

**LEGISLATIVE
BUDGET
COMMISSION**

Thomas Leek, Chair

Doug Broxson, Vice-Chair

**MEETING PACKET
Wednesday, February 15, 2023
4:30 PM
212 Knott**

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Duplicate materials will not be available.)**



LEGISLATIVE BUDGET COMMISSION AGENDA



Wednesday, February 15, 2023

4:30

212 Knott

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

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Board of Governors

EOG Number: B2023-0422

Problem Statement:

The Board of Governors (BOG) oversees the State University System, which consists of 12 public institutions of higher learning. New College of Florida is one of these institutions and is located in Sarasota. The Governor recently appointed new members to the Board of Trustees for New College, and the Board subsequently appointed a new interim President. The BOG is seeking \$15 million in non-recurring Educational Enhancement Trust Fund appropriations for operational enhancements and scholarships as determined by the Board of Trustees and President. Funds will afford the institution the opportunity to provide a high quality classical liberal arts education to students while striving to become a national leader in higher education. Funds available may be used for hiring faculty, offering student scholarships, and covering additional operational costs necessary to transition into a world-class classical liberal arts educational institution.

Agency Request:

The BOG is requesting \$15 million in non-recurring Educational Enhancement Trust Fund appropriations for New College to provide operational enhancements and scholarships as determined by the Board of Trustees and President.

Governor's Recommendation:

Recommend providing the Board of Governors \$15 million in non-recurring funding from the Educational Enhancement Trust Fund for costs necessary to implement an institutional restructuring at New College to provide a classical liberal arts education to students.

Senate Committee: Appropriations Committee on Education

Senate Analyst: Tim Elwell

House Committee: Higher Education Appropriations Subcommittee

House Analyst: John Peters

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
9	UNIVERSITIES, DIVISION OF				
	Universities, Division Of <u>Program: Educational and General Activities</u> Aid to Local Governments Grants and Aids - Education And General Activities From Educational Enhancement Trust Fund		15,000,000	15,000,000	

EOG #B2023-0365

Department of Children and Families

EOG Number: B2023-0365

Problem Statement:

The Department of Children and Families (DCF), Office of Homelessness, designates services through 27 Continuums of Care (CoC), which are community networks of nonprofits, faith-based organizations, local governments, businesses, and social welfare agencies. A CoC offers emergency shelters, street outreach, homeless prevention, and rapid re-housing for homeless persons. CoCs are funded through a combination of state funds and federal grants, with the federal Emergency Solutions Grant Program (ESG) providing the largest contribution of federal funding.

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, provided states with additional funding through the ESG Program (referred to as ESG-CV) to prevent, prepare for, and respond to the impacts of the coronavirus upon individuals who are homeless, or at risk of homelessness. To date, the state has administered approximately \$85.9 million of ESG-CV funding through the CoCs that was distributed to states and eligible entities in two installments. The first installment was allocated among recipients through the existing ESG formula. For the second installment, eligible entities were to focus the distribution of resources to communities that did not receive funds directly from the U.S. Department of Housing and Urban Development (HUD). Funding was then allocated among recipients based upon their share of sheltered homelessness, unsheltered homelessness, share of poverty, and sparsity. Certain counties and municipalities in Florida received an allocation of ESG-CV funds directly from HUD, with a balance available for distribution through the CoC network.

On October 11, 2022, the U.S. Department of Housing and Urban Development (HUD) and DCF agreed to an amount of additional ESG-CV funding that was reallocated from other states and recipients as a result of the modified distribution formula for the second installment. Florida's amount of reallocated ESG-CV funding is \$6,440,689. The reallocated funds must be obligated by February 22, 2023, and expended by June 30, 2024. DCF lacks sufficient budget authority to obligate the reallocated ESG-CV funding of \$6,440,689.

Agency Request:

The Department of Children and Families requests \$6,440,689 of additional Federal Grants Trust Fund budget authority in the Coronavirus (COVID-19) – Public Assistance – State Operations category within the Economic Self Sufficiency Program budget entity to support additional funding from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for the Emergency Solutions Grant Program.

Governor's Recommendation:

Recommend approval to increase budget authority in the amount of \$6,440,689 in the Coronavirus (COVID-19) - Public Assistance - State Operations appropriation category from the Federal Grants Trust Fund within the Economic Self Sufficiency budget entity to support an increase to the Emergency Solutions Grant Program which will provide additional homeless assistance and prevention activities.

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
354A	CHILDREN AND FAMILIES				
	Program: Economic Self Sufficiency Program <u>Economic Self Sufficiency Services</u> Special Categories Coronavirus (Covid-19) - Public Assistance - State Operations From Federal Grants Trust Fund		6,440,689	6,440,689	

Department of Children and Families

EOG Number: B2023-0366

Problem Statement:

In December 2022, the Department of Children and Families (DCF) received notice from the U.S. Substance Abuse and Mental Health Services Administration (SAMHSA) of supplemental grant funding for suicide prevention efforts, which was made available through the Bipartisan Safer Communities Act. The additional funding is for states to expand and enhance the 988 Suicide & Crisis Lifeline by:

- Improving the collaboration among 988, 911, and other emergency support lines;
- Developing policies and procedures to allow for the follow-up of callers with urgent behavioral health needs;
- Developing the capacity to address calls in languages appropriate for the local region;
- Expanding the Lifeline workforce capacity, marketing, and data collection efforts; and
- Expanding ease of access and coverage area through text and chat functions.

