



LEGISLATIVE
BUDGET
COMMISSION

**Committee Meeting Packet
for
Thursday, July 18, 2002**

**(Please bring this packet to the committee meeting.
Duplicate materials will not be available.)**

LEGISLATIVE BUDGET COMMISSION AGENDA

July 18, 2002

1:00 – 5:00 PM

Room 412, Knott Building

Members:	Senator Lisa Carlton	Representative Randy John Ball
	Senator Victor Crist	Representative Paula Dockery
	Senator Daryl Jones	Representative Ronald A. Greenstein
	Senator Jim King	Representative Carlos A. Lacasa
	Senator Tom Rossin	Representative Evelyn J. Lynn
	Senator Jack Latvala	Representative Sandy Murman
	Senator Ronald A. Silver	Representative Rob Wallace

I. Consideration of the following budget amendments for Fiscal Year 2002-2003:

- A. EOG B0066, Administered Funds/Executive Office of the Governor
- B. EOG B0069, Agency for Workforce Innovation
- C. EOG B0051, Agriculture and Consumer Services
- D. EOG B0063, Community Affairs
- E. EOG B0046, Military Affairs
- F. EOG B0028, Children and Family Services
- G. EOG B0074, Children and Family Services
- H. EOG B0059, Corrections
- I. EOG B0071, Corrections

II. Briefing - Special Project Monitoring Update

III. Meeting Schedule

Department: Administered Funds/Executive Office of the Governor

EOG Number: B2003-0066

Problem Statement: For Fiscal Year 2002-03, the Executive Office of the Governor was appropriated \$567,118 and five positions from Administered Funds, Line Item 2165A, for the creation of a statewide trust fund monitoring capability. Pursuant to proviso language, a plan and a budget amendment are to be submitted to the Legislative Budget Commission for the establishment of the organizational unit. Furthermore, the Executive Office of the Governor, in consultation with the Department of Banking and Finance, the Senate Appropriations Committee and the House Fiscal Responsibility Council, is required to develop a trust fund implementation schedule for monitoring purposes.

Agency Request: The Executive Office of the Governor is requesting that funds in the amount of \$567,118 and five positions be transferred from Administered Funds for the implementation of the trust fund monitoring project.

Governor's Recommendation: Recommend approval to transfer \$567,118 in General Revenue appropriation, 5 positions and \$310,343 in annual salary rate from Administered Funds for the establishment of a statewide trust fund monitoring unit within the Office of Policy and Budget.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: General Government

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House Committee: General Government Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title LAS/PBS Account Number	CF	REQUESTED BY AGENCY			RECOMMENDED BY GOVERNOR			APPROVED BY THE LEGISLATIVE BUDGET COMMISSION		
			Appropriation	Reserve	Release	Appropriation	Reserve	Release	Appropriation	Reserve	Release
OFFICE OF THE GOVERNOR											
	Administered Funds Governmental Operations										
	Positions and Rate										
	Positions			(5.0)		(5.0)					
	Salary Rate										
2165A	General Revenue State-Wide Trust Fund Monitoring 49000000-090625-00-1000		(567,118)	(567,118)		(567,118)	(567,118)				
GENERAL OFFICE PROGRAM											
	Executive Planning and Budgeting										
	Positions and Rate										
	Positions	5.0				5.0					
	Salary Rate	310,343				310,343					
	General Revenue										
2470	Salaries and Benefits 31100600-010000-00-1000		397,238		99,309	397,238		95,337			
N/A	Expenses 31100600-040000-00-1000		49,575		12,393	49,575		11,898			
N/A	Operating Capital Outlay 31100600-060000-00-1000		120,305		120,305	120,305		120,305			

Statewide Trust Fund Monitoring Summary Implementation Plan

Statewide Trust Fund Monitoring – FY 2002-03 Appropriations

Line 2165A of the FY 2002-03 General Appropriations Act appropriates \$567,118 and 5 positions for the creation of a Statewide Trust Fund Monitoring function. Proviso language states:

Funds are provided in Specific Appropriation 2165A for the creation of a state-wide trust fund monitoring capability. The Executive Office of the Governor shall submit a plan and a budget amendment to the Legislative Budget Commission for establishment of this organizational unit. The Executive Office of the Governor shall develop a trust fund implementation schedule in consultation with the Department of Banking and Finance, the Senate Appropriations Committee and the House Fiscal Responsibility Council.

Overall Objective/Mission

To provide consistent, reliable trust fund analyses, projection and available cash reports to the Executive Office of the Governor and the Legislature.

Current Situation and Why Central Trust Fund Monitoring?

