provided by DMS and remains under review by the Legislature. Second, the Legislature required the Department to release competitive procurements for preferred provider organization plans, health maintenance organization services, and pharmacy benefits manager services to become effective January 1, 2024.⁹ Updated expenditure estimates based on the competitive procurements were not available at the time of this Outlook.

Florida Retirement System (FRS) – Since Fiscal Year 2013-14, the Legislature has provided full funding for the normal cost and amortization of unfunded actuarial liabilities of the FRS. As a result, if the assumptions used during the FRS Annual Actuarial Valuation are achieved and remain unchanged and no additional benefits are enacted, no additional expenditures would be needed. The results of the 2023 FRS Actuarial Assumption Conference and the Fiscal Year 2022-23 Annual Actuarial Valuation were not available when this Outlook was prepared. Therefore, the Outlook assumes a three-year average of the increase in appropriations made to fund the actuarially calculated contribution rates. Within the Outlook, Critical Needs funding of approximately \$30.3 million from the General Revenue Fund and \$21.0 million from trust funds is provided each year of the three-year forecast period.

⁸ Specific Appropriation 2849, Fiscal Year 2022-23 General Appropriations Act (Ch. 2022-156, L.O.F.)

⁹ Sec. 83, Ch. 2022-157, L.O.F.

Critical Needs Driver Number and Title		FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
		Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
PRE K - 12 EDUCATION								
#1	Maintain Current Budget - Florida Education Finance Program	(269.9)	269.9	18.3	(18.3)	(0.7)	0.7	Driver #1 maximizes the use of state trust funds prior to using General Revenue to fund the Florida Education Finance Program. Adjustments are made to the General Revenue Fund, the Educational Enhancement Trust Fund, and the State School Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period, as adopted by the August 2023 Revenue Estimating Conference. ¹⁰
#2	Workload and Enrollment - Florida Education Finance Program	992.9	0.0	799.9	0.0	580.1	0.0	Driver #2 funds enrollment growth of 131,323.44 full-time-equivalent students over the three-year forecast period, as compared to the Fiscal Year 2023-24 FEFP 2 nd calculation. The forecast includes both public school students and Family Empowerment Scholarship students as projected by the August 2023 Education Estimating Conference. The driver also increases the total funds per student based on a three-year average increase of 3.45 percent. State funding projections are based on maintaining the prior year millage rate for the Required Local Effort at 3.189 mills and maintaining the nonvoted discretionary millage of 0.748 mills; both are consistent with the policy adopted by the Legislature for Fiscal Year 2023-24. The program is expected to serve 3.1 million students in Fiscal Year 2023-24.

Table continues on the following page.

¹⁰ The Financial Outlook Statements are available for the Educational Enhancement Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/educational-enhancement-tf/index.cfm> and the State School Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/state-school-tf/index.cfm>.

Critical Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#3 Workload and Enrollment - Voluntary Prekindergarten Education Program	(3.9)	0.0	(4.4)	0.0	27.0	0.0	Driver #3 adjusts funding to reflect the forecast adopted by the August 2023 Early Learning Programs Estimating Conference. ¹¹ Enrollment is projected to increase by 5,459.09 FTE over the three-year period. Funding per student is maintained at the Fiscal Year 2023-24 base student allocation amount of \$2,941 for the school year program and \$2,511 for the summer program. The program is expected to serve 140,511.67 students in Fiscal Year 2023-24.
HIGHER EDUCATION							
#4 Workload and Enrollment - Bright Futures and Children and Spouses of Deceased/ Disabled Veterans	2.7	12.0	2.1	11.3	2.8	12.8	Driver #4 funds changes in the number of eligible recipients, as projected by the August 2023 Education Estimating Conference. ¹² Over the three-year period, there are projected to be 5,908 additional eligible students for a Bright Futures award and 1,528 additional eligible students for a Children and Spouses of Deceased/ Disabled Veterans (CSDDV) award. In Fiscal Year 2023-24, there are projected to be 122,146 Bright Futures awards and 4,041 CSDDV awards.
#5 Educational Enhancement Trust Fund Adjustment	51.1	(51.1)	(11.1)	11.1	(8.2)	8.2	Driver #5 maximizes the use of state trust funds prior to using General Revenue to fund higher education programs. Adjustments are made to the General Revenue Fund and the Educational Enhancement Trust Fund based on projected balances forward and revenue changes in the trust funds over the three-year forecast period, as adopted by the August 2023 Revenue Estimating Conference. ¹³

¹¹ The forecast for the Voluntary Prekindergarten Education Program is available at <http://edr.state.fl.us/Content/conferences/vpk/index.cfm>.

¹² The forecast for Postsecondary Student Financial Aid Programs is available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>.

¹³ The Financial Outlook Statements are available for the Educational Enhancement Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/educational-enhancement-tf/index.cfm> and the State School Trust Fund at <http://edr.state.fl.us/Content/revenues/outlook-statements/state-school-tf/index.cfm>.

Critical Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
HUMAN SERVICES							
#6 Medicaid Program	242.2	673.9	729.2	(289.0)	354.3	176.1	Driver #6 funds the caseload and expenditures estimates adopted by the July and August 2023 Social Services Estimating Conferences. ¹⁴ Caseloads are expected to be 4.81 million in Fiscal Year 2024-25; 4.75 million in Fiscal Year 2025-26; and 4.72 million in Fiscal Year 2026-27. The program is expected to serve 5.02 million eligible Floridians in Fiscal Year 2023-24. The estimated costs for caseload, service utilization, Federal Medical Assistance Percentage, and medical inflation are projected based on historical trends and other forecasting methodologies.
#7 Kidcare Program	79.0	153.6	33.2	67.6	24.3	52.6	Driver #7 funds the caseload and expenditures estimates adopted by the July and August 2023 Social Services Estimating Conferences. ¹⁵ June 30 caseloads are projected to be 249,708 in 2025; 268,773 in 2026; and 280,292 in 2027. The program is expected to serve 230,708 eligible children in 2024. The estimated costs for caseload, service utilization, Federal Medical Assistance Percentage, and medical inflation are projected based on historical trends and other forecasting methodologies.
#8 Temporary Assistance for Needy Families Cash Assistance	(3.0)	0.0	(13.9)	0.0	(15.2)	0.0	Driver #8 funds the caseload and expenditure estimates adopted by the July 2023 Social Services Estimating Conference. ¹⁶ Caseloads are projected to decrease by 9,926 over the three-year period. The program is expected to serve 37,188 eligible cases during Fiscal Year 2023-24.

¹⁴ The forecast for Medicaid is available at <http://edr.state.fl.us/Content/conferences/medicaid/index.cfm>.

¹⁵ The forecast for Kidcare is available at <http://edr.state.fl.us/Content/conferences/kidcare/index.cfm>.

¹⁶ The forecast for Temporary Assistance for Needy Families Cash Assistance is available at <http://edr.state.fl.us/Content/conferences/tanf/index.cfm>.

Critical Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#9 Tobacco Awareness Education Program	0.0	3.6	0.0	2.4	0.0	2.3	Driver #9 provides the constitutionally-required levels of funding for the tobacco education and prevention program. The amounts are based on the calculated constitutional funding requirements as shown on the Tobacco Settlement Trust Fund Financial Outlook Statement. The calculation uses the Consumer Price Index adopted by the July 2023 National Economic Estimating Conference. ¹⁷
GENERAL GOVERNMENT							
#10 Non-Florida Retirement System (FRS) Pensions and Benefits	0.05	0.0	0.2	0.0	0.2	0.0	Driver #10 provides funds for the non-FRS pension and benefit programs based on estimates provided by the Division of Retirement. Funding is provided for the Florida National Guard and is based upon changes to the federal military pay scales, cost-of-living adjustments to federal retirement benefits, and growth in the number of participants.
#11 Fiscally Constrained Counties - Property Tax	71.9	0.0	63.7	0.0	60.4	0.0	Driver #11 funds the estimates adopted by the August 2023 Revenue Estimating Conference to offset reductions in ad valorem tax revenue in fiscally constrained counties that resulted from constitutional amendments approved in 2008. ¹⁸

Table continues on the following page.

¹⁷ The forecast of the National Economic Estimating Conference is available at <http://edr.state.fl.us/Content/conferences/useconomic/index.cfm>.

¹⁸ The forecast for Fiscally Constrained Counties is available at <http://edr.state.fl.us/Content/conferences/advalorem/FiscallyConstrainedCountiesTable.pdf>. See also sections 218.12 and 218.125, Florida Statutes.

Critical Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
ADMINISTERED FUNDS AND STATEWIDE ISSUES¹⁹							
#12 State Match for Federal Emergency Management Agency Funding - State Disaster Funding (Declared Disasters)	306.0	0.0	178.8	0.0	97.2	0.0	Driver #12 funds the state matching requirement for all open federally declared disasters and is based on the most recent quarterly estimate from the Division of Emergency Management. The state match covers previous hurricanes and other natural disasters or other emergencies. These amounts do not contemplate any cost estimates for emergencies yet to occur or for which damage assessments are ongoing.
#13 Division of Administrative Hearings Assessments	0.3	0.0	0.3	0.0	0.3	0.0	Driver #13 provides funding to support the Division's operations based on the three-year average of actual appropriations. Agencies pay assessments with trust funds, General Revenue, or a blend of both funding sources.

Table continues on the following page.

¹⁹ The 2022 Outlook included a Critical Needs budget driver for Risk Management Insurance to resolve expected shortfalls in the State Risk Management Trust Fund. The Fiscal Year 2023-24 General Appropriations Act transfers \$70 million from the General Revenue Fund to the trust fund and provides \$24 million in recurring funding to resolve deficits resulting from Hurricanes Ian and Nicole, as well as other insurance claims. The Self-Insurance Estimating Conference held in August 2023 projects positive ending balances in the trust fund for each year of the Outlook; therefore, no additional funds are provided.

Critical Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#14 Increases in Employer-Paid Benefits for State Employees	338.1	54.7	327.0	80.8	333.3	84.7	Driver #14 funds increases for the state employee health insurance program and the Florida Retirement System (FRS). For the insurance program, ²⁰ funds are included by applying the two recent funding policies for this program for each year of the Outlook. This includes a 6.5 percent increase to employer-paid premiums and a \$200 million transfer from the General Revenue Fund. For Fiscal Year 2024-25, an additional transfer of \$53.4 million is included to offset the projected deficit in the State Employees' Health Insurance Trust Fund. Funds are also included to fund the normal cost and amortization of unfunded actuarial liabilities of the FRS based on a three-year average increase of appropriations. The historical average is used because the results of the 2023 FRS Actuarial Assumption Conference and the Fiscal Year 2022-23 Annual Actuarial Valuation were not available at the time of this Outlook. ²¹
Total Critical Needs	1,807.3	1,116.6	2,123.3	(134.2)	1,455.8	337.4	

²⁰ The forecast for the State Employees' Health Insurance Trust Fund is available at <http://edr.state.fl.us/Content/conferences/healthinsurance/index.cfm>.

²¹ The results of the most recent Actuarial Assumption Conference are available at <http://edr.state.fl.us/Content/conferences/actuarial/index.cfm>. This Conference is held annually in the fall.

Other High Priority Needs

While the Critical Needs expenditure projections are largely associated with the results of estimating conferences, the projections for Other High Priority Needs generally reflect the Legislature’s most recent budget decisions and funding priorities. In this year’s Outlook, the largest General Revenue Other High Priority Needs drivers are in the Natural Resources, Higher Education, Human Services, and Transportation and Economic Development policy areas as shown in the following table.

General Revenue Fund Significant Other High Priority Needs By Policy Area (\$Millions)	Fiscal Year 2024-25	Fiscal Year 2025-26	Fiscal Year 2026-27	Three-Year Total
Natural Resources – Driver #s 37,38	878.6	1,006.1	1,006.7	2,891.4
Higher Education – Driver #s 16-20	713.6	725.5	728.3	2,167.4
Human Services – Driver #s 21-27	485.0	485.0	485.0	1,455.0
Transportation and Economic Development – Driver #s 33-36	479.6	477.9	479.6	1,437.1
Grand Total	2,556.7	2,694.6	2,699.6	7,950.9

Note: totals may not add due to rounding.

Natural Resources – Other High Priority Needs

The policy area with the greatest Other High Priority Needs, totaling nearly \$2.9 billion over the Outlook period, is related to Florida’s natural resources and includes two budget drivers: Water and Land Conservation (Driver #37) and Other Agricultural and Environmental Programs (Driver #38). The funding projections for these two drivers are primarily based on the projected balances and expected revenues in the Land Acquisition Trust Fund (LATF), as well as three-year averages of appropriations. Based on the August 2023 Revenue Estimating Conference results, the revenue to be distributed to the LATF over the three years of the Outlook is estimated to be \$1,208.1 million for Fiscal Year 2024-25; \$1,260.1 million for Fiscal Year 2025-26; and \$1,300.7 million for Fiscal Year 2026-27.²² The Outlook assumes a reserve within the LATF similar to reserves established for the other trust funds included in the Outlook.

For the Water and Land Conservation budget driver, the Outlook includes \$324.5 million in General Revenue funds for Fiscal Year 2024-25 and \$436.4 million in Fiscal Years 2025-26 and 2026-27. The General Revenue need is lower in the first year of the Outlook because of prior year carry forward balances and increased revenue projections in the LATF. The components included in the calculation of this driver are the Florida Forever land acquisition programs; Everglades Restoration; Land Management; Lake Apopka Restoration; various Water Quality Improvement Programs; Total Maximum Daily Loads; Nonpoint Source Pollution Prevention; Innovative Technologies to combat or cleanup harmful algal blooms and provide grants for red tide response; Water Quality Enhancements and Accountability, including water quality monitoring, development and maintenance of the water quality information portal, and support for the Blue-Green Algae Task Force; Alternative Water Supply; and Beach Restoration.

²² The forecast for Documentary Stamp Tax collections and distributions is available at <http://edr.state.fl.us/Content/conferences/docstamp/index.cfm>.

For the Other Agriculture and Environmental Programs budget driver, the Outlook includes recurring General Revenue funds of \$6.3 million in each year of the forecast period, as well as nonrecurring General Revenue funds of \$547.8 million in Fiscal Year 2024-25, \$563.4 million in Fiscal Year 2025-26, and \$564.0 million in Fiscal Year 2026-27. The initiatives included in the calculation of this driver are the following: Water Projects; state match for Drinking Water and Wastewater Revolving Loan Programs; Florida Keys Area of Critical State Concern; Resilient Florida Program; Coastal Resiliency; Agricultural Programs, including Florida Forest Service equipment, the Florida Agricultural Promotion Campaign, Farm Share and Food Banks, aircraft acquisition and maintenance, Agriculture Education and Promotion Facilities, the Florida State Fair, Citrus Research, Citrus Recovery, and the transfer of General Revenue funding to the Agricultural Emergency Eradication Trust Fund; and Fish and Wildlife Conservation Programs, including vehicles and vessels replacement, aircraft acquisition and maintenance, artificial reef construction, red tide research, derelict vessels removal, and nonnative species management.

Higher Education – Other High Priority Needs

The Outlook includes almost \$2.2 billion over the Outlook period for Other High Priority Needs in Higher Education. The Outlook includes the annual restoration of \$265 million in nonrecurring General Revenue funds that were provided in Fiscal Year 2023-24 as performance-based funding for the State University System (Driver #16). Although these funds historically have been provided from recurring General Revenue, the Legislature appropriated the funds as nonrecurring in Fiscal Years 2021-22 through 2023-24. The Outlook does not assume the funds will be provided specifically for performance-based funding—the policy regarding the uses of any appropriated funds will be determined by the Legislature.

The Outlook also includes workload funding for Florida’s public higher education delivery systems based on the three-year average increase of appropriations for each system, excluding funded appropriations projects. Specifically, for each forecasted year, the Outlook includes \$18.1 million for school district workforce education programs (Driver #17), \$120.4 million for Florida College System institutions (Driver #18), and \$322.6 million for State University System Education and General Activities (E&G) and the Institute for Food and Agricultural Sciences (IFAS) (Driver #19). Additionally, this policy area includes funding adjustments for students estimated to be eligible for the Effective Access to Student Education (EASE) grant program and Benacquisto Scholarship program (Driver #20).²³

Human Services – Other High Priority Needs

The Outlook includes nearly \$1.5 billion over the forecast period for Other High Priority Needs associated with health and human services provided to Florida’s families. The most significant budget driver in this policy area is Children and Family Services (Driver #22), totaling \$668.1 million in General Revenue funding over the Outlook period. This driver includes funding for Community-Based Care lead agencies core services operations to keep families together and safe; child welfare initiatives aimed at reducing the number of children in out of home care; adoption maintenance subsidies to families that adopt a child from the child welfare system; resources for foster families to support the care of foster children; and funding needs resulting from recent federal changes. Funding is also included for mental health and substance abuse services provided through community providers with a focus on Opioid crisis response; mental health treatment facility needs and operating contracts; and forensic treatment beds.

The Outlook also includes General Revenue and federal matching funds to assist individuals on the waiting list for home and community-based services for persons with intellectual and developmental disabilities

²³ The forecasts for each financial assistance program are available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>

(Driver #24). These funds are provided to ensure those most vulnerable can live productive and fulfilling lives in their community. Additionally, this policy area includes funding based on three-year averages for Medicaid provider rate increases, public health programs, Veterans' services, services for the elderly, and information technology (Driver #s 21, 23, 25-27).