DCF's total award of supplemental grant funding is \$2,000,000 for a two-year period (April 2022 through April 2024). Funding of \$800,000 from the first year must be obligated by April 29, 2023. The remaining balance must be obligated by April 29, 2024. The department lacks sufficient budget authority to obligate the first year of funding of \$800,000 available for improvements to the 988 Suicide & Crisis Lifeline.

Agency Request:

The Department of Children and Families requests additional Federal Grants Trust Fund budget authority of \$800,000 in the Grants and Aids-Community Mental Health Services category within the Community Substance Abuse and Mental Health Services budget entity to support the expansion and enhancement of the 988 Suicide & Crisis Lifeline, as designated by the Bipartisan Safer Communities Act.

Governor's Recommendation:

Recommend approval to increase budget authority in the amount of \$800,000 in the Grants and Aids - Community Mental Health Services appropriation category from the Federal Grants Trust Fund within the Community Substance Abuse and Mental Health Services budget entity to support a recent grant award to enhance 988 activities.

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
367	CHILDREN AND FAMILIES				
	Program: Community Services <u>Community Substance Abuse and Mental Health Services</u> Special Categories Grants and Aids - Community Mental Health Services From Federal Grants Trust Fund		800,000	800,000	

Department of Children and Families

EOG Number: B2023-0367

Problem Statement:

On September 23, 2022, the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Administration (SAMHSA), awarded the Department of Children and Families (DCF) an additional State Opioid Response (SOR) grant. The SOR grants allow states to provide a comprehensive array of services to address opioid and stimulant misuse and disorders. These services cover the entire spectrum of care ranging from primary prevention, harm reduction, treatment, to recovery support. Funding also focuses on increasing access to medication-assisted treatments, including buprenorphine or methadone maintenance.

SAMHSA has provided Florida with multiple two-year SOR grants. The first grant, SOR I, has been fully disbursed. There remains an unexpended balance of \$21,016,718 from the SOR II grant for which DCF was granted an extension until September 29, 2023, to fully disburse. Additionally, DCF received notice for the SOR III grant of \$101,302,478 for the period beginning September 23, 2022. The SOR III grant period ends simultaneously with the SOR II extension on September 29, 2023. DCF's spending plan for the SOR III grant identifies \$48,822,561 of expenditures for an initial disbursement. The department lacks sufficient budget authority of \$69,839,279 to disburse the unexpended balance of SOR II grant award (\$21,016,718) and the initial allocation of SOR III grant award (\$48,822,561) by the ending grant periods of September 29, 2023.

Agency Request:

The Department of Children and Families requests additional Federal Grants Trust Fund budget authority of \$69,839,279 in the Grants and Aids - Community Substance Abuse Services, the Grants and Aids - Contracted Services, and the Contracted Services - Substance Abuse and Mental Health Administration categories within the Community Substance Abuse and Mental Health Services budget entity to disburse additional State Opioid Response Grant funding.

Governor's Recommendation:

Recommend approval to provide additional budget authority of \$69,839,279 within various appropriation categories from the Federal Grants Trust Fund within the Community Substance Abuse and Mental Health budget entity to support projected expenditures from the State Opioid Response federal grant.

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
CHILDREN AND FAMILIES					
	Program: Community Services <u>Community Substance Abuse and Mental Health Services</u>				
369	Special Categories Grants and Aids - Community Substance Abuse Services From Federal Grants Trust Fund		67,239,385	67,239,385	
372	Special Categories Grants and Aids - Contracted Services From Federal Grants Trust Fund		1,508,239	1,508,239	
380	Special Categories Contracted Services - Substance Abuse and Mental Health Administration From Federal Grants Trust Fund		1,091,655	1,091,655	

Department of Elder Affairs

EOG Number: B2023-0349

Problem Statement:

The Department of Elder Affairs (department) is the state unit on aging as defined in the federal Older Americans Act (OAA). The department works in concert with the 11 Area Agencies on Aging (AAAs) that provide a wide range of programs and assistance. Each AAA is managed at the local level and is responsible for selecting the services and providers to assist elders within each county. The OAA Title III grant budget authority is disbursed to the 11 AAAs based on the Intrastate Funding Formula (IFF). The department has historically carried forward a surplus of grant funds due to the OAA Title III grant being a multi-year award. The carry forward amount has recently grown as the department utilized supplemental COVID grant funding in addition to traditional OAA funding. The department does not have sufficient budget authority to support the federal grant award.

Agency Request:

The department requests additional budget authority of \$14,406,322 in the Older Americans Act appropriation category from the Federal Grants Trust Fund within the Home and Community Based Services budget entity to support available OAA grant awards and planned expenditures for Fiscal Year 2022-2023.

Governor's Recommendation:

Recommend approval to increase budget authority in the amount of \$14,406,322 in the Grants and Aids - Older Americans Act appropriation category from the Federal Grants Trust Fund within the Home and Community Services budget entity to support projected grant expenditures for Fiscal Year 2022-2023.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Jay Howard

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
398	ELDER AFFAIRS				
	Program: Services to Elders Program <u>Home and Community Services</u> Special Categories Grants and Aids - Older Americans Act Program From Federal Grants Trust Fund		14,406,322	14,406,322	

Department of Economic Opportunity

EOG Number: B2023-0316

Problem Statement:

The Department of Economic Opportunity was appropriated \$317,321,292 for the operation of workforce development services in the current fiscal year. From the funds appropriated, 25 percent of the funds were placed in reserve until the department released competitive solicitations for the procurement of the service integration platform and common customer portal for the Consumer-First Workforce Information System project.

