



**LEGISLATIVE
BUDGET
COMMISSION**

**Joe Negron, Chair
Lisa Carlton, Vice Chair**

**MEETING PACKET
DATE, June 15, 2005
1:30 p.m. – 3:30 p.m.
412 Knott Building**

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Speaker Allan G. Bense

Legislative Budget Commission

Start Date and Time: Wednesday, June 15, 2005 01:30 pm

End Date and Time: Wednesday, June 15, 2005 03:30 pm

Location: 412 Knott

Duration: 2.00 hrs

I. Consideration of the following budget amendments for Fiscal Year 2004-05:

1. Fish and Wildlife Conservation Commission
EOG#0727
2. Department of Business and Professional Regulation
EOG#0703
EOG#0731
3. Department of Children and Families
EOG#0723
4. Florida Department of Law Enforcement
EOG#0726
5. Department of Health
EOG#0728

II. Consideration of the following budget amendments for Fiscal Year 2005-06:

1. Department of Health
EOG#0029
2. Department of Environmental Protection
EOG#0030
3. Agency for Workforce Innovation
EOG#O-0021 - Approval of School Readiness Allocation Formula

III. Other Business

NOTICE FINALIZED on 06/08/2005 16:02 by SLB

LEGISLATIVE BUDGET COMMISSION AGENDA

June 15, 2005

1:30 p.m. – 3:30 p.m.

Room 412, Knott Building

MEMBERS

Senator Lisa Carlton
Senator JD Alexander
Senator Jeffrey Atwater
Senator Mike Fasano
Senator Les Miller
Senator Burt Saunders
Senator Rod Smith

Representative Joe Negrón
Representative Gustavo Barreiro
Representative Kim Berfield
Representative Don Davis
Representative Ron Greenstein
Representative Will Kendrick
Representative Stan Mayfield

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I. Consideration of the following budget amendments for Fiscal Year 2004-05:

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| 3. Department of Children and Families
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| 4. Florida Department of Law Enforcement
EOG#0726 | 11 |
| 5. Department of Health
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II. Consideration of the following budget amendments for Fiscal Year 2005-06:

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III. Other Business

Department: Fish and Wildlife Conservation Commission

EOG Number: B2005-0727

<p>Problem Statement: The Executive Office of the Governor and the Department of Financial Services created appropriation categories for each hurricane for each agency to spend funds related to each of the four storms that hit Florida earlier this fiscal year. The Fish and Wildlife Conservation Commission's Division of Law Enforcement has insufficient spending authority in the State Game Trust Fund for hurricane-related operating expenditures related to hurricanes Jeanne and Ivan. These include expenditures for mileage, vessel and aircraft usage, salaries and benefits, and overtime. All of these incurred costs qualify for FEMA reimbursement.</p>
<p>Agency Request: The Commission requests \$450,617 of additional State Game Trust Fund authority to provide sufficient budget authority for operating expenditures related to hurricanes Jeanne and Ivan.</p>
<p>Governor's Recommendation: Recommend approval to increase budget authority by \$450,617 in the State Game Trust Fund for expenditures related to hurricanes Ivan and Jeanne.</p>
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>

<p>Senate Committee: General Government Appropriations Senate Analyst: Jane Hayes Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: jane.hayes@laspbs.state.fl.us</p>	<p>House Committee: Agriculture & Environment Appropriations House Analyst: Greg Davis Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: greg.davis@laspbs.state.fl.us</p>
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Line Item No.	Budget Entry Fund / Appropriation Category Title	L.A.S. FBS Account Number	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			CR Appropriation	Appropriation	Appropriation
FISH AND WILDLIFE CONSERVATION COMMISSION					
N/A	<u>Fish, Wildlife, & Boating Enforcement</u> State Game Trust Fund	G/A-Hurricane Jeanne-State Oper 77200100-109836-00-2672	255,917	255,917	
N/A		G/A-Hurricane Ivan-State Oper 77200100-109831-00-2672	194,700	194,700	

Department: Business and Professional Regulation
EOG Number: B2005-0703

Problem Statement: The Department of Business and Professional Regulation (DBPR) contracted with Accenture LLP to design, develop, and maintain a single licensing application to replace the many fragmented systems throughout the department. In addition, the contract provided for the establishment of a department-wide call center, reengineering of the department's business processes and integration services to implement the call center and assist in realizing the organizational changes to drive department-wide efficiencies.

A flat fee was established in the contract for the design, development, and installation of the single licensing system and internet portal. This was funded by a \$10 million appropriation in FY 2000-01 and another \$10 million appropriation in FY 2001-02. The establishment of a department-wide call center and the reengineering of the department's business processes are paid from savings realized by the department under the shared benefit portion of the contract. The shared benefit portion of the contract concludes June 30, 2006.

In order to meet the contract terms, the department is required to pay Accenture an estimated cost-savings benefit to be realized over the approaching six-month period. Payments are due each June and December for the approaching six-month period. The current payment due is based on the estimated savings to be realized over the six-month period from July 1, 2005, through December 31, 2005, and is in accordance with the current Business Case developed jointly by the department and Accenture. Based on the Business Case, the total savings for full-time-equivalent positions (FTE) and other applicable costs is estimated to be \$4,323,386. Therefore, at the current savings share of 67 percent, the payment due to Accenture for the upcoming six-month period is \$2,896,669.

