

# 2001 Special Session SB 2: Budget Cuts



Prepared by the Senate & House Democratic Offices

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# EDUCATION

## LOTTERY

**Financial Assistance Total Cut:** **\$10.8 million**

Including a \$14.9 million cut to the Bright Futures Program

- ?? Over 70,000 students (new freshmen plus prior recipients) received a Bright Futures Scholarship for the 1999-2000 academic school year. Of the total, 69% used the scholarship at a state university, 11% at a private university, and 20% at a community college or private 2-year institution. Less than 1% used Bright Futures scholarship money to attend a private or public vocational school. (Source: Florida Department of Education)
- ?? Of the 38,270 Bright Futures recipients attending one of the State's 10 public universities during 1998-99, 7,429 (19.41%) received a need-based Pell Grant and 3,758 (9.82%) received, in addition to a Pell Grant, a Florida Student Assistance Grant awarded on the basis of financial need. (Source: Florida Board of Regents)

The cut is coming from the prohibition of the scholarship being used for summer term tuition and fees (a new allowance as of summer term 2000).

**Assistance to Low Performing Schools Total Cut:** **\$944,000**

These funds are typically used by those schools identified as critically low performing for classroom size reduction, and program enhancements designed to intensify performance improvement.

**Mentoring Projects Total Cut:** **\$4.7 million**

Including a \$210,000 cut to the Florida Mentor Teacher program. This program rewards top teachers for mentoring new and/or troubled teachers in teaching methods. This type of mentoring program has been very successful in several states around the country.

## GENERAL EDUCATION

**Student Financial Aid Total Cut:** **\$4.25 million**

**FEFP Total Cut:** **\$81.96 million**

Despite being considerably less than original worries, a cut to the FEFP of this magnitude potentially represents a loss of over 1,800 teachers, program funds which would effect over 24,000 students, and a loss of approximately \$43 per base student allocation.

**Extended School Year Total Cut:** **\$4.5 million**

**Reading Programs Total Cut: \$3.325 million**

Includes cuts to the Florida Literacy and Reading Excellence Center, Project Child, and the Northeast Florida Reading Consortium. While Florida is showing progress in reading among its students, still only about half of Florida's fourth graders read at or above grade level. Meanwhile, only four in ten middle school students read at or above grade level, and fewer than four in ten high school students have the skills to read at or above grade level. Programs funded under this line are aggressive measures to speed the improvement in Florida's overall literacy.

**Teacher Training Total Cut: \$2.25 million**

**Teacher Professional Development: \$449,694**

**FIRN Total Cut: \$1.32 million**

Considering the cuts to teacher mentor projects, these additional cuts represent an increasing departure from ensuring quality teachers in the classroom. Programs affected include School Improvement web sites, which offer expertise in classroom and instructional management, efforts to improve the quality of curricula in Florida's schools of education, and professional development workshops and training facilities.

**Autism Programs Total Cut: \$310,440**

Approximately one in five births in the U.S. are children with autism or related problems. This cut affects six of Florida's autism centers, which offer counseling, therapies, etc.

**Florida School for the Deaf and Blind Total Cut: \$1.5 million**

The school serves 685 visually-impaired and/or hearing-impaired students per year with excellent results. Only once in the last seven years (1995) did the school not graduate all of its students. The most recent graduating class had 70% of students continue on to postsecondary education and the all of the remaining 30% go directly into Florida's workforce.

**WORKFORCE EDUCATION GRANTS**

**Adult Handicapped Grant Funds Total Cut: \$1.23 million**

**School District Workforce Development Total Cut: \$36.86 million**

**COMMUNITY COLLEGES**

**Total Cut: \$23.5 million**

Including approximately \$17 million in program reductions and \$5 million for the High Demand program, which provides quick training for positions in high demand industries.



# HEALTH & HUMAN SERVICES

## ADMINISTRATIVE CUTS

Cut: FY 2001-02 5% cut in administration of each agency  
FY 2002-03 20% cut in administration of each agency effective July 1, 2002  
Total FTEs cut of all HHS agencies – 262.01

## AGENCY FOR HEALTH CARE ADMINISTRATION

### **Increase county contributions for Medicaid Nursing Home Care**

Cut: FY 2001-02 \$5,032,230 recurring GR  
FY 2002-03 \$15,096,690 recurring GR

State will increase the amount the counties must pay for certain care – this will potentially hurt smaller counties who have a difficult time coming up with the extra money.

