

GOVERNOR RICK SCOTT'S 2014-2015
IT'S YOUR MONEY TAX CUT BUDGET



***Governor Rick Scott's FY 2014-2015
Recommended Budget Highlights***

Introduction from Governor Rick Scott

Our executive budget for 2014-2015, the “It’s Your Money Tax Cut Budget,” reflects our commitment to give \$500 million back to Florida families through tax and fee cuts, eliminate government waste and pay down debt. These are the three steps in our formula to create jobs for generations to come. This budget will continue to drive the economic turnaround our state has made over the last three years as we build on policies to keep Florida working.

In the four years before I took office, Florida lost more than 800,000 jobs, the unemployment rate rose to 11.1 percent, the real estate market had collapsed, thousands of government regulations were hurting businesses, and state debt ballooned by \$5.2 billion.

But, over the past three years we have laid a foundation of reforms to cut taxes, pay down debt and reduce spending. These pro-growth policies supported the creation of more than 462,000 private sector jobs in our state, and our vibrant economy led to a major drop in our unemployment rate – now below the national average at 6.2 percent. Our housing market is also recovering and values have increased 41 percent. Nearly 3,000 state regulations on families and job creators have been repealed and we have paid down \$3.6 billion in state debt.

This budget builds on our already strong record of 24 tax cuts, including the elimination of the sales tax on manufacturing equipment to help jump-start manufacturing investment and property tax cuts for Florida homeowners and businesses. Already, over 70 percent of Florida businesses are exempt from paying the business tax.

Our “It’s Your Money Tax Cut Budget” will keep the great Florida turnaround story going. This budget recognizes that taxpayer money belongs to the people who earn it. Not government. Therefore, this budget includes measures to cut wasteful government spending by \$287 million, pay down state debt by \$170 million, keep \$5.1 billion in reserves, and give \$500 million back to taxpayers rather than spending it on government.

This budget eliminates the 2009 annual automobile tax and fee increases to save Floridians an estimated total of around \$401 million. This budget also cuts around \$100 million in taxes on commercial leases to give small businesses more money to invest in their own future. And, we are lowering the business tax and reducing filing fees, which will support the creation of more jobs.

Creating more job opportunities for Florida workers means it is more important than ever to make sure we have the most skilled workforce in the world. That is why our “It’s Your Money Tax Cut Budget” also makes a record investment of \$18.84 billion in K-12 education. This is the highest total funding level for K-12 education in Florida history.

Florida’s economy is growing. We are on the rebound. More revenue does not mean we should grow government. Instead, we should grow our businesses. We should grow the hopes and dreams of Florida families. Three years ago, we got to work to turn our state around, and with another \$500 million in tax cuts we will keep working to make Florida the number one destination for opportunity in the world.

Sincerely,

Governor Rick Scott



IT'S YOUR MONEY TAX CUT BUDGET

Governor Rick Scott's FY 2014-2015 Recommended Budget Highlights

The Governor's total recommendation in the *It's Your Money Tax Cut Budget* Fiscal Year 2014-2015 is \$74.2 billion. The General Revenue portion is \$27.5 billion. General Revenue funds available for the FY 2014-15 budget year increased \$1.3 billion from the previous fiscal year, a 4.9 percent increase. This increase, mostly attributable to increased sales tax collection, is an indication that Florida's economy is improving.

The three main parts of the Governor's "It's Your Money Tax Cut Budget" are: 1) Creating Jobs for the Next Generation; 2) Investing in Education; and 3) Strengthening Florida Families.

Governor Scott's *It's Your Money Tax Cut Budget* continues to push for responsible measures, such as reducing taxes, cutting state debt, and building state reserves. Budget highlights include:

Returning Money to Taxpayers: Governor Scott's Budget proposes ongoing tax cuts of over \$560 million per year, providing savings to both Florida families and businesses alike. The Governor's Budget also funds two sales tax holidays for an additional \$82.5 million savings to Florida families in the upcoming fiscal year. Specifically, the budget includes the following provisions:

- **Reducing Motor Vehicle License Fees:** The Governor's Budget reduces the annual motor vehicle license renewal registration fees back to pre-2009 levels. This will result in an average annual savings of about \$25 for the typical car registered in Florida. Overall, this reduction returns in excess of \$400 million to Florida families.
- **Decreasing the Tax on Business Rents:** Florida is the only state that applies sales tax to commercial rents at an increased cost to businesses of about \$1.4 billion per year. Governor Scott's Budget begins the process of eliminating this tax by reducing it by one half of a percentage point, saving businesses more than \$104 million annually.
- **Cutting the Business Tax:** The Governor's Budget includes funding to exempt another 2,000 taxpayers from having to pay the business tax by increasing the corporate income tax exemption from \$50,000 to \$75,000. This will eliminate these taxes for more than 80 percent of Florida's businesses. This exemption was increased from \$5,000 to \$25,000 in 2011 and to \$50,000 in 2012. Eliminating this tax will ensure more small businesses can hire more workers, providing Florida

families with jobs.

- **Lowering Business Filing Fees:** This budget lowers the corporate filing fee so that every form of business pays the same amount. It also reduces the penalties associated with late filings by taking into account the length of the time delay. The Governor proposes generating the recurring \$33.3 million necessary to pay for the reduced fees through cost savings across state government. Lowering these fees and penalties will ensure businesses can hire more workers, providing Florida families with jobs.
- **Providing Sales Tax Holidays:** The Governor's Budget includes funding for a 10-day back-to-school sales tax holiday and a 15-day hurricane preparedness sales tax holiday. These two sales tax holidays will save Florida families an estimated \$82.5 million in the upcoming fiscal year, and are in addition to the ongoing tax cut savings detailed above.

Continues to Reduce State Debt: The Governor continues to push for responsible debt reduction measures that help our state's bond rating. One rating group, Fitch, recently revised its outlook from "negative" to "stable," proof that Governor Scott's policies are working. State direct debt outstanding, as of June 30, 2013, was \$24.6 billion, a \$1.6 billion decline from the prior fiscal year. This is the third consecutive year under the Governor's leadership that debt has decreased. Based on the current fiscal year's budget, the debt is expected to be lower again on June 30, 2014. This marks a break from the previous trend of consistent year-over-year increases in state debt dating back to 1994, which caused Florida's debt to more than triple between 1994 and 2010.