In accordance with proviso language contained in chapter 2022-156, Laws of Florida, the department was required to release the competitive solicitation no later than October 1, 2022, in order to submit a request for release of these funds from reserve. To meet this requirement, department released competitive solicitations for Independent Validation & Verification, Business Support and Technical Advisory, and the Business Process Reengineering and Transformational Change Management before October 1, 2022. These solicitations are the necessary first phase of procuring a service integration platform and common customer portal to develop the business process for these new services and to document the required functionality needed in these software solutions.

Agency Request:

The department requests the release of budget authority from unbudgeted reserve appropriated for the operation of the Workforce Services program. This release includes \$65,208,068 in the Employment Security Administration Trust Fund, \$13,944,603 in the Welfare Transition Trust Fund, and \$177,658 in the Special Employment Security Administration Trust Fund from various operating categories.

Governor's Recommendation:

Recommend the release of operational funding held in reserve within the Workforce Development Budget Entity, pursuant to proviso in chapter 2022-156, Laws of Florida, in order for the Department of Economic Opportunity and Local Workforce Development Boards to pay salaries and invoices on relevant contracts and continue the Workforce Innovation and Opportunity Act program benefits to training participants.

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

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: John McAuliffe; Anita Hicks

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
	ECONOMIC OPPORTUNITY										
	Program: Workforce Services <u>Workforce Development</u>										
2242	Salaries and Benefits From Employment Security Administration Trust Fund From Welfare Transition Trust Fund From Special Employment Security Administration Trust Fund			(8,460,918)	8,460,918		(8,460,918)	8,460,918			
				(364,536)	364,536		(364,536)	364,536			
				(57,131)	57,131		(57,131)	57,131			
2243	Other Personal Services										

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
2244	From Employment Security Administration Trust Fund			(1,817,932)	1,817,932		(1,817,932)	1,817,932			
	From Welfare Transition Trust Fund			(16,476)	16,476		(16,476)	16,476			
	From Special Employment Security Administration Trust Fund			(22,076)	22,076		(22,076)	22,076			
	Expenses From Employment Security Administration Trust Fund			(242,049)	242,049		(242,049)	242,049			
	From Welfare Transition Trust Fund			(276,348)	276,348		(276,348)	276,348			
2245	From Special Employment Security Administration Trust Fund			(32,667)	32,667		(32,667)	32,667			
	Operating 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	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
2248	From Employment Security Administration Trust Fund			(27,369)	27,369		(27,369)	27,369			
	From Welfare Transition Trust Fund			(6,606)	6,606		(6,606)	6,606			
	From Special Employment Security Administration Trust Fund			(28,883)	28,883		(28,883)	28,883			
	Special Categories Grants and Aids - Contracted Services										
	From Employment Security Administration Trust Fund			(2,204,745)	2,204,745		(2,204,745)	2,204,745			
	From Welfare Transition Trust Fund			(143,750)	143,750		(143,750)	143,750			

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
2249	From Special Employment Security Administration Trust Fund			(36,901)	36,901		(36,901)	36,901			
	Special Categories Grants and Aids - Local Workforce Development Boards From Employment Security Administration Trust Fund			(52,336,135)	52,336,135		(52,336,135)	52,336,135			
	From Welfare Transition Trust Fund			(13,128,727)	13,128,727		(13,128,727)	13,128,727			
2250	Special Categories Risk Management Insurance From Employment Security Administration Trust Fund			(118,920)	118,920		(118,920)	118,920			

**Budget Commission Meeting
February 15, 2023**

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			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
	From Welfare Transition Trust Fund			(8,160)	8,160		(8,160)	8,160			

EOG #B2023-0329

Department of Economic Opportunity

EOG Number: B2023-0329

Problem Statement:

The American Rescue Plan Act of 2021 (ARPA) established the Capital Projects Fund (CPF) to provide grants to carry out critical capital improvement projects that directly enable work, education, and health monitoring, or address critical needs of communities. Eligible uses of grant funding include projects for broadband infrastructure deployment, digital connectivity, and multi-purpose community facilities. Florida was allocated \$366,036,869 by the U.S. Treasury for CFP.

The Department of Economic Opportunity (DEO) previously received \$18,301,843 of budget authority in CPF funds to draft the state’s plan and procure a plan administrator, among other administrative activities. In December 2022, the U.S. Treasury partially approved Florida’s Capital Project Plan by authorizing \$247,761,206 of Florida’s allocation to implement the state’s broadband infrastructure deployment projects program. The DEO plans to award grants that deploy broadband infrastructure in areas where broadband internet service is not currently available from a terrestrial provider. The DEO will prioritize broadband infrastructure projects where networks will be owned, operated, or affiliated with local governments, nonprofit organizations, and cooperatives. Where feasible, DEO will encourage fiber-optic networks deployed directly to the home or business. Internet service providers will also be required to offer low-cost plans at speeds no less than the minimum speeds required in U.S. Treasury guidance.

The DEO currently has insufficient budget authority to make grant awards for infrastructure projects under the plan.

Agency Request:

The department requests budget authority of \$247,761,206 in the Federal Grants Trust Fund in the Capital Projects Fund Program category to implement the Capital Projects Fund program.

Governor's Recommendation:

Recommend the appropriation of \$247,761,206 in budget authority in the Federal Grants Trust Fund within the Housing and Community Development budget entity in order to fund the Capital Projects Fund Program that supports broadband infrastructure projects that will provide high-quality internet to locations that lack access to adequate service. Furthermore, recommends that the department draw cash from the U.S. Treasury as needed upon invoice presentation and submit budget amendments as necessary to process the invoices.