The Legislative Budget Request (LBR) process relies on the Schedule I as the component to ensure that there are sufficient resources to fund Legislative intent. Currently, the Schedule I process is the official mechanism within the state's budgeting system to report unreserved fund balances and to ensure that the amount requested in the LBR has sufficient cash and projected revenue to fund the request.

This involves interaction between the state agencies, the Governor's Office, and the Legislature to produce both unreserved fund balance and projected revenues. There are times when the unreserved fund balance per the Schedule I and the financial information submitted by the agencies to produce the Comprehensive Annual Financial Report (CAFR) are often different. There are many reasons for this. Inconsistent accounting policy from agency to agency and agency Schedule I's not reconciled to the official accounting records which are used to produce the CAFR are some examples.

Through a centralized approach, statewide trust fund monitoring can apply a **consistent** methodology to develop an automated monitoring process incorporating the results of the various estimating conferences as well as agency projections and forecasts to ensure:

- *the official agency accounting records and Schedule I agree,*
- *a systematic approach to unreserved fund balance and revenue projection data collection is in place,*
- *statewide fund balance reports are produced consistently and,*
- *other required adhoc report needs can be addressed.*

Statewide Trust Fund Monitoring Summary Implementation Plan

Initial Trust Fund Selection

Due to the complex and diverse nature of the state's fund sources, uses, and central/agency accounting policies, an initial set of trust funds should be selected that will cover the major fund sources and use types. Limiting the initial fund selection to some major funds is critical to

the development of high-level use categorizations. This high level categorization will allow standardized research policy to begin fund-specific application development. Fund-specific anomalies may exist that will necessitate unique processes. The funds selected will serve as a pilot to establish the initial application development requirements, data needs, report needs, and fund-specific processes. The schedule for selection of funds will be done in consultation with the Department of Banking and Finance and House and Senate appropriations staff.

Users' Needs Assessment

Since the overall goal of statewide trust fund monitoring is to develop a consistent unreserved fund balance and projection reporting process, the information and report needs of the users must be addressed before application development or data element identification can begin. This is critical in that all subsequent application process development and data requirements are going to be contingent upon this assessment. This assessment will be accomplished through developing mock reports, taking into consideration the LBR's, agency annual year-end processing, and the Comptroller's accounting processes and timelines, including closing processes.

Data Element and Data Source Identification

The next step will be to begin data needs and communication analysis. The information needs will drive the data element needs analysis. Components of this will include budgetary, revenue, and expenditure data for both actual and projection purposes. This extensive analysis will involve identification and evaluation of:

- individual fund sources such as individual federal programs or bond issuances,
- what FLAIR data elements are used to track fund sources (other cost accumulator [OCA], object code, appropriation category),
- fund specific agency FLAIR, LAS/PBS and other entity data element use,
- how are these data elements used and what do these data elements represent,
- estimating conference or agency projection data, and
- LAS/PBS budgetary data.

Fund source identification is critical to ensure that related revenue and disbursement trend models can be developed. Typical questions that must be answered are: when are the federal receipts drawn, bond monies received, tax distributions made. The agency accounting policy and FLAIR data element use are the mechanisms to delineate those sources and to serve as the basis for the unreserved fund balance application processes. LAS/PBS and estimating conference projection data elements need to be evaluated and identified. The sources of data need to be identified and data communication processes developed. Examples of currently available data sources/needs include:

Statewide Trust Fund Monitoring Summary Implementation Plan

- Comptroller's Information Warehouse
- LAS/PBS
- Treasury
- Other (State Board of Administration, estimating conference data)
- Departmental (agency) FLAIR data.

Currently, some of the needed data elements may not have a data warehouse or transfer mechanism available. As a result, data communication needs and processes will be developed. The appropriation included funding for an Oracle or Sequel server to serve as a central data warehouse for the statewide trust fund monitoring function. This will be the repository for all of the aforementioned data. A database developer/administrator level position was requested to maintain and aid in the development of the data tables and data communication processes.

Unreserved Fund Balance Monitoring – Application and Report Development

Application Development

Application development is going to involve three simultaneously occurring events for the selected funds:

- analysis of agency/budgetary/estimating data use and their respective processes and policies,
- analysis of agency rule, statutory, and constitutional provisions and,
- development of high level systematic processes to consistently assimilate fund type unique processes.

Identification of processes means the analysis of the interrelationships between and agency use of the data. This is critical to the development of automated application processes to model and capture these fund specific events. The analysis is going to require interaction between EOG, the state agencies, the Legislature and its various committees and councils, and other outside entities (State Board of Administration) not to identify the data but to analyze their processes and the fund specific interrelationships, fund sources, programmatic activity, etc. This analysis will require rule, statutory, and constitutional research as well.