The Governor believes debt represents a tax burden on our children and grandchildren and this budget recommends \$170 million to pay off outstanding debt, saving \$44.6 million in interest payments over the next 10 years. He supports issuing new debt only for projects that benefit both current and future generations, focusing on projects that will include a return on taxpayer investment and will continue to position Florida as a leader in global trade and commerce. The Governor's Budget permits new debt exclusively for the expansion and support of Florida's transportation infrastructure system.

Building State Reserves: The Governor's Budget recommendation builds on the current year 2013-2014 General Revenue growth of \$1 billion (3.8 percent) and continued 2014-2015 Fiscal Year growth of \$1.3 billion (4.9 percent). Through a combination of improved economic conditions, operational efficiencies, and a continued shift toward "leaner government," the Governor's Budget recommendation is balanced, reserves funds, and pays back money that was borrowed from the Budget Stabilization Fund during the Great Recession. The following reserve balances are recommended by the Governor for FY 2014-2015:

- \$1.7 billion in General Revenue
- \$1.1 billion in the Budget Stabilization Fund
- \$600 million in the Lawton Chiles Endowment Fund

- \$1.7 billion for other trust funds
- Totaling to \$5.1 billion

Eliminating Government Waste: Since taking office, Governor Scott has been successful in eliminating government waste and creating efficiencies across state government. To continue this trend, the *It's Your Money Tax Cut Budget* recommendation includes a variety of cost savings that allow the state to redirect funding to assure Florida families have the most efficient services possible. **This budget reflects a savings of \$287 million, of which \$78 million is a savings from the General Revenue Fund and \$209 million from Trust Funds. Because of Governor Scott's sound fiscal policies, such as requiring contract renegotiations, the state will save an additional \$175 million in costs avoided or services added.**

- **Administrative and Operational Efficiencies:** The Governor recommends \$74.9 million in savings and the elimination of 1,233 positions, of which approximately 1,160 are currently vacant.
- **Contract Renegotiations Savings:** As a result of the Governor's continued efforts to hold state agencies responsible for reviewing all state contracts, an additional \$4.2 million in savings are incorporated in the FY 2014-2015 budget recommendation. This results in a total savings from contract renegotiations of \$24.6 million over the past three fiscal years.
- **Real Estate Optimization Savings:** The Governor remains committed to better utilize state-owned office space by reconfiguring offices to increase occupancy and renegotiating other office leases to reduce agency costs. In addition, the Governor's investment in evaluating the energy-consuming systems in several state-owned facilities resulted in improved energy efficiency and reduced costs. Because of these initiatives, an additional \$14.4 million in savings is included in the FY 2014-2015 budget recommendation, which brings the total savings in lease renegotiations, facilities pool consolidation, and energy and utility savings to more than \$21.2 million over the last three years.
- **Reduction in Debt Service Payment:** The Governor recommends a reduction of \$37.9 million due to reduced debt service obligations and State Board of Administration fees. These fees were associated with the issuance of bonds for public schools, Florida colleges, state universities and correctional facilities.
- **MyFloridaMarketPlace Fee Savings:** The Governor recommends reducing the MyFloridaMarketPlace purchasing transaction fee from one percent to 0.75 percent. This reduced fee is estimated to save businesses providing goods and services to the state approximately \$5 million annually.

Elimination of Earmarks: As part of the Governor's efforts to give money back to the taxpayers or redirect funding to provide more efficient services, the recurring funding was reviewed for earmarks and as a result the budget includes the elimination of \$21.9 million.

In addition to these cost savings, the overall budget reflects \$300.5 million in budget reductions. These are due to excess federal and state trust fund spending authority that is no longer needed.

Identifying Savings in Government Programs:

- **Bright Futures:** The Governor's Budget maintains the amount per student for scholarships and it fully funds the number of students eligible to receive Bright Futures Scholarships for FY 2014 – 2015. This budget includes an adjustment of \$49.4 million due to the projected decrease of eligible students.
- **KidCare Program:** The Governor's Budget includes an adjustment of \$24 million due to a projected caseload decrease and this budget fully funds services for all eligible children.
- **Diagnosis Related Group (DRG) Transitional Payments:** The Governor's Budget includes a savings of \$32.5 million to eliminate one-time payments to hospitals because they have completed the transition from a traditional payment methodology to a more streamlined and cost-effective payment system.

Supporting Public Servants & Giving Money Back to Families:

- **Rewarding State Employees:** As Florida's economic situation continues to improve, the Governor's Recommended Budget proposes rewarding state employees who are working hard to provide more opportunities for Florida families. The recommended budget provides \$167 million for discretionary variable compensation awards in the amount of \$5,000 for employees receiving an employee evaluation of outstanding and \$2,500 for employees receiving an employee evaluation of commendable. Agencies may not exceed the appropriation in making bonuses nor award a bonus to more than 35 percent of employees.
- **Safeguarding Futures:** The unfunded actuarial liability (UAL) of the Florida Retirement System (FRS) Defined Benefit Program amounted to \$21.6 billion on July 1, 2013. This is an increase of \$2.3 billion over the prior year valuation. Based on an actuarial liability of \$153.3 billion and an actuarial value of assets of \$131.7 billion, the program is 85.9 percent funded as of July 1, 2013. As of October 31, 2013, the market value of the plan's assets amounted to \$141.5 billion. The Governor's Budget proposal implements the recommendations of the independent actuary and proposes to fully fund both the costs and the UAL by providing an additional \$84 million. The *It's Your Money Tax Cut Budget* ensures the fund will be able to meet its long-term obligations. Florida's pension plan is on a sound actuarial basis and one of the best-managed plans in the country.
- **Equitable Treatment of All:** As part of the Governor's philosophy to promote equitable treatment of state employees, the budget includes a savings of \$25.8 million so that management will pay the same amount for health insurance coverage as career service employees. This would mean all employees would pay

\$50 per month for individual coverage and \$180 per month for family coverage and will reduce the employer contribution.