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

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: John McAuliffe; Anita Hicks

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	ECONOMIC OPPORTUNITY				
	Program: Community Development <u>Housing and Community Development</u> Special Categories American Rescue Plan - Coronavirus Capital Projects Grant Program From Federal Grants Trust Fund		247,761,206	247,761,206	

Department of Economic Opportunity

EOG Number: B2023-0361

Problem Statement:

The Department of Economic Opportunity (DEO) administers several federal programs designed to help low-income Floridians manage the ongoing costs of home utilities. The Low-Income Home Energy Assistance Program (LIHEAP) assists low-income households in meeting the costs of home heating and cooling needs and is funded annually by grants from the U.S. Department of Health and Human Services (HHS). The Weatherization Assistance Program (WAP) provides resources to install energy conservation measures in the homes of income-eligible persons, especially homes occupied by the elderly, persons with disabilities, and children. The program is funded annually by grants from the U.S. Department of Energy. Finally, the Low-Income Household Water Assistance Program (LIHWAP) is also funded by HHS grants and provides relief to low-income families that spend a high proportion of their household income on water utility services. The department implements these programs through a network of 30 designated local governments and nonprofit agencies, or Community Action Agencies (CAAs). DEO has existing recurring budget authority of \$86.1 million for these base federal grants which has historically covered expenditures.

In 2021, DEO received \$56.5 million of supplemental LIHEAP grant funds through the CARES Act, as well as two supplemental federal grants for LIHEAP and LIHWAP through the Infrastructure Investment and Jobs Act. However, a significant portion of the \$56.5 million supplemental LIHEAP grant reverted in 2021 despite the need to continue paying LIHEAP supplemental grant invoices received from the CAAs. While the department was able to continue paying invoices and keep critical services going by using its recurring base grant budget authority, DEO now estimates it will have insufficient budget authority available to pay anticipated invoices for these programs beginning in January 2023. The department projects it will receive a total of \$53.1 million in additional invoices through the remainder of the current fiscal year with only \$3.5 million of remaining spending authority.

Agency Request:

The department requests \$49,607,449 in additional budget authority in the G/A Home Energy Assistance appropriation category to be able to meet its obligations to pay invoices received for services rendered to low-income Floridians under the LIHEAP, WAP, and LIHWAP programs.

Governor's Recommendation:

Recommend additional budget authority in the G/A Home Energy Assistance appropriation category to be able to meet obligations to pay invoices received for services rendered to low-income Floridians under the Low-Income Home Energy Assistance Program, the Weatherization Assistance Program, and the Low-Income Household Water Assistance Program.

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

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: John McAuliffe; Anita Hicks

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
2277	ECONOMIC OPPORTUNITY				
	Program: Community Development <u>Housing and Community Development</u> Special Categories Grants and Aids - Home Energy Assistance From Federal Grants Trust Fund		49,607,449	49,607,449	

Department of Economic Opportunity

EOG Number: B2023-0363

Problem Statement:

The Department of Economic Opportunity (DEO) administers the Community Services Block Grant (CSBG) Program which is funded through the U.S. Department of Health and Human Services (HHS). The CSBG assists low-income Floridians with a variety of services including housing, nutrition, transportation assistance, employment, education, and other income and crisis and emergency services. The department implements these programs through a network of 30 designated local governments and nonprofit agencies, or Community Action Agencies (CAAs). DEO has existing recurring budget authority of \$21.9 million for the base CSBG grant.

In 2021, DEO received \$29.1 million of supplemental CSBG grant funds through the CARES Act. However, a significant portion of the \$29.1 million supplemental grant reverted in 2021 despite the need to continue paying supplemental grant invoices received from the CAAs. While the department was able to continue paying invoices and keep critical services going by using its recurring CSBG budget authority, DEO now estimates it will have insufficient budget authority available to pay anticipated invoices for the program beginning in January 2023. The department projects it will receive a total of \$5.9 million in additional invoices through the remainder of the current fiscal year with only \$396,108 of remaining spending authority.

Agency Request:

The department requests \$6,455,801 in additional budget authority in the Federal Grants Trust Fund in the Community Services Block Grant appropriation category in order to pay invoices received from Community Action Agencies for services rendered to low-income Floridians under the Community Services Block Grant Program.

Governor's Recommendation:

Recommend additional budget authority in the G/A Community Services Block Grant appropriation category in the Federal Grants Trust Fund within the Housing and Community Development budget entity to allow the Department of Economic Opportunity to meet its obligations to pay invoices submitted by Community Action Agencies for services rendered to low-income Floridians under the Community Services Block Grant Program.

Senate Committee: Appropriations Committee on Transportation, Tourism, and Economic Development
Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee
House Analyst: John McAuliffe; Anita Hicks

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
2272	ECONOMIC OPPORTUNITY				
	Program: Community Development <u>Housing and Community Development</u> Special Categories Grants and Aids - Community Services Block Grants From Federal Grants Trust Fund		6,455,801	6,455,801	

Department of Financial Services

EOG Number: O2023-0048

Problem Statement:

The Florida Legislature reinitiated the My Safe Florida Homes (MSFH) program in Chapter 2022-268, Laws of Florida, by appropriating \$150 million from the General Revenue Fund for the program. The statute provides that \$25 million of the \$150 million be used for hurricane mitigation inspections. The Department of Financial Services (DFS) previously operated the MSFH program from 2006 to 2009. Section 215.5586(8), F.S., requires the Legislative Budget Commission to review and approve any MSFH contracts with a value in excess of \$1 million.

