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Special Session A

As appropriations committees continued to meet today, there appears to be general agreement between the House and Senate on many cuts, with 4 percent cuts to most state agencies and substantial funds swept from trust funds and reserves.

Primary Areas of Concern:

Community Care for the Elderly (CCE)

The House and Senate have taken similar positions on cuts to the Community Care for the Elderly program using the 4% reduction exercise. The reduction correlates to a savings of \$1.6 million in general revenue and \$135,483 in trust funds. In the Health and Human Services Senate Appropriations Committee hearing yesterday, the Department of Elder Affairs (DOEA) was asked to quantify losses to slots, based on the proposed annualized total cut. Today, DOEA testified that the recommended 4% reduction will mean that 330 slots for citizens seeking community care services will be eliminated. Presently, 18,000 eligible older adults await services under the CCE program, statewide. Committee members, agency representatives, and community providers agreed that eliminating slots in the CCE program will mean more elders will receive care in nursing home facilities. At an Agency estimated cost of \$60,000 annually per person for nursing home services, this will have a dramatic fiscal impact. The DOEA recommended that the committee review statutory authority to cost-share in the CCE program; arguing that the formula used is antiquated. Furthermore, the committee committed to review the potential to charge clients using a sliding fee scale during regular Session, in an effort to recoup costs and ameliorate the effects of the anticipated reductions.

Affordable Housing

Affordable Housing is one area in which the House and Senate differ substantially. The House cuts affordable housing by \$284 million, largely eliminating this source of state funding. The Senate cuts affordable housing by \$94 million, including a cut of \$17 million to the rental recovery loan program and \$64 million cut to the CWHIP program (leaving \$20 million in CWHIP to be distributed on a first-come, first-served basis for existing projects). The Senate also transfers almost \$30 million into the SHIP program to keep SHIP funded. Affordable housing funding likely will be resolved in conference over the weekend.

Wireless 911

Both House and Senate proposals take more than \$15 million from the wireless 911 trust fund of \$19 million, leaving only \$3.8 million. This funding currently goes to 20 counties for matching grants. As agreement has been reached, there will not be conferencing on this issue.

Libraries

The House proposal cuts \$4.3 million in statewide library grants, with cuts prorated among counties. The Senate cuts \$434,000 in library grants. This issue will be resolved in conference. The reduction to Broward County would be approximately \$437,635 in the House version and \$121,790 in the Senate version. The Libraries Division's State Aid funding goes into the General Fund. The impact to the Libraries Division could be a reduction in any of the following areas: materials, services, programs, and/or staffing as determined through the budget process and approved by the Broward County Board of County Commissioners.

Courts

Courts are cut 1.25 percent rather than the standard 4 percent. The Department of Highway Safety and Motor Vehicles drivers license and tag late fees are increased from \$12 to \$16.

The House Criminal and Civil Justice Appropriations Committee today unanimously approved filing a proposed committee bill (PCB) to increase certain traffic related penalties and fees in order to offset some budget reductions to the state's court system, state attorneys and public defenders. The Committee is considering proposed cuts to the state court system's general revenue of \$17,016,894 in FY 2008-09 and almost \$36.0 million in FY 2009-10. State Attorney Offices may see cuts in excess \$6.6 million in FY 2008-09 and over \$7.7 million in FY 2009-10, with Public Defender Offices also seeing reduction over \$3.4 million and \$3.8 million during the same periods.

To offset these reductions the PCB eliminates the 18% civil penalty reduction a person receives when a person, who has committed a traffic infraction, elects and successfully completes a driver improvement course. If passed, drivers will now have to pay the full civil penalty but will still receive the benefit of no points on their license. The PCB also increases by \$25 the penalties for speeding in excess of 15-19 mph and 20-29 mph. The new penalty amounts will increase to \$150 and \$175, respectively.

In addition, the PCB proposes a \$10 Article V assessment on all noncriminal moving and nonmoving traffic violations which will be distributed as follows:

- \$5.00 payable to the operating trust fund for the state court system.
- \$3.33 payable to the grants and donations trust fund for the state attorneys.
- \$1.67 payable to the grants and donations trust fund for the public defenders.

Judges would also lose discretion on some traffic fees and fines and would be required to impose them.

If approved the bill's provisions will generate about \$15.9 million in FY 2008-09 and \$63.2 million each subsequent year.

The House and Senate appear to be in agreement on court funding issues.

Traffic Hearing Officers

A dedicated funding source for traffic hearing officers appears to be on the table for special session in both the House and Senate, although no language has yet been made available.

Neither the House nor Senate include additional funding for facilities/communications for Regional Conflict Counsels in light of a recent court decision holding that counties were not obligated to fund facilities and communications. Nonetheless, RCCs are not subject to the 4 percent cuts that were imposed on nearly all state agencies. Excluding RCCs from these cuts is intended to allow them flexibility in funding to cover rent and other costs not covered by counties. Funding for RCC facilities/communications will be taken up during the regular session in March.

Environmental

Both the House and Senate divert environmental trust funds to cover the budget shortfall, including \$26 million from the Land Acquisition Trust Fund and \$8 million from the Water Management Lands Trust Fund. Also, an additional \$2 million that went to the South Florida Water Management District for Everglades Restoration from the FDOT Trust Fund is eliminated.

Miscellaneous

Both the House and Senate have proposed cuts to the Regional Planning Councils statewide.

The House eliminates \$1 million in mental health and substance abuse grants. The Senate preserves this funding.

Both the House and Senate cut \$7 million from the Visit Florida advertising campaign and \$15 million from state film incentives.

The Governor proposed a \$100 million economic stimulus package, but the House and Senate are funding the proposal at only \$10 million.

Conclusion

The Full Appropriations Councils/Committees are expected to pass the bills tomorrow.

This round of \$2.3 billion in cuts is largely viewed as a precursor to the larger \$4 billion in cuts that will be necessary during the regular session starting in March for state fiscal year 2009-10.

We will continue to keep you apprised of the Legislature's actions.

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