Since shared savings are estimated and paid in advance to Accenture, a payment true-up is calculated for each fiscal year. The true-up for FY 2003-04 was completed in December 2004; however, since that date an additional adjustment of \$8,660 is required. This adjustment is offset against the current estimated payment due for July 1, 2005, through December 31, 2005; therefore, resulting in a total payment due to Accenture of \$2,888,009.

An appropriation of \$4,617,608 was provided in the FY 2004-05 General Appropriation Act (line # 2141A) to make payments to Accenture, through a benefit-share arrangement, for services rendered pursuant to State Contract No. 00-00243-00. This appropriation was placed in reserve and is subject to approval by the Legislative Budget Commission. In December 2004, DBPR submitted a budget amendment (EOG # 0390) requesting the release of \$2,399,006 from the Technology Solutions category in the Information Technology budget entity. In January 2005, the budget amendment was approved and \$2,399,006 was subsequently paid to Accenture leaving an appropriation balance of \$2,218,602. Since the current invoice amount of \$2,888,009 exceeds the balance of the appropriation by \$669,407, the department requests the transfer of excess appropriation in the Other Data Processing Services category in the Information Technology budget entity to the Technology Solutions category.

The calculation of savings and vendor invoice have been adjusted by the department to indicate the methodology of reflecting the entire application management cost against the savings pool as previously approved by the Department of Financial Services and Office of the Auditor General.

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June 15, 2005**

<p>Agency Request: The department requests to transfer \$669,407 in Administrative Trust Fund budget authority between categories and to release \$2,218,602 from unbudgeted reserve for payment to Accenture for contractual services for the call center in the Information Technology budget entity.</p>	<p>Governor's Recommendation: Recommend approval to transfer \$669,407 in Administrative Trust Fund budget authority between categories and to release \$2,218,602 from unbudgeted reserve for payment to Accenture for contractual services for the call center.</p>
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>	
<p>Senate Committee: General Government Appropriations Senate Analyst: Jamie DeLoach Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: jamie.deloach@laspbs.state.fl.us</p>	<p>House Committee: State Administration Appropriations House Analyst: Susan Rayman Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: susan.rayman@laspbs.state.fl.us</p>

Line Item No.	Budget Entry / Fund / Appropriation Category / Title	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
		Appropriation	Reserve	Package	Appropriation	Reserve	Release	Appropriation	Reserve	Release
BUSINESS AND PROFESSIONAL REGULATION										
INFORMATION TECHNOLOGY										
Administrative Trust Fund										
2141A	Technology Solutions 79010300-106150-00-2021	669,407	(2,218,602)	2,888,009	669,407	(2,218,602)	2,888,009			
2144	Other Data Processing Services 79010300-210014-00-2021	(669,407)		(669,407)	(669,407)		(669,407)			

Department: Business and Professional Regulation

EOG Number: B2005-0731

<p>Problem Statement: Section 561.342, Florida Statutes, requires the Department of Business and Professional Regulation to return 24 percent of the alcoholic beverage license taxes collected within each county to the appropriate county tax collector and 38 percent of the license taxes collected within each incorporated municipality to the appropriate municipal officer each year. The department has budget authority of \$1,244,000 in the special category of Aid to Local Governments – Beverage License/Cities and Counties that is used for the annual distribution of these funds. In FY 2003-04, the department needed and received approval for an additional \$2,500,000 in budget authority, EOG #0644, to complete payments for the FY 2003-04. In order to continue to meet its statutory obligations the department needs approval of \$1,256,000 to cover payments for the remainder of FY 2004-05. The projected need for the special category of Aid to Local Governments – Beverage License/Cities and Counties is as follows:</p>	
FY 2004-05	
Appropriation	\$ 11,244,000
Disbursements Y-T-D	11,045,208
Projected Disbursements	<u>1,454,792</u>
Total Projected Disbursements for FY 2004-05	12,500,000
Projected Deficit	<u>(\$ 1,256,000)</u>
<p>Agency Request: The department requests to increase budget authority by \$1,256,000 in the Alcoholic Beverage and Tobacco Trust Fund to make required distribution of alcoholic beverage license taxes to city and county governments.</p>	
<p>Governor's Recommendation: Recommend approval to increase budget authority by \$1,256,000 in the Alcoholic Beverage and Tobacco Trust Fund to make required distribution of alcoholic beverage license taxes to city and county governments.</p>	
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>	
<p>Senate Committee: General Government Appropriations Senate Analyst: Jamie DeLoach Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: jamie.deloach@laspbs.state.fl.us</p>	<p>House Committee: State Administration Appropriations House Analyst: Susan Rayman Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: susan.rayman@laspbs.state.fl.us</p>

Line Item No.	Budget Entity Fund Appropriation Category Title	LAPSES Account Number	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
2223A	<p>BUSINESS AND PROFESSIONAL REGULATION</p> <p><u>Pgm: Alcoholic Beverages and Tobacco Standards and Licensure</u> Alcoholic Beverage and Tobacco Trust Fund Aid to Local Governments Beverage License/ Cities and Counties 79400200-050119-00-2022</p>		1,256,000	1,256,000	