The Department issued a Request for Proposal on September 26, 2022, requesting responses from qualified home inspection vendors to provide inspections in one of three geographic regions of the state. In order to ensure sufficient numbers of inspectors for the program as well as creating checks and balances related to quality assurance as outlined in Florida law, the DFS proposed to award three contracts per region resulting in nine total contracts. After evaluating the proposals, awards were posted on October 24, 2022. Nine contracts were awarded. Three vendors were awarded multiple regions based on their submissions and the evaluation criteria used while one vendor was awarded a single region. At the time of the award, all nine contracts were capped at \$999,999 to remain in compliance with subsection 215.5586(8), F.S., while still allowing the contractors to begin conducting home inspections so the program could begin its work.

Agency Request:

DFS requests approval of nine contracts for MSFH hurricane mitigation inspections. If approved, DFS will amend the contracts and remove the \$999,999 cap. The inspections will continue until the appropriation of \$25 million is fully expended or the MSFH program expires pursuant to law on October 1, 2024. The contracts for approval include:

Contract Number	Contractor	Region	Flat Fee per Inspection
COS001	DMI Operating Company LLC	One	\$160.00
COS002	Thomas Enterprising Inc	One	\$160.00
COS003	Beryl Project Engineering LLC	One	\$160.00
COS004	DMI Operating Company LLC	Two	\$160.00
COS005	Thomas Enterprising Inc	Two	\$160.00
COS006	International Association of Certified Inspectors	Two	\$160.00
COS007	DMI Operating Company LLC	Three	\$160.00

COS008	Thomas Enterprising Inc	Three	\$160.00
COS009	Beryl Project Engineering LLC	Three	\$160.00

Governor's Recommendation:

Recommend the approval of contract amendments for the home inspection vendors required for the My Safe Florida Home program.

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

Senate Analyst: Michelle Sanders

House Committee: State Administration & Technology Appropriations Subcommittee

House Analyst: Sean Perez; Caleb Helpling

Department of Transportation

EOG Number: W2023-0030

Problem Statement:

In accordance with s. 339.135(7)(c), Florida Statutes, the Department of Transportation is authorized to realign budget authority among appropriation categories to support the implementation of the Transportation Work Program. The program is continuously refined to meet both production and financial goals within the parameters of finance, available cash, and total authorized budget. The primary reason for the realignment amendment is to align the Work Program to the most current information on project development and production, to make technical adjustments, and to anticipate end-of-year production demands.

A final Work Program is adopted in accordance with s. 339.135, Florida Statutes, prior to the beginning of the fiscal year. Work Program projects require adjustments throughout the year to accurately reflect developing circumstances which arise from the normal course of business such as estimate changes, environmental findings, adjustments to project scope, funding and production schedules of the local governments, cost adjustments or Metropolitan Planning Organization priorities. To ensure production readiness of projects, the districts also work to identify production and schedule changes, permitting activities, commodity price changes, and changes in local government priorities.

This amendment will enable the department to adjust the Work Program as provided in s. 339.135(7), Florida Statutes, aligning budget among appropriation categories to meet current project needs and planned commitments.

Agency Request:

The department requests to realign budget authority between the fixed capital outlay budget categories that make up the Work Program. This transfer realigns \$331.1 million within the State Transportation Trust Fund and \$2.5 million within the Right of Way Acquisition and Bridge Construction Trust Fund.

Governor's Recommendation:

Recommend approval of the realignment of \$333.6 million in budget authority among various fixed capital outlay appropriation categories, which make up the Transportation Work Program within the following trust funds: - \$331.1 million in the State Transportation Trust Fund, - \$2.5 million in the Right-of Way Acquisition and Bridge Construction Trust Fund. This action is in accordance with s. 339.135(7)(c), Florida Statutes.

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

Senate Analyst: Sarah Nortelus

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: John McAuliffe; Anita Hicks

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
TRANSPORTATION								
	Transportation Systems Development <u>Program: Transportation Systems Development</u>							
1940	Fixed Capital Outlay Transportation Planning Consultants From State Transportation (Primary) Trust Fund		18,420,668	18,420,668	18,420,668	18,420,668		
1941	Fixed Capital Outlay Aviation Development/Grants From State Transportation (Primary) Trust Fund		35,125,978	35,125,978	35,125,978	35,125,978		
1942	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		(66,266,988)	(66,266,988)	(66,266,988)	(66,266,988)		
1943	Fixed Capital Outlay Right-Of-Way Land Acquisition From State Transportation (Primary) Trust Fund		63,922,876	63,922,876	63,922,876	63,922,876		

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
	From Right-Of-Way Acquisition and Bridge Construction Trust Fund		410,000	410,000	410,000	410,000		
1946	Fixed Capital Outlay Seaport Grants From State Transportation (Primary) Trust Fund		5,552,959	5,552,959	5,552,959	5,552,959		
1948	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		32,747,592	32,747,592	32,747,592	32,747,592		
1949	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund		(49,526,423)	(49,526,423)	(49,526,423)	(49,526,423)		
1950	Fixed Capital Outlay Preliminary Engineering Consultants From State Transportation (Primary) Trust Fund		51,074,278	51,074,278	51,074,278	51,074,278		
1951	Fixed Capital Outlay Right-Of-Way Support From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition And Bridge Construction Trust Fund		9,285,189	9,285,189	9,285,189	9,285,189		
			(209,250)	(209,250)	(209,250)	(209,250)		

