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Budget Update

1. State Budgetary Framework



2. Trust Funds and Revenue Sources



3. FY 18/19 Legislative Budget Request



4. Federal & State Revenue Focus



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The purpose of this session is to provide an overview of the budgetary framework of the Fish and Wildlife Conservation Commission.

1. State Budgetary Framework



Budget Process: Constitutional Provisions

Article III, Section 19(a) – Requires an annual state budget and planning process, including detail reflecting annualized and nonrecurring costs

Article VII, Section 1(c) – No money shall be drawn from the state treasury except in pursuance of appropriation made by law

Article VII, Section 1(d) - Provision shall be made by law raising sufficient revenue to defray expenses of the state for each fiscal period



The State of Florida budget process is framed around the Florida Constitution. The Constitution sets forth an annual state budget and planning process, provides for how funds are drawn against the State, and provides direction on raising revenue to pay for appropriations.

Budget Process: Constitutional Provisions

Article III, Section 19(c)1 - No later than September 15 of each year, the legislature shall issue a long-range financial outlook setting out recommended fiscal strategies for the state in order to assist the legislature in making budget decisions.

Article III, Section 8 – Provides line item veto authority to the Governor in a general appropriations bill.



The Constitution has provisions for estimating revenue, directs that the Legislature is responsible for making appropriations, and provides line item veto authority to the Governor in a general appropriations bill. Additional state budget provisions are outlined in Chapter 216, Florida Statutes.

Primary Funding Sources

General Revenue Fund

- State Tax Revenues Available to the Governor and Legislature for any use
- These are the revenues that state programs compete for

State Trust Funds

- Revenues that are earmarked by law for specific purposes
- Governor and Legislature have little discretion in allocating among programs, unless law is changed
- Most trust funds subject to cash sweeps

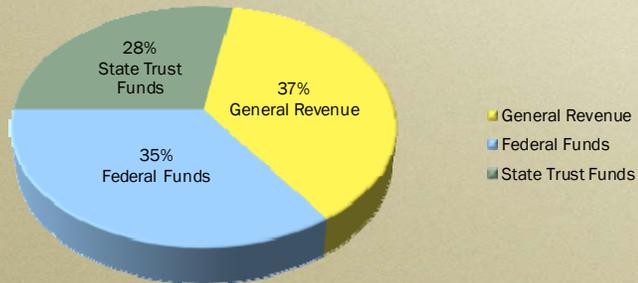
Federal Trust Funds

- Revenues that are provided to the State by the Federal Government
- There is limited legislative discretion except to appropriate the funds



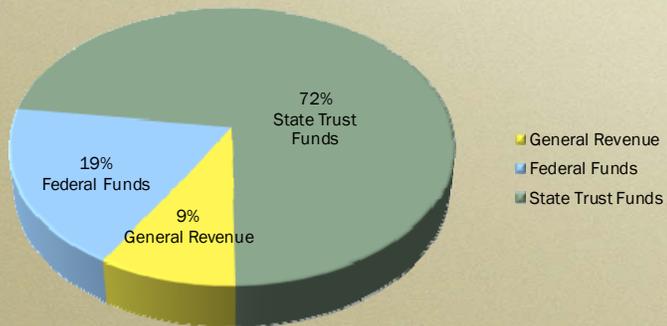
Each state agency is funded by a variety of funding sources. FWC funding sources will be covered in Section 2 of this workshop.