To capture the fund specific programmatic and economic activity occurring is necessary to automated application development to model these events. From the analysis of agency, budgetary, estimating conference use and associated agency rule, statutory, constitutional provisions, trust fund monitoring can develop fund type automated processes to assimilate and model this activity from a statewide perspective. As a result of this analysis, trust fund monitoring will develop fund type specific automated processes to capture these events and requirements.

Fund type specific processes really refers to what are we capturing and what are we trying to model. Some examples of this are federal fund sources, taxes, and bond funded types of activities. This goes deeper than just are these federal funds or bond or tax monies but to what

Statewide Trust Fund Monitoring Summary Implementation Plan

are the individual fund sources and programmatic activity occurring? To arrive at a true unreserved fund balance picture, all of the aforementioned factors have to be addressed.

Trust fund monitoring will develop high level processes to automate the assimilation of this activity in similar fund type category groupings. These categories will serve as the basis for application process development. There will be consistent treatment for federal program funds, bond issuance funds, local contribution funds and tax distributions as an example. However, this will not capture everything.

There will be agency and fund specific anomalies that will preclude reliance on high level processing only. From the research to the application processing point, fund and agency unique processes will be needed as well. What those needs are will be addressed as the application development and data process analysis is occurring. This will require significant communication with the state agencies, the Legislature, and other related entities.

Report Development

The final product of the research and analysis will be reports that will capture the unreserved fund balances, estimated expenditures and revenues for out year needs and fund source disclosure at a detail level to support the Schedule I's.

Conclusion

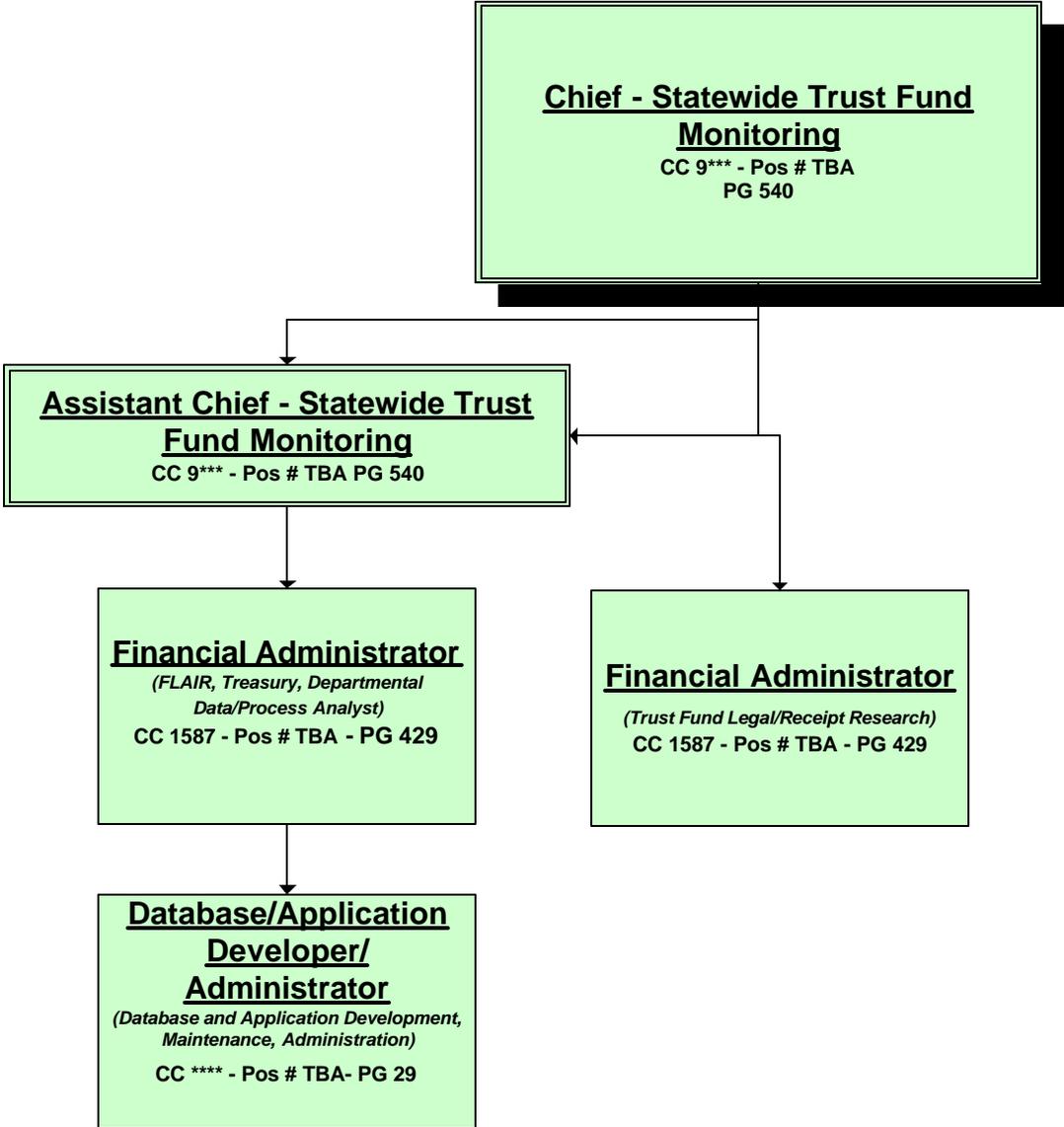
Central trust fund monitoring will force consistency in the development and treatment of accounting and budgetary data and processes for unreserved fund balances and projected revenues, expenditures and fund source information on a statewide basis. Trust fund monitoring will model the funds selected and provide the basis for the inclusion of the remaining funds.