### **Reduce the Pharmaceutical Expense Assistance Program**

Cut: FY 2001-02 \$22,500,000 recurring tobacco

This is the program passed by the Legislature in 2000 that would have given an \$80 monthly benefit to about 30,000 seniors (cost of the program is \$30 million annually). After the cut, the program will be funded at \$7.5 million for 2001-02, and will only serve about 7,800 seniors, which is the number of seniors that are currently enrolled in the program.

### **Implement Mail Order Pharmacy for Drugs**

Cut: FY 2001-02 \$436,922 recurring GR; \$565,883 trust funds  
FY 2002-03 \$1,310,767 recurring GR

It is estimated that dispensing drugs by mail could save as much as 10% of the cost of maintenance drugs.

### **Eliminate Home Health Rate Increases**

Cut: FY 2001-02 \$654,349 recurring GR; \$848,188 trust funds  
FY 2002-03 \$1.3 million (as estimated by the estimating conference)

Approximately 477 home health agencies will lose an 11%/13% fee increase for nurses and aides.

### **Eliminate coverage for Adults in the Medically Needy Program (\$124.3 million)**

Cut: FY 2001-02 \$55,702,182 recurring GR; restored in non-recurring GR  
FY 2002-03 \$55,702,182 recurring GR

Provides for the elimination of Medicaid coverage for adults eligible through the optional Medically Needy program. This program primarily covers persons who have experienced a catastrophic illness and either have no health insurance, or have exhausted their benefits and must spend down their monthly income to qualify. Around 8,900 children and 37,600 adults are covered at least for a portion of a year under the program. This proposal will continue coverage

for the children, and an estimated 1,300 pregnant women will continue to receive prenatal and delivery services under the Medically Needy program. The majority of the services received are prescribed drugs, hospital inpatient and outpatient services, and physician services. It is estimated that approximately \$55.7 million in GR (or \$111.4 million GR on an annualized basis) will be saved by implementing this policy change effective January 1, 2002. *This cut was restored with non-recurring funds therefore Medicaid coverage for an estimated 36,300 adults will be discontinued 7/1/02 if not restored by the 2002 Legislature.*

**Eliminate Coverage for Adult Dental, Visual and Hearing Services**

Cut: FY 2001-02 \$6,610,242 recurring GR; \$8,826,806 trust funds  
FY 2002-03 \$6,610,242 recurring GR

This Medicaid optional program was eliminated effective January 1, 2002. It is estimated that approximately 92,000 recipients out of 2 million recipients use these services annually. It may have impacts on hospital emergency rooms and may place more pressure on non-profits or charitable organizations, which provide vision screening, eyeglasses and hearing aids. *This cut was restored by the use of non-recurring funds and the program will be discontinued 7/1/02 unless restored by the 2002 Legislature.*

**Requires Generic Drug Substitution for Adults in the Medically Needy Program**

Cut: FY 2001-02 \$2,779,246 recurring GR; \$5,588,238 in trust funds

**Eliminate Medipass Case Management Fee**

Cut: FY 2001-02 \$1,630,105 recurring GR; \$2,161,435 trust funds  
FY 2002-03 \$1,630,105 recurring GR

The Medipass case management fees were reduced from \$3 to \$2 per patient per month.

**Implement a Variable Dispensing Fee (incentives) for Prescribed Drug Services**

Cut: FY 2001-02 \$1,722,003 recurring GR; \$2,230,265 trust funds  
FY 2002-03 \$1,722,003 recurring GR

Pharmacy dispensing fee for a Preferred Drug List product (PDL) would be \$4.73, and \$3.74 for a non-PDL. It is estimated that this will increase compliance with the PDL by 10% and supplemental manufacturer rebates by 10%. An estimated 3,700 pharmacies would be affected by the modification in dispensing fees.

**Reduce the Income Standard for Medicaid Eligibility for Pregnant Women (\$17.0 million)**

Cut: FY 2001-02 \$7,318,932 recurring GR; \$9,865,028 trust funds  
-- restored in non-recurring GR  
FY 2002-03 \$7,318,932

Provides for the reduction of the income standard, from 185 percent of poverty to 150 percent of poverty, for Medicaid eligibility for pregnant women. This optional eligibility group enabled additional pregnant women to receive health care services primarily consisting of hospital inpatient and outpatient services, physician services and clinical services. It is estimated that approximately \$7.3 million in GR (or \$14.6 million GR on an annualized basis) will be saved by implementing this policy change effective January 1, 2002. *This cut was restored with non-recurring funds therefore Medicaid coverage for an estimated 5,150 pregnant women will be discontinued effective 7/1/02 if not restored by the 2002 Legislature.*

**Eliminate Ticket to Work Program**

Cut: FY 2001-02 \$789,121 recurring GR; \$1,143,326 trust funds  
FY 2002-03 \$2.4 million (estimated by estimating conference)

This program was scheduled to start April 1, 2002 to provide Medicaid coverage for certain working disabled individuals.