FY 17/18 State of Florida Budget \$82.4 Billion

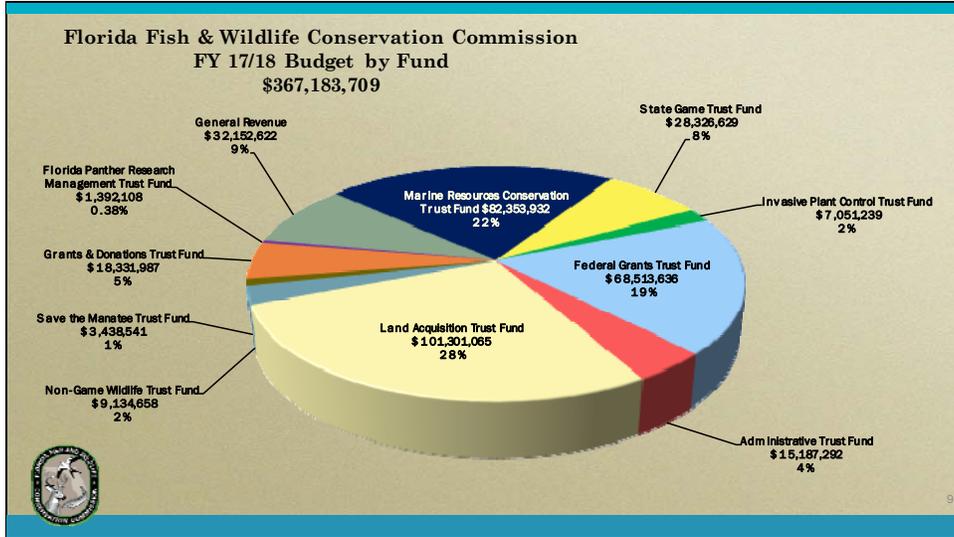


The budget passed by the Legislature during the 2017 session is approximately \$82.4 Billion and is split almost equally between General Revenue funding, Federal funding, and State Trust funds.

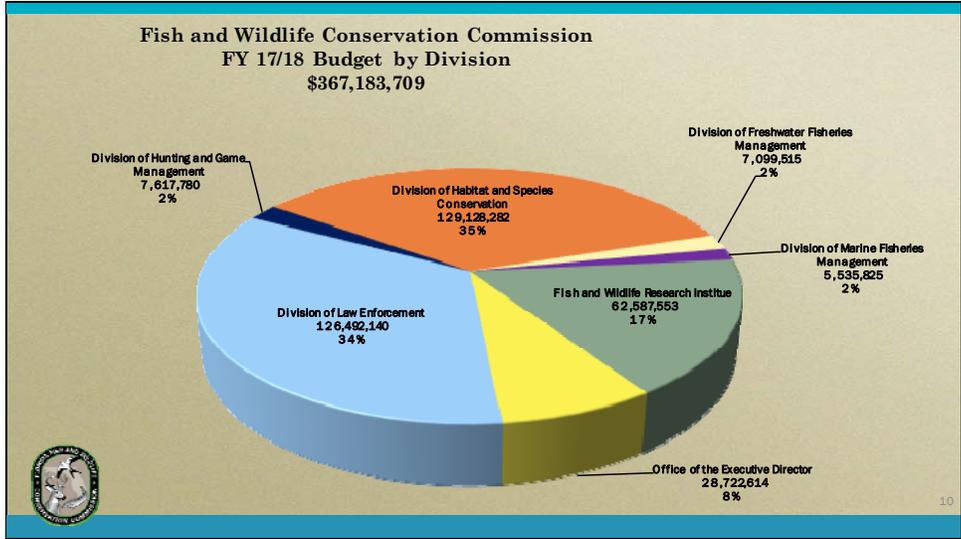
FY 17/18 FWC Budget \$367.2 Million



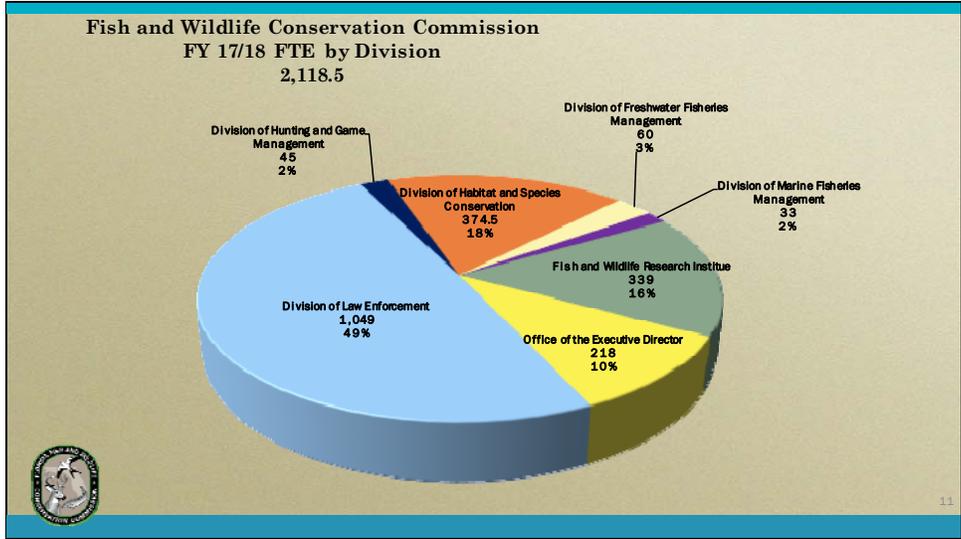
In contrast, FWC's budget is funded mostly from State Trust Funds.