As a result, the Governor's Office and the Legislature can rely on the true unreserved fund balance position of the state's trust funds. Furthermore, they will be assured that those reports were produced consistently statewide and the actual LBR Schedules I and I-C process will represent the official accounting records for the state.

Statewide Trust Fund Monitoring Summary Implementation Plan

Organizational Structure and Position Descriptions

**Statewide Trust Fund Monitoring
Organizational Structure**



Statewide Trust Fund Monitoring Summary Implementation Plan

Overview/Position Explanations

Chief – Trust Fund Monitoring

- Position coordinates and implements a central statewide trust fund analysis and coordinating.
- Position oversees the implementation, development, design, and reporting function requirements associated with projecting, analyzing, and communicating both budgetary and fiscal fund positions and out year projections.
- Position responsible for reporting trust fund position/outlook/impacts to EOG/House/Senate fiscal responsibility staff, committees, as required.
- Position responsible for coordinating statewide LBR Schedule 1 instructions and processes.

Assistant Chief – Trust Fund Monitoring

- Position assists Trust Fund Monitoring Chief in system/policy/procedure/report development.
- Position directly oversees and is responsible for technical application/data/data flow/report creation/and communication processes.
- Position responsible for recurring and adhoc report development and estimate data flows for out year projections.
- Position responsible for coordinating the development of independent committee or conference revenue projection information and data.
- Position assists in statutory, constitutional, or Florida Administrative Code (FAC) rule research.
- Position responsible for information communication development to applicable Governor's Office, House, and Senate personnel.

Financial Administrator (Accounting/Budgetary Research)

- Position performs FLAIR (central/departamental)¹, Treasury, the state's budgeting process and system(s)², Outside Entity (SBA) data research, data element use, and agency accounting policy.
- Analysis of agency/central accounting processes for the treatment of budgetary data as well as receipts, expenditures, fund sources, and system data elements.
- Assists in the analysis and development of application processes and data communication.
- Position assists in Schedule 1 process and instruction development.

¹ This will involve the analysis of any FLAIR or other accounting system replacement where processes and data elements change. Furthermore, this includes accounting policy change on a central and/or departmental level i.e., changes in GAAP or GASB standards or policy, etc..

² Legislative Appropriations System/Planning and Budgeting Subsystem (LASPBS) or any future replacement system.

Statewide Trust Fund Monitoring Summary Implementation Plan

Financial Administrator (Statutory/Fund Source Research)

- Position assists Trust Fund Monitoring Chief in system/policy/procedure/report development.
- Position directly oversees and is responsible for technical application/data/data flow/report creation/and communication processes.
- Position responsible for recurring and adhoc report development and estimate data flows for out year projections.
- Position assists in statutory, constitutional, or FAC rule research.
- Position responsible for information communication development to applicable Governor's Office, House, and Senate personnel.

Database Application Developer/Administrator

- Position will aid in the design and development of a trust fund database.
- Position will maintain and analyze and develop data communication needs/processes.
- Position will work with respective EOG and Legislative systems, departmental, central, and outside entity accounting/systems staff as needed to aid in data communication development.
- Position will develop front-end applications.
- Position responsible for data application and table integrity and maintenance.
- Position will aid in the assessment of data table relationships and data element needs.