**Reduce Physician Rates by 1%**

Cut: FY 2001-02 \$762,439 recurring GR; \$1,428,917  
FY 2002-03 \$762,439 recurring GR

More than 30,000 physicians participate in the Medicaid program. Their reimbursement rate for services to Medicaid patients would be reduced by 1%.

**Expand Fraud and Abuse Recoupment**

Cut: FY 2001-02 \$6,250,000 recurring GR; \$8,036,510 trust funds  
FY 2002-03 \$6,250,000 recurring GR

Savings attributed due to the improved activities by the department to reduce fraud and abuse.

**Reduce Ingredient Cost of Drugs (AWP – 15%)**

Cut: FY 2001-02 \$4,559,817 recurring GR; \$5,951,547 trust funds  
FY 2002-03 \$4,559,817 recurring GR

Medicaid currently reimburses pharmacies at the Average Wholesale Price (AWP) less 13.25% plus a dispensing fee (\$4.23 community; \$4.73 institutional). This cut would reduce pharmacy ingredient prices from the AWP – 13.25% to AWP – 15%. Ingredient prices were also reduced by the 2000 Legislature.

**Eliminate State Rural Financial Assistance Program**

Cut: FY 2001-02 \$600,000 recurring GR; \$29,888 trust funds  
FY 2002-03 \$600,000 recurring GR

**Eliminate the Pharmaceutical Dispensing Fee Increase for Nursing Home Residents**

Cut: FY 2001-02 \$356,746 recurring GR; \$462,419 trust funds  
FY 2002-03 \$356,747 recurring GR

Institutional pharmacies received a \$.50 dispensing fee increase effective July 1, 2001 that would be eliminated.

**Eliminate the Nursing Home “Up or Out” Program (SB 1202)**

Cut: FY 2001-02 \$1,500,000 recurring GR; \$1,500,000 trust funds  
FY 2002-02 \$1,500,000 recurring GR

This was a pilot program in selected counties that was created in SB 1202. It would have demonstrated the effect of assigning skilled and trained medical personnel to ensure the quality of care, safety, and continuity of care for long-stay Medicaid residents in the highest-scoring nursing homes in the Florida Nursing Home Guide.

**Eliminate the Nursing Home Consumer Satisfaction Survey**

Cut: FY 2001-02 \$500,000 recurring GR  
FY 2002-03 \$500,000 recurring GR

Passed in 1999, this had not been implemented yet, due to AHCA being unable to hire a contractor to complete the project. It is a formal mechanism for assessing consumer satisfaction in nursing homes. The results of the survey would be distributed to the public.

## **DEPARTMENT OF HEALTH**

### **Reduce the Tobacco Pilot Program (TRUTH)**

Cut: FY 2001-02 \$14.5 million from non-recurring GR (shifted from non-recurring Tobacco)

Reduces the Tobacco Pilot Program by \$14.5 million. It will require justification for restoration for FY 2002-03 during the 2002 Session. It leaves approximately \$5.5 million for the project.

### **Eliminate Primary Care Challenge Grant**

Cut: FY 2001-02 \$500,000 recurring GR  
FY 2002-03 \$500,000 recurring GR

### **Reduce the Rural Hospital Grant Program for capital improvements**

Cut: FY 2001-02 \$2,500,000 non-recurring GR

Currently, the program is funded at \$7 million. The cut will reduce the program by 35%. The program helps rural hospitals with facility improvements.

### **Trauma Care Services**

Cut: FY 2001-02 \$1,300,000 non-recurring GR

### **Eliminate Full Service Schools Program as of January 2002**

Cut: FY 2001-02 \$5,000,000 recurring Tobacco; \$500,000 trust funds

### **Reduce Transfer of GR to County Health Departments by 4%**

Cut: FY 2001-02 \$2,906,159 recurring GR  
FY 2002-03 \$2,906,159 recurring GR

### **Eliminate CMS Lower Priority Services**

Cut: FY 2001-02 \$500,000 recurring GR  
FY 2002-03 \$500,000 recurring GR

Abolishes the Pediatric Liver Transplant Program and Children's Cardiac Program.