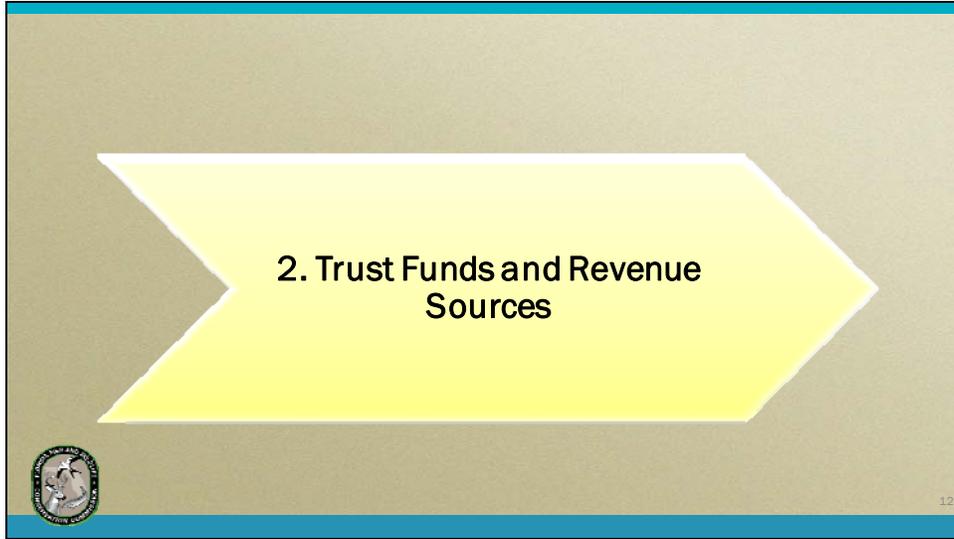
FWC operates from 13 discrete funds; the Land Acquisition Trust Fund is the largest from which we operate.



The largest division in terms of funding is the Division of Habitat and Species Conservation.



The largest division in terms of positions is the Division of Law Enforcement with 1,049 FTE.



The purpose of this session is to provide an overview of the revenue sources that comprise the FWC budget, and how those revenue streams can be used.

Revenue Sources

FWC has a diverse funding structure with 13 discrete trust funds with a wide variety of revenue streams

Most revenue sources remain fairly constant; some revenues are significantly impacted by economic trends

FWC staff analyze fund balances and monitor the health of the fund



While we project the revenues that will come into the trust funds, the Legislature determines (via annual appropriations) how much funding we can actually spend in any given year. For example, we can only spend up to the amount appropriated even if we receive more revenue than the budget that is appropriated. Similarly, if revenues come in at less than the budgeted amount, we can only spend up to the available amount of revenue. The authority for how these revenues can be spent is found in state statutes.

Trust Funds and Projected Revenue FY 17/18

Trust Fund	Revenue Source	Amount
Florida Panther Research and Management Trust Fund	Panther License Plate Sales	\$1,326,553
Non-Game Wildlife Trust Fund	Vehicle Registrations	\$8,085,711
	Fines, Forfeitures, and Judgements	\$1,388,750
Land Acquisition Trust Fund	Documentary Stamp Taxes	\$101,301,065
Lifetime Fish and Wildlife Trust Fund	Lifetime Recreational Licenses and Permits	\$2,872,288
Dedicated License Trust Fund	Five-Year Recreational Licenses and Permits	\$2,270,231



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Florida Panther Research and Management Trust Fund

Purpose of Fund: Provides funding to manage and protect Florida panthers, to educate the public on necessity of panther management, to reestablish Florida panthers into suitable habitat, and to promote and market the panther specialty license plate.

Nongame Wildlife Trust Fund

Purpose of Fund: Provides funding for the management and conservation efforts for non-game wildlife species, conservation stewardship, documentation of non-game wildlife populations trends, and assessment of wildlife habitat.

Land Acquisition Trust Fund

Purpose of Fund: Provides funding for acquisition and management of lands for the primary purpose of maintaining and enhancing their habitat value for fish and wildlife.

