



Budget Workshop

June 11, 2013

Budget Workshop Overview

1. Budget
Process

2. Revenue
Sources

3. Annual
Operating
Budget

4. Public
Comment



The purpose of this session is to provide an overview of the State of Florida Legislative Budget Process and the budgetary framework of the Fish and Wildlife Conservation Commission. This session is intended to be informal and allow for an open question/answer exchange between Commissioners and staff. There will be time for public comment.

1. Budget Process



Budget Process: Major 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.

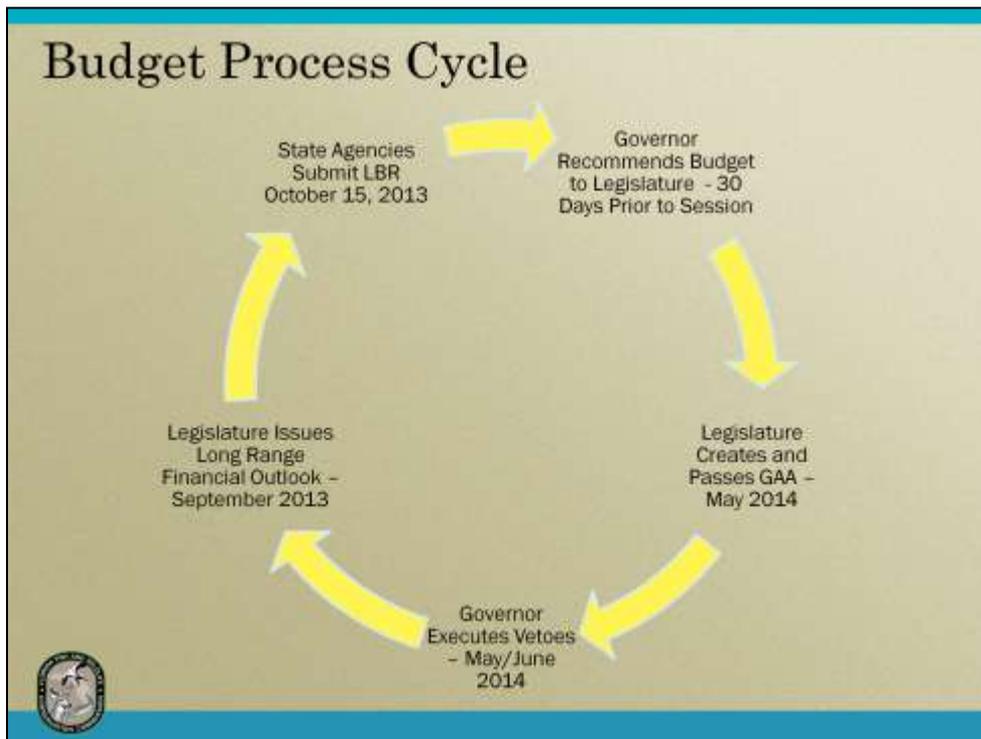
Budget Process: Major Constitutional Provisions

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.



The major players in the budget process are state agencies, the Governor, and the Legislature. This is an annual cycle.

The Appropriations Process

State Agencies submit budget requests on October 15, 2013.

Governor makes his recommendations 30 days prior to the onset of legislative session ~ late January/early February 2014.

House and Senate Committees workshop the budget; each chamber passes an independent appropriations bill ~ March/April 2014.

The differences in the bills are usually resolved through a conference by members of both chambers ~ April 2014.

The final product is the Conference Report or the General Appropriations Act ~ May 2014.



All state entities follow this process for annual funding.