CREATING JOBS FOR THE NEXT GENERATION

Training Florida's Workforce: The Governor recommends approximately \$283.4 million in budget authority for Florida's 24 Regional Workforce Boards. These boards are responsible for providing workforce services directly linked to job seekers and businesses, including job placement, recruitment assistance, and skills training. The Florida Workforce System helped place more than 479,000 Floridians in jobs in 2013. More than 33,500 Florida veterans have found jobs with the help of the state's workforce system in the last year.

Focus on Workforce Training for High Wage Careers: The Governor recommends in FY 2014-2015 \$30 million for an initiative focused on providing more Floridians with the training required to not only obtain employment, but to provide families with longer lasting careers. The Workforce State Training Program will provide flexible funding to businesses seeking to train employees, as well as individuals seeking training in STEM (Science, Technology, Engineering, Math) and other specialized high skill/high wage occupations. This includes providing scholarships for attendance at Florida state colleges and post-secondary vocational centers to students seeking training in such occupations.

Quick Response Training Program: To help maintain the level of economic competitiveness Florida has achieved under Governor Scott, the *It's Your Money Tax Cut Budget* includes keeping the Quick Response Training (QRT) Program at its current year funding level of \$12 million on a recurring basis. The QRT Program provides businesses in targeted industries with matching funds to train the workforce for new jobs in Florida, and served 6,522 people in FY 2012 – 2013.

Attracting and Retaining Businesses: The Governor, with the support of the Florida Legislature, created the Department of Economic Opportunity in October 2011. The department's goal is to support innovative public-private partnerships to accelerate Florida's economic recovery. Through these economic development partnerships, an environment now exists to improve Florida's capacity to attract, retain, and expand businesses. DEO's public-private partnerships include:

- Enterprise Florida Inc.;
- VISIT FLORIDA;
- Space Florida; and
- The Florida Institute for the Commercialization of Public Research.

Recommended funding for these public-private partnerships is approximately \$137.7

million for FY 2014-2015. This includes \$36.5 million in additional funding for VISIT FLORIDA to build on their success by attracting more tourists to the Sunshine State. The Governor's Budget will provide VISIT FLORIDA with a total budget of \$100 million.

A critical element of the Governor's Budget for FY 2014-2015 includes \$95 million of economic development funding in the form of incentives, such as the Qualified Targeted Industry Tax Refund, which is the most frequently utilized. Third party reviewers recently found that these types of incentives had a return on investment of 6.9. A key component of this funding is the *flexibility* to react quickly to economic opportunities, which will enhance business retention and job creation.

Investing in Small Business Entrepreneurship and International Trade and Export:

Governor Scott's Budget recommends \$600,000 to the National Entrepreneur Center to stimulate economic development. The Center now provides statewide access to industry connections, business counseling and relevant business training through several business assistance organizations. \$1.5 million is recommended to support Florida's efforts at expanding its international economic base through increased trade and exports utilizing export counseling, target sector trade grants, and export marketing plan assistance.

Improving Florida's Transportation System: Governor Scott recognizes that the quality and safety of Florida's transportation systems are vital to the growth of the state's economy and the creation and retention of more than 427,000 transportation-related jobs. The Governor's Budget recommendation of \$8.8 billion for the Department of Transportation's Work Program is the largest in state history. It will provide for the construction and maintenance of Florida's roads, bridges, rails, seaports, and other public transportation systems that are critical to grow Florida's economy and improve the quality of for Florida families.

Transportation investments include:

- \$3.8 billion to expand transportation system capacity, which includes adding 252 miles of new lanes;
- \$324.6 million for aviation improvements;
- \$192.5 million for scheduled repairs of 51 bridges and replacement of 15 bridges;
- \$834.3 million for maintenance and operation of existing facilities;
- \$528 million for transit program improvements;
- \$134.3 million for safety initiatives; and
- \$138.9 million in seaport infrastructure improvements that lead to job growth including:
 - \$14.7 million for Port Everglades Southport Turning Notch Project which will lengthen the deepwater turn-around area to accommodate larger ships;
 - \$10.4 million for Port of Tampa Hooker's Point Development, the development of the south end of Hooker's Point to support anticipated increase in freight mobility; and

- \$9.8 million for Port Canaveral Northside Development Container Yard, which is the rehabilitation of North Cargo Berth surrounding facilities to support anticipated increase in freight mobility.

Growing Florida's Agricultural Economy: Florida agriculture supports over 2 million jobs and contributes more than \$108 billion annually to the state's economy. Florida has 47,500 commercial farms, occupying a total of 9.25 million acres and ranks second in the value of vegetable production. Florida ranks first in cash receipts for oranges, grapefruit, fresh snap beans, sweet corn, watermelons, fresh cucumbers, squash, and sugarcane. In addition, Florida ranks second in the production of greenhouse and nursery products.

- **Protecting Florida's Citrus Industry through Research:** \$4 million in funding for short-term research projects on how to stop the spread of citrus greening. Citrus greening is a bacterial disease that greatly reduces citrus production and kills citrus trees. The citrus industry provides an economic impact of \$8.91 billion annually and accounts for 75,828 jobs. In addition, Florida's citrus industry represents about two-thirds of the U.S. citrus market, provides 40 percent of the world's orange juice supply, and accounts for 65 percent of the total U.S. citrus production.
- **Ensuring an Adequate Supply of Citrus Trees:** \$2 million in funding for the construction of a laboratory and two new greenhouses at the Department of Agriculture and Consumer Services' budwood facility in Chiefland.
- **Ensuring Citrus Health:** \$6.1 million in funding for the Citrus Health Response Program to help protect the economic well being of the citrus industry by surveying groves for pests and diseases and ensuring growers are taking appropriate measures to suppress disease incidence, minimize spread, and preserve citrus acreage. This will be done through coordinated efforts.
- **Investing in Oyster Reseeding and Rehabilitation:** \$6.9 million in authority, including \$928,000 for Apalachicola Bay, for oyster rehabilitation and restoration.

One Stop Business Registration Portal: Allowing businesses to go to one state government website to meet their registration and licensure requirements streamlines processes so they can be in, or continue, operation more quickly. The Governor recommends \$837,150 in funding for ongoing operations and maintenance for the One Stop Business Registration Portal.