Lifetime Fish and Wildlife Trust Fund

Purpose of Fund: Lifetime license proceeds are held here in perpetual trust for the purpose of generating interest earnings to support fish and wildlife conservation programs. Interest is transferred to other trust funds for appropriation.

Dedicated License Trust Fund

Purpose of Fund: Serves as a holding trust for future portions of five-year license and permit sales. Each year 1/5 of proceeds and all interest earnings are transferred to operating trust funds for appropriation.

Trust Funds and Projected Revenue FY 17/18

Trust Fund	Revenue Source	Amount
Marine Resources Conservation Trust Fund	Vessel Registrations	\$15,570,697
	Fuel Taxes	\$13,400,000
	Transfers from Other Agencies	\$18,527,756
	Licenses and Permits	\$35,901,573
State Game Trust Fund	Licenses and Permits	\$19,496,910
	Transfers from Other Agencies	\$2,500,000
Invasive Plant Control Trust Fund	Vessel Registrations	\$1,439,250
	Fuel Taxes	\$6,300,000
Save The Manatee Trust Fund	Vessel Registrations	\$2,627,495
	Manatee License Plate Sales	\$1,307,752



Marine Resources Conservation Trust Fund:

Purpose of Fund: Provides funding for marine-related activities such as research, fisheries management and enhancement, artificial reefs, saltwater fish hatcheries, marine turtle protection, law enforcement, boating and waterways support and infrastructure, trap retrieval, aquatic education, recreational and commercial licensing, information/ education activities and marine mammal care.

State Game Trust Fund:

Purpose of Fund: Provides funding for various wildlife and freshwater fisheries activities, such as research, freshwater fisheries management, freshwater fish hatcheries, and law enforcement; recreational and commercial licensing programs for hunting and freshwater fishing activities; and education and information.

Invasive Plant Control Trust Fund:

Purpose of Fund: To achieve eradication or maintenance control of invasive exotic plants on public lands; to assist state and local government agencies in the development and implementation of coordinated management plans for the eradication; to contract or enter into agreements with entities for research concerning control agents; at least 20% of the documentary stamp tax revenues shall be used for the purpose of controlling non-native, upland invasive plant species on public lands.

Save the Manatee Trust Fund

Purpose of Fund: Provides funding for manatee and marine mammal research, management, protection, and recovery.

Trust Funds and Projected Revenue FY 17/18

Trust Fund	Revenue Source	Amount
Federal Grants Trust Fund	Federal Contracts and Grants	Wildlife & Sport Fish Restoration Program \$26,040,661
		Other Federal Programs \$42,472,975
Grants and Donations Trust Fund	Deepwater Horizon Settlements and Other Programs	\$18,331,987



Federal Grants Trust Fund:

Purpose of Fund: Serves as a depository for federal grant funds used for allowable grant activities within all programs of the agency.

Grants & Donations Trust Fund

Purpose of Fund: Serves as a depository for non-federal grant funds used for allowable grant activities within all programs of the agency.



The purpose of this section is to provide an overview of the State of Florida Legislative Budget Process and the work staff will be doing over the next few months. The final work product will be submitted for Commission approval at the September meeting.

Internal Budget Process

June

- Executive Director and Division Directors set parameters for 2018/19 LBR for new issues and potential reductions
- Divisions/Offices develop issues and potential reductions



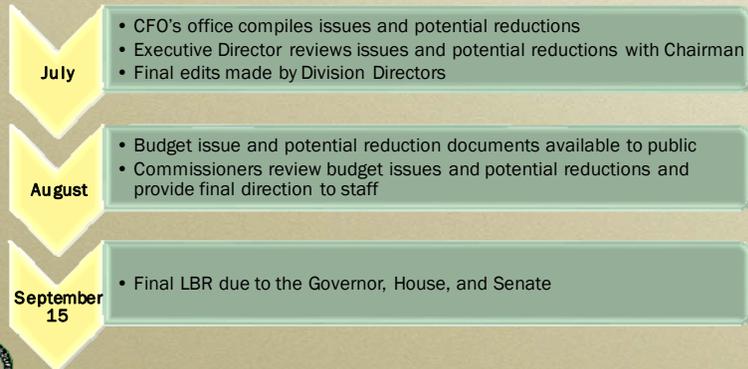
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Staff from the Governor's office and the Legislature develop and provide instructions to state agencies for timing and for criteria that must be included in each agency legislative budget request. All budget issues requested must meet this minimum criteria. Agencies develop their budget requests in accordance with this direction. Staff from the budget office make certain this criteria is met when compiling FWC requests.