Transportation and Economic Development – Other High Priority Needs

Finally, more than \$1.4 billion in General Revenue funding is provided over the Outlook period for Other High Priority Needs related to transportation infrastructure and economic development programs. The most significant budget driver in this policy area is the Department of Transportation Adopted Work Program and Local Transportation Projects (Driver #33), totaling \$899.4 million from the General Revenue Fund over the three-year forecast period. Although the Adopted Work Program is primarily funded with state and federal trust funds, the Legislature has appropriated significant amounts of General Revenue funding for local transportation projects in both Fiscal Year 2022-23 and Fiscal Year 2023-24. This driver includes \$299.8 million each year from the General Revenue Fund for local transportation projects based on the three-year average of appropriations.

Additionally, the Outlook includes General Revenue funding based on three-year averages for economic development and workforce programs (Driver #34); National Guard armories, military affairs, and Florida State Guard priorities (Driver #35); and library, cultural, historical, and election priorities (Driver #36).

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
PRE K - 12 EDUCATION							
#15 Workload and Enrollment - Other Pre K-12 Programs	48.1	0.0	49.0	0.0	55.9	0.0	Driver #15 provides funding for: the Florida School for the Deaf and the Blind based on the three-year average increase of appropriations; the VPK program based on the amount of additional funds over workload needed to achieve a 5.9 percent three-year average increase in the VPK base student allocation; and the VPK CLASS assessments, regional literacy teams, and micro-credential and reading endorsements which are all established in statute and funded, in part, with nonrecurring funds in Fiscal Year 2023-24.
HIGHER EDUCATION							
#16 Maintain Current Budget - Higher Education	265.0	0.0	265.0	0.0	265.0	0.0	Driver #16 provides nonrecurring funds each year to continue nonrecurring funds provided in Fiscal Year 2023-24 for State University System Performance funding.
#17 Workload - District Workforce	18.1	0.0	18.1	0.0	18.1	0.0	Driver #17 funds increases for school district workforce education programs based on the three-year average increase of appropriations, excluding funded appropriations projects.
#18 Workload - Florida Colleges	120.4	0.0	120.4	0.0	120.4	0.0	Driver #18 funds increases for the Florida College System institutions based on the three-year average increase of appropriations, excluding funded appropriations projects.
#19 Workload - State Universities	322.6	0.0	322.6	0.0	322.6	0.0	Driver #19 funds increases to State University Education and General Activities (E&G) and the Institute for Food and Agricultural Sciences (IFAS) based on the three-year average increase of appropriations, excluding funded appropriations projects.

Table continues on the following page.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#20 Workload and Adjustments - Other Higher Education Programs	(12.5)	0.0	(0.5)	0.0	2.3	0.0	Driver #20 addresses the number of eligible recipients, as projected by the August 2023 Education Estimating Conference, ²⁴ for the Effective Access to Student Education (EASE) grant program and the Benacquisto Scholarship program. Over the three-year period, there are projected to be 775 fewer eligible students for an EASE grant and 127 fewer eligible students for a Benacquisto Scholarship. In Fiscal Year 2023-24, there are projected to be 35,293 EASE grants and 1,959 Benacquisto Scholarships.
HUMAN SERVICES							
#21 Medicaid Services	131.1	194.7	131.1	194.7	131.1	194.7	Driver #21 provides additional funding for Medicaid Waiver slots for the elderly and for Medicaid provider rate increases based on the three-year average of appropriations.
#22 Children and Family Services	222.7	266.7	222.7	266.7	222.7	266.7	Driver #22 uses three-year averages of appropriations to determine funding needs for the anticipated growth of the following issues: maintenance adoption subsidies; Community-Based Care lead agencies that provide child welfare services; child abuse investigations conducted by the department; foster care room and board rates; state mental health treatment facility needs and operating contracts; substance abuse and opioid misuse prevention; mental health services administered through community-based providers; forensic treatment beds; funding needs resulting from recent federal changes; and personnel resources to assist individuals with public assistance eligibility determination.

²⁴ The forecasts for each financial assistance program are available at <http://edr.state.fl.us/Content/conferences/financialaid/index.cfm>.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#23 Health Services	50.0	22.2	50.0	22.2	50.0	22.2	Driver #23 provides additional funding for the Early Steps program, the Office of Medical Marijuana Use, Florida Poison Control Centers, Child Protection Teams, Medical Quality Assurance services, Minority Health Initiatives, Biomedical Research, and Health Care Loan Repayment Programs based on three-year averages of appropriations.
#24 Developmental Disabilities	36.7	54.8	36.7	54.8	36.7	54.8	Driver #24 uses three-year averages of appropriations to determine funding needs for reducing the waitlist for Developmental Disabilities Waiver services, additional client needs, additional administrative resources to manage growth in Waiver services, replacement of motor vehicles, agency-nursing contracts, and rate increases for Medicaid Waiver providers.
#25 Veterans' Services	4.9	1.4	4.9	1.4	4.9	1.4	Driver #25 provides funding for Florida is for Veterans, Inc., for the Entrepreneurship Program and the Veterans Workforce Training Grant Program, veterans' home resident equipment, and routine maintenance and repair at the State Veteran Nursing Homes. The amounts are based on three-year averages of appropriations.
#26 Elderly Services	18.5	0.1	18.5	0.1	18.5	0.1	Driver #26 provides funding for reducing the waitlists for the Community Care for the Elderly program, the Home Care for the Elderly program, and to provide respite services for the Alzheimer's clients based on the three-year averages of appropriations. Funding is also included for the Public Guardianship program and the Aging Resource Centers based on three-year averages of appropriations.

Table continues on the following page.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#27 Human Services Information Technology/ Infrastructure	21.2	129.5	21.2	129.5	21.2	129.5	Driver #27 provides funding for the completion of information technology projects within the Health and Human Services departments, including the Agency for Persons with Disabilities' Client Data Management System; the Department of Veterans' Affairs' Information Technology enhancements; the Agency for Health Care Administration's Florida Health Care Connections (FX) transition and facility regulation issues; the Department of Children and Families' initiatives to modernize the Florida System (ACCESS), Florida Safe Families Network (FSFN), and improvements to the Children's Legal Services case management system; the Department of Health's Centralized Online Reporting, Tracking, and Notification Enterprise (CORTNE) Accounting and Budgeting System; and the Department of Elder Affairs' Tracking System (eCIRTS) Project.
CRIMINAL JUSTICE AND JUDICIAL BRANCH							
#28 Justice Administration Entities	0.9	0.0	0.9	0.0	0.9	0.0	Driver #28 funds workload increases for the Justice Administration entities, including the Criminal Conflict and Civil Regional Counsels and Capital Collateral Regional Counsels. The amounts are based on three-year averages of appropriations, including supplemental appropriations.
#29 Department of Corrections Education and Training Programs	8.2	5.9	8.2	5.9	8.2	5.9	Driver #29 provides funding related to inmate and officer education and training programs. The amounts are based on the three-year average increase of appropriations.
#30 Department of Juvenile Justice Programs	6.6	0.1	6.6	0.1	6.6	0.1	Driver #30 funds community supervision and prevention programs based on the three-year average increase of appropriations.

Table continues on the following page.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#31 Other Criminal and Civil Justice Programs and Operations	26.2	12.7	26.2	12.7	26.2	12.7	Driver #31 provides funding based on the three-year average increase of appropriations for safety equipment and security cameras at correctional and juvenile justice facilities; motor vehicle fleet replacements; and information technology projects.
#32 Judicial Branch	5.4	0.0	5.4	0.0	5.4	0.0	Driver #32 provides funding for problem-solving courts and the certification of additional judgeships based on the three-year average increase of appropriations.
TRANSPORTATION AND ECONOMIC DEVELOPMENT							
#33 Department of Transportation Adopted Work Program and Local Transportation Projects	299.8	11,808.4	299.8	10,019.3	299.8	9,317.4	Driver #33 funds the list of transportation projects included in the Adopted Five Year Work Program, which uses estimates from the March 2023 Revenue Estimating Conference. ²⁵ Changes in project commitments and revenue estimates after July 1, 2023, will be incorporated into the Tentative Work Program in January 2024. Additionally, this driver provides funding for local transportation projects based on the three-year average of appropriations.
#34 Economic Development and Workforce Programs	69.5	0.0	69.5	0.0	69.5	0.0	Driver #34 provides funding for various programs and activities including the Job Growth Grant Fund and contract payments for traditional economic development programs. The amounts are based on the three-year average of appropriations for each program.

Table continues on the following page.

²⁵ The forecast for revenues flowing into the State Transportation Trust Fund is available at <http://edr.state.fl.us/Content/conferences/transportation/index.cfm>.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#35 National Guard Armories, Military Affairs, and Florida State Guard Priorities	44.8	0.0	44.8	0.0	44.8	0.0	Driver #35 provides funding based on the three-year average of appropriations for ongoing maintenance and repairs to Florida armories as well as workers' compensation claims for National Guard troops who become injured while on state active duty. Additionally, this driver provides funding for Florida State Guard resources based on the three-year average of appropriations.
#36 Library, Cultural, Historical, and Election Priorities	65.6	0.0	63.9	0.0	65.6	0.0	Driver #36 uses three-year averages of appropriations to fund a variety of programs including state aid to libraries; public library construction grants; cultural and historical grant programs; and elections costs for statewide litigation and special elections. In addition, funding is provided in Fiscal Year 2024-25 and Fiscal Year 2026-27 for advertising constitutional amendments based on the average funding in the two most recent general election years.
NATURAL RESOURCES							
#37 Water and Land Conservation	324.5	650.9	436.4	539.0	436.4	539.0	Driver #37 provides funding for a variety of conservation programs including the Florida Forever Program, Everglades Restoration, Lake Apopka, Water Quality Improvements, Alternative Water Supply, Beach Restoration, and Land Management. Funding levels are based on revenues available in the Land Acquisition Trust Fund (LATF), as projected by the August 2023 Revenue Estimating Conference, ²⁶ and three-year averages of appropriations.

²⁶ The forecast for Documentary Stamp Tax collections and distributions is available at <http://edr.state.fl.us/Content/conferences/docstamp/index.cfm>.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#38 Other Agricultural and Environmental Programs	554.1	37.8	569.7	37.8	570.3	37.8	Driver #38 uses three-year averages of appropriations to fund a variety of programs including the Resilient Florida Grant Program; Water Projects; Florida Keys Restoration Projects; Coastal Resiliency; Florida State Fair; Citrus Recovery Program; Agricultural Programs; and Fish and Wildlife Conservation Programs. This driver also provides funding for Drinking Water and Wastewater Revolving Loan Programs based on three-year projections provided by the Department of Environmental Protection.
GENERAL GOVERNMENT							
#39 Other General Government Priorities	67.9	55.0	66.8	52.8	66.5	35.9	Driver #39 provides cybersecurity funding through the Department of Management Services for state agencies and local governments based on the three-year average of appropriations. Funding is also provided for the Statewide Law Enforcement Radio System, as estimated by the Department of Management Services, as well as contract costs for the Florida Accounting Information Resource replacement as estimated by the Department of Financial Services. In addition, funding is provided for aerial photography for small counties based on estimates from the Department of Revenue.
#40 State Building Pool - General Repairs and Maintenance	41.6	17.0	41.6	17.0	41.6	17.0	Driver #40 funds general repairs and maintenance for the Florida Facilities Pool (state-owned facilities located throughout Florida) based on the three-year average of appropriations.
ADMINISTERED FUNDS AND STATEWIDE ISSUES							
#41 State Employee Pay Issues	216.8	177.0	216.8	177.0	216.8	177.0	Driver #41 provides funding for state employees pay issues based upon the three-year average funding levels for competitive pay, merit pay, and retention pay adjustments.

Other High Priority Needs Driver Number and Title	FY 2024-25		FY 2025-26		FY 2026-27		Driver Description and Assumptions
	Total GR	Total Major TF	Total GR	Total Major TF	Total GR	Total Major TF	
#42 Maintenance, Repairs, and Capital Improvements - Statewide Buildings - Critical	88.5	22.7	88.5	22.7	88.5	22.7	Driver #42 provides funding based on three-year averages of appropriations for critical maintenance and repair projects at state-owned facilities throughout the state, including health services facilities, justice and judicial branch facilities, agricultural and wildlife conservation infrastructure, transportation facilities, and highway safety facilities. Funds are also provided for life safety and ADA repairs of facilities in the Florida Facilities Pool based on the three-year average of appropriations.
Total Other High Priority Needs	3,066.9	13,457.0	3,204.5	11,553.6	3,216.2	10,834.9	

REVENUE ADJUSTMENTS

KEY POINTS

- ❖ The Outlook includes tax and fee adjustments to the General Revenue Fund totaling -\$646.5 million in Fiscal Year 2024-25; -\$781.3 million in Fiscal Year 2025-26; and -\$916.1 million in Fiscal Year 2026-27.
- ❖ The increasingly negative impact is a result of the cumulative effect of continuing the adjustments that are recurring in nature.
- ❖ These negative adjustments are partially offset by trust fund transfers to the General Revenue Fund. The Outlook assumes annual transfers of \$19.7 million.

The Outlook includes revenue adjustments to the General Revenue Fund that reflect recent legislative actions which alter the revenue-side of the state's fiscal picture. These adjustments are based on specific tax and fee changes and trust fund transfers that have occurred over the past three years, but the numbers used in the Outlook are simply representative of future levels and do not refer to specific initiatives or plans.

Tax and Significant Fee Changes

Every year, the Legislature adopts a number of statutory changes that affect state and local government revenues. Some increase or reduce revenues, while others transfer moneys between different funds or levels of government without affecting state revenue receipts. After the Legislature adjourns each year, the Revenue Estimating Conference produces a final impact for each revenue change. These impacts are compiled into the *Measures Affecting Revenues*.²⁷ The Outlook includes a three-year average of the state tax and fee changes that affect the General Revenue Fund.

Some of the impacts included in the measures are time-limited, nonrecurring changes that only affect a single year (e.g., Sales Tax holidays), while others are continuing, recurring changes that affect all future years. Because continuing changes to taxes often have delayed effective dates or other implementation issues, the effect of the changes in the first fiscal year of implementation can be less than a full year's effect. To distinguish between the two types of revenue adjustments, the tax and fee changes are grouped into two categories: continuing and time-limited. The continuing tax and fee changes are recurring adjustments to the funds that are otherwise available and build over time. The time-limited tax and fee changes are confined to each year and are held constant in the Outlook.

Typically, only a small percentage of the measures are positive. By far the greater share results in savings to the affected payers and a reduction in state revenues. The total for each fiscal year is a net number and—after averaging across the three years—is used in the Outlook to reflect the overall level of expected annual change. An exception was made to address a unique circumstance. A significant measure from the 2021 Legislative Session relates to a change that, given its nature, cannot be replicated in the future—

²⁷ <http://edr.state.fl.us/Content/revenues/reports/measures-affecting-revenues/index.cfm>

Chapter 2021-2, Laws of Florida, relating to the tax treatment of online sales. It was, and continues to be, excluded from the Fiscal Year 2021-22 data.

In each of the years used to calculate the three-year average, the largest time-limited impacts were the Business Rent Tax Rate Reduction scheduled for Fiscal Year 2023-24, the Business Licensing Fee Relief, and the various Sales Tax holidays, including items such as back-to-school clothing, supplies and computers; Energy Star appliances; disaster preparedness supplies; and natural gas ranges and cooktops. The largest continuing impacts were related to building materials used in affordable housing units; baby and toddler products, diapers and incontinence products, and oral hygiene products beginning in Fiscal Year 2023-24; the Corporate Income Tax research and experimentation amortization schedule beginning in Fiscal Year 2022-23; the creation of the New Worlds Reading Credit in Fiscal Year 2021-22; and the increase to the Moffitt Cancer Center distribution in Fiscal Year 2021-22. With the introduction each year of new tax and fee impacts that are recurring, the impacts stack as the years continue. The following table shows how the cumulative impact of the continuing items is calculated.

(\$Millions)	Fiscal Year 2024-25			Fiscal Year 2025-26			Fiscal Year 2026-27		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Year 1	(134.8)	29.8	(105.0)	(134.8)	-	(134.8)	(134.8)	-	(134.8)
Year 2	-	-	-	(134.8)	29.8	(105.0)	(134.8)	-	(134.8)
Year 3	-	-	-	-	-	-	(134.8)	29.8	(105.0)
TOTAL	(134.8)	29.8	(105.0)	(269.6)	29.8	(239.8)	(404.4)	29.8	(374.6)

Note: totals may not add due to rounding.

After adding the time-limited changes, the final revenue adjustments included in the Outlook are displayed in the following table. In magnitude, the continuing tax changes are slightly more than six times as large as the adjustments used in last year's Outlook, and the time-limited adjustments are almost twice as large. Note that some of the new holidays span multiple fiscal years, and the calculation used for this Outlook sums the entire amount committed across years to produce a single representative cost for the measure.