INVESTING IN EDUCATION

Governor Scott's College and Career FIRST (Focusing Investments on Results for Students and Teachers) initiative provided a roadmap to ensure every student has access to a world-class education so they're prepared for the jobs of the next generation. Many of the initiatives that make up College and Career FIRST stem from conversations Governor Scott had with teachers, parents, and students across the state. Unveiled in October 2012, College and Career FIRST brings together the best ideas to invest in education, make college more affordable, and create jobs for the next generation. Once again, the Governor's Budget provides record funding to support education in Florida and continuing the implementation of the Governor's College & Career FIRST initiative.

Record Funding for K-12 Education: Under Governor Scott's leadership last year, Florida committed more than \$1 billion to K-12 Public Education. Due to Florida's positive economic growth, Governor Scott's *It's Your Money Tax Cut Budget* proposes an increase of \$542.1 million in funding for K-12 public schools. **Total funding for K-12 public schools is \$18.84 billion, the highest funding level in history, exceeding the \$18.75 billion provided in FY 2007-2008.** **Governor Scott's Recommended Budget also includes \$10.6 billion in state contribution for Florida schools – the highest ever, for the second year in a row.**

Last year, Governor Scott included a \$480 million commitment to increase each classroom teacher's salary. This funding was provided on a recurring basis and is included in the Governor's Budget for FY 2014-2015.

Governor Scott's Budget highlights include:

- \$8.9 million to implement a Summer Algebra Initiative;
- \$40 million to school districts for digital learning; and
- Additional funding to cover increased student enrollment and corresponding class size requirements.

Investing in Florida Teachers: Governor Scott believes that supporting those who support our children is essential to help students realize better educational outcomes. As part of the state's investment in teachers this year, Governor Scott proposes an increase of \$8.4 million in funding to support principal training for professional development and \$5 million to support teacher training and technical assistance for state standards.

Investing in Parents: Governor Scott believes that supporting programs focused on

parent and community involvement can increase student success in the classroom. In this budget, he continues his support for **results-based mentoring programs**. Governor Scott's Budget includes more than \$15.8 million in funding to provide enhanced instruction, mentoring activities, tutoring, social and academic activities, and support to low performing, at-risk, and intellectually challenged students.

Investing in Higher Education: Governor Scott knows that Florida is home to exceptional higher education institutions that train and prepare students to compete in the global marketplace. Florida's higher education system is the foundation for jobs for the next generation. Governor Scott's Budget provides \$1.17 billion in funding for state colleges and \$4.21 billion for Florida's universities.

Governor Scott's Budget recommends:

- The highest ever, historic total operating funding for Florida's universities at \$3.59 billion; and
- The highest ever, historic total, and state operating funding for Florida's colleges at \$2 billion and \$1.15 billion respectively.

Investing in State Universities: An increase of \$118.4 million over the current year funding for the State University System, resulting in a total allocation of \$4.21 billion. The major components include:

- \$49 million in estimated tuition due to anticipated new students;
- \$6.1 million for physical plant new space; and
- \$4 million for Algebra Nation.

Investing in State Colleges: The Governor's Budget proposal includes an increase of \$46.8 million over FY 2013-2014 funding for the state college system, resulting in a total allocation of \$1.17 billion.

Performance Funding for State Universities: The Governor is working with the Board of Governors to further improve on the performance funding model used in FY 2013-2014. The new model will be based on metrics including percentage of graduates employed or continuing education, average wages of employed graduates, and average cost to produce a graduate. The Governor's Budget includes \$80 million for performance funding for the state universities, \$40 million of which is new money.

Performance Funding for State College System: The Governor's Budget recommends \$80 million for performance funding for the state college system, \$40 million of which is new money, and \$10 million in performance bonuses based on students earning industry certifications in high-skill/high-wage occupation, \$5 million of which is new money.

Continues Preeminence Funding: The Governor's Budget maintains funding for university preeminence at University of Florida and Florida State University. The Governor's Budget recommends \$15 million for each university to aid in the goal of becoming a top 10 university and a top 25 university, respectively.

Hold the Line on University Tuition: Over the past ten years, the average tuition and

fees in the Florida State University System has risen over 113 percent, increasing from \$2,887 in 2003-2004 to \$6,155 in 2013-2014. These increased tuition costs place a heavy burden on Florida's families. The Governor is committed to keeping higher education affordable and accessible to Florida's students and proposes no tuition increases in his 2014-2015 budget.

Educating Florida's Workforce: The Governor's Budget for workforce education includes \$492.7 million for Adult General Education and Career & Technical Education Programs to help individuals be job ready. This provides \$2.5 million for adult education performance funding based on completions and placements for students earning literacy completion points, high school equivalency diplomas, and high school diplomas. This also includes \$5 million for Career & Technical Education performance funding based on students earning industry certifications in high-skill, high-wage, or high-demand occupations and meeting specific performance goals.

Increasing Support for Early Learners: Governor Scott's Recommended Budget provides a \$59.4 million increase in early learning funding. This is a 5.6 percent increase over last year. School readiness will receive the highest increase in funding in the last decade. The total early learning budget is \$1.1 billion for FY 2014-2015.

Governor Scott's Budget recommends an additional:

- \$30 million to serve additional children in Florida's School Readiness Program;
- \$7 million to develop and implement an early learning data system;
- \$1.5 million for early childhood teacher scholarships through T.E.A.C.H. (Teacher Education and Compensation Helps); and
- \$5 million to improve school readiness teacher effectiveness.

The Governor also believes that a high-quality Voluntary Prekindergarten (VPK) program is essential for Florida's four-year-old children. The Governor's Budget recommends an increase of \$100 per child.

Supporting Education Infrastructure Needs: In order to maintain and ensure our educational facilities are up-to-date and to guarantee our students' competitiveness and success in the world, the Governor's Budget includes \$152.1 million of new funding for fixed capital outlay in the K-12 public schools – \$80 million for K-12 public school maintenance and \$72.1 million for critical infrastructure needs in Dixie, Washington, Madison, Levy, Calhoun, Holmes, and Glades Counties. The Governor's Budget also includes \$90.6 million for the fixed capital outlay needs of charter schools.