Department: Agency for Workforce Innovation

EOG Number: B2003-0069

Problem Statement: In May, 2002, the Agency for Workforce Innovation (AWI) submitted a request to the United States Department of Labor (USDOL) to expand the National Emergency Grant (NEG) criteria and receive additional NEG funding. Specifically, the agency requested an additional \$5.2 million to provide workforce services to all of Florida's workers adversely affected by the September 11th terrorist attacks – not just those who had been employed by companies with 50 or more employees as the original grant provided. The additional funds will enable the agency to expand short-term job training services to 1,632 eligible workers who would otherwise not receive services. Of the additional funds requested, \$4.1 million will be earmarked for Operation Paycheck (providing services to an additional 1,382 participants) and \$1.1 million will be allocated to Regional Workforce Board #23 (providing services to an additional 250 participants in Miami-Dade and Monroe counties). AWI has received the grant approval from USDOL.

The agency needs additional operating budget authority in the Employment Security Administration Trust Fund in order to spend the additional NEG grant funds.

Agency Request: The agency requests \$5,200,000 of additional operating budget authority from the Employment Security Administration Trust Fund in the Contract Payments Category (\$4,100,000) and in the Grants and Aids - Workforce Investment Act - Dislocated Worker Allocation Category (\$1,100,000).

Although the FY 2002-03 General Appropriations Act has operating budget authority in these appropriation categories, receipt of the additional grant funding was not anticipated when the budget was developed. If this budget amendment is not approved, the operating budget authority in the above categories may be insufficient to cover all of the agency's obligations.

Governor's Recommendation: Recommend approval to increase budget authority by \$5,200,000 from the Employment Security Administration Trust Fund for additional federal funds received from the United States Department of Labor for the expansion in scope of the National Emergency Grant.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: General Government

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House Committee: Trans. & Economic Dev. Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
AGENCY FOR WORKFORCE INNOVATION					
	PROGRAM SUPPORT				
	Employment Security Administration TF:				
2181	Contract Payments 75200100-100757-00-2195		4,100,000	4,100,000	
2191	Grants and Aids - Workforce Investment Act - Dislocated Worker Allocation 75200100-104013-00-2195		1,100,000	1,100,000	

Department: Agriculture and Consumer Services

EOG Number: B2003-0051

Problem Statement: The Division of Forestry has received a bill from the United States Forest Service (USFS) totaling \$8,514,126 for federal suppression costs for Florida fire support during the 2001 Fire Season. The Division of Forestry needs additional budget authority to reimburse the USFS for costs incurred. This reimbursement is for Federal Emergency Management Agency (FEMA) declared eligible fires. The Division of Forestry will receive cash from FEMA through the Department of Community Affairs, State Division of Emergency Management, for payment to the USFS.

Agency Request: Additional budget authority in the amount of \$8,514,126 is requested to pay costs incurred by the USFS for the 2001 fires in Florida. Reimbursement claims to FEMA have been approved by the State Division of Emergency Management, and the FEMA representative. Without additional authority, the Division will not be able to meet its requirement to pay the USFS. All USFS bills are subject to late payment charges and interest if not paid in a timely manner.

Governor's Recommendation: Recommend approval to increase budget authority by \$8,514,126 from the Contracts and Grants Trust Fund to pay the United States Forest Service for costs associated with the 2001 Wildfires.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: General Government

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House Committee: General Government Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES					
N/A	FOREST AND RESOURCE PROTECTION				
	WILDFIRE PREVENTION AND MANAGEMENT Contracts and Grants Trust Fund Grants and Aids Major Disaster Florida Wildfires/ Pass through 42110200-102097-00-2133		8,514,126	8,514,126	

Department: Community Affairs

EOG Number: B2003-0063

Problem Statement: Since the Summer of 1999, Florida has suffered the effects of nine disaster events of sufficient magnitude to warrant federal disaster declarations: Hurricanes Floyd and Irene, Tropical Storms Helene, Allison, and Gabrielle, two wildfire seasons, one major flooding event in the southern area of the state, and a severe freeze.

In each of these events, the State of Florida and the federal government, through the Federal Emergency Management Agency (FEMA), signed agreements to share the eligible costs of responding to and recovering from these events. In addition to these monies, as part of a valuable element of FEMA's disaster recovery program, Florida also received substantial funds to carry out projects that would mitigate the effects of future disastrous events through the Hazard Mitigation Grant Program. With certain exceptions, the cost sharing agreements were 75% federal, 12.5% state, 12.5% local.

Prior to Fiscal Year 1999-2000, cash equaling the calculated state matching and administrative requirements of each disaster was provided along with the anticipated budget authority needs for both the federal and the state funds at a level sufficient to cover the entire event. Depending on many variables, particularly the location, magnitude and type of disaster event, rebuilding, recovery and mitigation efforts often extend over several years to be fully completed. As a result, the actual cash required for disbursement related to the state's portion of the obligation for each event is also spread over that same period of time.