(\$Millions)	Fiscal Year 2024-25			Fiscal Year 2025-26			Fiscal Year 2026-27		
	Rec	NR	Total	Rec	NR	Total	Rec	NR	Total
Continuing Tax/ Fee Changes	(134.8)	29.8	(105.0)	(269.6)	29.8	(239.8)	(404.4)	29.8	(374.6)
Time-Limited Tax/ Fee Changes	-	(541.5)	(541.5)	-	(541.5)	(541.5)	-	(541.5)	(541.5)
TOTAL	(134.8)	(511.7)	(646.5)	(269.6)	(511.7)	(781.3)	(404.4)	(511.7)	(916.1)

Trust Fund Transfers to General Revenue

For various reasons, trust funds are created to set aside or earmark a portion of state revenue for particular uses. For Fiscal Year 2023-24, appropriations were made from 169 different trust funds, totaling \$71.4 billion. Approximately \$41.3 billion was appropriated from federal revenue sources and \$30.1 billion from state revenue sources.

The annual General Appropriations Act typically includes transfers of unobligated fund balances from trust funds to the General Revenue Fund. Like last year, this year’s Outlook relies on a three-year average of trust fund transfers to General Revenue to produce a representative level for the future. The average is calculated using pre-veto levels and is exclusive of transfers related to constitutional amendments, transfers associated with estimating conferences, and transfers related to permanent law changes significantly affecting one or more trust funds and producing related sweeps.

In addition, the three-year average removes redirections of General Revenue funds to state trust funds such as occurred with the Highway Safety and Motor Vehicles Operating Trust Fund in 2022 (Chapter 2022-155, Laws of Florida), the State Housing Trust Fund in 2023 (Chapter 2023-17, Laws of Florida), and the Inmate Welfare Trust Fund in 2023 (Chapter 2023-244, Laws of Florida). Similarly, trust fund transfers in prior years that were subsequently prohibited were not included. An example includes the statutory change that prohibits certain transfers from the housing trust funds to the General Revenue Fund (Chapter 2021-039, Laws of Florida).

Calculation of Trust Fund Transfers to the General Revenue Fund (\$Millions)	Fiscal Year 2021-22	Fiscal Year 2022-23	Fiscal Year 2023-24	Three-Year Average*
Total Transfers to General Revenue	559.3	40.0	45.0	214.8
<i>Adjustment for Excluded Transfers</i>	---	---	---	
<i>Adjustment for Redirect to State Trust Funds</i>	---	(30.0)	(192.8)	
<i>Adjustment for Prohibited Transfers</i>	(362.5)	---	---	
NET TRANSFER TO GENERAL REVENUE	196.8	10.0	(147.8)	19.7

*Excluded transfers and adjustments are not averaged; they are deducted in their entirety from the respective year.

For Fiscal Year 2023-24, the negative net transfer to General Revenue can be interpreted as the degree to which the combined trust funds benefitted from incoming General Revenue transfers—effectively the opposite of a sweep.

STATE RESERVES

KEY POINTS

- ❖ The state’s reserves for Fiscal Year 2023-24 are estimated to be \$13.6 billion, including \$8.8 billion of unallocated General Revenue.
- ❖ An unallocated reserve equal to 3.9 percent of the estimated revenue is maintained in the General Revenue Fund for each year of the Outlook. This equals approximately \$1.9 billion each year.

The Budget Stabilization Fund (BSF), the Emergency Preparedness and Response Fund, and unallocated General Revenue compose the state’s reserves.²⁸ The constitutionally-required BSF is the state’s structural reserve that must contain an amount equal to at least 5 percent but no more than 10 percent of General Revenue collections in the last completed fiscal year.²⁹ The Emergency Preparedness and Response Fund was created in the 2022 Session to be used as a primary source of funding for preparing or responding to a disaster declared by the Governor as a state of emergency.³⁰ Unallocated General Revenue is the working capital balance of the state and consists of moneys in the General Revenue Fund that are in excess of the amount needed to meet General Revenue Fund appropriations for the current fiscal year.³¹ The funds also remain available for the Legislature to respond to revenue shortfalls, program deficits, or other expenditures of the state.

Based on the state’s accounting records at the time of this Outlook, total reserves for Fiscal Year 2023-24 are projected to be \$13.6 billion. The anticipated reserves reflect the unallocated funds that are expected to remain on June 30, assuming revenues meet the estimates and all authorized expenditures are made before the end of the fiscal year. The following table shows a 10-year history of anticipated state reserves at the time each year’s Outlook was developed.

Reserves (\$Millions) Outlook Year	Baseline Fiscal Year	Unallocated General Revenue	Budget Stabilization Fund	Lawton Chiles Endowment Fund	Emergency Preparedness & Response Fund	Total Anticipated Reserves	General Revenue Estimate	% of GR Estimate
2014	2014-15	1,589.0	1,139.2	629.3	-	3,357.5	27,189.4	12.3%
2015	2015-16	1,709.1	1,353.7	590.2	-	3,653.0	28,414.1	12.9%
2016	2016-17	1,414.2	1,384.4	637.5	-	3,436.1	29,332.8	11.7%
2017	2017-18	1,458.5	1,416.5	713.4	-	3,588.4	30,926.0	11.6%
2018	2018-19	1,226.1	1,483.0	763.1	-	3,472.2	32,243.8	10.8%
2019	2019-20	1,452.9	1,574.2	773.6	-	3,800.7	32,943.3	11.5%
2020	2020-21	1,366.6	1,674.2	867.2	-	3,908.0	30,990.1	12.6%
2021	2021-22	7,324.0	2,723.5	-	-	10,047.5	36,901.0	27.2%
2022	2022-23	13,719.4	3,140.2	-	499.0	17,358.6	41,998.2	41.3%
2023	2023-24	8,800.9	4,140.2	-	681.2	13,622.3	45,664.4	29.8%

²⁸ Chapter 2021-43, L.O.F., terminated the Lawton Chiles Endowment Fund, which previously functioned as part of the state’s reserves. The legislation directed the State Board of Administration to liquidate the fund’s assets and transfer them to the BSF.

²⁹ Art. III, s. 19(g), Fla. Const. and s. 215.32, FS.

³⁰ Ch. 2022-2, L.O.F.

³¹ Sec. 215.32(2)(a), F.S.

For Fiscal Year 2023-24, the unallocated General Revenue reserve is estimated to be \$8.8 billion, as shown on the Financial Outlook Statement adopted by the Revenue Estimating Conference in August 2023.³² This positive ending balance accounts for all available funds, including the Fiscal Year 2022-23 actual revenue collections and the revised forecast for Fiscal Year 2023-24, as well as authorized expenditures.

Consistent with the assumptions used for the 2021 and 2022 Long-Range Financial Outlooks, a minimum General Revenue reserve equivalent to 3.9 percent of the revenue estimate is maintained for each year of the forecast period. This equals about \$1.9 billion each year. The Outlook also accounts for reserves that have been created for each of the three major trust funds (i.e., Educational Enhancement, State School, and Tobacco Settlement). The amounts for these trust funds are calculated by applying the same 3.9 percent minimum reserve to each fund's revenue estimate as is done for the General Revenue Fund.

Finally, the Outlook typically provides for the constitutionally-required transfers to the Budget Stabilization Fund to achieve the required balance of 5 percent of General Revenue collections. Based on the August 2023 General Revenue estimates, no transfers are required during the three-year forecast period.

³² The General Revenue Fund Financial Outlook Statement is available at <http://edr.state.fl.us/Content/revenues/outlook-statements/general-revenue/index.cfm>.

ECONOMIC AND DEMOGRAPHIC TRENDS

KEY POINTS

- ❖ The state and national economic forecasts were little changed from the forecasts used to develop the Fiscal Year 2023-24 General Appropriations Act, but the expected recession has been removed entirely.
- ❖ The headwinds from inflation are still expected to subside, but now linger well into Fiscal Year 2025-26. Otherwise the long-term growth path from the estimating conference held immediately prior to the pandemic is generally maintained and, in some cases, exceeded.
- ❖ Florida's unique demographics will present challenging issues for the state's policy makers between now and 2050. The effects of the aging Baby Boom population will be most immediate.

Key Economic Trends

The new state and national economic forecasts adopted in July 2023 were little changed from those adopted in February 2023 for the Legislature, although those forecasts had assumed a mild recession in the first and second quarters of 2023 that failed to materialize. This expectation has now been removed from the forecast entirely. As a result, Fiscal Year 2023-24 is modestly stronger, although the differences tend to wash out over the remainder of the forecast, if not in Fiscal Year 2024-25. Notably, the headwinds from inflation are still expected to subside, but now linger well into Fiscal Year 2025-26. Otherwise, the long-term growth path from the estimating conference held immediately prior to the pandemic is generally maintained and, in some cases, exceeded. Stability has increased, increasing confidence in the estimates.

Even so, economic disruption is still evident, with varied impacts on household savings, the elevated use of credit, the continued normalization of spending on services and away from taxable goods, and strong inflationary pressures on households. How these economic challenges ultimately transition to normal conditions will be pivotal to the actual performance of Florida's economy over the next few years.

One measure for assessing the economic health of states is the year-to-year change in real Gross Domestic Product (GDP), which is all goods and services produced or exchanged within a state. Florida's quarterly GDP movements have generally tracked the nation as a whole since the beginning of the pandemic. Buffeted by a series of economic shocks, the state's GDP fell -0.2 percent in Fiscal Year 2019-20, grew 4.0 percent in Fiscal Year 2020-21 and grew another 6.9 percent in Fiscal Year 2021-22. The Conference anticipates that the state's economy expanded at a still healthy 3.0 percent in Fiscal Year 2022-23, but will drop to a more characteristic 2.5 percent this year (Fiscal Year 2023-24) as economic imbalances continue to weigh on the economy. Thereafter, the economy will grow from 1.7 percent in Fiscal Year 2024-25 to 2.4 percent in Fiscal Year 2026-27.

Normally, personal income growth is another important gauge of the state's economic health; however, its changes have been in stark contrast to GDP, driven largely by the ebb and flow of federal dollars into Florida households and businesses. Because of these infusions, Florida's personal income grew 6.6

percent in Fiscal Year 2019-20 and grew another 8.0 percent in Fiscal Year 2020-21. Fiscal Year 2021-22 saw moderately lower growth of 4.9 percent as the benefit from workers returning to their jobs or leveraging the tight labor market into better paying opportunities competed with the end of federal relief measures. The Conference anticipates that the state's income expanded at a strong 7.8 percent in Fiscal Year 2022-23, largely on the continuing strength of salary growth. Thereafter, personal income growth will step down to 5.6 percent in Fiscal Year 2023-24 and 5.9 percent in Fiscal Year 2024-25, before gradually declining to a more characteristic 4.2 percent per year.

The key measures of employment are job growth and the unemployment rate. Along with the nation and the world, the job market in Florida experienced an unprecedented contraction in the second quarter of 2020 when a large part of the Florida economy either shut down or sent workers home to slow the spread of the Coronavirus. Employment dropped by almost 1.3 million jobs from February 2020 to April 2020, a loss of 14.1 percent of the pre-pandemic level. Three years later, the lost jobs have largely been restored. In July 2023, Florida exceeded the overall pre-pandemic level by 704,000 jobs, a gain of 7.8 percent. This growth rate is expected to fall from last year's 4.7 percent to 2.0 percent in Fiscal Year 2023-24 and 0.7 percent in Fiscal Year 2024-25, before stabilizing at an annual average of around 1.0 percent throughout the remainder of the forecast.

The Economic Estimating Conference assumes that the "full employment" unemployment rate is about 4.0 percent. Florida's unemployment rate had been below this level for over two years before the onset of the pandemic in March 2020. By May 2020, the unemployment rate spiked to 14.1 percent, surpassing the prior peak rate of 10.9 percent experienced in the first four months of 2010 during the Great Recession. Today, Florida's monthly unemployment rate has been remarkably low for at least a year. In July, it matched the 2.7 percent reported for all of last year, not far from the state's lowest recorded rate in modern times (2.4 percent in the first half of 2006). The Conference expects the unemployment rate to average 3.0 percent in Fiscal Year 2023-24 and, due to the Federal Reserve's actions to cool off the economy through higher interest rates, start an upward drift until it reaches 4.3 percent in Fiscal Year 2026-27. After this, the rate plateaus at or slightly above 4.0 percent.

The persistently low unemployment rate and elevated inflation have jointly introduced a new economic pressure. Wage growth since the onset of the pandemic has been distorted by the extreme ups and downs in employment, especially among lower-wage service workers in the leisure and hospitality industry who were the hardest hit. As they came back to work in large numbers in 2021 and 2022, wages appeared to grow at record levels, but the pure growth rates are somewhat misleading. Calculating Florida's average annual wage relative to the U.S. average cures some of these issues, providing a cleaner picture of how the state is faring. In the first two decades of this century, Florida's average annual wage was below the U.S. average. The most recent data shows that the state's average percentage had fallen from 2016 when it was 87.7 percent to 87.3 percent in 2020. This picture changed in 2021 when Florida moved above its longer run average of 88.5 percent to 89.2 percent. In that year, Florida had a 4.9 percent increase in the number of jobs in covered employment, but a 13.2 percent increase in total wages. Preliminary data for 2022 indicates that the relationship to national wages has continued to transform—hitting a ratio of 91.1 percent, the highest over the past two decades. Moreover, Florida had a 5.6 percent increase in the number of jobs in covered employment, but was still dominated by an 11.7 percent increase in total wages. Based on Conference projections of average annual wage growth of between 3.0 and 3.8 percent growth each year, the higher wages are likely here to stay.

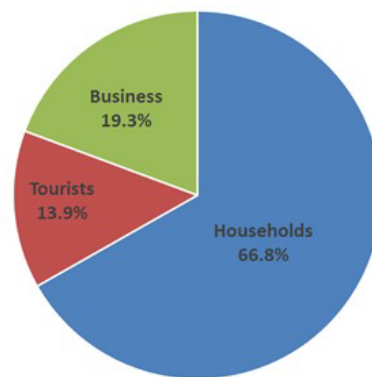
Two areas of the state's economy indirectly benefited from the Federal Reserve's actions to protect the wider economy from the worst of the pandemic effects, albeit with a future payback: real estate and

construction. Throughout the worst of the crisis, these economic sectors thrived as the federal funds rate neared zero and pushed interest rates to historic lows. Growing for the second year at a double-digit rate, total private housing starts reached a 16-year high of 251,800 units in Fiscal Year 2021-22, yet they were still far from the housing boom peak of over 272,000 units in Fiscal Year 2004-05. Since then, the 30-year mortgage fixed rate soared to 6.5 percent during the second quarter of the 2023 calendar year. Given the Federal Reserve’s most probable series of interest rate hikes, the Mortgage Bankers Association anticipates the 30-year mortgage fixed rate will move still higher in this quarter to 6.8 percent. Moving in step, starts are projected to slump by 18.6 percent this year, after already falling 17.2 percent in Fiscal Year 2022-23. Weak or negative growth is expected throughout the remainder of the forecast. At the end of the ten-year forecast period, total private housing starts achieve only 60.7 percent of the peak in Fiscal Year 2004-05, aligning with similar projections in the pre-pandemic forecast. Construction employment finally surpasses its prior peak in Fiscal Year 2032-33.

Finally, Florida’s tourism-sensitive economy is particularly vulnerable to negative shocks. After the onset of the pandemic, the total number of tourists declined nearly -70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism managed to recover gradually, buttressed by the increased number of domestic visitors travelling to Florida by air or car. It took two years to reach recovery from this pandemic in domestic visitors, while international visitors are still at depressed levels. The Conference estimates that total visitors, growing by 39.0 percent, surpassed the pre-pandemic peak by the end of Fiscal Year 2021-22, albeit with a different composition. Slowly returning to a more normal mix of visitors, the 2022-23 fiscal year saw growth of 4.5 percent, with additional strength expected in 2023-24 (5.5 percent growth). The annual growth rates moderate thereafter, gradually declining from 4.4 percent in 2024-25 to 3.0 percent in 2032-33; however, the new forecast levels never exceed the pre-pandemic forecast levels for those years.

The Legislative Office of Economic and Demographic Research has updated and refined an empirical analysis of the various sources of the state’s sales tax collections. In FY 2020-21, sales tax collections provided nearly \$27.2 billion or 74.9% of Florida’s total pandemic-impacted General Revenue collections for the year. Of this amount, an estimated 13.9% (\$3.8 billion) was directly attributable to purchases made by tourists or temporary residents.