Department: Children & Family Services

EOG Number: B2005-0723

<p>Problem Statement: The Department of Children and Family Services has \$18,482,429 in various trust funds and various hurricane-related categories to cover expenditures as a result of services provided in the aftermath of hurricanes Charley, Frances, Jeanne and Ivan, some of which will be reimbursed by the Federal Emergency Management Agency (FEMA). Expenditures include overtime salaries and other expenses related to establishing temporary emergency food stamp sites, providing emergency power and repair at the department's mental health institutions, and relocating offices, records and other infrastructure items in the districts with damaged facilities. Expenditures, however, are greater than the current appropriations, and the department needs an additional \$1.6 million in budget authority to appropriately track the expenditures.</p>	<p>Agency Request: The department requests an additional \$1,611,325 in various trust funds and various hurricane-related categories to cover expenditures as a result of the 2004 hurricanes. If this amendment is not approved, the department may not be appropriately tracking hurricane-related expenditures.</p>	<p>Governor's Recommendation: Recommend approval to increase budget authority by \$1,243,806 in the Administrative Trust Fund; \$1,520 in the Grants and Donations Trust Fund; \$1,061 in the Social Services Block Grant Trust Fund and \$364,938 in the Operations and Maintenance Trust Fund for hurricane-related expenditures.</p>	<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>
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<p>Senate Committee: Health & Human Services Appropriations Senate Analyst: Marta Hardy Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: marta.hardy@laspbs.state.fl.us</p>	<p>House Committee: Health Care Appropriations House Analyst: Lynn Ekholm Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: lynn.ekholm@laspbs.state.fl.us</p>
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Line Item No.	Budget Entry Fund - Appropriation Category Title	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	L.A.S.F.B.S. Account Number	Appropriation	Appropriation	Appropriation
CHILDREN AND FAMILIES				
<u>SUPPORT SERVICES</u>				
<u>Assistant Secretary for Administration</u>				
<u>Administrative Trust Fund</u>				
N/A	G/A Major Disaster 04-05-Hurricane Ivan 60900203-109831-00-2021	5,289	5,289	5,289
N/A	G/A Major Disaster 04-05-Hurricane Jeanne 60900203-109836-00-2021	42,093	42,093	42,093
<u>District Administration</u>				
<u>Administrative Trust Fund</u>				
N/A	G/A Major Disaster 04-05-Hurricane Charley 60900204-109827-00-2021	632,226	632,226	632,226
N/A	G/A Major Disaster 04-05-Hurricane Frances 60900204-109829-00-2021	408,840	408,840	408,840
N/A	G/A Major Disaster 04-05-Hurricane Ivan 60900204-109831-00-2021	88,590	88,590	88,590
N/A	G/A Major Disaster 04-05-Hurricane Jeanne 60900204-109836-00-2021	2,752	2,752	2,752

Line Item No.	Budget Entry Fund/ Appropriation Category Title LA/SPS Account Number	REQUESTED BY AGENCY CF Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
CHILDREN AND FAMILIES				
<u>FAMILY SAFETY</u>				
<u>Child Care Regulation and Information Grants and Donation</u>				
N/A	G/A Major Disaster 04-05-Hurricane Charley 60910301-109827-00-2339	1,520	1,520	
N/A	Social Services Block Grant G/A Major Disaster 04-05-Hurricane Charley 60910301-109827-00-2639	1,061	1,061	
<u>Adult Protection Administrative Trust Fund</u>				
N/A	G/A Major Disaster 04-05-Hurricane Charley 60910302-109827-00-2021	13,264	13,264	
N/A	G/A Major Disaster 04-05-Hurricane Frances 60910302-109829-00-2021	9,571	9,571	
N/A	G/A Major Disaster 04-05-Hurricane Ivan 60910302-109831-00-2021	41,181	41,181	
<u>INSTITUTIONAL FACILITIES</u>				
<u>Adult Mental Health Treatment Facilities Operations and Maintenance Trust Fund</u>				
N/A	G/A Major Disaster 04-05-Hurricane Charley 60910802-109827-00-2516	83,749	83,749	
N/A	G/A Major Disaster 04-05-Hurricane Frances 60910802-109829-00-2516	219,796	219,796	
N/A	G/A Major Disaster 04-05 Hurricane Ivan 60910802-109831-00-2516	61,393	61,393	

Department: Florida Department of Law Enforcement

EOG Number: B2005-0726

<p>Problem Statement: The Florida Department of Law Enforcement (FDLE) needs additional budget authority in the Grants and Donations Trust Fund to expend federal funds available from the Federal Emergency Management Agency (FEMA) for automobile, aircraft, and Statewide Law Enforcement Mutual Aid Command Center (SLEMACC) costs. The costs were incurred by FDLE in the deployment of emergency response support to local governments for public safety concerns resulting from the 2004 hurricanes.</p> <p>This request is based upon invoices submitted to FEMA for reimbursement of costs related to hurricanes Charley (\$115,920), Frances (\$187,372), Ivan (\$219,643) and Jeanne (\$273,131). It is anticipated that the expenditures will be reimbursed prior to June 30, 2005.</p>	
<p>Agency Request: The department requests additional budget authority of \$796,066 in the Grants and Donations Trust Fund for various Hurricane Relief special categories for costs associated with FDLE hurricane responses efforts</p>	
<p>Governor's Recommendation: Recommend approval to increase budget authority by \$796,066 in the Grants and Donations Trust Fund for anticipated FEMA reimbursements relating to the 2004 hurricanes.</p>	
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>	
<p>Senate Committee: Justice Appropriations Senate Analyst: Tim Sadberry Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: tim.sadberry@laspbs.state.fl.us</p>	<p>House Committee: Justice Appropriations House Analyst: Fred Burns Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: fred.burns@laspbs.state.fl.us</p>