Over time, the amounts set aside for the accumulated disasters resulted in a substantial accumulation of cash in the fund. Although cash levels were appropriate to the obligations agreed to contractually with FEMA in any given fiscal year, they were greater than the year's anticipated disbursement levels. Consequently, the decision was made beginning with Hurricane Floyd, which occurred in September 1999, to utilize existing cash balances related to previously funded disaster events in the Grants and Donations Trust Fund for payments related to any subsequent event. This approach was to be used until such time as additional state cash resources were needed to meet the obligations of the fund. In January 2002 the Legislative Budget Commission approved the first such transfer of cash needed to cover anticipated disbursement levels for the remainder of FY 01-02.

Agency Request: An analysis performed utilizing June 30, 2002, financial records indicated a current cash balance of approximately \$1.3 million remaining in the fund, with pending payments in-house of \$5.8 million.

The department has reviewed each open disaster to determine expected disbursement levels for FY 02-03. Through this detailed analysis we have identified the need for \$15.7 million in state cash for FY 02-03, which includes pending payment amounts. We are requesting through this budget amendment that \$9.3 million be approved and released in order for us to continue to make the estimated disbursements to eligible recipients.

Because the actual disbursement levels and timing can be affected by many variables, we will continue to assess the cash balance monthly to determine the appropriate timing for the additional estimated state cash match needs for the remainder of FY 02-03.

Governor's Recommendation: Recommend approval to transfer \$9,300,000 from the Working Capital Fund to the Grants and Donations Trust Fund in the Department of Community Affairs for matching Federal Emergency Management Agency funds for disasters.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: General Government

Senate Analyst: Tom Barrett

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House Committee: Transp. & Economic Dev. Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
DEPARTMENT OF COMMUNITY AFFAIRS					
N/A	EMERGENCY MANAGEMENT EMERGENCY RECOVERY Working Capital Fund Transfer Disaster State Match to Grants and Donations Trust Fund 52600300-109997-00-3000		9,300,000	9,300,000	

Department: Military Affairs

EOG Number: B2003-0046

Problem Statement: The Department of Military Affairs signs some 30 cooperative agreements with the U.S. Department of Defense to provide services to the Florida National Guard. These services include such things as security, fire protection, environmental protection, telecommunications, training range management, etc. Each year, the U.S. Department of Defense reviews each agreement for new staffing requirements and funds new positions as needed. This year, it was determined that four additional positions were needed; two will support the security agreement and two will support the telecommunications agreement. These positions are 100% federally reimbursed and will augment the other 137 FTE currently being funded by the U.S. Department of Defense. There is no state obligation for these employees.

Agency Request: The agency requests \$106,658 of additional budget authority from the Armory Board Trust Fund to establish four positions in excess of the number fixed by the Legislature. This request is necessary because the U.S. Department of Defense has identified support personnel needed to keep the National Guard at a high state of readiness. Due to continuing resolution authority and the difference in federal and state fiscal years, these positions could not be included as a supplemental issue to this year's budget.

Governor's Recommendation: Recommend approval to increase budget authority by \$106,658 from the Armory Board Trust Fund and establish four (4) positions and salary rate in the amount of \$87,800 based on additional funding received from the U.S. Department of Defense.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: General Government
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House Committee: Trans. & Economic Dev. Appropriations
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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
MILITARY AFFAIRS					
PROGRAM: READINESS AND RESPONSE FED/STATE COOPERATIVE AGREEMENTS					
Positions and Rate					
Positions					
Salary Rate					
Armory Board Trust Fund					
Salaries and Benefits					
62050500-010000-00-2039012					
			4.0	4.0	
			87,800	87,800	
			106,658	106,658	

Department: Department of Children and Family Services

EOG Number: B2003-0028

Problem Statement: Based on an initiative started in FY 2001-02, the Department of Children and Family Services (DCF) conducted a study to determine the cost effectiveness of converting certain costly contractors to state employee positions. The study concluded that 14 contract positions at an annual cost of \$2,335,216 could be converted to state full-time equivalent positions (FTEs), at an estimated annual cost of \$1,082,183. Implementing this conversion would generate a savings of \$481,823 in the first year of implementation, and \$1.2 million per year in subsequent years. In order to implement this cost saving alternative, the Department will have to move budget authority from a contractual category to the Salaries and Benefits category.