Contributions to General Revenue from Sales Tax (with CST) Collections in FY 2020-21, By Source

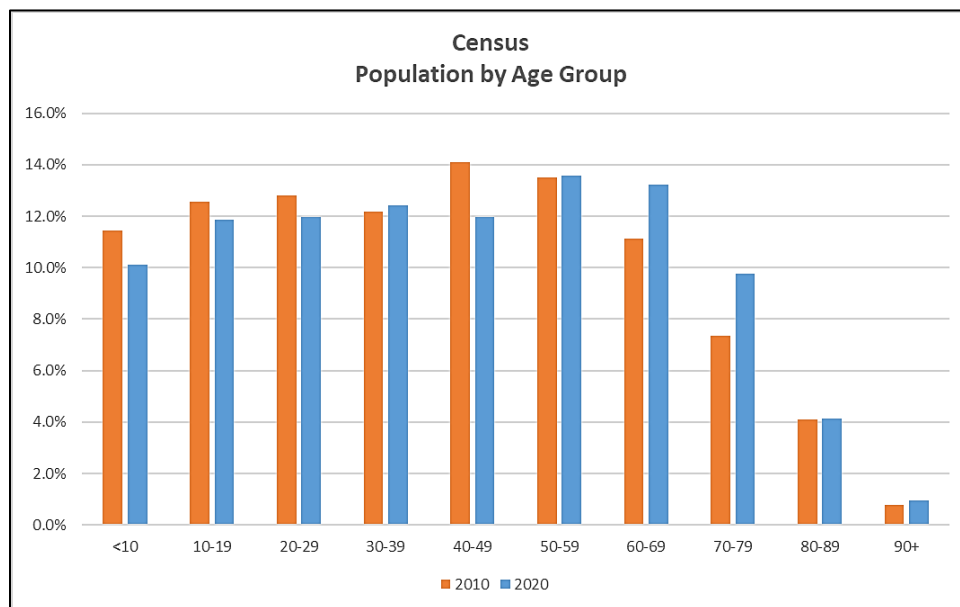


Key Demographic Trends

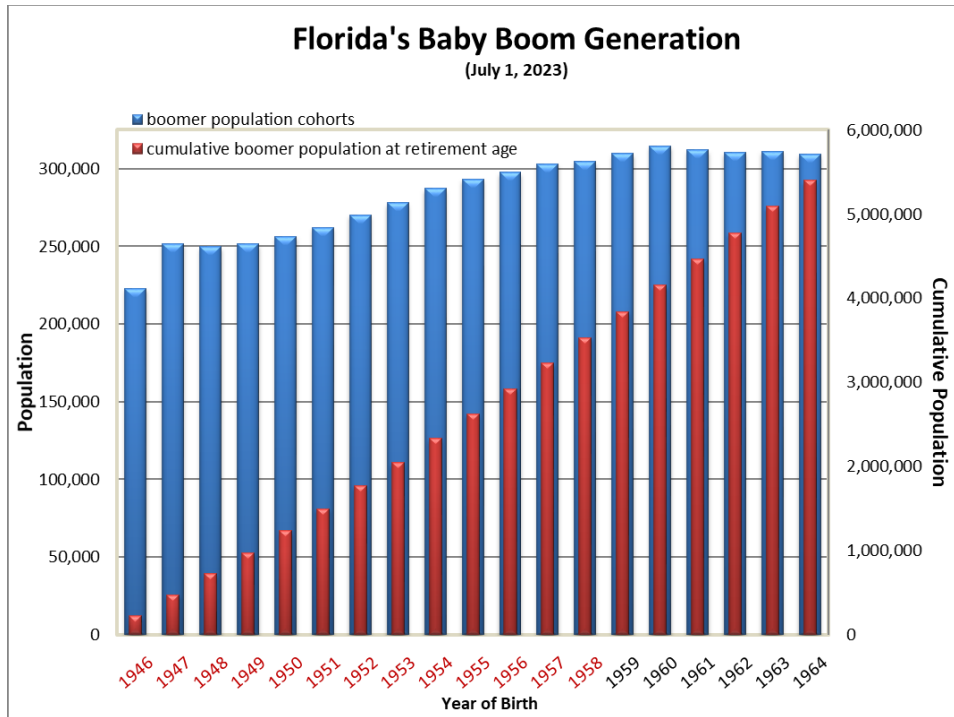
Population growth is the state’s primary engine of economic growth, fueling both employment and income growth. Between 2022 and 2030, state growth is expected to average 1.27 percent per year. Nationally, average annual growth is expected to be about half of that level—approximately 0.64 percent each year between 2022 and 2030.

Florida’s strongest April-over-April growth rate in this century was 2.58 percent in the year 2000, but the largest numeric change occurred in 2005 (+403,332), immediately prior to the collapse of the housing boom and the beginning of the Great Recession. Just before and during the pandemic era, the April 1 growth rates were 1.64 percent for 2020 (+348,338), 1.67 percent for 2021 (+360,758), and 1.72 percent for 2022 (+377,187). Growth is expected to drop slightly to 1.58 percent (+352,017) when the numbers are finalized for April 1, 2023. All of the growth is from net migration, as natural increase is anticipated to remain negative throughout the long-run forecast with deaths outnumbering births.

Part of this expectation relies on the aging of Florida’s population. The Census Bureau recently released more detailed 2020 Census results, showing the continued aging of Florida’s population over the last decade. Relative to the 2010 Census, the percentage of residents aged 40 to 49 fell by 2.1 percent, while the percentage of residents aged 60 to 69 and 70 to 79 increased by 2.1 percent and 2.4 percent respectively.



The first cohort of Baby Boomers became eligible for retirement (turned age 65) in 2011. Thirteen of nineteen cohorts have now entered the retirement phase. This represents almost 65 percent of all Baby Boomers. Population aged 65 and over is expected to represent at least 24.4 percent of Florida’s total population in 2030, compared with 21.2 percent in 2020 and 17.3 percent in 2010. The sheer size of this aging population will have knock-on effects for Florida’s future economy, as well as implications for the labor force, health care services, modes of service delivery, and overall tax collections. As this cohort continues to age, the effects will vary over time, with the positive benefits nearing their end over this decade and the challenges still ahead.



Although caution should be used when relying on decennial data to make comparisons over time since the methods have been revised, it is clear that Florida's unique demographics will present challenging issues for the state's policy makers over the next three decades.

SIGNIFICANT RISKS TO THE FORECAST

KEY POINTS

- ❖ There are risks to the Outlook which could alter the results (both positively and negatively).
- ❖ These risks include hurricanes, federal funding for Medicaid, litigation against the state, and potential constitutional amendments.

While the Long-Range Financial Outlook uses the most current estimates and data available, there are risks that have the potential of altering key assumptions (both positively and negatively) were they to come to pass. Some of the more significant issues are described below.

State Costs for Hurricanes, the Florida Hurricane Catastrophe Fund, and Citizens Property Insurance Corporation

Florida's economic stability is vulnerable to the potential impacts of natural disasters, especially major hurricanes. This vulnerability can take several different forms, but one of the most immediate is to the state's long-term financial health. Although there is a widespread misconception that hurricanes are somehow beneficial to the state from an economic perspective, state government typically has expenditures greater than any incremental increase in the revenue estimate.³³ The Outlook does not account for future financial impacts related to any potential hurricanes in 2023 or thereafter.

In addition to the budgetary and revenue effects associated with hurricanes, there is an impact on state debt. Besides the direct debt normally undertaken by the state, Florida has indirect debt that represents debt either secured by revenues not appropriated by the state or debt obligations of a legal entity other than the state. A major component of the state's current indirect debt is associated with the Florida Hurricane Catastrophe Fund (FHCF) and the Citizens Property Insurance Corporation's (Citizens) ability to cover possible future hurricane-related losses.

The FHCF is a tax-exempt state trust fund that provides reimbursements to residential property insurance companies for a portion of their catastrophic hurricane losses in Florida. For the 2023 storm season, the FHCF's maximum statutory obligation for mandatory coverage is \$17.0 billion. However, the FHCF's obligation by law is limited to its actual claims-paying capacity. The FHCF currently projects liquidity of \$7.2 billion, consisting of \$3.7 billion in projected cash by December 31, 2023, and \$3.5 billion in pre-event bonds. The projected fund balance has been reduced to account for loss reserves for 2017 Hurricane Irma, 2018 Hurricane Michael, and 2022 Hurricane Ian, for which the FHCF is currently paying claims. Given recent financial market conditions, it is estimated the FHCF would be able to bond approximately \$8.6 billion during the next 12 months if a large event occurs during the contract year. This estimated claims-paying capacity of \$12.3 billion (\$3.7 billion cash plus \$8.6 billion bonding capacity), combined with \$3.5 billion in pre-event bonds, is \$1.2 billion below the total potential statutory maximum claims paying obligation of \$17.0 billion. The \$17.0 billion amount translates to an approximate 1-in-240 year event

³³ Legislative Office of Economic and Demographic Research analysis of the 2004 and 2005 hurricanes.

(0.42 percent probability) or an event that causes \$98.2 billion in FHCF covered industry residential losses for the 2023 storm season.³⁴

Citizens is the largest property insurer in Florida and currently has 1.37 million policies. For the 2023 storm season, Citizens' probable maximum loss for a 100-year storm event is \$16.6 billion. Citizens currently has claims paying ability of approximately \$16.1 billion consisting of a cash surplus of \$5.1 billion, as well as funds from private market reinsurance and FHCF reimbursements. In addition, Citizens has the ability to levy broad-based assessments to support debt financing.

The ability of these quasi-governmental insurance entities to fulfill their financial responsibilities in the event of major hurricanes is highly dependent upon market conditions at the time that bonds would need to be issued. Though the FHCF and Citizens serve significant roles in Florida's property insurance market, their ultimate dependence on public assessments and access to credit markets may expose the state to a much greater potential financial liability for hurricane-related costs.

Disproportionate Share Hospital Program

Medicaid Disproportionate Share Hospital (DSH) payments are intended to provide additional reimbursement to hospitals serving disproportionate shares of Medicaid and uninsured individuals. While most federal Medicaid funding is provided on an open-ended basis, DSH allotments are capped and represent the maximum federal matching payments a state is permitted to claim. In Fiscal Year 2023-24, \$370.2 million in DSH funding was appropriated by the Legislature, with \$248 million being Florida's federal DSH allotment and the balance being the required state matching funds.

The federal Patient Protection and Affordable Care Act of 2010 (PPACA) addressed DSH allotments, requiring the Secretary of the U.S. Department of Health and Human Services to develop a methodology to reduce the state allotments. The aggregate reduction amounts were originally scheduled to begin in Federal Fiscal Year 2014 and run through Federal Fiscal Year 2020. After subsequent legislation delayed the start date, the Centers for Medicare and Medicaid Services (CMS) released a final rule in September 2019 to delineate the DSH Health Reform methodology (DHRM) that will be used to implement the annual Medicaid allotment reductions identified in section 1923(f)(7) of the Social Security Act. The DHRM relies on statutorily identified factors to determine the state-specific DSH allotment reductions and limits the reduction to be applied to each state to 90 percent of its original unreduced allotment.

No adjustments have been included in the Outlook to reduce the DSH funding allocated to Florida because it is unknown how the final CMS rule will ultimately affect Florida, nor how the Legislature will respond to any loss of these federal funds. Florida has also implemented other federal matching programs that may offset DSH losses, including the Directed Payment Program (DPP) and the Indirect Medical Education (IME) Program. Under current law, the Medicaid DSH reductions are scheduled to occur from Federal Fiscal Year 2024 through Federal Fiscal Year 2027. The aggregate reductions to the Medicaid DSH allotments nationwide equal \$8.0 billion for each of those years.

³⁴ The 2022 Outlook reported FHCF's mandatory coverage of \$17.0 billion translated to an approximate 1-in-30 year event or an event that causes \$26.5 billion in covered losses for the 2022 storm season. The 2022 calculation, like prior years' calculations, relied on the probabilities of ground up losses based on the impact of simulated industry losses on the FHCF as a whole. For the 2023 calculation, the FHCF began using a detailed company approach to more accurately estimate ground up losses. This more refined approach illustrates that it would take a significantly larger event to reach the top of the FHCF's statutory limit.

Litigation Against the State

Numerous lawsuits against the state exist at any point in time. Some have the capacity to disrupt specific programs and services and to force changes and adjustments to the Outlook. These lawsuits relate to a broad cross-section of the state's activities including, but not limited to, education funding, environmental matters, Medicaid, agricultural programs, and state revenue sources. The state's Annual Comprehensive Financial Report (Note 19) contains a list of those legal matters which have significant associated loss contingencies.³⁵

In addition, summaries of the claimed fiscal impacts of significant litigation filed against the state are annually reported by the agencies in their legislative budget requests (LBR). In the LBRs, significant litigation includes only those cases where the amount claimed is more than \$1.0 million or where a significant statutory policy is challenged. In some instances, those summaries are based on the amount claimed by the plaintiffs, which is typically higher than the amount to which the plaintiffs would actually be entitled if they were successful in the litigation.

Potential Constitutional Amendments

The following proposed amendments to the Florida Constitution are on the ballot for the 2024 General Election and may alter key assumptions of this Outlook.³⁶ Both proposals were made by joint resolution of the Legislature and will require 60 percent approval from voters to pass.

1. Partisan Election of Members of District School Boards: Proposing amendments to the State Constitution to require members of a district school board to be elected in a partisan election rather than a nonpartisan election and to specify that the amendment only applies to elections held on or after the November 2026 general election. However, partisan primary elections may occur before the 2026 general election for purposes of nominating political party candidates to that office for placement on the 2026 general election ballot.
2. Right to Fish and Hunt: Proposing an amendment to the State Constitution to preserve forever fishing and hunting, including by the use of traditional methods, as a public right and preferred means of responsibly managing and controlling fish and wildlife. Specifies that the amendment does not limit the authority granted to the Fish and Wildlife Conservation Commission under Section 9 of Article IV of the State Constitution.

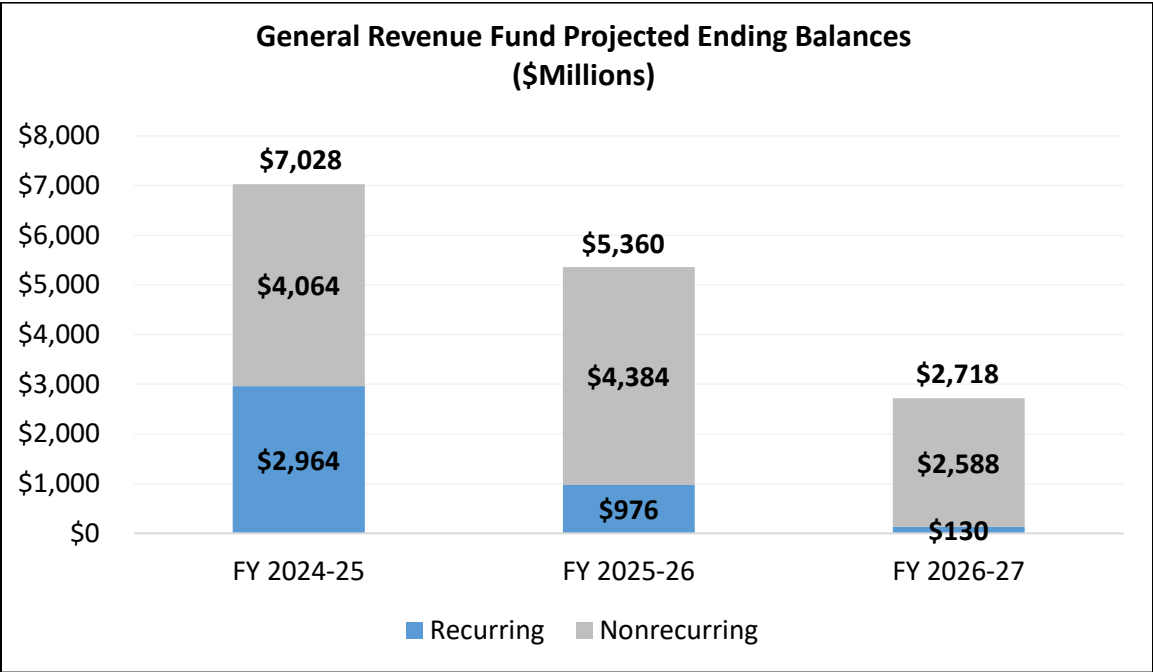
³⁵ Florida's Annual Comprehensive Financial Report is available at <https://www.myfloridacfo.com/transparency/state-financial-reports>.

³⁶ More information about the proposed amendments is available at <https://dos.elections.myflorida.com/initiatives/>.

FISCAL STRATEGIES

While the Long-Range Financial Outlook does not predict the overall funding levels of future state budgets, or the final amount of funds to be allocated to the respective policy areas, it does present a reasonable baseline that identifies issues facing the Legislature in developing the next fiscal year’s budget.

Overall, the forecasted General Revenue growth (*recurring* and *nonrecurring*) is sufficient to support anticipated spending and a minimum reserve for each year of the Outlook. Fiscal strategies will not be required because the projected budget is in balance as constitutionally required. However, the decreasing ending balances indicate the projected expenditures are beginning to outpace available revenues. Of particular concern, the recurring expenditure demands (both budget drivers and revenue adjustments) consume nearly all of the recurring revenues by the end of the forecast period, signaling a structural imbalance may be emerging, absent any prior corrective actions.



Within the Outlook, the projected ending balance for Fiscal Year 2024-25 is just over \$7.0 billion, or about 15 percent of the estimated revenues. These funds would be available to carry forward into the next fiscal year. In the alternative, the Legislature could choose to use some or all of the balance to bolster the state’s reserves; increase discretionary spending; or provide additional tax reductions. However, the positive budget outlook each year is reliant on the projected balance forward levels being available and the minimum reserve not being used. This creates a natural limit to how much spending could occur while still remaining positive in the two subsequent years.

For example, if the entire ending balance is spent in the first year (with the recurring on recurring programs and the nonrecurring on one-time investments), both the second and third years of the forecast show significant negative ending balances of -\$4.6 billion and -\$5.6 billion, respectively. Similarly, even if only the *recurring* ending balance is spent in the first year on recurring investments, the projected ending balances in the second and third years of the forecast would both be negative. In part, this is because

recurring investments, either expenditures or tax reductions, made in Year 1 of the Outlook period have a compounding effect over time and would reduce future ending balances.