New Issues:

Any new requests must be requested by general revenue funds or have the projected available funds in the designated trust fund. Agency, legislative, and governor's office staff spend a significant amount of time analyzing trust funds to determine the health of the fund and whether or not new issues can be supported by those revenues.

Internal Budget Process



All agency budget requests are due annually by October 15 to the Governor, House, and Senate. However, because legislative session has been moved to begin in January, we believe LBR's will be due on September 15.

FY 18/19 Legislative Budget Request Development

Agency policy should drive agency budget requests

- Commission Focal Areas
- Agency Strategic Initiatives



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Operation of Running the Business – Being More Cohesive Establish an internal infrastructure (team and process) that identifies the areas of business operations and practices that represent high risk, prioritize them and modify them to address risks.

Expand Participation in Conservation Increase conservation participation among youth and families representing Florida's diverse population by expanding partnerships to implement FYCCN and other programs that promote fishing, hunting, boating, wildlife viewing, shooting sports, and conservation appreciation.

Imperiled Species Management Plan

Complete the Imperiled Species Management Plan and begin implementing prioritized species actions and integrated conservation strategies by the end of 2015.

Conservation through Innovation

Implement a comprehensive approach, using innovative conservation tools and strategies, focusing on incentives for private lands and marine fisheries management. Strategies may include enhancing partnerships, incentives, and streamlining regulations.

Conflict Wildlife

Ensure continued support and appreciation for fish and wildlife by implementing an integrated programmatic approach across FWC, to minimize adverse human health and safety, environmental, social, and economic impacts from native and non-native fish, wildlife, and plants

Boating as a Gateway to Conservation and the Outdoors

Strengthen and promote the conservation connections of boating while protecting people and natural resources, and improving boating related opportunities.

Schedule VIII B: Target Reduction Exercise

Must meet target percentage amount as set by the Governor and Legislature (Historically 5% or 10%)

Target percentage amount applies to General Revenue Funds and Trust Funds separately

Provide a list of options and t should it be necessary to reduce the upcoming budget



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Reduction Exercise:

A target reduction amount is calculated on the what is called the “base budget”. This is the total annual budget less any one-time or non-recurring funding. Each year, as agencies prepare their budget requests, they are required by law to include a list of potential reductions that will be available for consideration should the State have a need to cut back spending. This doesn’t mean they intend to cut this much from every agency, but rather that they want a list of enough options to allow them to make some choices should there be a need.

Schedule VIIC: Reprioritization Exercise

Priority Listing of Agency Budget Issues for Possible Reprioritization

Identifies programs, services, functions and activities that are currently being performed that may no longer be the highest and best use of state resources.

Provides an opportunity to recommend how those resources could be redirected within the agency to other programs, services, functions and activities to achieve measurable results.