Agency Request: This amendment requests authority to transfer \$1,082,183 in trust fund budget authority from the Computer Related Expenses category to the Salaries and Benefits category within the Information Technology Program. This transfer would allow for the conversion of 14 contract positions to FTE's, which would free up \$481,823. DCF proposes to accomplish this action by utilizing vacant positions. The Department estimates that the total level of salary rate authorized for DCF is sufficient to cover the rate increase required by this amendment.

DCF plans to include an issue in the Legislative Budget Request for Fiscal Year 2003-04 to annualize this transfer.

Governor's Recommendation: Recommend approval to reduce the Working Capital Trust Fund in Computer Related Expenses by \$1,564,006 and transfer \$481,823 of the amount to Reserve and \$1,082,183 to the Working Capital Trust Fund in the Salaries and Benefits category for the conversion of 14 contract positions to state employees in the Department's data center.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: Health and Human Services
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Line Item No.	Budget Entity / Fund / Appropriation Category Title LAS/PBS Account Number	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
DEPARTMENT OF CHILDREN AND FAMILY SERVICES								
	SUPPORT SERVICES							
	Information Technology							
	Working Capital Trust Fund							
	Computer Related Expenses							
280	60900202-100644-00-2792		(1,564,006)	481,823	(1,564,006)	481,823		
276	60900202-010000-00-2792		1,082,183		1,082,183			

Department: Department of Children and Family Services

EOG Number: B2003-0074

Problem Statement: The Department of Children and Family Services (DCF) has experienced a severe, yet likely time-limited, increase in the workload associated with processing protective investigation reports of child abuse and neglect. In certain districts, it has been especially difficult to adequately manage this workload increase and a backlog of open cases has accumulated. Two districts in particular, Districts 7 (Orange County) and 11 (Dade County), have the greatest number of outstanding cases, with backlogs of 9,879 and 5,456 cases respectively. The pending cases in these two districts represent 46.7% of the statewide total. To ensure that backlogged cases are processed, the Department needs to temporarily direct additional resources to this activity.

Agency Request: This amendment intends to reduce the backlog of protective investigation cases in Districts 7 and 11, by utilizing the knowledge, skills and experience of in-house DCF employees, who would be selected from around the state, based on their qualifications, to reduce the backlog. The Department proposes to recruit employees from districts that have no significant backlog and assemble a team of workers who would be drafted for one month at a time and detailed to either District 7 or 11. All employees who have received Child Protection Certification would be eligible to participate in this activity, and all participants would be entitled to receive special pay adjustments and other recognition awards based on their contribution to the campaign to reduce the backlog in protective investigation cases. DCF suggests that this project should be referred to as the Challenge Campaign. The target date for implementing this project is August 1, 2002.

DCF proposes to fund the Challenge Campaign by transferring \$1,600,000 in General Revenue from the Economic Self-Sufficiency (ESS) program to the Family Safety (FS) program. In order to keep ESS from having to reduce the level of its current operation, the Department recommends replacing the \$1.6 million in General Revenue with Administrative Trust Fund, since ESS has sufficient unmatched General Revenue to generate \$1.6 million in additional federal trust fund earnings. The Family Safety program can also earn federal match on the \$1.6 million in General Revenue; therefore, this amendment proposes an increase of \$400,000 from the Federal Grants Trust Fund in the Family Safety Program.

Governor's Recommendation: Recommend approval to transfer \$1,600,000 in General Revenue appropriation from the Economic Self-Sufficiency Program to the Family Safety Program, and increase budget authority by \$1,600,000 from the Administrative Trust Fund in the Economic Self-Sufficiency program, and \$400,000 from the Federal Grants Trust Fund in the Family Safety program for the implementation of the Challenge Campaign.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: Health and Human Services
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House Committee: Health and Human Services Appropriations
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Line Item	Budget Entity / Fund / Appropriation Category		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
No.	Title / LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
CHILDREN AND FAMILIES					
ECONOMIC SELF SUFFICIENCY PROGRAM					
COMPREHENSIVE ELIGIBILITY SERVICES					
General Revenue					
Salaries and Benefits					
412	60910702-010000-00-1000		(1,600,000)	(1,600,000)	
Administrative Trust Fund					
Salaries and Benefits					
412	60910702-010000-00-2021		1,600,000	1,600,000	
FAMILY SAFETY PROGRAM					
CHILD PROTECTION AND PERMANENCY					
General Revenue					
Salaries and Benefits					
316	60910304-010000-00-1000		624,000	624,000	
Expenses					
318	60910304-040000-00-1000		976,000	976,000	
Federal Grants Trust Fund					
Salaries and Benefits					
316	60910304-010000-00-2261		156,000	156,000	
Expenses					
318	60910304-040000-00-2261		244,000	244,000	