- The Governor's Budget also includes \$157.9 million for fixed capital outlay funding for higher education. This includes \$50 million in new funding for Florida universities and \$20 million for Florida colleges to **expand STEM education through necessary facility construction and renovation** with a required dollar for dollar match.

- The Governor recommends \$34 million in PECO (Public Education Capital Outlay) funds to be used toward the remodeling/renovation/maintenance/repairs of state-owned facilities in the State University System. Additionally, in order for universities to complete student-approved projects, \$31.1 million in budget authority is provided to spend student fees that have been collected for facility projects.
- The Governor's Budget also recommends \$22.8 million in PECO funds to be used toward the remodeling/renovation/maintenance/repairs of state-owned facilities in the Florida College System.

Scholarships: Governor Scott is an advocate for the advancement of students in higher education to ensure they have every opportunity to prosper in their careers. Florida students are supported by Lottery dollars, which provide enhancements to public education. This includes the Bright Futures scholarship program, which allows students to have access to higher educational opportunities. To maximize revenues from Lottery games the Governor proposes that Florida:

- Commit \$4.9 million to lease an additional 300 full service vending machines for placement at retailer locations throughout the state. The additional machines would increase transfers to education by an estimated \$6.5 million in the first partial year and \$14 million in the first full year of operation.
- Provide \$118,500 to replace six draw machines used to conduct the Fantasy 5 Game. The current machines are critical to Lottery operations, 12 years old, and used 365 days a year.

Retain and Educate Florida National Guardsmen: The Governor proposes \$1.7 million in additional funding to continue to support the Education Dollars for Duty program to provide tuition assistance for National Guard troops. The program pays 100 percent of tuition at a public institution for over 1,000 troops annually.



STRENGTHENING FLORIDA FAMILIES

Ensuring Safe Communities: Over the past three years, Governor Scott, along with law enforcement, has worked hard to ensure safe communities for Florida families and visitors. Florida is at a 42-year low in crime. This low crime rate can be attributed to law enforcement's utilization of state-of-the-art technologies and crime fighting tools that aid in their continued fight against crime. It can also be attributed to maintaining Florida's sentencing laws that hold individuals accountable, rehabilitation efforts to treat addictions and underlying factors of criminal behavior, and efforts to teach literacy and job skills.

Additionally, Florida's recidivism rate continues to decline, dropping 4.2 percent in the past three years. This continued decrease in repeat criminal behavior has not only had a positive effect of reducing crime, but has also continued to save Floridians more than \$36 million avoiding re-incarceration costs in our prisons. Investments within the Governor's Budget that continue his efforts to reduce crime in Florida through crime investigation, prevention, and effective rehabilitation includes:

- \$3.2 million for law enforcement training to help ensure law enforcement officers receive advanced and specialized training.
- \$4.8 million for crime fighting technology in the Florida Department of Law Enforcement (FDLE) that support state and local law enforcement and enhance public safety.
 - \$1.9 million to complete the Biometric Identification System upgrade so that the state can continue to maintain criminal, applicant, and latent fingerprints in order to identify criminal subjects and provide an accurate applicant/employment screening process.
 - \$2.9 million to begin the replacement of the Computerized Criminal History system that will provide enhanced information and quicker responses on criminal subjects that are critical to officer safety.
- \$17.3 million to open two specialized inmate re-entry centers that provide substance abuse treatment and relevant job skills for inmates within three years of release. Studies show that literacy and jobs play a significant role in ensuring that individuals released from prison remain crime free, gain employment, and pay obligations including victim restitution and child support.
- \$7.2 million to expand community residential treatment to ensure non-violent drug

offenders under probation receive critical substance abuse treatment.

- \$11.7 million to fill correctional officer vacancies in Florida prisons and ensure the safety and security of both the prison population and surrounding communities.
- \$522,288 for the Attorney General to continue effective prosecution of organized theft, human trafficking, and fraudulent pill mill operators. Since launching the Governor's Statewide Pill Mill Drug Strike Forces in March of 2010, the number of facilities dispensing dangerous and addictive narcotics has fallen from 849 to 374, and the number of deaths related to prescription overdoses has decreased by 22.9 percent.
- \$6.1 million to continue post-adjudicatory drug courts and veterans' court that are designed to divert nonviolent offenders from prison into court-ordered treatment programs.
- \$5 million to provide an additional 21 judges plus the necessary support staff in the State Court System.

Maintaining Correctional Facilities: The budget reflects an increase of \$144 million for the Department of Corrections. This includes funding to fill critical security posts at facilities and targeted programs that continue to reduce Florida's recidivism rate and protect Florida communities.

While the prison population is projected to increase slightly, Florida's prison growth has slowed over the last three years. Florida has saved more than \$132 million through consolidating over 19 facilities, closing those older, antiquated facilities that are inefficient and costly to operate. To keep pace with the slight projected increase, the Governor's Budget proposes to open two smaller, newly constructed reentry prisons for inmates that are within three years of completing their sentences. These facilities will provide proven rehabilitative programs to aid in keeping repeat criminal behavior down after release. The Governor recommends that the treatment programs be competitively procured.

In addition, the Governor proposes opening three newly constructed work camps including Okeechobee Work Camp, Cross City Work Camp, and the Santa Rosa Work Camp, all with a treatment component included.

To ensure maximum public safety, the Governor's Budget provides an additional \$8 million to require *all* inmates, whether in a private prison work release center or a public prison work release center, be electronically monitored while on work detail in the community. Funding also includes offenders on community supervision and placed on electronic monitoring by the courts.

Investing In At-Risk Youth: The Governor's continued effort to reduce juvenile crime through effective investments in preventative programs, intervention, and treatment care for children at-risk of criminal behavior is paying off. Over the past three years, the decreases in costly detention and residential commitment have added up to a

savings of more than \$93 million. Governor Scott's Budget provides the following funding for at-risk youth:

- \$637,500 to expand PACE Centers for Girls by 50 additional spaces statewide. These alternative schools provide high school education, counseling, and support for girls at-risk of entering the juvenile justice system.