Based on the results of this Outlook, the Legislature can undertake no more than \$130 million of additional recurring expenditures, and no more than \$2.3 billion of other one-time investments, in Fiscal Year 2024-25 without causing a negative balance in Year 3. Thus, decisions regarding the introduction of new programs, significant program enhancements, or revenue adjustments beyond the recurring levels contemplated in the Outlook will need to be made with consideration of out-year impacts. Otherwise, there is the potential to increase funding for programs in Year 1 that would not be sustainable in Year 2.

Another key concern is that the Outlook assumes a relatively modest level of unallocated General Revenue reserves (approximately \$1.9 billion each year), which is well below the planned reserves for the previous three fiscal years.³⁷ Finally, it is also important to consider the Significant Risks outlined in this Outlook, which have the potential to alter key assumptions and, therefore, the level of revenues and/or expenditures used to make these projections.

³⁷ The planned unallocated General Revenue reserve was \$4.5 billion for Fiscal Year 2021-22, \$6.1 billion for Fiscal Year 2022-23, and \$6.2 billion for Fiscal Year 2023-24 as shown on the Post-Session Financial Outlook Statements adopted by the Revenue Estimating Conference.

APPENDIX A – SUMMER REVENUE ESTIMATING CONFERENCE RESULTS

Revenue Estimating Conference – Summer 2023 Forecasts (\$Millions)	Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26		Fiscal Year 2026-27		Link to Forecast
	Previous Forecast	Actual	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	
Article V Fees & Transfers	668.6	697.1	678.8	649.6	681.3	659.6	682.9	666.8	688.7	675.3	http://edr.state.fl.us/Content/conferences/articleV/index.cfm
Documentary Stamp Tax Collections	3,635.0	3,864.8	2,861.8	3,479.4	3,285.2	3,670.6	3,578.6	3,828.4	3,678.9	3,951.3	http://edr.state.fl.us/Content/conferences/docstamp/index.cfm
General Revenue Fund	46,243.8	47,327.8	44,097.3	45,664.4	46,221.6	47,424.2	47,632.9	48,586.8	49,015.2	49,934.8	http://edr.state.fl.us/Content/conferences/generalrevenue/index.cfm
Gross Receipts Tax	1,362.5	1,374.9	1,492.2	1,490.7	1,438.1	1,450.4	1,309.6	1,351.0	1,299.4	1,344.5	http://edr.state.fl.us/Content/conferences/grossreceipts/index.cfm
Highway Safety Licenses and Fees	2,822.2	2,840.9	2,787.4	2,828.4	2,834.5	2,883.4	2,894.5	2,937.5	2,922.0	2,961.2	http://edr.state.fl.us/Content/conferences/highwaysafetyfees/index.cfm
Indian Gaming Revenues	-	-	-	-	-	-	-	-	-	-	http://edr.state.fl.us/Content/conferences/Indian-gaming/index.cfm
Lottery Revenues - Transfer to Educational Enhancement Trust Fund	2,497.8	2,374.0	2,296.1	2,299.2	2,302.8	2,264.4	2,327.5	2,290.3	2,347.9	2,312.8	http://edr.state.fl.us/Content/conferences/lottery/index.cfm

Revenue Estimating Conference – Summer 2023 Forecasts (\$Millions)	Fiscal Year 2022-23		Fiscal Year 2023-24		Fiscal Year 2024-25		Fiscal Year 2025-26		Fiscal Year 2026-27		Link to Forecast
	Previous Forecast	Actual	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	Previous Forecast	New Forecast	
Pari-Mutuel Revenues	n/a	28.5	n/a	24.5	n/a	25.0	n/a	25.2	n/a	25.8	http://edr.state.fl.us/Content/conferences/parimutuels/index.cfm
Public Education Capital Outlay and Debt Service (PECO) Trust Fund - No Bonding	356.4	356.4	1,172.6	1,146.0	860.0	922.2	838.4	882.3	853.8	901.4	http://edr.state.fl.us/Content/conferences/peco/index.cfm
Revenues Flowing to State Transportation Trust Fund	4,390.1	4,476.4	4,569.2	4,636.0	4,725.7	4,802.1	4,834.3	4,921.7	4,929.0	5,018.3	http://edr.state.fl.us/Content/conferences/transportation/index.cfm
School Taxable Value	2,933,438	2,933,438	3,286,296	3,367,187	3,395,496	3,474,082	3,621,863	3,652,713	3,844,885	3,854,682	http://edr.state.fl.us/Content/conferences/advalorem/index.cfm
Slot Machine Revenues - Transfer to Educational Enhancement Trust Fund	242.6	241.6	245.4	245.4	247.9	247.9	250.7	250.7	253.5	253.5	http://edr.state.fl.us/Content/conferences/slotmachines/index.cfm
Tobacco Settlement Payments	385.1	385.1	411.6	420.1	423.2	428.8	435.6	437.4	448.2	445.8	http://edr.state.fl.us/Content/conferences/tobaccosettlement/index.cfm
Tobacco Tax and Surcharge	1,012.6	1,010.2	989.2	975.9	969.5	946.6	952.6	919.3	936.2	892.9	http://edr.state.fl.us/Content/conferences/tobaccotaxsurcharge/index.cfm
Unclaimed Property - Transfer to State School Trust Fund	285.0	425.0	243.8	387.2	242.0	284.0	248.4	255.2	255.9	247.2	http://edr.state.fl.us/Content/conferences/stateschooltrustfund/index.cfm

APPENDIX B – PROJECTED ENDING BALANCE CALCULATIONS

GENERAL REVENUE FUNDS AVAILABLE PROJECTION - CRITICAL NEEDS + OTHER HIGH PRIORITY NEEDS + REVENUE ADJUSTMENTS (\$ MILLIONS)

	Fiscal Year 2024-25			Fiscal Year 2025-26			Fiscal Year 2026-27		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
1 Funds Available:									
2 Balance Forward [1]	0.0	8,530.0	8,530.0	0.0	7,027.8	7,027.8	0.0	5,359.9	5,359.9
3 Unused Reserve from Prior Year	0.0	0.0	0.0	0.0	1,854.7	1,854.7	0.0	1,900.3	1,900.3
4 Revenue Estimate	47,356.6	200.2	47,556.8	48,340.1	384.7	48,724.8	49,892.2	181.4	50,073.6
5 <i>Revenue Adjustments</i>									
6 Tax and Fee Changes [2]	(134.8)	(511.7)	(646.5)	(269.6)	(511.7)	(781.3)	(404.4)	(511.7)	(916.1)
7 Trust Fund Transfers (GAA)	0.0	19.7	19.7	0.0	19.7	19.7	0.0	19.7	19.7
8 Total Funds Available	<u>47,221.8</u>	<u>8,238.2</u>	<u>55,460.0</u>	<u>48,070.5</u>	<u>8,775.2</u>	<u>56,845.7</u>	<u>49,487.8</u>	<u>6,949.6</u>	<u>56,437.4</u>
9									
10 Estimated Expenditures:									
11 Recurring Base Budget	41,703.3	0.0	41,703.3	44,257.6	0.0	44,257.6	47,094.5	0.0	47,094.5
12									
13 New Issues by GAA Section:									
14 Pre K-12 Education	987.7	(220.6)	767.1	847.8	15.0	862.8	646.7	15.6	662.3
15 Higher Education	502.3	265.0	767.3	451.6	265.0	716.6	457.9	265.0	722.9
16 Education Fixed Capital Outlay [3]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17 Human Services	719.9	83.3	803.2	1,150.2	83.3	1,233.5	765.1	83.3	848.4
18 Criminal Justice & Judicial Branch	24.3	23.1	47.3	24.3	23.1	47.3	24.3	23.1	47.3
19 Transportation & Economic Development	0.0	479.6	479.6	0.0	477.9	477.9	0.0	479.6	479.6
20 Natural Resources	6.3	872.3	878.6	6.8	999.3	1,006.1	6.8	999.9	1,006.7
21 General Government	12.2	169.3	181.4	12.2	160.1	172.3	12.2	156.6	168.7
22 Administered Funds & Statewide Issues	<u>301.8</u>	<u>647.9</u>	<u>949.7</u>	<u>344.1</u>	<u>467.3</u>	<u>811.3</u>	<u>350.4</u>	<u>385.7</u>	<u>736.1</u>
23 Total New Issues	2,554.4	2,319.9	4,874.2	2,836.9	2,491.0	5,327.9	2,263.3	2,408.7	4,672.0
24									
25 Transfer to Budget Stabilization Fund [4]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
26									
27 Total Estimated Expenditures	<u>44,257.6</u>	<u>2,319.9</u>	<u>46,577.5</u>	<u>47,094.5</u>	<u>2,491.0</u>	<u>49,585.5</u>	<u>49,357.8</u>	<u>2,408.7</u>	<u>51,766.5</u>
28 Reserves	0.0	1,854.7	1,854.7	0.0	1,900.3	1,900.3	0.0	1,952.9	1,952.9
29 Ending Balance	<u>2,964.2</u>	<u>4,063.6</u>	<u>7,027.8</u>	<u>976.0</u>	<u>4,383.9</u>	<u>5,359.9</u>	<u>130.0</u>	<u>2,588.0</u>	<u>2,718.0</u>

Totals may not add due to rounding.

- [1] The balance forward for Fiscal Year 2024-25 is adjusted to account for \$270.8 million of General Revenue needed to cover estimated Fiscal Year 2023-24 deficits for Medicaid (\$218.0 M), Educational Enhancement Trust Fund (\$30.6 M), Distribution to Fiscally Constrained Counties (\$16.3 M), Bright Futures Scholarships (\$4.5 M), Benacquisto Scholarships (\$0.9 M), Children/Spouses of Deceased/Disabled Veterans Scholarships (\$0.4 M), and Temporary Assistance for Needy Families (\$0.1 M).
- [2] The continuing impact of the recurring tax and fee changes results in a cumulative effect for Fiscal Years 2025-26 and 2026-27.
- [3] Previous Long-Range Financial Outlooks included a budget driver for Education Fixed Capital Outlay. The forecast for the Public Education Capital Outlay (PECO) Trust Fund projects sufficient revenues to support the three-year average of appropriations for fixed capital outlay projects. Thus, no General Revenue needs were identified for this year's Outlook.
- [4] Based on the August 2023 General Revenue Fund estimates, no transfers to the Budget Stabilization Fund are required during the three-year forecast period.

APPENDIX C – HISTORICAL TABLES

General Revenue Fund Collections

10-Year History (\$ Millions)

Fiscal Year	Post-Session Forecast	August Forecast	Difference (Aug - PS)	Incremental Growth	Percent Growth
2013-14	26,198.0				3.5%
2014-15	27,681.1				5.7%
2015-16	28,325.4				2.3%
2016-17	29,594.5				4.5%
2017-18	31,218.2				5.5%
2018-19	33,413.8				7.0%
2019-20	31,366.2				-6.1%
2020-21	36,280.9				15.7%
2021-22	44,035.7				21.4%
2022-23	46,243.8	47,327.8	1,083.9	3,292.1	7.5%
2023-24	44,097.3	45,664.4	1,567.1	(1,663.4)	-3.5%
2024-25	46,221.6	47,424.2	1,202.6	1,759.8	3.9%
2025-26	47,632.9	48,586.8	953.9	1,162.6	2.5%
2026-27	49,015.2	49,934.8	919.6	1,348.0	2.8%

Long-Range Financial Outlook Results

10-Year History (\$ Millions)

Outlook	For the Period Beginning	General Revenue Ending Balance			Level of Reserves ^[1]
		Year 1	Year 2	Year 3	
2013	Fiscal Year 2014-15	845.7	1,426.7	3,295.3	1,000.0
2014	Fiscal Year 2015-16	336.2	1,004.5	2,156.1	1,000.0
2015	Fiscal Year 2016-17	635.4	583.7	222.2	1,000.0
2016	Fiscal Year 2017-18	7.5	(1,300.9)	(1,897.7)	1,000.0
2017	Fiscal Year 2018-19	52.0	(1,146.2)	(1,639.6)	1,000.0
2018	Fiscal Year 2019-20	223.4	(47.8)	(456.7)	1,000.0
2019	Fiscal Year 2020-21	289.3	(486.0)	(366.7)	1,000.0
2020	Fiscal Year 2021-22	(2,749.9)	(1,899.1)	(926.8)	1,000.0
2021	Fiscal Year 2022-23	6,990.3	8,237.6	10,275.3	1,500.6
2022	Fiscal Year 2023-24	13,534.4	14,618.9	15,502.1	1,663.3
2023	Fiscal Year 2024-25	7,027.8	5,359.9	2,718.0	1,854.7

[1] Beginning with the 2021 Outlook, reserve amounts vary for each year of the forecast as they are based on a percentage of the General Revenue estimate, the reserve amount for Year 1 of the forecast period is displayed.

Department of Children and Families

EOG Number: B2024-0089

Problem Statement:

The National Suicide Hotline Designation Act of 2020 created the 988 Suicide and Crisis Lifeline (988 Lifeline) to serve as the universal telephone number for a national suicide prevention and mental health crisis line. The new 988 Lifeline replaces the National Suicide Prevention Lifeline. The Act requires states to be responsible for building and maintaining the new 988 Lifeline. Florida's 988 Lifeline is a network of 13 local, accredited crisis centers that provide 24/7 free support to people in suicidal crisis or emotional distress. Currently, telephone calls to the 988 Lifeline are routed to the state of origin, while text and chat encounters are handled at the national level. Upcoming technology enhancements will provide the ability to also route texts and chats to the originating state. From July 2022 through May 2023, the 988 Lifeline centers in Florida addressed a total of 73,539 calls. During the same period, a total of 34,022 chats and 28,566 texts were identified as having originated in Florida.

The federal Substance Abuse and Mental Health Services Administration (SAMSHA) has been helping the states fund 988 Lifeline build out and start-up efforts through cooperative agreements. The SAMSHA is projecting a 50 percent increase in calls, texts, and chats to the 988 Lifelines beginning in Federal Fiscal Year 2024 and is providing additional grants to states to increase workforce support, improve public awareness of 988 services to high-risk populations, expand support to mobile crisis teams and stabilization services, and improve interoperability with 911 services.

Florida's new cooperative agreement will have a three-year project period beginning September 30, 2023, and ending September 29, 2026. The first-year annual grant award for September 30, 2023, through September 29, 2024 is \$8,032,280. Of this amount, the Department of Children and Families is requesting a prorated total of \$5,977,667 (\$213,128 for indirect costs, \$1,125,000 for a statewide marketing campaign, and \$4,639,539 for the 13 crisis centers under contract with the Managing Entities). The department lacks sufficient budget authority to expend the first installment of the grant award.

Agency Request:

The Department of Children and Families requests additional Federal Grants Trust Fund budget authority of \$5,977,667 in various categories (\$185,528 in Other Personal Services, \$27,600 in Expense, \$4,639,539 in Grants and Aids – Community Mental Health, and \$1,125,000 in Contracted Services) within the Community Substance Abuse and Mental Health budget entity to improve and increase capacity of the 988 Suicide and Crisis Lifeline.

Governor's Recommendation:

Recommend approval to increase budget authority in the amount of \$5,977,667 in various appropriation categories from the Federal Grants Trust Fund within the Community Substance Abuse and Mental Health Services budget entity to support receipt of a grant award to increase capacity of the 988 Suicide and Crisis Lifeline.

Senate Committee: Appropriations Committee on Health and Human Services

House Committee: Health Care Appropriations Subcommittee

House Analyst: William Fontaine

Senate Analyst: Diane Sneed

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
CHILDREN AND FAMILIES					
	Program: Community Services <u>Community Substance Abuse And Mental Health Services</u>				
367	Other Personal Services From Federal Grants Trust Fund		185,528	185,528	
368	Expenses From Federal Grants Trust Fund		27,600	27,600	
373	Special Categories Grants And Aids - Community Mental Health Services From Federal Grants Trust Fund		4,639,539	4,639,539	
377	Special Categories Contracted Services From Federal Grants Trust Fund		1,125,000	1,125,000	

Department of Children and Families

EOG Number: B2024-0105

Problem Statement:

The U.S. Department of Treasury provides states with funding through the Emergency Rental Assistance Program (ERA) to mitigate the economic effects to affordable housing that occurred during the COVID-19 pandemic. As the recipient state agency, the Department of Children and Families (DCF) will subcontract with Hope Florida to assess the needs of those seeking rental assistance and to provide such assistance to those who qualify. DCF retains the responsibility of reviewing applications for eligibility. ERA grant eligibility requires that one or more household members: Qualify for unemployment benefits or experience a reduction in household income that is directly related to the pandemic, be at risk of homelessness, and be considered low-income by statutory definition. The additional ERA funds requested are expected to serve 4,600 households with an average assistance payment of \$4,000. ERA funds are available to states through September 30, 2025.

To date, Florida has received a total of \$1.6 billion of ERA funds from two grant awards (ERA 1 for \$871.2 million and ERA 2 for \$745.5 million). There remains a balance of \$20,704,081 from Florida's ERA 2 allocation identified as being available after having completed year-end accounting reconciliations. Hope Florida will use the remaining balance to provide rent or utility payments to eligible individuals. DCF lacks sufficient budget authority to disburse the remaining ERA 2 grant award for homelessness prevention and support efforts.

Agency Request:

The Department of Children and Families requests additional Federal Grants Trust Fund budget authority of \$20,704,081 in the American Rescue Plan – Homelessness Rental Assistance category within the Economic Self-Sufficiency budget entity for homelessness support services through the Department's Hope Florida program.