Line Item No.	Budget Entity / Fund / Appropriation Category Title <small>LAS/PRS Account Number</small>	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
		CF Appropriation	Appropriation	Appropriation
FLORIDA DEPARTMENT OF LAW ENFORCEMENT				
	Criminal Justice Investigations & Forensic Science			
	<u>Investigative Services</u>			
	Grants & Donations Trust Fund			
N/A	G/A Major Disaster 2004-05 Hurricane Charley State Operations 71600200-109827-00-2339	115,920	115,920	
N/A	G/A Major Disaster 2004-05 Hurricane Frances State Operations 71600200-109829-00-2339	187,372	187,372	
N/A	G/A Major Disaster 2004-05 Hurricane Ivan State Operations 71600200-109831-00-2339	219,643	219,643	
N/A	G/A Major Disaster 2004-05 Hurricane Jeanne State Operations 71600200-109836-00-2339	273,131	273,131	

Department: Health

EOG Number: B2005-0728

<p>Problem Statement: The Department of Health was heavily involved in hurricane relief efforts in the aftermath of hurricanes Charley, Frances, Ivan and Jeanne. The department provided a multitude of services ranging from logistics to special needs shelters. The department worked to ensure citizens were safe from environmental risks, such as food borne pathogens and unsafe drinking water systems, responded to requests for emergency testing, responded to requests for emergency pharmaceuticals and provided pharmaceutical technical assistance as needed, and established and managed shelters for displaced citizens and responded to special needs shelter issues, while ensuring adequate nursing staffs were available. The department incurred costs of \$30,357,698 for these hurricane relief efforts, using existing non-hurricane-related budget authority. To track these expenditures more appropriately, the department needs budget authority in hurricane-related categories. The department expects to receive reimbursement from the Federal Emergency Management Agency (FEMA) to assist with these expenditures.</p>	<p>Agency Request: The Department of Health requests \$30,357,698 in budget authority in the Federal Grants Trust Fund, Hurricane Relief special categories for costs associated with hurricane expenditures. If this amendment is not approved, the department may not be appropriately tracking hurricane-related expenditures.</p>	<p>Governor's Recommendation: Recommend approval to increase budget authority by \$30,357,698 in the Federal Grants Trust Fund for hurricane expenditures related to hurricanes Charley, Frances, Ivan and Jeanne.</p>	<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>
<p>Senate Committee: Health & Human Services Appropriations Senate Analyst: Ross Fabricant Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: ross.fabricant@laspbs.state.fl.us</p>	<p>House Committee: Health Care Appropriations House Analyst: Wayne Money Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: wayne.money@laspbs.state.fl.us</p>		

Line Item No.	Budget Entity / Fund / Appropriation Category Title L.A.S./P.R.S. Account Number	REQUESTED BY AGENCY CF	RECOMMENDED BY GOVERNOR APPROPRIATION	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION APPROPRIATION
HEALTH				
	COMMUNITY PUBLIC HEALTH			
	Statewide Public Health Support Services			
	Federal Grants Trust Fund			
N/A	G/A-Major Disaster 2004-05-Charley 64200800-109827-00-2261	9,005,870	9,005,870	
N/A	G/A-Major Disaster 2004-05-Frances 64200800-109829-00-2261	7,802,740	7,802,740	
N/A	G/A-Major Disaster 2004-05-Ivan 64200800-109831-00-2261	6,095,561	6,095,561	
N/A	G/A-Major Disaster 2004-05-Jeanne 64200800-109836-00-2261	7,453,527	7,453,527	

*Legislative Budget Commission Meeting
June 15, 2005*

Department: Health

EOG Number: B2006-0029

<p>Problem Statement: The Florida Department of Health's Improved Pregnancy Outcome Program provides universal risk screening services to Florida's pregnant women and newborn infants to identify those at risk for poor birth, health and developmental outcomes. Healthy Start Coalitions provide these services, which include information and referrals, ongoing care coordination and support to assure access to other needed services, including psychosocial, nutritional and smoking cessation counseling, childbirth, breastfeeding and parenting support and education.</p> <p>The Department of Health currently has cash available in the Maternal Child Health Block Grant Trust Fund, but insufficient budget authority of \$1,500,000, to provide services through the Healthy Start Coalitions.</p> <p>Agency Request: The Department of Health requests \$1,500,000 in additional budget authority in the Maternal Child Health Block Grant Trust Fund in the Improved Pregnancy Outcome Program category.</p>	<p>Governor's Recommendation: Recommend approval to increase budget authority by \$1,500,000 in the Maternal Child Health Block Grant Trust Fund to provide services for Florida's Healthy Start Coalitions.</p>
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>	