Helping Victims of Human Trafficking: The Governor's Budget includes \$4 million to ensure protections and care for children who have become victimized through the vicious criminal world of human trafficking. This funding includes:

- \$1.5 million for the Department of Juvenile Justice to develop a comprehensive unified case management system. This will also provide risk assessment instruments to ensure that the right treatments are in place for children who have been victimized and traumatized through human trafficking.
- \$2.5 million for the Department of Children and Families for safe houses and treatment for dependent youth who have been identified as victims of human trafficking.

Improving Law Enforcement Telecommunication: The safety of Florida families is paramount to Governor Scott, and the *It's Your Money Tax Cut Budget* funds critical tools for state and emergency response.

- **Florida Interoperability Network and Mutual Aid:** Governor Scott is proposing \$3.5 million to continue to support the Florida Interoperability Network public safety system used for communication between entities during disaster events and multi-jurisdictional incidents.
- **Statewide Law Enforcement Radio System:** An additional \$2.1 million is also recommended to continue enhancing the Statewide Law Enforcement Radio System by expanding the areas of mobile radio coverage to law enforcement entities in areas currently without service.

Supporting Vulnerable Youth: Governor Scott believes that education is essential for Florida youth to pursue their dreams, and the *It's Your Money Tax Cut Budget* invests in programs that provide critical support to youths that need it most.

- **Guardian ad Litem Program:** Provides \$2.9 million for the Guardian ad Litem Program to hire additional staff to recruit and supervise 374 new volunteers. These volunteers and staff will serve an additional 1,129 children and will have a goal to serve 100 percent of children in out-of-home care. They will also have a goal to serve 77 percent of all dependent children in FY 2014-2015.
- **About Face Program:** Provides \$1.25 million in funding to continue support of the About Face program that provides summer and after-school life preparation for the socioeconomically disadvantaged and at-risk youth. This program provides

struggling and disadvantaged students with support to help ensure a rewarding future.

- **Forward March Program:** Provides \$750,000 in funding to continue to support the Forward March program. This program provides job-readiness services at selected armories around the state for Work and Gain Economics Self Sufficiency (WAGES) recipients and other qualifying young adults. The training is based on topics that directly relate to the skills required for employment and real-world success.
- **Youth Challenge Program:** Provides \$157,135 to support the Youth Challenge program located at Camp Blanding by providing additional and replacement equipment. This program's mission is to provide a highly disciplined and motivational environment that is free from outside distractions to an average of 300 high school dropouts each year. This in turn fosters academics, leadership development, personal growth, self-esteem, and physical fitness for qualifying high school dropouts.

Supporting Healthier Communities: Governor Scott is focused on improving the cost, quality, and access to health care for Florida families. The Governor's Budget is designed to increase efficiencies and to invest in areas that support and improve the safety of Florida's families.

Investing in Cancer Research and Treatment: The Governor's Budget establishes a consistent source of state funding to assist existing Florida cancer centers in achieving the prestigious designation as a National Cancer Institute (NCI). NCI-designated cancer centers are at the forefront of developing and translating scientific research from laboratory discoveries into new treatments for cancer patients. Cancer has surpassed heart disease as the leading cause of death in Florida, and has the second-largest cancer burden in the U.S. according to the National Cancer Institute.

Because of Florida's public health needs and unique demographics, sound investment in cancer care and research offers great potential to improve the quality of life for Floridians. It can also positively contribute to the state's economic competitiveness and aid in the creation of more jobs in science, technology, engineering, and math. Governor Scott's Recommended Budget provides \$60 million to support the expansion of NCI-designated centers in Florida, bringing the state's overall commitment to cancer research funding to \$80 million.

Investing in Alzheimer's Research: The budget includes \$3 million to demonstrate Governor Scott's commitment to increasing Alzheimer's research in the state by creating a new peer-reviewed competitive grant program in order to find innovative ways to combat this disease.

Supporting Child Safety: Governor Scott's Recommended Budget invests \$49 million to support initiatives that focus on the protection of Florida's children.

Combating child abuse and neglect starts with prevention and proven results. The Healthy Families Florida program is a nationally accredited, evidence-based home visiting program that prevents child abuse and neglect in Florida's highest-risk families.

Governor Scott's Recommended Budget provides \$7 million to help the program reach statewide capacity for the first time in five years.

The Department of Children and Families (DCF) oversees the child abuse hot line and investigates allegations of child abuse and neglect. This year's budget directs \$31 million in new money to reduce caseloads for Child Protective Investigators and allows for the creation of two-person teams for high-risk cases. Additionally, \$8 million in new funding is recommended to increase funding for the six counties where local sheriffs conduct investigations.

The Department of Health's Division of Children's Medical Services oversees Child Protection Teams that provide assessments to assist DCF in alleged child abuse and neglect cases. The teams are medically directed and multidisciplinary, which allows them to assess safety and risk for children with special medical needs. Governor Scott's Budget will direct \$2.8 million in new funding to strengthen the ability of Child Protection teams to serve families and protect children.

Maintaining Early Intervention Services for Infants and Toddlers: The Early Steps program provides a coordinated system of early intervention services for infants and toddlers. Governor Scott's Budget recommends \$3.6 million to help with assessments, early intervention and support systems, home visits, and family support for this program.

Supporting Adoption Subsidies: The Governor's Budget provides \$28.7 million to support the adoption of children with special needs.

Supporting the Elderly: The Governor's Enriching Seniors Initiative commits \$33.6 million and focuses on three pillars: addressing the waiting list for frail seniors, enhancing the Long-Term Care Ombudsman Program, and expanding the Statewide Public Guardianship Office.

The Governor's Budget proposes \$27.6 million in increased funding to take frail seniors off three separate waiting lists. Keeping these individuals in their homes and community settings gives them the chance to age in the least restrictive environment possible. Based on a conservative estimate, this funding is anticipated to decrease the highest priority cases on the Medicaid Long-Term Care Waiver waiting list by 1,280 individuals, the Alzheimer's Disease Initiative waiting list by 392 individuals, and the Community Care for the Elderly waiting list by 601 individuals.

In addition, the Governor's Budget invests \$3 million to enhance the Long-Term Care Ombudsman Program (LTCOP). LTCOP advocates on behalf of residents to safeguard their rights, health, safety, and welfare. This will allow the program to recruit additional volunteers to respond to and resolve more resident complaints to the benefit of both the resident and the facility.