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
1952	Fixed Capital Outlay Transportation Planning Grants From State Transportation (Primary) Trust Fund <u>Florida Rail Enterprise</u>		(330,640)	(330,640)	(330,640)	(330,640)		
1962	Fixed Capital Outlay Public Transit Development/Grants From State Transportation (Primary) Trust Fund		13,220,608	13,220,608	13,220,608	13,220,608		
1963	Fixed Capital Outlay Bridge Construction From State Transportation (Primary) Trust Fund		(1,169,822)	(1,169,822)	(1,169,822)	(1,169,822)		
1964	Fixed Capital Outlay Rail Development/Grants From State Transportation (Primary) Trust Fund		(12,550,786)	(12,550,786)	(12,550,786)	(12,550,786)		
N/A	Fixed Capital Outlay Intermodal Development/Grants From State Transportation (Primary) Trust Fund Transportation Systems Operations <u>Program: Highway Operations</u>		500,000	500,000	500,000	500,000		

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	Release	Appropriation	Release	Appropriation	Release
1973	Fixed Capital Outlay Small County Resurface Assistance Program (Scrap) From State Transportation (Primary) Trust Fund		(108,076)	(108,076)	(108,076)	(108,076)		
1974	Fixed Capital Outlay Small County Outreach Program (Scop) From State Transportation (Primary) Trust Fund		(5,201,626)	(5,201,626)	(5,201,626)	(5,201,626)		
N/A	Fixed Capital Outlay Grants and Aids - Electric Vehicle Grant Program - Department Of Transportation Work Program From State Transportation (Primary) Trust Fund		52,285,944	52,285,944	52,285,944	52,285,944		
1975	Fixed Capital Outlay County Transportation Programs From State Transportation (Primary) Trust Fund		(4,842,148)	(4,842,148)	(4,842,148)	(4,842,148)		
1979	Fixed Capital Outlay Intrastate Highway Construction From State Transportation (Primary) Trust Fund		(31,439,880)	(31,439,880)	(31,439,880)	(31,439,880)		

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
1980	Fixed Capital Outlay Arterial Highway Construction From State Transportation (Primary) Trust Fund		(79,861,212)	(79,861,212)	(79,861,212)	(79,861,212)		
1981	Fixed Capital Outlay Construction Inspection Consultants From State Transportation (Primary) Trust Fund		(2,760,290)	(2,760,290)	(2,760,290)	(2,760,290)		
N/A	From Right-Of-Way Acquisition And Bridge Construction Trust Fund		(2,324,719)	(2,324,719)	(2,324,719)	(2,324,719)		
1983	Fixed Capital Outlay Highway Safety Construction/Grants From State Transportation (Primary) Trust Fund		(39,041,613)	(39,041,613)	(39,041,613)	(39,041,613)		
1984	Fixed Capital Outlay Resurfacing From State Transportation (Primary) Trust Fund		34,162,372	34,162,372	34,162,372	34,162,372		
1985	Fixed Capital Outlay Bridge Construction From State Transportation (Primary) Trust Fund From Right-Of-Way Acquisition and Bridge Construction Trust Fund		(15,625,988) 2,123,969	(15,625,988) 2,123,969	(15,625,988) 2,123,969	(15,625,988) 2,123,969		

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
1988	Fixed Capital Outlay Materials and Research From State Transportation (Primary) Trust Fund		28,910	28,910	28,910	28,910		
1989	Fixed Capital Outlay Bridge Inspection From State Transportation (Primary) Trust Fund		(6,370,693)	(6,370,693)	(6,370,693)	(6,370,693)		
1990	Fixed Capital Outlay Traffic Engineering Consultants From State Transportation (Primary) Trust Fund		(1,231,189)	(1,231,189)	(1,231,189)	(1,231,189)		
	<u>Florida's Turnpike Systems Florida's Turnpike Enterprise</u>							
N/A	Fixed Capital Outlay Transportation Planning Consultants From State Transportation (Primary) Trust Fund		3,700,000	3,700,000	3,700,000	3,700,000		
2031	Fixed Capital Outlay Right-Of-Way Land Acquisition From State Transportation (Primary) Trust Fund		(199,818)	(199,818)	(199,818)	(199,818)		
2034	Fixed Capital Outlay Preliminary Engineering Consultants							

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
2035	From State Transportation (Primary) Trust Fund		11,049,787	11,049,787	11,049,787	11,049,787		
	Fixed Capital Outlay Right-Of-Way Support From State Transportation (Primary) Trust Fund		(98,324)	(98,324)	(98,324)	(98,324)		
2037	Fixed Capital Outlay Toll Operation Contracts From State Transportation (Primary) Trust Fund		(14,451,645)	(14,451,645)	(14,451,645)	(14,451,645)		

EOG #B2023-0320

Agency for Health Care Administration

EOG Number: B2023-0320

Problem Statement:

The State Fiscal Year (SFY) 2022-2023 General Appropriations Act and Chapter 2022-157, Laws of Florida, authorized the Agency for Health Care Administration (Agency) to seek authorization from the federal Centers for Medicare and Medicaid Services (CMS) to establish a Directed Payment Program (DPP) for hospitals providing inpatient and outpatient services to Medicaid managed care enrollees. Upon federal CMS approval, the Agency is authorized to submit a budget amendment pursuant to chapter 216, Florida Statutes, requesting additional spending authority to implement the program.

On April 26, 2021, the Agency received approval from federal CMS to establish a DPP for hospitals. Specifically, the Agency was authorized to implement a uniform percentage increase for eligible hospitals established by the state for the period covering October 1, 2020, through September 30, 2021. The Agency received approval for Year 2 of the DPP on September 29, 2022, from federal CMS for the period covering October 1, 2021, through September 30, 2022.