<p>Senate Committee: Health & Human Services Appropriations Senate Analyst: Ross Fabricant Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: ross.fabricant@laspbs.state.fl.us</p>	<p>House Committee: Health Care Appropriations House Analyst: Wayne Money Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: wayne.money@laspbs.state.fl.us</p>
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Line Item No.	Budget Entity / Fund / Appropriation Category Title	REQUIRED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
L.A.S./P.E.S. Account Number		Appropriation	Appropriation	Appropriation
HEALTH COMMUNITY PUBLIC HEALTH Family Health Outpatient and Nutrition Services Maternal Child Health Block Grant Trust Fund Aid to Local Governments Improved Pregnancy Outcome Program 64200300-050707-00-2475		1,500,000	1,500,000	

*Legislative Budget Commission Meeting
June 15, 2005*

Department: Environmental Protection

EOG Number: B2006-0030

<p>Problem Statement: Coastal Petroleum Co. has offered to settle all claims arising out of its leases of sovereignty submerged lands in the Gulf of Mexico and to release and surrender all rights under its leases in exchange for payment of \$12,500,000. The Governor and the Cabinet approved the settlement on June 1, 2005.</p> <p>Section 34 of the 2005-2006 General Appropriations Act provides for a transfer of funds from the Working Capital Fund to the Internal Improvement Trust Fund in the Department of Environmental Protection for this purpose. Section 34 requires that the Legislative Budget Commission approve the transfer.</p>	<p>Agency Request: In order for the department to comply with the terms of the legally binding settlement, the transfer of \$12,500,000 from Working Capital Fund to the Internal Improvement Trust fund, as provided in Section 34 of the Fiscal Year 2005-2006 General Appropriations Act, is necessary. Without approval of the action requested in this amendment, this transfer will not be possible and the department will be unable to comply with the terms of the settlement.</p> <p>Governor's Recommendation: Recommend approval to increase budget authority by \$12,500,000 in the Internal Improvement Trust Fund for monies transferred from the Working Capital Fund to comply with the settlement agreement with the Coastal Petroleum Company pursuant to Section 34 in the FY 2005-06 General Appropriations Act.</p> <p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>
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<p>Senate Committee: General Government Appropriations Senate Analyst: Jamie DeLoach Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: jamie.deloach@laspbs.state.fl.us</p>	<p>House Committee: Agriculture & Environment Appropriations House Analyst: Lynn Dixon Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: lynn.dixon@laspbs.state.fl.us</p>
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Line Item No.	Budget Entry / Fund / Appropriation Category Title L.A.S/PBS Account Number	REQUESTED BY AGENCY CF Appropriation	RECOMMENDED BY GOVERNOR Appropriation	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION Appropriation
	ENVIRONMENTAL PROTECTION			
	<u>Administrative Services</u>			
	<u>Executive Direction and Support Svcs</u>			
GAA Sec. 34	Transfer to Internal Improvement Trust Fund Working Capital Fund 37010100-101985-00-3000	12,500,000	12,500,000	
N/A	Internal Improvement Trust Fund Litigation Expenses 37010100-101981-00-2408	12,500,000	12,500,000	

Department: Workforce Innovation

EOG Number: B2006-O-0021

<p>Problem Statement: Section 411.01(9)(c), Florida Statutes, requires the Agency for Workforce Innovation to adopt a formula for the allocation among the early learning coalitions of all state and federal school readiness funds for children participating in public or private school readiness programs based upon equity and performance.</p> <p>The allocation formula must be submitted to the Governor and the Legislative Budget Commission. Upon approval, the Legislative Budget Commission will authorize the Agency to distribute funds in accordance with the allocation formula.</p>	<p>Agency Request: The request is to adopt a formula for the allocation of school readiness funds based on the calculation of weighted full time equivalents and hold back one percent for performance bonuses which would be reevaluated in November based on established criteria.</p> <p>See attached documents for proposed allocation.</p>
<p>Governor's Recommendation: Recommend approval of the School Readiness allocation calculated from weighted full time equivalents for Fiscal Year 2005-06, holding back 1 percent for performance bonuses and with an effective date of July 1, 2005.</p>	
<p>Commission Staff Comments: Recommend approval as recommended by the Governor's Office.</p>	

<p>Senate Committee: Transportation & Economic Development Appropriations Senate Analyst: Skip Martin Phone Number: (850) 487-5140 or SunCom 277-5140 E-mail Address: skip.martin@laspbs.state.fl.us</p>	<p>House Committee: Transportation & Economic Development Appropriations House Analyst: Loretta Jones Darity Phone Number: (850) 488-6204 or SunCom 278-6204 E-mail Address: loretta.ionesdarity@laspbs.state.fl.us</p>
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AGENCY FOR WORKFORCE INNOVATION
EOG# BO-0021
PROPOSED SCHOOL READINESS EQUITY AND PERFORMANCE
ALLOCATION FORMULA
June 15, 2005

HOW ARE SCHOOL READINESS FUNDS CURRENTLY DISTRIBUTED TO EARLY LEARNING COALITIONS?