## **DEPARTMENT OF CHILDREN & FAMILIES**

### **Eliminate TEACH Program at Dept. of Children & Families**

Cut: FY 2001-02 \$326,100 recurring GR; \$1,173,900 trust funds  
FY 2002-03 \$326,100 recurring GR

Eliminates the state participation in the Teacher Education and Compensation Helps statewide program that provides scholarships for child care personnel pursuing educational opportunities

beyond the minimum mandatory training for entry-level positions. This cut means about 950 scholarships will not be awarded.

**Eliminate Pre-Entry Training Program**

Cut: FY 2001-02 \$911,467 recurring GR; \$815,104 trust funds  
FY 2002-03 \$911,467 recurring GR

**Reduce Funding for Delayed Implementation of Child Welfare Program Contracts**

Cut: FY 2001-02 \$2 million recurring GR  
FY 2002-03 \$2 million recurring GR

**Reduce Funding for Agency-wide Training not directly related to critical activities**

Cut: FY 2001-02 \$175,249 recurring GR

**Reduce Funding for Family Safety Studies**

Cut: FY 2001-02 \$878,097 recurring GR

**DEPARTMENT OF ELDER AFFAIRS**

**Reduce Home Care for the Elderly**

Cut: FY 2001-02 \$1,105,338 recurring GR

**Eliminate Telehealth Project**

Cut: FY 2001-02 \$250,000 recurring GR (but restored \$100,000 in non-recurring GR)  
FY 2002-03 \$250,000 recurring GR

**Reduce Nursing Home Diversion Expansion**

Cut: FY 2001-02 \$1,772,013 recurring GR; \$2,255,289 trust funds

**Alzheimer's Disease Initiative**

Cut: FY 2001-02 \$1,825,485 recurring GR; \$125,000 recurring Tobacco  
Shifted \$2,482,435 to trust funds to maximize federal funding

**CUT AND RESTORED WITH NON-RECURRING FUNDS**

(The following programs will be eliminated in the next budget cycle unless they are restored)

?? Medically Needy Program for Adults

?? Eligibility for Pregnant Women from 185% to 150% (5,150 women)

?? Adult Dental, Visual, Hearing Program

# **CORRECTIONS, JUVENILE JUSTICE & THE COURT SYSTEM**

## **CORRECTIONS**

Adult Male Custody Positions	Cut: 166 positions
Criminal Justice Estimating Conference Estimate of Increased Need for Positions Due To Inmate Population Increase	Cut: 63 positions
Adult and Youthful Offender Female Custody Positions	Cut: 8 positions
Criminal Justice Estimating Conference Estimate of Increased Need for Positions Due To Inmate Population Increase	Cut: 18 positions
Male Youthful Offender Positions	Cut: 21 positions
Special Correctional Institutions Operations	Cut: 65 positions
Reception Center Operations Positions	Cut: 20 positions
Probation Supervision Positions	Cut: 30 positions
Substance Abuse Probations Supervision Positions	Cut: 58 positions
Involuntary Civil Commitment of Sexually Violent Predators Trust Funds	Cut: \$1,500,000
Inmate Substance Abuse Treatment and Prevention Trust Funds	Cut: \$2,750,000
Contracted Substance Abuse Services Trust Funds	Cut: \$2,000,000
Inmate Basic Education GR	Cut: \$62,911

## **JUVENILE JUSTICE**

Juvenile Detention Positions	Cut: 160 positions
Programs to Reduce and Prevent Juvenile Crime – Home Detention	
Secrets of Success Program Trust Funds	Cut: \$375,000
Eckerd Youth Alternatives GR	Cut: \$675,000
Aftercare Contracted Services GR (Reduction to Be Ameliorated by Proviso Language Moving Programs from Day Treatment to Intense Supervision)	Cut: \$9,419,596
Juvenile Probation Positions	Cut: 99 positions
Juvenile Probation Total (Total is GR Except for \$674,319 from Trust Funds)	Cut: \$7,570,601
Non-Residential Rehabilitation GR	Cut: \$2,863,632
Non-Secure Residential Commitment Positions	Cut: 64 positions
Independent Living Beds GR	Cut: \$11,747,871
Wilderness Therapeutic Services GR	Cut: \$132,745
Delinquency Prevention and Diversion Positions	Cut: 77 positions
CINS/FINS GR (PREVENTION PROGRAM) (Children/Families In Need of Support)	Cut: \$4,637,089

## **THE COURTS**

Circuit Court Positions	Cut: 33 positions
Dependency Counsel GR	Cut: \$3,300,000

# **GENERAL GOVERNMENT**

## **DEPARTMENT OF AGRICULTURE**

**Total funds cut:** \$32.4 million reduction in GR, \$4.5 million increase in TF

**\$27.9 million overall reduction**

Total FTE's cut: 17 FTE's agency-wide

Major Issues:

?? Eliminates Citrus Canker Tree Replacement Program - \$27.2 million non-recurring General Revenue.

