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Special Session A

Thursday

Yesterday, the appropriations committees in the House and Senate passed their final appropriations and conforming bills. Today, the House bills were considered and passed in the afternoon Session and the Senate appropriation and conforming bills were considered and passed in the Senate Policy Committee on Ways and Means. An additional \$700 million sweep of the Lawton Chiles TF was approved. The Senate will meet in session tomorrow.

It is expected that the House and Senate will have passed their respective appropriations and conforming bills and appointed conference committees by Friday afternoon in order to resolve any remaining differences by Saturday. The goal is to finalize all conference reports Sunday to place them on member's desks Monday and begin the 72-hour "cooling-off" period. A final vote on the state's adjusted FY 2008-2009 spending plan and conforming measures should occur sometime on Thursday, January 15th.

Health and Human Services

House and Senate positions differ on reductions to the Adult Community Mental Health Services program. The Senate and House agree with respect to the general revenue reduction of \$6,407,456; however, the House includes a sweep of \$1,008,394 from trust funds. The amount children's mental health services are to be reduced is also different by approximately \$500,000. Thus, these cuts will also need to be resolved in conference.

The House and Senate are currently in agreement concerning cuts to adult mental health treatment facilities. Total general revenue reductions will be \$3.463 million and 36 FTEs. The reductions include a loss of \$681,000 in contracted professional services, \$313,915 in prescription drugs, and \$2,573 from the indigent psychiatric medication program. In addition, both houses reduce general revenue funds for

adult substance abuse prevention, evaluation, and treatment by \$1,455,074.

As of this afternoon at 5:30PM, the House was still debating the CCE reductions; however a \$200,000 difference between the House and Senate regarding Community Care for the Elderly remains, meaning this item will be resolved in conference. The nursing home 10% rate cuts proposed in the Senate were ameliorated; funding was restored by allowing nursing homes the flexibility to use a self-imposed revenue source (self-assessments) to mitigate the rate cuts. Under this assessment model, the state assesses nursing homes a fee and leverages the proceeds to draw down federal dollars. The monies are then distributed by formula to eligible facilities. The proposed formula reflects that all but five (5) facilities in the state would benefit by receiving an amount greater than the proposed cuts. Hospital-based nursing homes, continuing care rehabilitation centers, and facilities with less than 45 beds are exempt.

The House Appropriations bill, HB 5101A, reduces mental health and substance abuse matching grants by \$1 million. The Senate position does not reduce the \$1 million to the Department of Corrections for a transfer to the Department of Children and Families for the Criminal Justice Mental Health and Substance Abuse Reinvestment Grant.

If this reduction is not restored, counties like Broward with services in place will face a \$1 million cut (35 percent) cut in their grants in the current year and would also face a loss of \$1 million in matching local grant funds.

Broward is a recipient of these funds as are 9 other counties receiving 3-year implementation grants through a Memorandum of Agreement between the counties and DCF. These counties are matching the state funds dollar for dollar and directing those funds toward diversion and

reentry programs. Staff has been in communications with DCF to discuss our position. At this time, Rep. Zapata has successfully amended the House Appropriations Bill to create a \$1 million pilot project in the same line item. So, while the House has reduced funding of the MH/SA Reinvestment Act (which Broward funds dollar-for-dollar), the House simultaneously approved the creation of a one million dollar pilot out of the same pot of money. Staff plans to target Rep. Skidmore and others who will be tapped as conferees to ensure they understand the amendment and the impact these cuts will have to existing programs that are already well underway in the 10 grantee counties.

Child Protection

The Senate is proposing a \$474,930 budget cut to Child Abuse & Neglect funding to the General Fund which could result in reductions to Child Protection Teams (CPT). Broward County maintains a CPT at the Sexual Assault Treatment Center (SATC) under contract with the state, so this reduction would have an additional fiscal impact on our program. The House and Governor are not proposing any cuts, which seems to indicate this issue will move to conference.