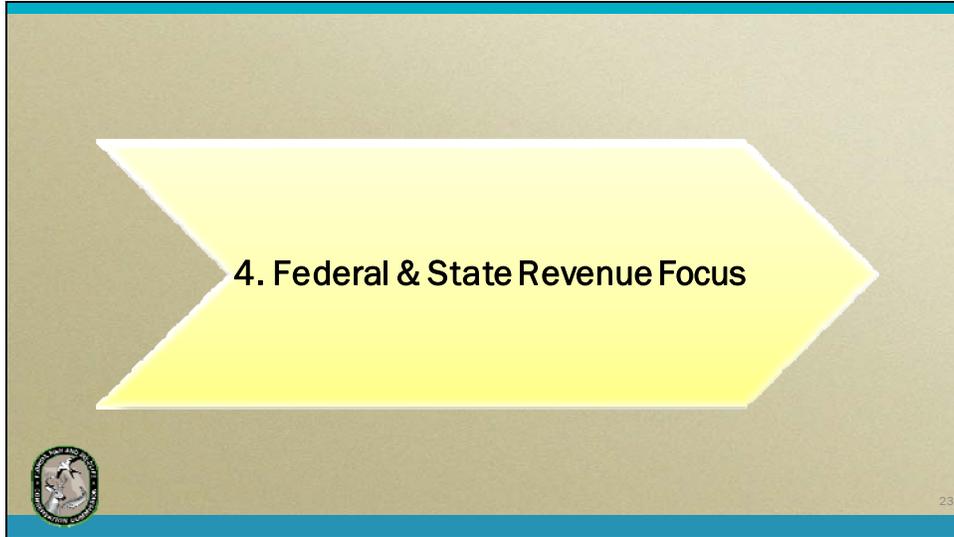


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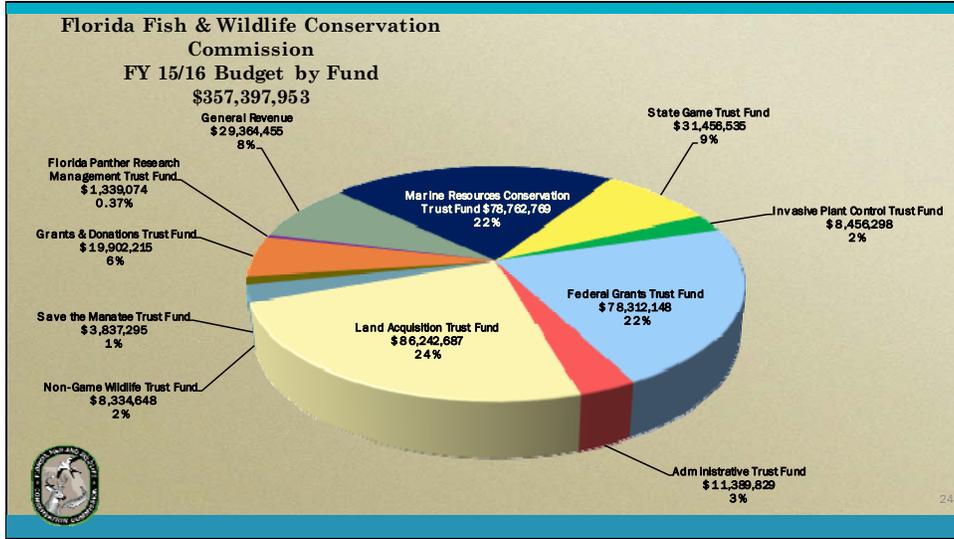
Schedule VIIC – Possible Reprioritization:

The purpose of the Schedule VIIC is to conduct a meaningful targeted review of the current programs, services, functions, and activities performed by the agency and make recommendations regarding how the agency could conduct business differently if not constrained by the current appropriation of recurring and nonrecurring resources and/or by state laws, rules, requirements or policies.

The Schedule VIIC identifies programs, services, functions and activities that are currently being performed that may no longer be the highest and best use of state resources and provides an opportunity for an agency to recommend how those resources could be redirected *within the agency* to other programs, services, functions, and activities to achieve measurable results.

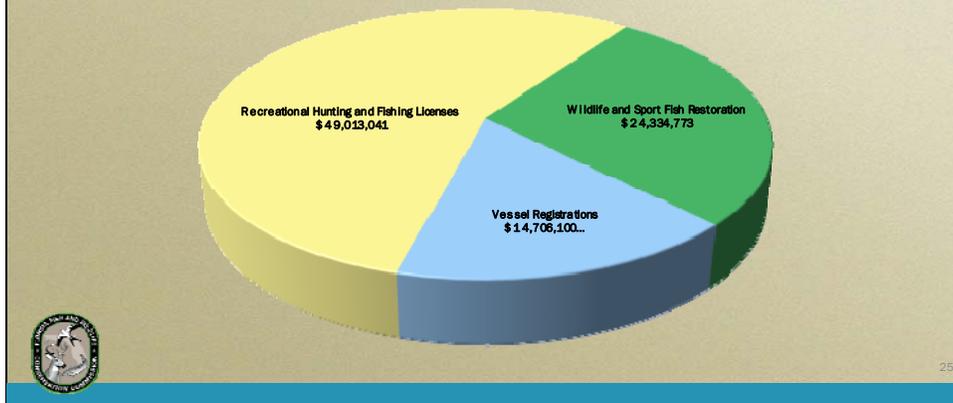


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This is a similar pie chart to what was shown earlier, but it is from the FY 15/16 fiscal year, and represents total budget by fund. FY 15/16 is the most current fiscal year of complete state data available, and we will use that to showcase specific revenue streams in the next slide.