In FY 2001-02, various components of the School Readiness program were transferred to the Agency for Workforce Innovation, including:

- The subsidized childcare program, childcare and early childhood resource and referral services and the Child Care Executive Partnership program were transferred from the Department of Children and Families (DCF); and
- The prekindergarten, early intervention, migrant prekindergarten and the Florida First Start programs were transferred from the Department of Education (DOE).

When the programs were transferred, the former Florida Partnership for School Readiness (FPSR) inherited the funding distribution methodologies used by those agencies:

- At the time of the transfer, DCF was phasing-in a new allocation formula based primarily upon demographic information and the prior year's budget allocation (*not prior year expenditures*).
- DOE had an FTE-based allocation formula that was weighted 75% for the number of children receiving free and reduced lunches (children of *all* ages) and 25% for the projected population of 3 and 4 year-olds (*not actual children served*), and every school district was guaranteed a minimum of \$65,000.

While numerous attempts were made to address the distribution formula, the former FPSR distributed funds based upon the prior year's budget allocation (which was built upon the methodologies of the predecessor agencies). The former Partnership did implement a policy that drew back funds from coalitions that were not fully spending their allocation, but the policy adopted put a \$40,000 minimum and a \$400,000 maximum on the funds that could be pulled back.

WHY IS THE AGENCY PROPOSING AN ALLOCATION FORMULA?

Since FY 2001-02, section 411.01(9)(c), Florida Statutes, has required the former FPSR, and now the Agency for Workforce Innovation, to adopt a formula for the allocation among the early learning coalitions of all state and federal school readiness funds for children participating in public or private school readiness programs *based upon equity and performance*. Various provisions of law have delayed the implementation of this statutory requirement until July 1, 2005. *The allocation formula must be submitted to the Governor and the Legislative Budget Commission. Upon approval, the Legislative Budget Commission shall authorize the Agency to distribute funds in accordance with the allocation formula.*

In addition to the statutory requirement, the Agency recognizes that the current distribution of school readiness funds has significant flaws, including:

- Because all coalitions must serve children from families receiving TANF and children at risk of abuse or neglect, children from working poor families are served only to the extent that funds are available. Currently, children from working poor families do not have an equal chance of being served – some coalitions have significant waiting lists.

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- The current funding distribution does not reflect actual school readiness services provided to children – funds are distributed based largely upon the level of funding budgeted in 2001. As a result, some coalitions have received enough funding to eliminate waiting lists and implement innovative quality initiatives while other coalitions still have significant numbers of eligible children that cannot be served. Some examples:
 - Lafayette County – receives funding to serve 700 children but has only served 19 (funds have been used to support other counties in the multi-county coalition)
 - Osceola County – receives funding to serve 1,700 children, but could serve an additional 1,100 if funds were available
- The demographic information used, in part, to distribute school readiness funding is over 5 years old and has never been updated to reflect both demographic changes and actual services provided to children
- The current funding distribution does not address the varying costs to serve children of different ages
- The current funding distribution does not address the varying costs to serve children in different geographic areas of the state
- Provider reimbursement rates vary greatly throughout the state (which has an impact on the number of providers willing to participate in the program)

WHAT WILL THE NEW EQUITY AND PERFORMANCE FORMULA DO?

The proposed allocation formula attempts to make the distribution of school readiness funds more equitable by:

- Continuing to ensure that all children from families receiving TANF and children at risk of abuse or neglect are served
- Using actual services provided to children as a component of the formula (average of the last three years)
- Updating the demographic information used to project need (going forward, will be updated annually)
- Accounting for the varying costs to serve children of different ages in the school readiness program (i.e., infants are more expensive to serve than 4 year-olds)
- Accounting for the varying costs to serve children in different geographic areas of the state by applying the District Cost Differential (DCD) to the allocation (in the same manner as used for the Voluntary Prekindergarten Program)
- Addressing the inequities in provider reimbursement rates by moving closer to the statewide average of the prevailing market rate

Currently, there is no performance component associated with the distribution of school readiness funds. The Agency wants to provide incentives for coalitions to increase the level of services provided to children, while also improving coalitions' compliance with state and federal operational requirements.

- One percent of school readiness funds available for allocation to the coalitions will be held back and be available for distribution to coalitions in November.
- In order to qualify for a performance award, the coalition will need to meet specified fiscal and administrative requirements, including: timely submission of correct and complete invoices, match reports, annual audits, annual reports, and fiscal monitoring responses and compliance with all funding earmarks and match requirements.
- Performance incentive funds will be awarded only to coalitions that meet all of the eligibility requirements.
- Federal law requires that a minimum of 70% of Child Care and Development Block Grant funds be spent on direct services for children ("slots"). Performance incentive funds will be awarded to coalitions that exceed the 70% slot expenditure requirement in proportion to the percentage that they exceed – providing an incentive for coalitions to focus on providing direct services to more children.

HOW IS THE PROPOSED SCHOOL READINESS ALLOCATION FORMULA IMPACTED BY THE VOLUNTARY PREKINDERGARTEN (VPK) FUNDING FOR 4 YEAR-OLDS?