Governor Scott's Budget also invests \$3 million to expand the Statewide Public Guardianship Office and allow it to operate based on need. This program provides

guardianship services to persons who do not have adequate income or assets to afford a private guardian.

Investing in People with Disabilities: The Agency for Persons with Disabilities has continued its successful efforts to provide services to individuals with developmental disabilities in the most efficient manner possible. Governor Scott's Budget provides \$20 million in additional funding to enroll all remaining individuals with critical needs from the waiting list onto the Developmental Disabilities Waiver program. The waiver program provides home and community-based services to assist people with developmental disabilities in living, learning, and working in their communities.

The Governor's Budget also doubles existing funding to \$1 million for supported employment services and internship services to help 400 individuals on the waiting list participate in and contribute to Florida's continuing job growth.

Investing in Vocational Rehabilitation: The Governor's Budget provides \$18.3 million in state funding to draw down an additional \$67.6 million in federal funding. These funds will provide additional services for Florida's disabled population that will help remove barriers preventing employment.

Investing in Veteran Nursing Homes: Florida has the third largest population of veterans in the nation with 1.6 million, or 12 percent, of the Sunshine State's adult population. Most of Florida's veterans come from the World War II era, while another 449,000, or about 1 in 4, are Vietnam veterans.

As Florida's veteran population continues to grow with soldiers returning from Afghanistan and Iraq, Florida's existing veteran nursing homes are currently operating at or near full capacity. The Governor's Budget supports the creation of two new veteran nursing homes to prepare for increased needs to serve our veterans.

Maintaining Mental Health and Substance Abuse Services: The Governor's Budget maintains base level funding of mental health and substance abuse services across the state.

Funding Mental Health Transitional Beds: The Governor's Budget recommends \$2.5 million to increase capacity for clients with persistent mental health issues.

Supporting the Transition to Medicaid Prospective Payment: This year's budget continues Governor Scott's commitment to increasing transparency and accountability within the health care system by transitioning Medicaid nursing home and outpatient reimbursement from an inefficient, cost-based system to a prospective payment model that rewards efficiency and quality.

Identifying Fraud, Waste and Abuse Within Medicaid: The Governor's Budget invests \$5 million to expand analytical subscription services to identify fraud, waste, and abuse in the Medicaid Program. The return on investment for these services will be realized in cost savings by keeping unqualified recipients and providers out of the

system, recovering overpayments, and identifying fraud as a result of the investigative leads generated by system analysis.

Supporting Community Development: Governor Scott's *It's Your Money Tax Cut Budget* reflects the Governor's continued support of families through the revitalization of commercial areas serving low-income residents and rebuilding distressed neighborhoods in order to stimulate economic growth and development.

- **Affordable Housing:** The Governor's Budget provides \$89.3 million for Affordable Housing - \$69.3 million for the State Apartment Incentive Loan Program (SAIL) and \$20 million for the State Housing Initiative (SHIP) Program. SAIL provides low interest loans to developers for affordable housing. The Governor is recommending special consideration be given to properties that target demographics such as the elderly and those with special needs. SHIP funding will be focused on providing first-time homebuyer down payment assistance to very low to low and moderate income families.
- **Small Community Development Grants:** Provides \$30 million in Small Community Development Grants to fund a series of programs focusing on low and moderate income persons, improving housing, and supporting infrastructure improvements that lead to job growth.
- **Weatherization Grants:** Provides \$18 million in Weatherization Grants to assist low-income families to permanently reduce their energy bills and make their homes more energy efficient.
- **Technical Assistance to Local Governments:** Provides \$3.1 million for technical assistance to local governments for innovative planning and development strategies to promote a diverse economy and vibrant communities. These funds provide technical assistance to Florida communities related to growth management and economic development initiatives.
- **Community-Based Asset Inventories:** Provides \$1.5 million for Community Based Asset Inventories or "Competitive Florida." The Governor has recommended funds to build upon an existing pilot program. This will allow communities to undertake community-based asset inventories and include detailed identification of the resources localities have or can make available to existing businesses, businesses that may be looking to relocate, and entrepreneurs wishing to start their own businesses.

Supporting Floridians and Communities

Florida's Military Presence and Families: The Governor's Budget provides \$10.8 million for Florida's Military Presence and Families. It will support the state's position in military research and development, and provide a military-friendly environment. It will also assist defense-dependent communities in the diversification of their economies. The Governor's Budget includes funds to acquire non-conservation lands to buffer and prevent the encroachment of incompatible land uses around our military installations.

Cultural/Historical and Libraries: The Governor recommends \$6.9 million to provide support to cultural and historical projects. Cultural and historic preservation grants create jobs and provide entrepreneurial opportunities, stimulate job growth, and economic development. They also contribute greatly as an educational resource to Florida's teachers, children, and families. The Governor continues to support state aid to libraries with a recommendation of \$24.7 million. Florida public libraries support a strong economy and provide a network of information that plays an integral part in supporting Florida's families and their communities.

Disaster Preparedness, Response, Recovery, and Mitigation Emergency Management: The Governor's Budget for FY 2014-2015 includes \$243 million in financial assistance to state and local governments for public awareness, outreach programs, and disaster mitigation programs.

Restoring and Protecting Florida's Natural Treasures

Using Florida's Natural Resources to Educate: Florida's award-winning Park Service is one of the largest in the country with 161 parks spanning more than 700,000 acres and 100 miles of sandy white beach. Governor Scott's Budget provides \$19 million to assist Florida's parks to become more handicap accessible and to provide for needed repairs and maintenance. In addition, \$750,000 is provided to participate in the Partnership in Parks Program, which is a partnership program with citizen support organizations to encourage private contributions and matching state funds to assist with park development projects. Additional environmental education programs recommended in Governor Scott's Budget include:

- Youth Hunting and Fishing Education – Governor Scott's budget includes \$1 million to encourage our youth to get involved in safe, educational, and mentored hunting and fishing opportunities to create a generation that cares about fish and wildlife and their habitats.
- Wildlife Hunting Education – Governor Scott's budget includes \$1.1 million for statewide hunter safety courses. These courses provide hunters with the necessary skills and knowledge to become better sportsmen, while instilling an awareness of firearm safety and wildlife stewardship.
- Boating Safety Education – Governor Scott's budget provides \$850,650 in funding for Boater Safety Education, which increases boater awareness and reduces accidents. Boating Safety Education ID cards are issued free of charge.