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

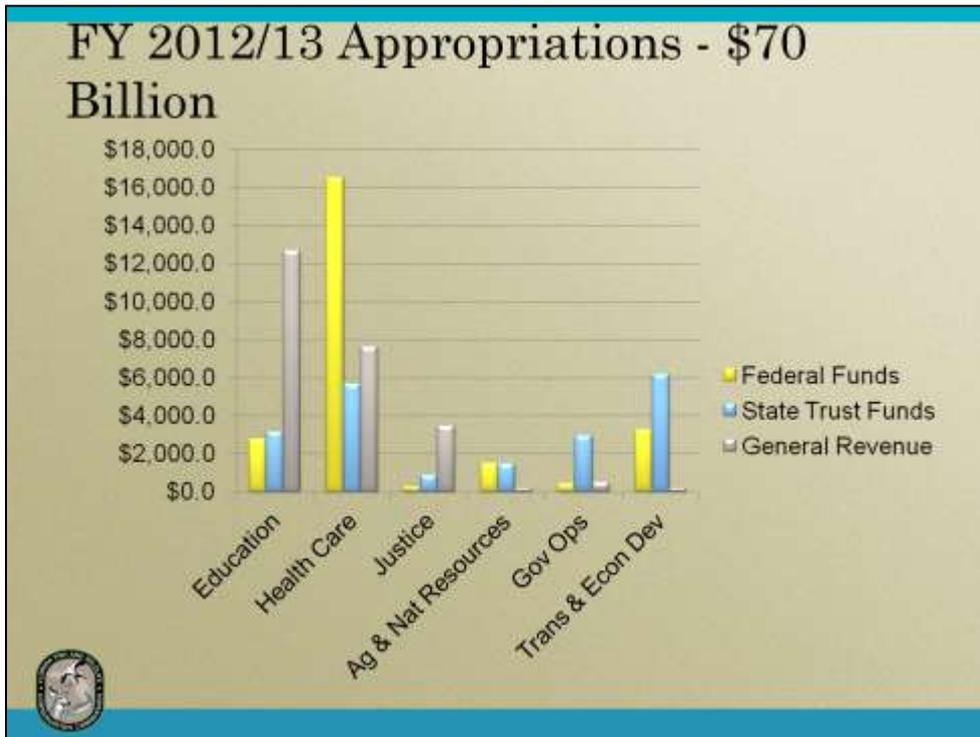
- Revenues that are earmarked by law for specific purposes
- Governor and Legislature have little discretion in allocating among programs, unless law is changed
- Most trust funds subject to cash sweeps

Federal Trust Funds

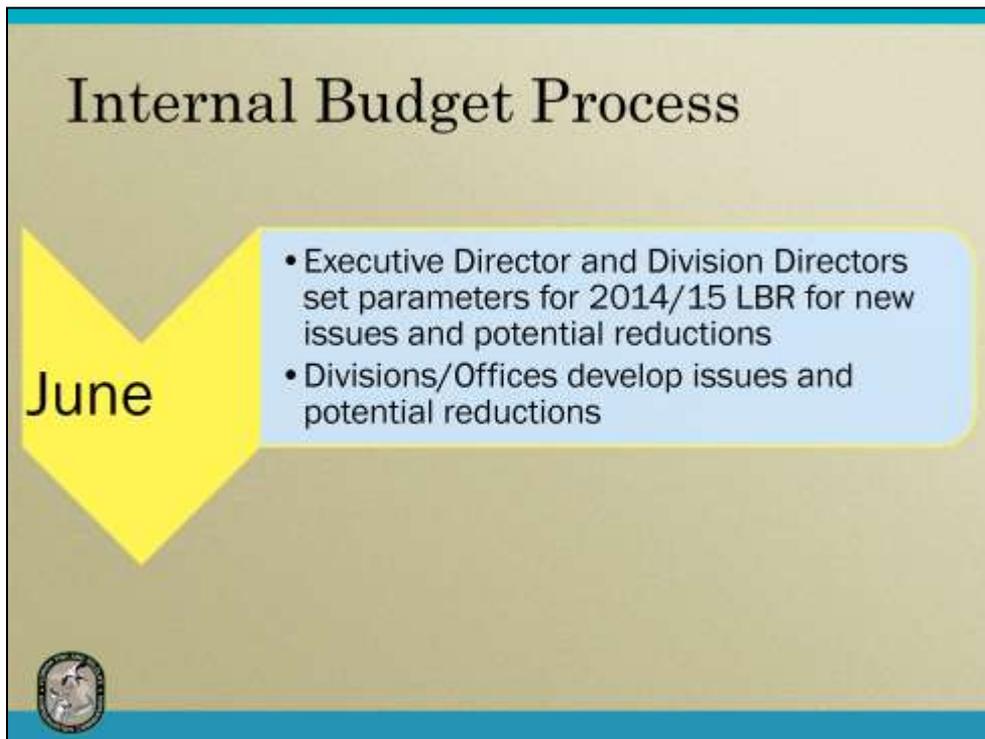
- Revenues that are provided to the State by the Federal Government
- There is limited legislative discretion except to appropriate the funds



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



The state budget is divided into major funding components: Education, Health Care, Justice, Agriculture and Natural Resources, Governmental Operations, and Transportation and Economic Development. State agencies are grouped within these funding components with other agencies with similar programs and missions. Accordingly, Senate and House Budget Subcommittees are organized so that funding requests are made within these groupings. Agencies compete for resources across large funding groupings and within each individual funding group. FWC is located within the Agriculture and Natural Resources funding group. Other agencies within this funding group are the Department of Agriculture and Community Services, the Department of Citrus, and the Department of Environmental Protection.