Department: Corrections

EOG Number: B2003-0059

Problem Statement:

The federal government provides funding to reimburse states for the costs associated with incarcerating aliens in Florida's prison system. Proviso language contained on line item 684 of the FY 2002-03 General Appropriations Act authorizes the Department of Corrections (DOC) to retain \$3 million of these reimbursed funds for community-based substance abuse treatment and post-release transitional housing as well as for fixed capital outlay projects. This same proviso language requires the department to submit a budget amendment to transfer any remaining federal reimbursement to the General Revenue Fund should additional monies become available. Based on preliminary grant award information, the legislature transferred the remaining projected reimbursement balance of federal funding totaling \$42 million to the General Revenue Fund during the 2002 Legislative Session.

The final federal reimbursement award paid to Florida for the costs associated with incarcerating aliens exceeds earlier projections by \$1,848,997. DOC's existing budget authority is inadequate to transfer these additional federal funds to the General Revenue Fund and comply with the Proviso language in Specific Appropriation 684.

Agency Request: The department is requesting a budget amendment for an additional \$1,848,997 appropriation and release authority in the Transfer to General Revenue category in order to effect the transfer to the General Revenue Fund.

Governor's Recommendation: Recommend approval to increase budget authority by \$1,848,997 from Grants and Donations Trust Fund to transfer federal funds received in excess of current appropriation authority for the reimbursement of the incarceration of aliens to General Revenue, pursuant to proviso following Specific Appropriation 684 of the FY 2002-03 General Appropriations Act.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: Public Safety and Judiciary
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House Committee: Criminal Justice Appropriations
House Analyst: Jim DeBeaugrine
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Line Item No.	Budget Entity / Fund / Appropriation Category T		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
CORRECTIONS					
PROGRAM: DEPARTMENT ADMINISTRATION					
EXECUTIVE DIRECTION/SUPPORT SVCS					
Grants and Donations Trust Fund					
Transfer to General Revenue Fund					
684	70010200-103088-00-2339		1,848,997	1,848,997	

Department: Corrections

EOG Number: B2003-0071

Problem Statement: The Department of Corrections is in the process of outsourcing the operation of Probation and Restitution Centers (PRC), which provide residential programs stressing employment and restitution to the victim for selected offenders on probation or community control who require more intensive supervision. The department is requesting proposals from qualified vendors to operate twenty- to forty-bed PRC programs in six locations throughout the state. Operating costs for outsourcing PRC services are estimated to be approximately \$33.00 per day for each occupied bed. The anticipated contract start date is September 1, 2002. However, since the PRCs are currently staffed with state employees, funds are not in the correct appropriation categories to execute the contracts.

Agency Request: In accordance with proviso preceding line item 676 in the FY 2002-2003 General Appropriations Act, \$3,655,711 was placed in reserve in the Salary and Benefits appropriation category pending execution of the contracts. Of this amount, a transfer of \$2,313,960 from the Salary and Benefits Appropriation Category to the Expense Appropriation Category is necessary to outsource the operation of probation and restitution centers; the funds will remain in reserve after the transfer to the Expense category until the contracts have been awarded and the estimated cost of operating the PRCs has been determined. Additionally, thirty-two positions and \$1,189,738 in salary rate currently appropriated to operate PRCs will be placed in EOG reserve.

Governor's Recommendation: Recommend approval to transfer \$2,313,960 in trust fund appropriation from the Salaries and Benefits category to the reserve in the Expense category and place 32 positions and \$1,189,738 in salary rate in reserve to proceed with a plan to outsource the operation of Probation Restitution Centers.

Commission Staff Comments: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

Senate Subcommittee: Public Safety and Judiciary
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House Committee: Criminal Justice Appropriations
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Line Item No.	Budget Entity / Fund / Appropriation Category Title	CF	REQUESTED BY AGENCY		RECOMMENDED BY GOVERNOR		APPROVED BY THE LEGISLATIVE BUDGET COMMISSION	
			Appropriation	Reserve	Appropriation	Reserve	Appropriation	Reserve
DEPARTMENT OF CORRECTIONS								
	PROGRAM: COMMUNITY CORRECTIONS							
	COMMUNITY FACILITIES OPERATIONS							
	Positions and Rate							
			(32.0)	32.0	(32.0)	32.0		
			(1,189,738)	1,189,738	(1,189,738)	1,189,738		
	Operating Trust Fund							
	Salaries and Benefits							
838	70056000-010000-00-2510		(2,313,960)	(2,313,960)	(2,313,960)	(2,313,960)		
	Expenses							
N/A	70056000-040000-00-2510		2,313,960	2,313,960	2,313,960	2,313,960		