Governor's Recommendation:

Recommend approval to increase budget authority of \$20,704,081 in the American Rescue Plan – Homelessness Rental Assistance category from the Federal Grants Trust Fund within the Economic Self-Sufficiency budget entity to support the receipt of grant award for homelessness support services.

Senate Committee: Appropriations Committee on Health and Human Services
Senate Analyst: Diane Sneed

House Committee: Health Care Appropriations Subcommittee
House Analyst: William Fontaine

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
N/A	CHILDREN AND FAMILIES				
	Program: Economic Self Sufficiency Program <u>Economic Self Sufficiency Services</u> Special Categories American Rescue Plan Act - Homelessness Rental Assistance From Federal Grants Trust Fund		20,704,081	20,704,081	

Department of Health

EOG Number: B2024-0096

Problem Statement:

Currently, General Revenue is allocated to each of the 67 Department of Health (DOH) County Health Departments (CHD), based on a methodology that has not changed in several decades. The Fiscal Year 2023-2024 General Appropriations Act (GAA) appropriates \$15 million in the General Revenue Fund to provide a statewide adjustment to the CHD statewide allocation methodology. The funds are held in reserve and the department is required to submit a budget amendment requesting release of the funds pursuant to ch. 216, F.S. The release of funds is contingent upon the submission of a report from the department proposing a new allocation methodology by county.

The \$15 million from the General Revenue Fund was appropriated in the Contracted Services category; however, the DOH has determined that the funds should have been appropriated in the Aid to Local Governments - Contribution to County Health Units category, with a corresponding double-budget appropriation in the County Health Department Trust Fund within the Contracted Services category.

Agency Request:

The DOH requests to decrease the appropriation and reserve amounts by \$15 million from the Contracted Services category and to increase the appropriation and reserve amounts by \$15 million to the Aid to Local Governments - Contribution to County Health Units appropriation category. Additionally, the DOH requests to increase the appropriation and reserve amounts by \$15 million from the County Health Department Trust Fund within the Contracted Services category to provide appropriate double-budget authority in order to make the statewide adjustment to the CHDs.

Governor's Recommendation:

Recommend approval to transfer \$15 million in General Revenue between appropriation categories and provide the corresponding double-budget trust fund appropriation to support the statewide methodology adjustment to the County Health Department's allocation of funds.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Brook Gerbrandt

House Committee: Health Care Appropriations Subcommittee

House Analyst: Adeniyi Aderibigbe

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
HEALTH								
502	Program: Community Public Health <u>County Health Departments Local Health Needs</u> Aid To Local Governments Contribution To County Health Units From General Revenue Fund		15,000,000	15,000,000	15,000,000	15,000,000		
507	Special Categories Contracted Services From General Revenue Fund From County Health Department Trust Fund		(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)		
			15,000,000	15,000,000	15,000,000	15,000,000		

Agency for Health Care Administration

EOG Number: B2024-0103

Problem Statement:

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) became law enacting a \$1.9 trillion COVID-19 relief package. ARPA included several provisions that impacted state and federal healthcare policies and programs, including providing states with a ten percent increase in Federal Medical Assistance Percentage (FMAP) for certain Medicaid Home and Community Based Services (HCBS) expenditures between April 1, 2021, and March 31, 2022. The Centers for Medicare & Medicaid Services (CMS) required states to use state funds equivalent to the federal funds attributable to the increased FMAP to implement or supplement one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

In FY 2021-22, the Agency for Health Care Administration (Agency) received nonrecurring funding through budget amendment EOG #B2022-0211 to implement the initiatives outlined in State Medicaid Director Letter #21-003 submitted to CMS and conditionally approved on September 28, 2021. In FY 2022-23, Section 62 of HB 5001, Chapter 2022-156, Laws of Florida, included language to revert and appropriate the unexpended balance of funding for the same purpose. There was no funding provided, nor requested, in FY 2023-24.

The funding has been used to provide one-time subsidy payments through the Home Care for the Elderly (HCE) program, administered by the Department of Elder Affairs (DOEA), and provided to 1,934 clients through contracts with the 11 Area Agencies on Aging (AAA). The original contracts with the AAAs expired on June 30, 2023, and no additional funding was provided in FY 2023-24. The Agency requests \$34,349,653 in spending authority from the Medical Care Trust Fund to renew the AAA contracts for Enhanced Home Care for the Elderly (EHCE) services and provide funding to cover the costs of the contracts through December 31, 2023. The DOEA estimates enrolling 1,263 additional clients per month through December of 2023. States have until March 31, 2024, to fully expend funding provided under the HCBS-ARPA program.

Additionally, in order to continue compliance monitoring and auditing of the EHCE contracts, the Agency will need an additional \$750,000.

Agency Request:

The Agency for Health Care Administration requests budget authority of \$34,349,653 in the Medical Care Trust Fund, in the ARP - Enhanced FMAP HCBS appropriation category, in the Medicaid Long-Term Care budget entity to continue providing services under the EHCE program. Additionally, the Agency requests additional budget authority of \$750,000 in the Medical Care Trust Fund, in the Contracted Services appropriation category, in the Executive Direction and Support Services budget entity to continue compliance monitoring and auditing of the EHCE contracts.

Governor's Recommendation:

Recommends providing additional spending authority from the Medical Care Trust Fund to renew the AAA contracts for EHCE services and provide funding to cover the costs of the contracts through December 31, 2023.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee

House Analyst: Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
AGENCY FOR HEALTH CARE ADMINISTRATION					
189	Program: Health Care Services <u>Executive Direction And Support Services</u> Special Categories Contracted Services From Medical Care Trust Fund <u>Medicaid Long Term Care</u>		750,000	750,000	
N/A	Special Categories American Rescue Plan Act - Enhanced Federal Medical Assistance Percentage (Fmap) For Home And Community Based Services From Medical Care Trust Fund		34,349,653	34,349,653	

Agency for Health Care Administration

EOG Number: B2024-0125

Problem Statement:

The Agency for Health Care Administration (Agency) is responsible for the administration of the Medicaid program, which is jointly financed with state and federal funds. The caseload and expenditures for the Medicaid program are forecasted through a formal consensus process by the principals of the Social Services Estimating Conference (SSEC) for Medicaid Services Expenditures. The forecasts are based on historical information, trends, and anticipated events and assume that current law and current administrative practices are in effect unless otherwise decided by law. The official estimates from an SSEC stay in effect until the next consensus conference convenes.

The SSEC for Medicaid Services Expenditures met on August 14, 2023, to develop a new estimate of expenditures for Fiscal Year 2023-2024. Based on the final forecast of the August 2023 SSEC, the total expenditures related to Medicaid Services for Fiscal Year 2023-2024 are estimated to be \$35,046,441,831 with a projected overall deficit of \$559,968,968. Surpluses and deficits are projected in various appropriation categories and funds. However, the Medical Care Trust Fund and the Refugee Assistance Trust Fund are projected to have an overall deficit. In order to conform the appropriations to the projected expenditures as agreed upon during the August 2023 SSEC, the agency must realign, and request additional spending authority in various Medicaid Services appropriation categories.

Agency Request:

The Agency for Health Care Administration requests a realignment of the general revenue and trust fund budget to address projected surpluses and deficits based on the August 2023 Social Services Estimating Conference for Medicaid Services Expenditures in the Medicaid Services to Individuals and Medicaid Long Term Care budget entities. The budget amendment realigns projected surpluses between various appropriation categories and increases budget authority in the Medical Care Trust Fund and Refugee Assistance Trust Fund.

Governor's Recommendation:

Recommend approval to align budget authority in multiple appropriation categories in the General Revenue Fund and trust funds within the Medicaid Services to Individuals and Medicaid Long Term Care budget entities in order to address projected surpluses and deficits based on the Social Services Estimating Conference for Medicaid Services Expenditures held in August 2023.

Senate Committee: Appropriations Committee on Health and Human Services
Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee
House Analyst: Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Release	Appropriation	Release	Appropriation	Release
AGENCY FOR HEALTH CARE ADMINISTRATION								
	Program: Health Care Services <u>Medicaid Services To Individuals</u>							
197	Special Categories Case Management							
	From General Revenue Fund		(1,957)	(489)	(1,957)	(489)		
	From Medical Care Trust Fund		(2,744)	(2,744)	(2,744)	(2,744)		
	From Refugee Assistance Trust Fund		125	125	125	125		
198	Special Categories Community Mental Health Services							
	From General Revenue Fund		43,654,293	10,913,573	43,654,293	10,913,573		
	From Medical Care Trust Fund		190,803,535	190,803,535	190,803,535	190,803,535		
	From Refugee Assistance Trust Fund		(5,088)	(5,088)	(5,088)	(5,088)		
199	Special Categories Developmental Evaluation And Intervention/Part C							
	From General Revenue Fund		308	77	308	77		
	From Medical Care Trust Fund		452	452	452	452		
	From Refugee Assistance Trust Fund		290	290	290	290		
203	Special Categories							

**Budget Commission Meeting
September 8, 2023**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Release	Appropriation	Release	Appropriation	Release
	Hospital Inpatient Services							
	From General Revenue Fund		(70,245,034)	(17,561,258)	(70,245,034)	(17,561,258)		
	From Medical Care Trust Fund		(103,161,985)	(103,161,985)	(103,161,985)	(103,161,985)		
	From Refugee Assistance Trust Fund		1,411,509	1,411,509	1,411,509	1,411,509		
	From Refugee Assistance Trust Fund		4,673	4,673	4,673	4,673		
205	Special Categories							
	Hospital Insurance Benefits							
	From General Revenue Fund		(80,314)	(20,078)	(80,314)	(20,078)		
	From Medical Care Trust Fund		(117,894)	(117,894)	(117,894)	(117,894)		
206	Special Categories							
	Hospital Outpatient Services							
	From General Revenue Fund		(2,896,091)	(724,023)	(2,896,091)	(724,023)		
	From Medical Care Trust Fund		(4,241,112)	(4,241,112)	(4,241,112)	(4,241,112)		
	From Refugee Assistance Trust Fund		1,122,571	1,122,571	1,122,571	1,122,571		
207	Special Categories							
	Other Fee For Service							
	From General Revenue Fund		(9,229,313)	(2,307,328)	(9,229,313)	(2,307,328)		
	From Medical Care Trust Fund		28,977,515	28,977,515	28,977,515	28,977,515		
	From Refugee Assistance Trust Fund		14,424,102	14,424,102	14,424,102	14,424,102		
208	Special Categories							
	Personal Care Services							
	From General Revenue Fund		3,114,254	778,563	3,114,254	778,563		
	From Medical Care Trust Fund		4,574,775	4,574,775	4,574,775	4,574,775		
209	Special Categories							

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Release	Appropriation	Release	Appropriation	Release
210	Physician And Health Care Practitioner Services							
	From General Revenue Fund		11,486,299	2,871,575	11,486,299	2,871,575		
	From Medical Care Trust Fund		16,885,462	16,885,462	16,885,462	16,885,462		
	From Refugee Assistance Trust Fund		1,443,884	1,443,884	1,443,884	1,443,884		
	Special Categories							
	Prepaid Health Plans							
211	From General Revenue Fund		(84,123,411)	(21,030,853)	(84,123,411)	(21,030,853)		
	From Medical Care Trust Fund		(220,280,845)	(220,280,845)	(220,280,845)	(220,280,845)		
	From Refugee Assistance Trust Fund		158,665,690	158,665,690	158,665,690	158,665,690		
	Special Categories							
212	Prescribed Medicine/Drugs							
	From General Revenue Fund		(5,925,514)	(1,481,378)	(5,925,514)	(1,481,378)		
	From Medical Care Trust Fund		(8,555,611)	(8,555,611)	(8,555,611)	(8,555,611)		
	From Refugee Assistance Trust Fund		1,093,506	1,093,506	1,093,506	1,093,506		
213	Special Categories							
	Medicare Part D Payment							
214	From General Revenue Fund		68,561,284	17,140,321	68,561,284	17,140,321		
	Special Categories							
214	Statewide Inpatient Psychiatric Services							
	From General Revenue Fund		(61,070)	(15,268)	(61,070)	(15,268)		
	From Medical Care Trust Fund		(100,079)	(100,079)	(100,079)	(100,079)		
214	Special Categories							
	Supplemental Medical							

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Release	Appropriation	Release	Appropriation	Release
	Insurance							
	From General Revenue Fund		45,746,266	11,436,566	45,746,266	11,436,566		
	From Medical Care Trust Fund		95,218,531	95,218,531	95,218,531	95,218,531		
	From Medical Care Trust Fund		96,617,764	96,617,764	96,617,764	96,617,764		
	<u>Medicaid Long Term Care</u>							
216	Special Categories							
	Assistive Care Services							
	From General Revenue Fund		(152,748)	(38,187)	(152,748)	(38,187)		
	From Medical Care Trust Fund		(224,220)	(224,220)	(224,220)	(224,220)		
218	Special Categories							
	Intermediate Care							
	Facilities/Intellectually							
	Disabled - Sunland Center							
	From Medical Care Trust Fund		(1,910,708)	(1,910,708)	(1,910,708)	(1,910,708)		
219	Special Categories							
	Intermediate Care							
	Facilities/Developmentally							
	Disabled Community							
	From General Revenue Fund		152,748	38,187	152,748	38,187		
	From Medical Care Trust Fund		255,621	255,621	255,621	255,621		
220	Special Categories							
	Nursing Home Care							
	From Medical Care Trust Fund		1,152,938	1,152,938	1,152,938	1,152,938		
	From Medical Care Trust Fund		7,384,708	7,384,708	7,384,708	7,384,708		
221	Special Categories							
	Prepaid Health Plan/Long Term							
	Care							

**Budget Commission Meeting
September 8, 2023**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Release	Appropriation	Release	Appropriation	Release
222	From Medical Care Trust Fund		59,810,518	59,810,518	59,810,518	59,810,518		
	Special Categories State Mental Health Hospital Program From Medical Care Trust Fund		726,369	726,369	726,369	726,369		

Agency for Health Care Administration

EOG Number: B2024-0131

Problem Statement:

Florida KidCare is the state's health insurance program for uninsured, low-income children under the age of 19 with family incomes up to 200 percent of the federal poverty level (FPL). Pursuant to Chapter 2023-277, Laws of Florida, effective January 1, 2024, the family income threshold upper limit will increase to 300 percent of the FPL. Florida KidCare is jointly financed with state and federal funds. The caseload and expenditures for the Florida KidCare program are forecasted through a consensus process by the principals of the Social Services Estimating Conference (SSEC). Based upon the final forecast of the August 2023 SSEC, total expenditures for the program for Fiscal Year 2023-2024 are estimated to be \$513,791,034 with a projected overall surplus of \$49,610,257. In order to conform the appropriations to the projected expenditures as agreed upon by the August 2023 SSEC, the Agency for Health Care Administration (agency) must place the \$49,610,257 surplus in reserve: \$6,258,542 from the General Revenue Fund, \$27,047,165 from the Grants and Donations Trust Fund and \$16,304,550 from the Medical Care Trust Fund.

Agency Request:

The Agency for Health Care Administration requests a realignment of the general revenue and trust fund budget to address projected surpluses and deficits based on the August 2023 Social Services Estimating Conference for the Florida KidCare Program in the Children's Special Health Care budget entity. The budget amendment realigns projected surpluses between various appropriation categories and places budget into unbudgeted reserve in the General Revenue Fund, Grants and Donations Trust Fund, and Medical Care Trust Fund.

Governor's Recommendation:

Recommend approval to place \$49,610,257 into unbudgeted reserve and realign budget authority in the General Revenue Fund, Grants and Donations Trust Fund, and in the Medical Care Trust Fund to conform to the Social Services Estimating Conference for the Florida Kidcare Program held in August 2023.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Cynthia Barr

House Committee: Health Care Appropriations Subcommittee

House Analyst: Sean Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	AGENCY FOR HEALTH CARE ADMINISTRATION										
	Program: Health Care Services <u>Children's Special Health Care</u>										
176	Special Categories Grants And Aids - Florida Healthy Kids Corporation From General Revenue Fund From General Revenue Fund From Medical Care Trust Fund From Medical Care Trust Fund		(8,699,505)	4,222,823	(2,174,876)	(8,699,505)	4,222,823	(2,174,876)			
			(21,103,479)		(21,103,479)	(21,103,479)		(21,103,479)			
				11,422,098	(11,422,098)		11,422,098	(11,422,098)			
177	Special Categories										

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
178	Contracted Services From General Revenue Fund From Grants And Donations Trust Fund From Medical Care Trust Fund		95,202		23,801	95,202		23,801			
				427,262	(427,262)		427,262	(427,262)			
			243,116		243,116	243,116		243,116			
	Special Categories Grants And Aids - Contracted Services - Florida Healthy Kids Administration From General Revenue Fund From Medical Care Trust Fund From Medical Care Trust Fund		(243,116)	408,216	(243,116)	(243,116)	408,216	(243,116)			
179	Special Categories Grants And			794,129	(794,129)		794,129	(794,129)			

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
180	Aids - Florida Healthy Kids Corporation Dental Services From General Revenue Fund From Medical Care Trust Fund			1,627,503			1,627,503				
	From Medical Care Trust Fund			4,088,323	(4,088,323)		4,088,323	(4,088,323)			
	Special Categories Medikids From General Revenue Fund From Grants And Donations Trust Fund From Grants And Donations Trust Fund From Medical Care Trust Fund		1,071,149		267,787		1,071,149		267,787		
	From Grants And Donations Trust Fund From Grants And Donations Trust Fund From Medical Care Trust Fund			26,619,903	(26,619,903)		26,619,903	(26,619,903)			
			(539,017)		(539,017)		(539,017)		(539,017)		
			2,516,735		2,516,735		2,516,735		2,516,735		
181	Special Categories Children's Medical Services Network										

**Budget Commission Meeting
September 8, 2023**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	From General Revenue Fund		7,533,154		1,883,288	7,533,154		1,883,288			
	From Grants And Donations Trust Fund		539,017		539,017	539,017		539,017			
	From Medical Care Trust Fund		18,586,744		18,586,744	18,586,744		18,586,744			

Department of Environmental Protection

EOG Number: B2024-0091

Problem Statement:

The South Florida Water Management District (District), under the direction of the Department of Environmental Protection (Department), operates the largest water management system for flood control, environmental restoration, and water supply, providing flood protection and water management for more than nine million Floridians. The system is 50-60 years old and many structures are in need of rehabilitation in order to continue reliable service. The District is also responsible for land management and ecosystem restoration and has had an 87 percent increase in infrastructure since 2006. Over 600 aging structures have known problems that need rehabilitation within two years, and the number is growing. The District has deferred a significant amount of maintenance, upkeep, and non-emergency repair work on water infrastructure due to budget constraints caused by inflation coupled with the increase in infrastructure.