The DPP will affect providers that meet the following three criteria:

(1) Fall into one of the following three mutually exclusive provider classes:

(a) private hospital class,

(b) public hospitals (including state government and non-state government hospitals), and

(c) cancer hospitals that meet the criteria in 42 U.S.C. § 1395ww(d)(1)(B)(v);

(2) Operate in one of Florida's eleven State Medicaid Managed Care (SMMC) regions; and

(3) Provide inpatient and outpatient hospital services to Florida Medicaid managed care enrollees pursuant to a fully executed contract that complies with all SMMC program-specific requirements and final negotiated rates.

Overall, the DPP will provide a directed payment to hospitals in an amount up to the Medicaid shortfall, or the difference between the cost of providing care to Medicaid-eligible patients and the payments received for those services. State directed payments are required under 42 C.F.R. § 438.6(c)(2)(ii)(B) to direct expenditures equally, using the same terms of performance, for a class of providers providing the service under the contract. A separate uniform rate will be established for inpatient and outpatient services and for the three identified provider classes. The uniform percentage increases will be set by Medicaid region. Within each region, the payment arrangement will direct payments equally to all hospitals within each class for hospital services provided by hospitals and paid by Medicaid health plans.

All public hospitals will be participating in Rate Year 2021-2022 (Year 2) of the program. The cancer hospitals (i.e., University of Miami and Moffitt) have elected to not participate in the program based on their participation in the Cancer Directed Payment program for the given year. Private hospitals in each region are required to find a governmental partner. Several counties established Local Provider Participation Funds

(LPPF) and are expected to fund the intergovernmental transfers (IGTs) needed for Rate Year 2021-2022. The spending authority in this budget amendment represents the amount of authority that is needed for implementation of this program in Rate Year 2021-2022.

In addition, not all private hospitals within every region were able to find a governmental partner. Regions 5 is not anticipated to move forward for Rate Year 2021-2022. In all other regions, private hospitals were at least able to find one governmental partner who will fund the region's non-federal share. The Agency lacks sufficient budget authority of \$2,232,885,444 to make DPP payments to participating hospitals for Rate Year 2021-2022.

Agency Request:

The Agency requests additional budget authority in the amount of \$770,049,328 in the Grants and Donations Trust Fund and \$1,462,836,116 in the Medical Care Trust Fund in the Prepaid Health Plan - Hospital Directed Payment Program category in the Medicaid Services to Individuals budget entity.

Governor's Recommendation:

Recommend approval to increase budget authority in the amount of \$2,232,885,444 in the Prepaid Health Plan - Hospital Directed Payment Program appropriation category within the Medicaid Services to Individuals budget entity to continue support for a directed payment program for hospitals in participating regions that provide inpatient and outpatient services.

Senate Committee: Appropriations Committee on Health and Human Services

Senate Analyst: Brooke McKnight; 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
N/A	AGENCY FOR HEALTH CARE ADMINISTRATION				
	Program: Health Care Services <u>Medicaid Services to Individuals</u>				
	Special Categories				
	Prepaid Health Plan - Hospital Directed Payment Program				
	From Grants and Donations Trust Fund		770,049,328	770,049,328	
From Medical Care Trust Fund		1,462,836,116	1,462,836,116		

Department of Highway Safety and Motor Vehicles

EOG Number: B2023-0347

Problem Statement:

The Department of Highway Safety and Motor Vehicles was appropriated \$134,040,466 for the operation of Motorist Services in the current fiscal year. From the total funds appropriated to the program, 25 percent of the funds were placed in reserve until the department demonstrated a functioning, accessible, digital proof of driver license and identification card that is verifiable statewide on all mobile platforms for use by the general public pursuant to section 322.032, Florida Statutes.

In accordance with proviso language contained in chapter 2022-156, Laws of Florida, the department was required to document statewide usability of a digital proof of driver license and identification card no later than October 31, 2022, in order to submit a request for release of these funds from reserve. To meet this requirement, the department submitted supporting documentation evidencing the functioning, accessible, and statewide usability of the Florida Smart ID. More than 57,000 Floridians statewide have successfully downloaded and activated Florida Smart ID.

Agency Request:

The department requests the release of budget authority from unbudgeted reserve appropriated for the operation of the Motorist Services program. This release includes \$30,962,186 in the Highway Safety Operating Trust Fund, \$331,775 in the Federal Grants Trust Fund, and \$1,004,394 in the Gas Tax Collection Trust Fund from various operating categories.

Governor's Recommendation:

Recommend the release of operational funding held in reserve within the Motorist Services budget entity, pursuant to proviso in chapter 2022-156, Laws of Florida, in order for the Department of Highway Safety and Motor Vehicles to ensure that sufficient budget is available to meet obligations for the remainder of the fiscal year.

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

Senate Analyst: Elizabeth Wells

House Committee: Infrastructure & Tourism Appropriations Subcommittee

House Analyst: Anita Hicks

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
	HIGHWAY SAFETY AND MOTOR VEHICLES										
	Program: Motorist Services <u>Motorist Services</u>										
2695	Salaries and Benefits From Highway Safety Operating Trust Fund From Federal Grants Trust Fund From Gas Tax Collection Trust Fund			(19,174,655)	19,174,655		(19,174,655)	19,174,655			
				(95,142)	95,142		(95,142)	95,142			
				(889,621)	889,621		(889,621)	889,621			
2696	Other Personal Services From Highway Safety Operating Trust Fund			(254,126)	254,126		(254,126)	254,126			