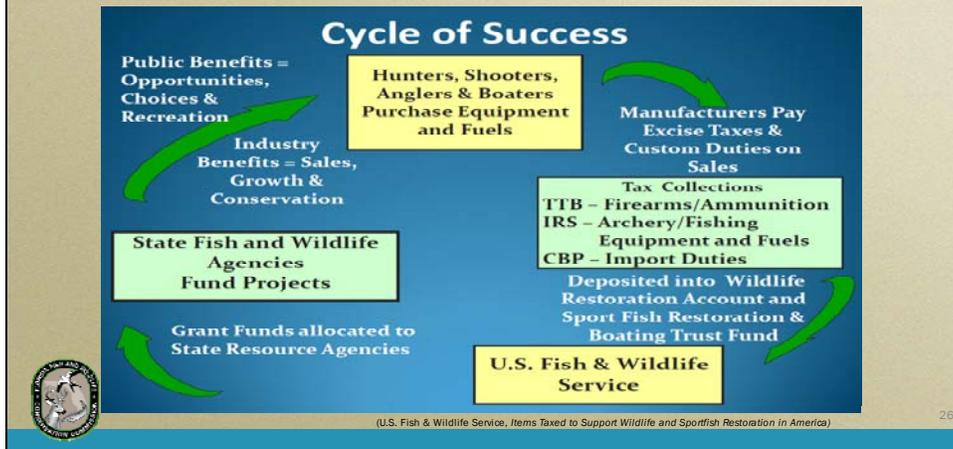
Federal and State User-Based Revenues FY 15/16 \$88 Million



The revenues depicted in this graph represent financial contributions from the hunting, shooting sports, angling, and boating industries, and the people of Florida who participate in these outdoor activities. Approximately 25% of the total revenues that support the Agency are from these sources:

- Recreational Hunting and Fishing Licenses – revenues collected from the sale of freshwater, saltwater, and hunting licenses and permits.
- Vessel Registration Fees – a portion of the revenues collected from registering a recreational vessel is directed to FWC in support of various programs.
- Wildlife and Sport Fish Restoration Program - Manufacturers, producers and importers pay an excise tax on shooting, archery, and angling equipment. Recreational boaters also contribute with fuel and electric motor taxes. The U.S. Fish and Wildlife Service administers the Wildlife and Sport Fish Restoration Programs and distributes funds to State fish and wildlife resource agencies.

Federal Excise Taxes Directed to State Fish and Wildlife Agencies



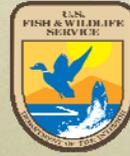
Manufacturers, producers and importers pay an excise tax on shooting, archery, and angling equipment. Recreational boaters also contribute with fuel and electric motor taxes. The U.S. Fish and Wildlife Service administers the Wildlife and Sport Fish Restoration Programs and distributes funds to State fish and wildlife resource agencies. Each year, millions of dollars are dedicated to fish and wildlife restoration and enhancement projects across the country.

Since implementation, more than \$16 billion have been collected, distributed, and matched with funds from State agencies. Projects focus on fish and wildlife management, species and habitat restoration, habitat protection, land acquisition, scientific study, population monitoring, hunter and aquatic education, and access for hunting, fishing and boating.

(U.S. Fish & Wildlife Service, *Items Taxed to Support Wildlife and Sportfish Restoration in America*)

Wildlife and Sport Fish Restoration Program

Over the last three years, Florida's share of federal funds made available through excise and fuel taxes has been approximately \$25 million annually.



These funds are critical to the agency's mission and provide for activities that support fish and wildlife management, species and habitat protection, land acquisition, population monitoring, hunter education, and access for fishing and boating. These programs are also matched with 25% of State funding.



Revenues from recreational license sales are a critical component of FWC’s financial structure, with over \$49 million collected in FY 15/16, and over \$50 million projected to be collected during FY 17/18.

The excise tax revenues collected and made available through the Wildlife and Sport Fish Restoration Program, are apportioned to states based on the number of paid license holders and the land/water area of the state.

FWC is working to optimize recreational license participation as part of the National effort to recruit, retain, and reactivate anglers, boaters, hunters and shooting sports participants.

For Commission Discussion/Action:

Budget Issues for FY 2018/19

- Priority requests or other budget development policy

Potential Reductions for FY 2018/19

- Areas of target for reduction exercise

Appoint Budget Liaison to work with Staff



Public Comment