Currently, there are many projects already underway that continue into the next District fiscal year, which begins October 1, 2023, without available funding. The District will require additional funding to continue and complete projects in a timely and safe manner.

Agency Request:

The Department requests \$43,914,912 in additional spending authority in the Grants and Aids - South Florida Water Management District Flood Control And Land Management appropriation category, from the Land Acquisition Trust Fund to provide funding to the District to continue flood protection infrastructure projects and land management.

Governor's Recommendation:

Recommend approval of \$43,914,912 in additional budget authority in the Fixed Capital Outlay funding for the South Florida Water Management District to continue flood protection infrastructure projects and land management.

Senate Committee: Appropriations Committee on Agriculture, Environment, and General Government

Senate Analyst: Glenn Reagan

House Committee: Agriculture & Natural Resources Appropriations Subcommittee

House Analyst: Deshawn Byrd

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
N/A	ENVIRONMENTAL PROTECTION				
	Program: Water Policy And Ecosystems Restoration <u>Water Policy And Ecosystems Restoration</u> Grants And Aids To Local Governments And Nonstate Entities - Fixed Capital Outlay Grants And Aids - South Florida Water Management District Flood Control And Land Management From Land Acquisition Trust Fund		43,914,912	43,914,912	

Department of Military Affairs

EOG Number: B2024-0077

Problem Statement:

Through its Counterdrug Program, the Florida National Guard supports federal, state, and local law enforcement agencies and community-based organizations in efforts to reduce the supply and demand for illegal drugs and related transnational activities. Personnel and resources are leveraged in support of interagency partner operational objectives regarding illicit drugs and related crimes.

Pursuant to Chapter 2022-156, Laws of Florida, the Fiscal Year 2022-23 General Appropriations Act, the Department of Military Affairs was appropriated \$2,165,000 to construct a new Florida National Guard Counterdrug Program Headquarters building. Based upon bids received and evaluated in June 2023 to complete this project, the department has insufficient budget authority to secure the lowest bid and move forward with constructing the facility.

Agency Request:

The department requests additional budget authority in the amount of \$335,000 in the Federal Law Enforcement Trust Fund in the Drug Interdiction and Prevention Budget Entity to support the construction of the Counterdrug Headquarters Building.

Governor's Recommendation:

The Governor's Office of Policy and Budget recommends an additional \$335,000 in Federal Law Enforcement Trust Fund fixed capital outlay authority for the Department of Military Affairs to increase the total construction budget for the Counterdrug Headquarter Facility located at Camp Blanding to \$2.5 million based on the lowest available construction bid price.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development

Senate Analyst: Elizabeth Wells

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Greg Davis

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
N/A	MILITARY AFFAIRS Program: Readiness And Response <u>Drug Interdiction And Prevention</u>				
	Fixed Capital Outlay Design And Build Counterdrug Headquarters Building From Federal Law Enforcement Trust Fund		335,000	335,000	

Department of Transportation

EOG Number: B2024-0112

Problem Statement:

Section 215 of the FY 2023-24 General Appropriations Act, Chapter 2023-239, Laws of Florida, appropriated the nonrecurring sum of \$4.0 billion from the General Revenue Fund to the Department of Transportation (DOT) for the Moving Florida Forward (MFF) infrastructure initiative. Aimed at providing traffic congestion relief, the initiative advances 18 projects: adding new travel lanes, widening existing roadways, building more efficient interchanges, and improving safety and resiliency features to better serve increasing traffic demands. The department is authorized to submit a budget amendment for approval by the Legislative Budget Commission which must include a project list, implementation schedule, finance plan, and budget authority needed in FY 2023-24 to initiate project production. Projects include:

- U.S. 98 from R. Jackson Blvd. to Hathaway Bridge
- SW 10th St.
- I-75 at Pine Ridge Rd. Interchange
- I-75 from Golden Gate Pkwy. to Corkscrew Rd.
- S.R. 29 from C.R. 846 E to New Market Rd.
- S.R. 29 from New Market Rd. to S.R. 82
- S.R. 263 from S.R. 61 to C.R. 2203
- S.R. 70 from Bourdsie Blvd. to Waterbury Rd.
- I-75 Auxiliary Lanes from S.R. 44 to S.R. 326
- Golden Glades Interchange
- I-4 from Champions Gate to Osceola Pkwy.
- I-275 from 38th Ave. to 4th St.
- I-4 at S.R. 33 Interchange
- I-4 from U.S. 27 to Champions Gate
- I-75 at Fruitville Rd. Interchange
- W Midway Rd. from Glades Cut Off Rd. to Jenkins Rd.
- U.S. 301 Realignment from C.R. 470 to Florida's Turnpike
- I-95 at U.S. 1 Interchange in Volusia Co.

Using a combination of the General Revenue provided in the General Appropriations Act and existing transportation funding sources and financing tools, DOT has the ability to leverage these resources and advance these projects by ten to twenty years, meeting both current and future commitments established in the Adopted Work Program. However, the department lacks sufficient trust fund authority and budget release necessary to enter into the MFF project commitments at this time.

Agency Request:

The department requests the appropriation and release of \$1,588,741,103 in budget authority in the State Transportation Trust Fund in the Moving Florida Forward category to initiate the projects as set forth in the Moving Florida Forward plan.

Governor's Recommendation:

The department requests \$1,588,741,103 in budget authority to initiate the first year of the Moving Florida Forward (MFF) Plan to accelerate completion of selected road projects and provide traffic congestion relief in the state.

<p>Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development Senate Analyst: Sarah Nortelus</p>	<p>House Committee: Infrastructure & Tourism Appropriations Subcommittee House Analyst: Anita Hicks</p>
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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
N/A	TRANSPORTATION				
	Transportation Systems Operations <u>Program: Highway Operations</u> Fixed Capital Outlay Moving Florida Forward - Work Program From State Transportation (Primary) Trust Fund		1,588,741,103	1,588,741,103	

Department of Transportation

EOG Number: W2024-0021

Problem Statement:

Section 339.135(6)(c), F.S., authorizes the Department of Transportation to roll forward budget authority from the previous fiscal year into the next for project phases in the Adopted Work Program that are not certified forward or committed on June 30 of each fiscal year. This provision allows the department to roll forward projects and associated spending authority from the previous fiscal year into the current fiscal year so project phases which have not yet been committed can be let to contract with minimal delay. Unanticipated delays due to environmental issues, permitting problems, federal requirements, local government coordination, legal issues, bid protests, and other impacts can occur during the year. Without this statutory provision, projects or project phases would be deleted from the program and requested in the next budget cycle, resulting in delays of a year or more.

The roll forward process is similar to the certified forward process provided for in ch. 216, F.S., with the exception that it moves the budget authority for the project phase from one year to the next even though the contractual commitment has not yet been made. This process neither results in any new projects or in changes to previously funded projects, nor does it allow the department to increase its budget authority above what was previously appropriated. The amount of the prior year budget authority is never exceeded during the roll forward process.

Some of the major amounts and categories impacted include: \$748.8 million for Right of Way acquisition and support; \$1.0 billion for Intrastate, Arterial Highway Construction, small county programs and other associated inspection budget; \$135.0 million for Public Transportation; \$109.1 million for Resurfacing; \$243.3 million for Preliminary Engineering and Traffic Engineering Consultants; \$97.4 million for Bridge Construction and Inspection; \$154.6 million for Local Transportation Projects; \$3.4 million for Maintenance and Highway Beautification; \$269.2 million for Major Disasters; \$60.9 million for categories such as Planning Grants, County Transportation Programs, Safety Grants and Local Government Reimbursement; and \$74.2 million for Toll/Turnpike Systems Equipment and Toll Operation Contracts.

Agency Request:

The department requests \$2,921,872,371 of additional budget authority for Work Program phases in the Fiscal Year 2022-23 Adopted Work Program which qualify for roll forward pursuant to s. 339.135(6)(c), F.S. This includes \$21.7 million for the Turnpike Renewal and Replacement Trust Fund; \$160.7 million for the Turnpike General Reserve Trust Fund; \$2.3 billion for the State Transportation Trust Fund; \$312.8 million for the Right of Way Acquisition Bridge Construction Trust Fund; and \$153.2 million for the General Revenue Fund.

Governor's Recommendation:

Recommend approval of \$2.92 billion of additional budget authority for Work Program phases in the Fiscal Year 2022-23 Adopted Work Program which qualify for roll forward pursuant to section 339.135(6)(c), F.S. This includes \$21.72 million for the Turnpike Renewal and Replacement Trust Fund; \$160.68 million for the Turnpike General Reserve Trust Fund; \$2.27 billion for the State Transportation Trust Fund; \$312.79 million for the Right of Way Acquisition Bridge Construction Trust Fund; and \$153.23 million for General Revenue Fund.

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Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development Senate Analyst: Sarah Nortelus	House Committee: Infrastructure & Tourism Appropriations Subcommittee House Analyst: Anita Hicks
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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
TRANSPORTATION					
	Transportation Systems Development <u>Program: Transportation Systems Development</u>				
1992	Fixed Capital Outlay Transportation Planning Consultants From State Transportation (Primary) Trust Fund		7,363,152	7,363,152	
1993	Fixed Capital Outlay Aviation Development/Grants From State Transportation (Primary) Trust Fund		7,187,618	7,187,618	
1994	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		49,177,315	49,177,315	
1995	Fixed Capital Outlay Right-Of-Way Land Acquisition From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition And Bridge Construction Trust Fund		382,559,685	382,559,685	
			287,723,004	287,723,004	
1998	Fixed Capital Outlay Seaport Grants From State Transportation (Primary) Trust Fund		1,053,866	1,053,866	
2000	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		13,770,567	13,770,567	

**Budget Commission Meeting
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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2001	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		9,215,267	9,215,267	
2002	Fixed Capital Outlay Preliminary Engineering Consultants From State Transportation (Primary) Trust Fund		164,702,476	164,702,476	
2003	Fixed Capital Outlay Right-Of-Way Support From State Transportation (Primary) Trust Fund		52,386,036	52,386,036	
	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		21,875,327	21,875,327	
2004	Fixed Capital Outlay Transportation Planning Grants From State Transportation (Primary) Trust Fund		4,138,165	4,138,165	
	<u>Florida Rail Enterprise</u>				
2015	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		46,565,562	46,565,562	
2016	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		7,996,028	7,996,028	
N/A	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		68,282	68,282	

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Transportation Systems Operations <u>Program: Highway Operations</u>				
2025	Fixed Capital Outlay Small County Resurface Assistance Program (Scrap) From State Transportation (Primary) Trust Fund		4,154,599	4,154,599	
2026	Fixed Capital Outlay Small County Outreach Program (Scop) From State Transportation (Primary) Trust Fund		8,129,430	8,129,430	
N/A	Fixed Capital Outlay Grants And Aids - Major Disasters - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		268,718,442	268,718,442	
2026A	Fixed Capital Outlay Grants And Aids - Electric Vehicle Grant Program - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		20,185,944	20,185,944	
2027	Fixed Capital Outlay County Transportation Programs From State Transportation (Primary) Trust Fund		19,632,031	19,632,031	
2031	Fixed Capital Outlay Bond Guarantee From State Transportation (Primary) Trust Fund		499,999	499,999	
2032	Fixed Capital Outlay				

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Transportation Highway Maintenance Contracts From State Transportation (Primary) Trust Fund		2,014,150	2,014,150	
2033	Fixed Capital Outlay Intrastate Highway Construction From State Transportation (Primary) Trust Fund		765,645,033	765,645,033	
2034	Fixed Capital Outlay Arterial Highway Construction From State Transportation (Primary) Trust Fund		75,179,107	75,179,107	
2035	Fixed Capital Outlay Construction Inspection Consultants From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition And Bridge Construction Trust Fund		112,660,063	112,660,063	
			771,256	771,256	
2037	Fixed Capital Outlay Highway Safety Construction/Grants From State Transportation (Primary) Trust Fund		26,509,534	26,509,534	
2038	Fixed Capital Outlay Resurfacing From State Transportation (Primary) Trust Fund		99,299,662	99,299,662	
2039	Fixed Capital Outlay Bridge Construction From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition And Bridge Construction Trust Fund		84,773,012	84,773,012	
			2,420,760	2,420,760	
2041	Fixed Capital Outlay				

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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Highway Beautification Grants From State Transportation (Primary) Trust Fund		1,408,416	1,408,416	
2042	Fixed Capital Outlay Materials And Research From State Transportation (Primary) Trust Fund		755,147	755,147	
2042A	Fixed Capital Outlay Local Transportation Projects From General Revenue Fund		153,230,395	153,230,395	
N/A	From State Transportation (Primary) Trust Fund		1,328,517	1,328,517	
2043	Fixed Capital Outlay Bridge Inspection From State Transportation (Primary) Trust Fund		3,036,773	3,036,773	
2044	Fixed Capital Outlay Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		20,976,871	20,976,871	
2045	Fixed Capital Outlay Local Government Reimbursement From State Transportation (Primary) Trust Fund		210	210	
	Florida's Turnpike Systems <u>Florida's Turnpike Enterprise</u>				
N/A	Fixed Capital Outlay Grants And Aids - Major Disasters - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		435,681	435,681	

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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2082	Fixed Capital Outlay Transportation Planning Consultants From State Transportation (Primary) Trust Fund		2,000,001	2,000,001	
	Fixed Capital Outlay Intrastate Highway Construction From Turnpike Renewal And Replacement Trust Fund		2,788,233	2,788,233	
N/A	From Turnpike General Reserve Trust Fund From State Transportation (Primary) Trust Fund		33,468,810 120,845	33,468,810 120,845	
2083	Fixed Capital Outlay Construction Inspection Consultants From Turnpike Renewal And Replacement Trust Fund		1,576,046	1,576,046	
	From Turnpike General Reserve Trust Fund From State Transportation (Primary) Trust Fund		22,253,576 98,400	22,253,576 98,400	
N/A					
2084	Fixed Capital Outlay Right-Of-Way Land Acquisition From Turnpike General Reserve Trust Fund		1,150,690	1,150,690	
	From State Transportation (Primary) Trust Fund		1,482,246	1,482,246	
2085	Fixed Capital Outlay Resurfacing From Turnpike Renewal And Replacement Trust Fund		9,787,921	9,787,921	
2086	Fixed Capital Outlay Bridge Construction From Turnpike Renewal And Replacement Trust Fund		4,259,955	4,259,955	
	From Turnpike General Reserve Trust Fund		2,831,380	2,831,380	

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Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2087	Fixed Capital Outlay Preliminary Engineering Consultants From Turnpike Renewal And Replacement Trust Fund		3,312,255	3,312,255	
	From Turnpike General Reserve Trust Fund		26,085,356	26,085,356	
	From State Transportation (Primary) Trust Fund		6,335,170	6,335,170	
2088	Fixed Capital Outlay Right-Of-Way Support From Turnpike General Reserve Trust Fund		1,335,068	1,335,068	
	N/A From State Transportation (Primary) Trust Fund		300,364	300,364	
2090	Fixed Capital Outlay Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		972,335	972,335	
2091	Fixed Capital Outlay Toll Operation Contracts From State Transportation (Primary) Trust Fund		4,101	4,101	
2092	Fixed Capital Outlay Turnpike System Equipment And Development From Turnpike General Reserve Trust Fund		73,557,978	73,557,978	
	From State Transportation (Primary) Trust Fund		99,956	99,956	
2093	Fixed Capital Outlay Tolls System Equipment And Development From State Transportation (Primary) Trust Fund		504,303	504,303	

Department of Corrections

EOG Number: B2024-0097

Problem Statement:

The Division of Risk Management within the Department of Financial Services (DFS) is responsible for the management of claims reported by or against state agencies and universities for coverage under the state's self-insurance fund known as the "State Risk Management Trust Fund." Insurance coverage provided through the fund includes workers' compensation, property loss, automobile liability, federal civil rights and general liability. The fund is supported through premiums assessed and collected in August of each year.