Protecting Florida's Economy, Water Supply, and Environment through the Restoration of the South Florida Ecosystem and Florida's Everglades: The Governor's *It's Your Money Tax Cut Budget* commits an historic \$180 million dollars towards restoring and protecting the Everglades and Florida Keys. This is a \$110 million increase from the FY 2013-2014 budget.

Florida's Everglades: The Governor continues his commitment to Florida's

Everglades by committing \$130 million for restoration projects.

- Restoring America's Everglades means reestablishing its natural water flow to the 2.4 million-acre marsh, reviving habitat for more than 60 threatened and endangered species, creating a reliable water supply for millions of Floridians and providing flood control to South Florida.
- The funds provided will implement the Governor's water quality plan for the Everglades and continue the state's commitment to the Comprehensive Everglades Restoration Plan (CERP). It will also fund critical projects such as the Kissimmisee River restoration and the raising of an additional 2.6 miles of Tamiami Trail to allow more water to flow into Everglades National Park.
- In addition, funding is provided to the Department of Agriculture and Consumer Services for implementation of agricultural nonpoint source controls in the Okeechobee, Caloosahatchee, and St. Lucie River watersheds. Together, these projects will provide clean water for the Everglades and reduce the excessive flow of water into the St. Lucie and Caloosahatchee River estuaries.

Wastewater Treatment Upgrades: The Governor's Budget also provides \$50 million for wastewater treatment upgrades in the Florida Keys.

Protecting Florida's Springs, Lakes, Rivers, and Estuaries: Governor Scott's Budget provides \$55 million for springs protection and restoration, including ensuring the protection of the groundwater supply in Central and North Florida. This is a \$45 million increase in funding from FY 2013-14.

Governor Scott's Budget also provides the following funding for water resource protection:

- \$17 million for nonpoint source pollution management grants;
- \$9.4 million for total maximum daily loads;
- \$77.2 million for drinking water facility construction, an increase of \$4.3 million from FY 2013-2014;
- \$161.6 for wastewater treatment facility/storm water construction, an increase of \$18.8 million from FY 2013-2014; and
- \$8 million for lake restoration.

Protecting Beaches: Over 220 miles of beaches, or 55 percent of all Florida beaches, that were designated as critically eroded have been restored and maintained through partnerships with local, state, and federal governments. Governor Scott's Budget provides \$25 million of financial assistance to local and state governments and special taxing authorities for beach and dune restoration, beach nourishment, inlet sand bypassing, regional sediment management and innovative projects. This funding adds to the more than \$393 million in state funding for beach and inlet management provided over the last 10 years.

Ensuring Generations of Floridians Can Enjoy Florida's Natural Treasures Florida Forever: As of June 30, 2013, more than 2.4 million acres throughout the

state have been placed in public ownership under Florida Forever and its predecessor program, Preservation 2000 (P2000). Florida Forever has conserved habitats for 394 protected species, 166 of which are on the federal or state endangered lists. Collectively the State of Florida has protected over 685,000 acres of land with \$2.88 billion in Florida Forever funds. All of these lands are held in trust for the citizens of the state, providing endless recreational opportunities for Florida families and visitors.

Governor Scott's Budget provides \$70 million for the Florida Forever program, \$40 million of which is provided as budget authority from the proceeds of the sale of surplus non-conservation state lands and \$30 million from state trust funds. These funds will be used for conservation lands needed for springs protection, military buffering, or water resource protection. Funds can also be spent on land acquisitions that are less-than-fee interest or for partnerships where the state's portion of the acquisition cost is no more than 50 percent. In addition, \$10 million can be spent for land management and the improvement of public access and recreation on public lands.

Maintaining State Parks: In addition to the 161 state parks, the Florida Park Service manages the state's greenways and trails. Through resource, historical, and cultural-based interpretation, the goal of the Florida Park Service is to help create a sense of place by showing park visitors the best of Florida's diverse natural and cultural sites. More than 25.5 million people visited Florida's state parks and state trails in FY 2012-2013, an increase of almost 593,000 people from the previous year and having a \$1.2 billion economic impact.

Governor Scott's Budget provides the following funding for state parks and coastal aquatic managed areas:

- \$19 million for state park facility improvements;
- \$5 million for national recreation trail/facility grants;
- \$6 million for resource management and historic structure repairs;
- \$750,000 for the Partnership in Parks Program;
- \$250,000 for the Ecotourism Initiative; and
- \$590,000 for maintenance and repairs for coastal and aquatic managed areas.

Protecting Florida's Manatees: As the state marine mammal, manatees are part of Florida's natural identity and draw a significant number of visitors to Florida each year. These animals are one of the most endangered marine mammals in the U.S., largely due to human activity. Governor Scott's Budget provides \$1 million for the Oceanaria Reimbursement Assistance Program. The program is managed by FWC and works to rescue, rehabilitate, and release manatees to support their adult population, which is key to the survival of the species. The specialized, federally permitted facilities that receive these reimbursements are the only institutions available for acute-care, veterinarian-based rehabilitation of manatees.

Providing a Clean Environment to Protect Florida Families: Governor Scott's Budget provides the following funding for waste management activities:

- \$6 million for dry cleaner site cleanup;
- \$4 million for hazardous waste site cleanup;
- \$2.3 million for landfill closures;
- \$4.2 million for non-mandatory land reclamation;
- \$125 million for underground petroleum storage tank cleanup; and
- \$3 million for Solid Waste Management Grants.

Investing in Technology Governance and Data Security: Governor Scott believes government must provide the utmost data security for citizens, while maintaining transparency for taxpayers. He also believes in authoritative governance and holding vendors accountable for state technology projects and operations. Specifically, Governor Scott's Budget provides:

- \$3.4 million to establish the Agency for State Technology, which will provide both the resources and authority to accomplish enterprise initiatives consistent with IT policy agreed upon by the Governor and the Legislature.
- \$2 million to perform a security risk assessment and develop options for a statewide cyber security framework that increases security within the state's data centers and its agency customers.