## **DEPARTMENT OF COMMUNITY AFFAIRS**

**Total funds cut:** \$1.5 million reduction in GR, \$570,000 reduction in TF

**\$2.1 million overall reduction**

Total FTE's cut: 14 FTE's agency-wide

## **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**Total funds cut:** \$5.7 million reduction in GR, \$6.2 million increase in TF

**\$448,000 overall increase**

Total FTE's cut: 18 FTE's agency-wide

Major Issues:

?? Replaced \$27 million in Recurring General Revenue with agency trust funds for mission critical programs and services.

?? Reduced Beach Management Fixed Capital Outlay Projects by \$1.9 million and utilized these resources to fund shift the beach management operating costs.

## **FISH & WILDLIFE CONSERVATION COMMISSION**

**Total funds cut:** \$3.7 million reduction in GR, \$2.8 million increase in TF

**\$911,000 overall reduction**

Total FTE's cut: 7 FTE's agency-wide

## **DEPARTMENT OF TRANSPORTATION**

**\*Total funds:** \$20 million reduction in GR, \$529 million increase in TF  
**\$509 million overall increase**

Total FTE's cut: No FTE's cut

Major Issues:

?? Eliminated a \$20 million non-recurring General Revenue transfer to the Transportation Trust Fund.

*\* \$529 million is provided for an acceleration of road projects in the Department's 5-year Work Program.*

## **AGENCY FOR WORKFORCE INNOVATION**

**Total funds cut:** \$5.0 million reduction in GR

Total FTE's cut: No FTE's cut

Major Issues:

?? Eliminated a \$5 million reserve for School Readiness programs that would not adversely impact the current level of services provided to children.

## **DEPARTMENT OF BANKING & FINANCE**

**Total funds cut:** \$461,000 reduction in GR, \$340,000 reduction in TF

**\$801,000 overall reduction**

Total FTE's cut: 6 FTE's agency-wide

## **DEPARTMENT OF BUSINESS & PROFESSIONAL REGULATION**

**Total funds cut:** \$556,000 reduction in TF

Total FTE's cut: 12 FTE's agency-wide

Major Issues:

?? 12 FTE's cut from Tobacco Pilot Program Enforcement. Positions are not filled, program was eliminated on June 30, 2001.

**EXECUTIVE OFFICE OF THE GOVERNOR/  
OFFICE OF TOURISM, TRADE & ECONOMIC DEVELOPMENT**

**\*Total funds:** \$14.1 million increase in GR, \$500,000 increase in TF  
**\$14.6 million overall increase**

Total FTE's cut: 3 FTE's agency-wide

Major Issues:

?? Converts \$5.6 million in recurring General Revenue to non-recurring General Revenue allocated to Enterprise Florida.

?? Cuts Qualified Targeted Industries by \$4,000,000 and Quick Action Closing by \$500,000, in non-recurring general revenue.

*\* \$20 million is provided for non-recurring funds for a Tourism Stimulus Program. These funds will be provided to the Florida Commission on Tourism/VISIT FLORIDA for enhanced marketing and promotional programs focused on Florida's key tourism areas.*

**DEPARTMENT OF HIGHWAY SAFETY & MOTOR VEHICLES**

**Total funds cut:** \$18.5 million reduction in GR, \$10.8 million increase in TF  
**\$7.6 million overall reduction**

Total FTE's cut: 29 FTE's agency-wide

Major Issues:

?? \$5 million in funding was eliminated for mobile data terminal (laptops) for the Highway Patrol.

?? \$12 million in General Revenue funded programs was shifted to the Highway Safety Operating Trust Fund.

**DEPARTMENT OF INSURANCE**

**Total funds cut:** **\$2.9 million reduction in TF**

Total FTE's cut: 52 FTE's agency-wide

**DEPARTMENT OF MANAGEMENT SERVICES**

**Total funds cut:** \$5 million reduction in GR, \$4.6 million increase in TF  
**\$467,000 overall reduction**

Total FTE's cut: 6 FTE's agency-wide

## **DEPARTMENT OF REVENUE**

**Total funds cut:** \$9.5 million reduction in GR, \$2.2 million increase in TF  
**\$7.3 million overall reduction**  
**Total FTE's cut:** 164 FTE's agency-wide

## **DEPARTMENT OF STATE**

**Total funds cut:** \$1.4 million reduction in GR, \$771,000 increase in TF  
**\$618,000 overall reduction**  
**Total FTE's cut:** 1 FTE agency-wide