The formula does not have an adjustment for the impact of implementing the VPK program. **While coalitions cannot use VPK funds to replace school readiness funds, school readiness funds may be freed-up by the 4 year-old children who will be served in the VPK program.** Currently, there is no way to project what that impact on the school readiness program will be. Therefore, the Agency will implement a “deobligation/ reobligation” policy. The Agency will monitor the coalitions’ expenditure rates and if adjustments are needed to maximize the effective use of funding, there will be a formal process to make those adjustments. This policy will give the Agency the flexibility to ensure that scarce resources are used to serve as many eligible children as possible in the school readiness program.

AGENCY FOR WORKFORCE INNOVATION - OFFICE OF EARLY LEARNING

EOG# BO 0021

PROPOSED FY 2005-06 SCHOOL READINESS PERFORMANCE & EQUITY ALLOCATION FORMULA

Page 15, 2005

PROPOSED COALITIONS	COLUMN 1 FY 2004-05 ADJUSTED DISTRIBUTION	COLUMN 2 FY 2004-05 TOTAL PROJECTED EXPENDITURES	COLUMN 3 FY 2004-05 ADJUSTED DISTRIBUTION reduced by 2% held back for performance awards	COLUMN 4 FY 2004-05 TOTAL PROJECTED EXPENDITURES reduced by 2% held back for performance awards	COLUMN 5 PROPOSED FY 2005-06 ALLOCATION	COLUMN 6 PROPOSED ALLOCATION COMPARED TO FY 2004-05 ADJUSTED DISTRIBUTION (COLUMN 3)	COLUMN 7 PERCENTAGE CHANGE	COLUMN 8 PROPOSED ALLOCATION COMPARED TO FY 2004-05 PROJECTED EXPENDITURES (COLUMN 4)	COLUMN 9 PERCENTAGE CHANGE	FY 2005-06 ALLOCATION
1 Alachua	\$10,569,710	\$9,863,207	\$10,464,013	\$9,764,573	\$11,753,087	\$1,289,074	12.32%	\$1,988,512	19.00%	\$4,120,540
2 Baker, Bradford, Clay & Nassau										
Total:	\$8,070,537	\$7,990,345	\$7,989,832	\$7,910,442	\$8,280,304	\$290,472	3.64%	\$369,862	4.63%	\$6,506,785
3 Bay, Calhoun, Franklin, Gnl, Holmes, Jackson & Washington										
Total:	\$12,693,310	\$11,851,305	\$12,566,577	\$11,727,727	\$10,444,466	(\$1,121,910)	-9.7%	\$711,675	5.6%	\$5,639,970
4 Broward	\$18,944,176	\$16,724,317	\$18,754,734	\$16,557,074	\$16,705,334	(\$2,049,401)	-10.93%	\$148,260	0.77%	\$9,573,606
5 Broward	\$44,662,277	\$42,671,734	\$44,215,645	\$42,245,017	\$40,073,044	(\$4,140,605)	-9.36%	(\$2,169,973)	-4.01%	\$43,494,551
6 Charlotte, DeSoto, Hardee & Highlands										
Total:	\$9,163,438	\$8,510,723	\$9,071,804	\$8,425,616	\$8,594,404	(\$477,400)	-5.26%	\$168,788	1.86%	\$4,921,554
7 Citrus, Dixie, Gibchrist, Levy & Sumter										
Total:	\$8,313,223	\$8,313,223	\$8,230,093	\$8,230,000	\$8,144,140	(\$85,950)	-1.04%	(\$85,950)	-1.04%	\$4,182,575
8 Collier, Glades, Hendry & Lee										
Total:	\$19,966,515	\$19,966,515	\$19,766,850	\$19,766,850	\$18,283,564	(\$1,483,286)	-7.50%	(\$1,483,286)	-7.50%	\$17,394,671
9 Columbia, Hamilton, Lafayette, Suwannee & Union										
Total:	\$7,473,539	\$7,197,846	\$7,398,804	\$7,125,868	\$7,335,154	(\$63,649)	-0.86%	\$209,287	2.83%	\$2,742,811
10 Duval	\$30,800,465	\$30,736,697	\$30,492,464	\$30,429,324	\$32,607,234	\$2,114,769	6.94%	\$2,177,910	7.14%	\$21,636,624
11 Escambia	\$14,816,992	\$13,604,864	\$14,668,122	\$13,468,815	\$13,051,549	(\$1,617,273)	-11.03%	(\$417,266)	-2.84%	\$6,289,222
12 Flagler & Volusia										
Total:	\$15,178,240	\$14,995,216	\$15,026,458	\$14,945,264	\$16,175,114	\$1,148,656	7.64%	\$1,320,850	8.85%	\$9,413,983
13 Gadsden & Leon										
Total:	\$13,427,995	\$13,377,798	\$13,293,715	\$13,244,020	\$13,776,474	\$482,759	3.63%	\$532,454	4.01%	\$6,364,169
14 Hernando & Pasco										
Total:	\$15,030,490	\$14,793,018	\$14,880,183	\$14,645,088	\$15,832,958	\$952,773	6.40%	\$1,187,870	7.98%	\$10,308,948
15 Hillsborough	\$46,462,743	\$43,978,340	\$45,998,116	\$43,538,563	\$45,164,458	(\$833,657)	-1.81%	\$1,625,896	3.53%	\$28,053,339
16 Indian River, Martin & Osceola										
Total:	\$8,084,014	\$7,533,726	\$8,009,174	\$7,458,383	\$7,555,245	(\$447,929)	-5.60%	\$96,856	1.21%	\$5,116,731
17 Jefferson, Liberty, Madison, Taylor & Wakulla										
Total:	\$4,440,846	\$4,440,846	\$4,396,438	\$4,396,438	\$4,243,085	(\$153,352)	-3.49%	(\$153,352)	-3.49%	\$1,646,024
18 Lake	\$7,296,651	\$6,930,161	\$7,223,684	\$6,860,859	\$8,084,462	\$860,777	11.92%	\$1,223,402	16.94%	\$4,777,776
19 Manatee	\$9,558,437	\$9,305,335	\$9,462,853	\$9,212,282	\$8,522,637	(\$940,216)	-9.94%	(\$689,645)	-7.29%	\$5,973,000
20 Marion	\$10,147,814	\$9,375,119	\$10,046,336	\$9,479,368	\$10,876,276	\$829,940	8.26%	\$1,396,908	13.90%	\$5,422,775
21 Orange	\$39,388,342	\$38,756,463	\$38,994,459	\$38,368,896	\$45,793,811	\$6,799,352	17.44%	\$7,424,914	19.04%	\$25,812,151
22 Miami-Dade & Monroe										
Total:	\$120,182,282	\$109,200,963	\$118,980,459	\$108,108,933	\$115,110,983	(\$3,869,474)	-3.25%	\$7,002,091	5.89%	\$63,250,363