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
2697	From Federal Grants Trust Fund			(81,771)	81,771		(81,771)	81,771			
	From Gas Tax Collection Trust Fund			(15,498)	15,498		(15,498)	15,498			
	Expenses From Highway Safety Operating Trust Fund			(3,231,051)	3,231,051		(3,231,051)	3,231,051			
	From Federal Grants Trust Fund			(97,584)	97,584		(97,584)	97,584			
	From Gas Tax Collection Trust Fund			(82,628)	82,628		(82,628)	82,628			
2698	Operating Capital Outlay From Highway Safety Operating Trust Fund			(33,717)	33,717		(33,717)	33,717			
	From Federal Grants Trust Fund			(2,427)	2,427		(2,427)	2,427			
	From Gas Tax Collection Trust Fund			(1,251)	1,251		(1,251)	1,251			

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
2700	Special Categories Acquisition of Motor Vehicles From Highway Safety Operating Trust Fund			(147,162)	147,162		(147,162)	147,162			
2701	Special Categories Contracted Services From Highway Safety Operating Trust Fund From Federal Grants Trust Fund From Gas Tax Collection Trust Fund			(1,208,660)	1,208,660		(1,208,660)	1,208,660			
				(54,851)	54,851		(54,851)	54,851			
				(760)	760		(760)	760			
2702	Special Categories Automated Uniform Traffic Accounting System										

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
2703	From Highway Safety Operating Trust Fund Special Categories Payment to Outside Contractor From Highway Safety Operating Trust Fund			(228,477)	228,477		(228,477)	228,477			
2704	Special Categories Purchase of Driver Licenses From Highway Safety Operating Trust Fund			(1,562,364)	1,562,364		(1,562,364)	1,562,364			
2705	Special Categories Grants and Aids - Purchase of License Plates			(2,368,542)	2,368,542		(2,368,542)	2,368,542			

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
2706	From Highway Safety Operating Trust Fund			(2,343,800)	2,343,800		(2,343,800)	2,343,800			
	Special Categories Risk Management Insurance From Highway Safety Operating Trust Fund			(244,442)	244,442		(244,442)	244,442			
	From Gas Tax Collection Trust Fund			(11,886)	11,886		(11,886)	11,886			
2707	Special Categories Tenant Broker Commissions From Highway Safety Operating Trust Fund			(12,500)	12,500		(12,500)	12,500			
2708	Special Categories Lease or Lease-Purchase of										

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
2709	Equipment From Highway Safety										
	Operating Trust Fund From Gas Tax Collection Trust Fund			(33,622)	33,622		(33,622)	33,622			
	Special Categories Transfer to Department of Management Services - Human Resources Services Purchased Per Statewide Contract From Highway Safety Operating Trust Fund			(2,750)	2,750		(2,750)	2,750			
				(119,068)	119,068		(119,068)	119,068			

Department of The Lottery

EOG Number: B2023-0343

Problem Statement:

Proviso tied to Specific Appropriation 2759R of the FY 2022-2023 General Appropriations Act authorizes the Department of the Lottery (department) to have up to 3,000 Full-Service Vending Machines (FSVMs) with functionality to sell terminal tickets and instant tickets. This is an increase of 500 FSVMs from the previous fiscal year.

Proviso authorizes the Department of the Lottery to submit budget amendments in accordance with chapter 216, Florida Statutes, to increase Specific Appropriation 2759R to acquire up to 500 additional ticket terminals. The proviso requires that prior to the submission of any budget amendment that increases the size of the lottery retailer network, the Revenue Estimating Conference must determine if sales will increase sufficiently to cover the cost of the terminals, offset any losses to the existing network, and generate additional revenue that benefits the state. The budget amendments are contingent upon the department's submission of a plan that includes not only a positive Revenue Estimating Conference impact analysis, but also identifies the specific terminal needs and a plan for distribution of the additional terminals.

The department currently contracts with its Gaming System vendor for its gaming system and other commodities and services, including FSVM. The department currently has 2,500 FSVM in service. Pursuant to the contract with its Gaming System vendor, in order to increase the number of FSVM in service, the department must "obtain necessary budget approval for the increase in FSVMs from Florida's Legislature."

On September 21, 2022, the department participated in a Revenue Estimating Conference (REC) Special Impact Conference to present the projected lottery ticket sales and impacts to the Educational Enhancement Trust Fund (EETF) if the department increased its FSVM network from 2,500 to 3,000. After presenting and providing the sales and EETF impact projections at the Special Impact Conference, along with a plan for the distribution of the additional FSVM, it was agreed upon by the REC members that the addition of 500 FSVM to the lottery's retailer network and the cost associated, would have a positive impact to the EETF.

An amendment to the current contract with the Gaming Systems vendor (increase in vendor rate from 0.7384% to 0.7532% of total sales) is necessary for the Department of the Lottery to fund acquisition, installation, maintenance, and support of the additional 500 FSVM. The department requires additional budget authority to absorb the costs associated with the increase in FSVM.

Agency Request:

The department requests an increase of \$1.4 million dollars in the Gaming System Contract appropriation category in the Lottery Games and Operations budget entity to support vendor fee increases associated with the addition of 500 FSVM during FY 2022-2023. The additional \$1.4 million dollars in vendor fees are based on the projected sales presented at the September 2022 REC Special Impact Conference.

Governor's Recommendation:

Recommend the approval of additional budget authority for the Department of the Lottery to provide additional vendor fees to the Gaming System vendor to cover the cost of acquisition, installation, maintenance, and support of an additional 500 Full-Service Vending Machines at

Lottery retailers across the state.

Senate Committee: Appropriations Committee on Agriculture, Environment, and General Government
Senate Analyst: Michelle Sanders

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

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
LOTTERY	Program: Lottery Operations <u>Lottery Games and Operations</u>				
2759R	Special Categories Gaming System Contract From Operating Trust Fund		1,400,000	1,400,000	