The Department of Corrections (FDC) currently has insufficient funds in the Risk Management Insurance category to pay the risk management insurance premium invoice to DFS.

Agency Request:

The FDC requests the transfer of \$1,659,889 of General Revenue funds between appropriation categories in order to pay the Fiscal Year 2023-2024 risk management insurance premium invoice assessed by DFS. Additionally, the department requests that 964,637 in salary rate be placed in reserve.

Governor's Recommendation:

Recommend approval to transfer \$1,659,889 from the General Revenue Fund between appropriation categories, and the placement of 964,637 in Salary Rate in reserve, to pay the Risk Management Insurance Premium.

Senate Committee: Appropriations Committee on Criminal and Civil Justice
Senate Analyst: Kristen Atchley

House Committee: Justice Appropriations Subcommittee
House Analyst: Shane Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
	CORRECTIONS							
	Program: Community Corrections <u>Community Supervision</u>							
	<i>Salary Rate Positions</i>		<i>(964,637)</i>	<i>964,637</i>	<i>(964,637)</i>	<i>964,637</i>		
706	Salaries And Benefits From General Revenue Fund		(1,659,889)		(1,659,889)			
713	Special Categories Risk Management Insurance From General Revenue Fund		1,659,889		1,659,889			

Department of Corrections

EOG Number: B2024-0099

Problem Statement:

The Department of Corrections (FDC) is responsible for maintaining over 145 statewide facilities with the goal of maximizing the service life of structures and associated equipment to ensure a safe and secure environment for incarcerated inmates and staff.

Chapter 2021-36, Laws of Florida, the Fiscal Year 2021-2022 General Appropriations Act (GAA), appropriated \$3,750,000 in General Revenue Fixed Capital Outlay (FCO) funding to expand and improve medical facilities at New River Correctional Institution (New River CI). New River CI was indefinitely closed by FDC in August 2021, leaving the FCO funding unused.

The FDC would like to utilize the FCO funding provided in the Fiscal Year 2021-2022 GAA to address critical physical plant issues at other correctional facilities throughout the state.

Agency Request:

The FDC requests the transfer of \$3,750,000 in FCO funding between appropriation categories to address critical physical plant issues at other correctional facilities throughout the state.

Governor's Recommendation:

Recommend approval to transfer \$3,750,000 from the General Revenue Fund between FCO appropriation categories to address critical physical plant issues at other facilities throughout the state.

Senate Committee: Appropriations Committee on Criminal and Civil
Justice
Senate Analyst: Kristen Atchley

House Committee: Justice Appropriations Subcommittee
House Analyst: Shane Smith

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
CORRECTIONS					
	Program: Security And Institutional Operations <u>Correctional Facilities Maintenance And Repair</u>				
N/A	Fixed Capital Outlay Major Repairs, Renovations And Improvements To Major Institutions From General Revenue Fund		3,750,000	3,750,000	
679	Fixed Capital Outlay New, Expanded And Improvements To Medical Facilities From General Revenue Fund		(3,750,000)	(3,750,000)	

Department of Management Services

EOG Number: B2024-0107

Problem Statement:

Chapter 2023-268, Laws of Florida, transfers the Bureau of Private Prison Monitoring from the Department of Management Services (DMS) to the Florida Department of Corrections (FDC), effective October 1, 2023. Pursuant to the chapter law, all powers, duties, functions, records, personnel, associated administrative support positions, property, administrative authority, and administrative rules relating to private correctional facilities are to be transferred by type two transfer as defined in section 20.06(2), Florida Statutes, from DMS to FDC. To implement the transfer, \$2,772,525 in operating and \$626,079 in Fixed Capital Outlay appropriations as of September 30, 2023, will need to be transferred from DMS to FDC.

Agency Request:

The DMS requests the transfer of \$2,772,525 to the FDC. Of this amount, \$1,168,266 from the General Revenue Fund and \$1,604,259 from the Operating Trust Fund, within the Private Prison Monitoring budget entity will be transferred to multiple entities within FDC. This request includes the transfer of 15 Full-Time Equivalent (FTE) positions and associated salary rate of 898,780.

The DMS also requests the transfer of \$626,079, in the Facilities Repair and Maintenance Fixed Capital Outlay category to the FDC. Of this amount, \$1,213 is transferred from the Private Prison Monitoring budget entity to the Female Custody Operations budget entity within the General Revenue Fund and \$581,125 within the Private Inmate Welfare Trust Fund. The remaining \$43,741 is transferred to the Youthful Male Custody Operations budget entity in the Private Inmate Welfare Trust Fund.

Governor's Recommendation:

The Governor's Office of Policy and Budget recommends the transfer of the Private Prison Monitoring program's budget, positions, and salary rate from the Department of Management Services to the Department of Corrections pursuant to chapter 2023-268, Laws of Florida, effective October 1, 2023.

Senate Committee: Appropriations Committee on Agriculture, Environment, and General Government
Senate Analyst: Niki Davis

House Committee: State Administration & Technology Appropriations Subcommittee
House Analyst: Caleb Helpling

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
CORRECTIONS					
	Program: Department Administration <u>Executive Direction And Support Services</u>				
	<i>Salary Rate</i>		898,780	898,780	
	<i>Positions</i>		15.00	15.00	
598	Salaries And Benefits				
	From General Revenue Fund		945,520	945,520	
	From Administrative Trust Fund		92,881	92,881	
600	Expenses				
	From General Revenue Fund		176,683	176,683	
	From Administrative Trust Fund		11,079	11,079	
604	Special Categories				
	Contracted Services				
	From General Revenue Fund		33,540	33,540	
607	Special Categories				
	Lease Or Lease-Purchase Of Equipment				
	From General Revenue Fund		2,658	2,658	
608	Special Categories				
	Transfer To Department Of Management Services - Human Resources Services Purchased Per Statewide Contract				
	From General Revenue Fund		3,224	3,224	
	From Administrative Trust Fund		299	299	

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
618	<u>Information Technology</u> Data Processing Services Northwest Regional Data Center (NWRDC) From General Revenue Fund		6,641	6,641	
N/A	Program: Security And Institutional Operations <u>Adult Male Custody Operations</u> Special Categories Private Prisons - Maintenance And Repair Reimbursement From Privately Operated Institutions Inmate Welfare Trust Fund		1,165,000	1,165,000	
	<u>Adult And Youthful Offender Female Custody Operations</u> Special Categories Private Prisons - Maintenance And Repair Reimbursement From Privately Operated Institutions Inmate Welfare Trust Fund		250,000	250,000	
	<u>Male Youthful Offender Custody Operations</u> Special Categories Private Prisons - Maintenance And Repair Reimbursement From Privately Operated Institutions Inmate Welfare Trust Fund		85,000	85,000	

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
MANAGEMENT SERVICES					
	Program: Support Program <u>Private Prison Monitoring</u>				
	<i>Salary Rate</i>		<i>(898,780)</i>	<i>(898,780)</i>	
	<i>Positions</i>		<i>(15.00)</i>	<i>(15.00)</i>	
2907	Salaries And Benefits From General Revenue Fund From Operating Trust Fund		(945,520) (92,881)	(945,520) (92,881)	
2908	Expenses From General Revenue Fund From Operating Trust Fund		(69,566) (11,079)	(69,566) (11,079)	
2909	Special Categories Contracted Services From General Revenue Fund		(10,371)	(10,371)	
2911	Special Categories Contracted Legal Services From General Revenue Fund		(23,169)	(23,169)	
2912	Special Categories Administrative Overhead From General Revenue Fund		(107,117)	(107,117)	
2913	Special Categories Lease Or Lease-Purchase Of Equipment From General Revenue Fund		(2,658)	(2,658)	

**Budget Commission Meeting
September 8, 2023**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2914	Special Categories Private Prisons - Maintenance And Repair Reimbursement From Operating Trust Fund		(1,500,000)	(1,500,000)	
2915	Special Categories Transfer To Department Of Management Services - Human Resources Services Purchased Per Statewide Contract From General Revenue Fund From Operating Trust Fund		(3,224) (299)	(3,224) (299)	
2916	Data Processing Services Northwest Regional Data Center (NWRDC) From General Revenue Fund		(6,641)	(6,641)	
2788	Fixed Capital Outlay Facilities Repairs And Maintenance From Operating Trust Fund		(624,866)	(624,866)	
2869	From General Revenue Fund		(1,213)	(1,213)	
CORRECTIONS					
N/A	Program: Security And Institutional Operations <u>Male Youthful Offender Custody Operations</u> Fixed Capital Outlay Facilities Repairs And Maintenance From Privately Operated Institutions Inmate Welfare Trust Fund <u>Adult And Youthful Offender Female Custody Operations</u>		43,741	43,741	

**Budget Commission Meeting
September 8, 2023**

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
	Fixed Capital Outlay Facilities Repairs And Maintenance From Privately Operated Institutions Inmate Welfare Trust Fund From General Revenue Fund		581,125 1,213	581,125 1,213	

Administered Funds

EOG Number: A2024-FP7

Problem Statement:

Section 8 of the Fiscal Year 2023-2024 General Appropriations Act (Chapter 2023-239, Laws of Florida) authorized funding for Agency Discretionary Pay Plans effective October 1, 2023. The funds are provided for agencies to grant special pay adjustments to address pay plan compression, recruitment and retention issues for eligible employees or cohorts of employees. State agencies were required to submit plans for implementation of the special pay adjustments. Plans were required to include the total budget and associated salary rate allocated for both Fiscal Year 2023-2024 (9 months), and the full year amount. Agencies submitted plans by August 1, 2023, to the Governor’s Office of Policy and Budget, the chair of the Senate Committee on Appropriations, and the chair of the House of Representatives Appropriations Committee. The funds for the salary increases are held in reserve until a budget amendment is submitted for the distribution and is approved by the Legislative Budget Commission. A statewide summary of the pay adjustments is provided in this packet.

Agency Request:

The Executive Office of the Governor, on behalf of the agencies submitting pay plans, requests the release of \$37,772,908 in General Revenue and \$55,991,880 in trust funds from the Lump Sum - Compensation and Benefits appropriation category to state agencies to implement special pay adjustments as provided in the Fiscal Year 2023-2024 General Appropriations Act and in accordance with the pay plans submitted. This request also includes a request for additional salary rate of 99,890,300 to implement the pay plans.

Governor's Recommendation:

The Executive Office of the Governor, on behalf of the agencies submitting pay plans, requests the release of \$37,772,908 in General Revenue and \$55,991,880 in trust funds from the Lump Sum - Compensation and Benefits appropriation category to state agencies to implement special pay adjustments as provided in the Fiscal Year 2023-2024 General Appropriations Act and in accordance with the pay plans submitted. This request also includes a request for additional salary rate of 99,890,300 to implement the pay plans.

Senate Committee: Appropriations Committee

Senate Analyst: John Shettle

House Committee: Appropriations Committee

House Analyst: Alicia Trexler

Line Item No.	Budget Entity / Fund / Appropriation Category Title LASPBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
ADMINISTERED FUNDS					
	<u>Program: Administered Funds</u>				
2103	Lump Sum				
	Employee Compensation And Benefits				
	From General Revenue Fund			(37,772,908)	
	From Trust Funds			(55,991,880)	
VARIOUS					
	<i>Salary Rate</i>			99,893,300	
VAR	Various				
	From General Revenue Fund			37,772,908	
	From Trust Funds			55,991,880	

Agency Discretionary Pay Plans - Summary

Authorized in Sec. 8(2)(a), Ch. 2023-239 L.O.F. Pay increases effective 10/1/2023

Line	Agency	Funding (\$) - Annualized*			Total Authorized FTE	% of FTE Included	# FTE Included		Avg % Increase
		General Revenue	Trust Funds	Total			Filled	Vacant	Filled FTE
1	Agency for Health Care Administration	107,332	1,793,820	1,901,152	1,535	28.5%	325	113	6.2%
2	Agency for Persons with Disabilities	1,565,360	1,207,692	2,773,052	2,753	14.7%	307	98	7.7%
3	Dept of Agriculture & Consumer Services	4,965,054	6,940,208	11,905,262	3,710	55.7%	1,770	295	10.3%
4	Dept of Business & Professional Regulation	1,797	3,210,162	3,211,959	1,570	43.6%	581	103	8.1%
5	Dept of Children & Families	7,362,298	6,350,807	13,713,105	12,966	33.7%	3,404	971	5.9%
6	Dept of Commerce	146,904	1,641,794	1,788,698	1,510	33.6%	470	37	5.2%
7	Dept of Corrections	6,561,064	-	6,561,064	23,677	3.4%	704	97	15.8%
8	Dept of Education - Board of Governors	125,256	15,323	140,579	69	40.6%	25	3	5.8%
9	Dept of Education - Division of Blind Services	84,982	174,211	259,193	290	72.1%	165	44	2.4%
10	Dept of Education - Division of Vocational Rehabilitation	187,425	695,968	883,393	884	75.0%	509	154	2.3%
11	Dept of Education - Florida School for the Deaf & the Blind	679,514	34,476	713,990	680	68.7%	417	50	3.3%
12	Dept of Education - State Board of Education	507,514	858,729	1,366,243	940	41.7%	286	106	5.3%
13	Dept of Elder Affairs	199,011	266,988	465,999	418	94.3%	286	109	2.2%
14	Dept of Environmental Protection	90,869	3,654,372	3,745,241	3,118	33.4%	927	114	6.9%
15	Dept of Financial Services (DFS)	270,787	3,776,060	4,046,847	1,943	38.6%	589	160	7.0%
16	DFS - Office of Financial Regulation		2,072,488	2,072,488	364	64.3%	201	33	10.8%
17	DFS - Office of Insurance Regulation		1,553,322	1,553,322	310	68.4%	141	71	7.6%
18	Dept of Health	4,553,212	14,087,934	18,641,146	12,820	12.1%	1,289	264	15.4%
19	Dept of Juvenile Justice	2,940,884	849,324	3,790,208	3,248	31.6%	890	136	4.9%
20	Dept of Law Enforcement	1,790,459	1,215,413	3,005,872	1,986	29.7%	460	129	8.2%
21	Dept of Legal Affairs	3,395,562	3,009,345	6,404,907	1,309	34.5%	336	116	12.8%
22	Dept of Management Services (DMS)	213,377	1,123,145	1,336,522	932	29.9%	238	40	7.3%
23	DMS - Administrative Hearings		425,116	425,116	216	54.6%	100	19	7.3%
24	DMS - Commission on Human Relations	62,740	11,194	73,934	75	26.7%	14	6	4.9%
25	DMS - Public Employees Relations Commission	25,011	22,974	47,985	30	40.0%	12	-	3.1%
26	Dept of Military Affairs	163,152	316,899	480,051	469	33.7%	137	21	6.5%
27	Dept of Revenue	2,910,287	2,638,644	5,548,930	5,012	19.6%	813	170	11.2%
28	Dept of State	391,569	124,801	516,370	457	28.7%	94	37	6.7%
29	Dept of the Lottery		508,279	508,279	425	54.4%	218	13	4.7%
30	Dept of Transportation		9,574,554	9,574,554	6,176	37.6%	2,105	216	5.5%
31	Dept of Veterans' Affairs	132,081	1,441,959	1,574,040	1,500	33.7%	376	130	5.4%
32	EOG - Division of Emergency Management	483,868	288,666	772,534	220	66.4%	134	12	7.1%
33	Fish & Wildlife Conservation Commission	605,717	2,389,742	2,995,459	2,178	51.8%	1,052	76	4.4%

Agency Discretionary Pay Plans - Summary

Authorized in Sec. 8(2)(a), Ch. 2023-239 L.O.F. Pay increases effective 10/1/2023

Line	Agency	Funding (\$) - Annualized*			Total Authorized FTE	% of FTE Included	# FTE Included		Avg % Increase
		General Revenue	Trust Funds	Total			Filled	Vacant	Filled FTE
34	Florida Commission on Offender Review	171,965		171,965	161	61.5%	87	12	3.3%
35	Florida Gaming Control Commission		101,922	101,922	188	25.5%	35	13	4.0%
36	Justice Administrative Commission (JAC)	125,574		125,574	93	36.6%	34	-	4.1%
37	JAC - Appellate Public Defenders	62,528		62,528	173	20.8%	28	8	2.7%
38	JAC - Capital Collateral Regional Counsels	80,904		80,904	97	28.9%	24	4	3.9%
39	JAC - Criminal Conflict & Civil Regional Counsel	195,269		195,269	572	13.8%	79	-	3.6%
40	JAC - Guardian Ad Litem	846,947	67,268	914,214	815	49.1%	401	-	4.3%
41	JAC - Public Defenders	1,327,119	44,670	1,371,789	2,857	22.4%	606	35	3.2%
42	JAC - State Attorneys	3,207,918	742,016	3,949,934	6,099	28.2%	1,624	93	3.2%
43	Public Service Commission		407,218	407,218	272	79.4%	216	-	2.5%
44	State Court System	3,822,553	1,018,525	4,841,078	4,526	31.7%	1,396	38	4.1%
45	Totals	50,363,864	74,656,027	125,019,891	109,639	25.6%	23,903	4,145	

* Budget Amendment #AFP7 distributes 75% of the annualized amount for Fiscal Year 2023-24 due to effective date of 10/1/2023