Traffic Hearing Officers Program

As indicated in Tuesday's update, a potential dedicated funding source for traffic hearing officers has been discussed without a specific plan yet being officially proposed. The Florida Association of Counties (FAC) has had discussions with members of the Legislature regarding the restoration of funding for the Traffic Hearing Officers Program. However, in light of the recent ruling by the Second Judicial Circuit concerning Regional Conflict Counsels, FAC, along with several other counties, has raised a concern that authorizing a local option funding stream may shift the responsibility away from the state and to the counties, since it would be up to the local county commission to levy the surcharge.

Environmental Protection; Land Acquisition and Management

The Senate General Government Appropriations Committee approved SB 22-A which amends the percentage of documentary stamp taxes distributed to the Alternative Water Supply Program, Total Maximum Daily Load Program, and Small Community Wastewater Grant

Program for FY 2008-09. As revised, the distributions to these programs are reduced by \$2.7 million, \$13.1 million and \$1.6 million, respectively, and the Department of Environmental Protection must reallocate the FY 2008-09 funds consistent with the revised distribution amounts.

The House Appropriations Council on General Government and Health Care approved HB 5113-A and HB 5115-A relating to documentary stamp tax distributions to water management districts and DEP trust funds that are used for funding land acquisition, maintenance, capitol improvements and other natural resource related activities. HB 5113-A, redirects \$8 million from the Water Management Lands Trust Fund to the state General Revenue Fund beginning FY 2009-10 and prioritizes the use of funds received by the South Florida Water Management District. Similarly, beginning FY 2009-10, HB 5115-A redirects \$11 million in documentary stamp taxes from the Land Acquisition Trust Fund to the General Revenue Fund and also prioritizes the use of funds administered by DEP for authorized activities.

Governor's Economic Stimulus

Governor Crist proposed an economic development stimulus plan that would provide low-interest loans and technical assistance options to small businesses. The bill met with initial resistance in Senate Ways and Means and was TP'd. However, it was subsequently reported out favorably after two hours of debate and questions.

Three amendments were added to the bill on January 7th and have the following effect:

1. Loan administrators are directed, when evaluating loan applications, to consider whether the applicant company has received local government incentives; received waivers from local fees or taxes; and has access to other investments or funding sources for its projects.
2. When selecting an applicant to receive the technical assistance from the bill, the Office of Tourism, Trade and Economic Development (OTTED) is directed to consider whether the entity qualifies for outside funds to match the maximum \$1.5M the state is providing.
3. Eligibility requirements for participating in the loan program and technical assistance were modified from a company with up to 99 employees to a company with up to 50

employees and annual company revenue cannot exceed \$25M.

The source of funding remains vague. The sponsor indicates the money for loans and technical assistance will come from the Housing TF. The staff analysis states that: "...the funds provided to OTTED, during a special appropriations act for FY2008-2009 to implement the program, up to \$1.5M may be expended to implement the technical assistance pilot program. The committee substitute does not specify the amount of total funding for this initiative or its source."

Other Actions

The Marine Resources Conservation Trust Fund (TF) which was used for manatee protection with doc stamp revenues, is being made whole with non-recurring funds from another trust fund. The doc stamp revenue presently directed to the TF by statute will now be sent to GR. Senator Baker argued that because the fund was reliant on doc stamp revenues, which have dwindled to almost nothing, offering one-time, non-recurring funds, the marine conservation efforts would at least continue for the rest of the year.

Also approved in SPB 8012A was a \$6 million reduction in the Emergency Communications Number E911 System TF. The legal opinion held by staff in the Senate is that this would not affect our ability to collect from wireless and VOIP providers based on federal legislation signed into law in June 2008. That position is not held by those in the House. At this time there are no amendments to the House version to conform the bills and thus the issue will most likely be dealt with in conference. Broward's contract lobbyists and staff are working to ensure the Senate position is defeated.