AGENCY FOR WORKFORCE INNOVATION - OFFICE OF EARLY LEARNING
EOG# BO-0021
PROPOSED FY 2005-06 SCHOOL READINESS PERFORMANCE & EQUITY ALLOCATION FORMULA
 June 15, 2005

PROPOSED COALITIONS	COLUMN 1 FY 2004-05 ADJUSTED DISTRIBUTION	COLUMN 2 FY 2004-05 TOTAL PROJECTED EXPENDITURES	COLUMN 3 FY 2004-05 ADJUSTED DISTRIBUTION reduced by 1% hold back for performance awards	COLUMN 4 FY 2004-05 TOTAL PROJECTED EXPENDITURES reduced by 1% hold back for performance awards	COLUMN 5 PROPOSED FY 2005-06 ALLOCATION	COLUMN 6 PROPOSED ALLOCATION COMPARED TO FY 2004-05 ADJUSTED DISTRIBUTION (COLUMN 3)	COLUMN 7 PERCENTAGE CHANGE	COLUMN 8 PROPOSED ALLOCATION COMPARED TO FY 2004-05 PROJECTED EXPENDITURES (COLUMN 4)	COLUMN 9 PERCENTAGE CHANGE	FY 2005-06 VPK ALLOCATION
23 Okaloosa & Walton Total:	\$8,237,901	\$7,920,655	\$8,155,522	\$7,841,448	\$7,698,552	(\$516,970)	-6.34%	(202,896)	-2.69%	\$4,872,731
24 Osceola	\$6,711,087	\$6,711,087	\$6,643,976	\$6,643,976	\$7,903,980	\$1,260,004	18.96%	1,260,004	18.96%	\$5,894,537
25 Palm Beach	\$31,816,996	\$38,198,251	\$38,428,826	\$37,816,268	\$35,010,795	(\$3,418,031)	-8.89%	(2,805,473)	-7.30%	\$27,591,335
26 Pinellas	\$31,636,586	\$29,522,167	\$31,320,221	\$29,226,945	\$30,557,037	(\$763,183)	-2.44%	1,330,092	4.25%	\$17,049,025
27 Polk	\$20,432,262	\$20,395,546	\$20,227,939	\$20,191,591	\$22,311,767	\$2,083,827	10.30%	2,120,176	10.48%	\$12,151,157
28 Putnam & St. Johns Total:	\$7,939,518	\$7,699,735	\$7,860,123	\$7,622,738	\$7,585,818	(\$274,304)	-3.49%	(36,919)	-0.47%	\$4,628,985
29 St. Lucia	\$9,164,407	\$8,588,485	\$9,072,763	\$8,502,600	\$8,767,710	(\$305,053)	-3.36%	265,110	2.92%	\$4,411,913
30 Santa Rosa	\$4,005,403	\$3,602,994	\$3,965,349	\$3,566,964	\$3,739,805	(\$225,546)	-5.69%	172,839	4.36%	\$3,066,838
31 Sumner	\$5,278,991	\$4,403,162	\$5,226,208	\$4,359,130	\$4,842,293	(\$383,915)	-7.35%	483,162	9.24%	\$3,077,884
32 Seminole	\$8,855,995	\$8,551,926	\$8,767,435	\$8,466,407	\$9,383,141	\$615,702	7.02%	916,734	10.46%	\$9,752,205
TOTALS	\$415,751,197	\$385,211,787	\$409,593,688	\$385,567,668	\$406,158,686	(\$3,442,999)		\$5,695,823		\$23,713,765

NOTE: Column 1 has been adjusted to reflect recent supplemental distributions made to address projected funding shortfalls to avoid disenrolling children.

NOTE: FY 2005-06 VPK Allocations are shown for information purposes only. Coalitions cannot use VPK dollars to replace school readiness funds.