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. Agencies develop their budget requests in accordance with this direction.

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 support by those revenues.

Target Reduction Exercise

Must meet target percentage amount as set by the Governor and Legislature.

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

Provide a list of options and the impact to operations, should it be necessary to reduce the upcoming budget.

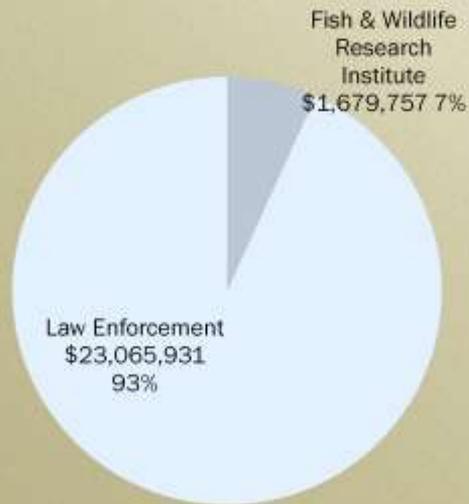


Reduction Exercise:

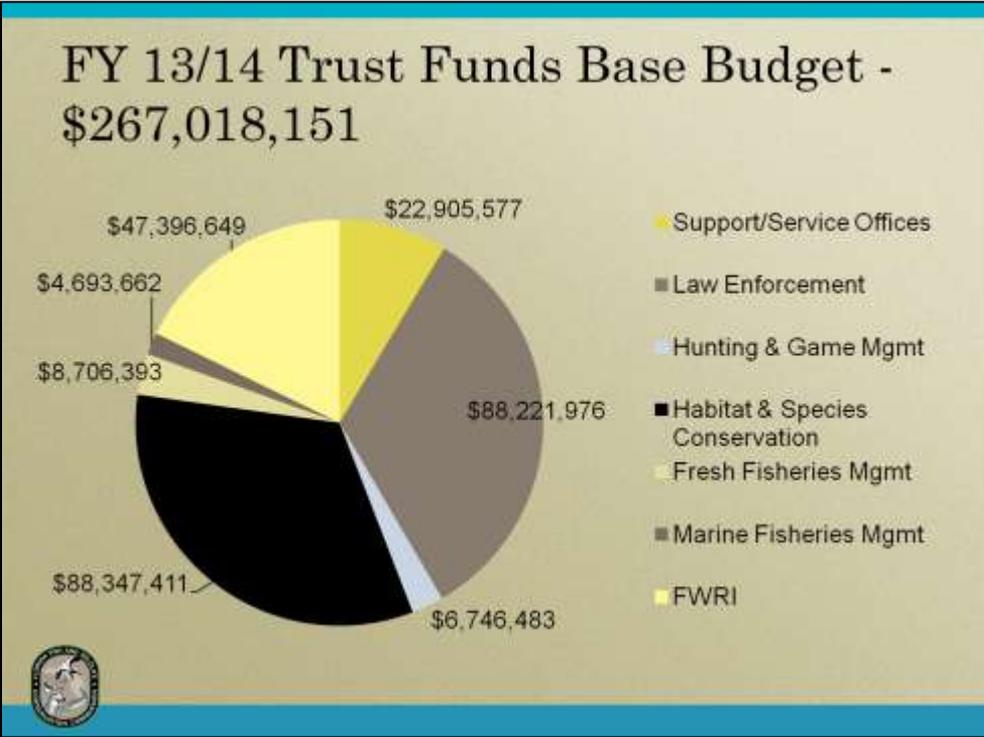
A target reduction amount is calculated on the what is called the “base budget”. This is the total annual budget less any one-time or non-recurring funding. Each year, as agencies prepare their budget requests, they are required by law to include a list of potential reductions that will be available for consideration should the State have a need to cut back spending. With the continuing slow economic recovery, the Legislature asked agencies to identify 5% of their adjusted recurring state budget for potential reduction, during the previous budget cycle. (This percentage is down from 10% in the prior year.) 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.

For the FY 13/14 Legislative Budget Request, staff looked at a few different options to prepare this list and settled on a staff recommendation to list a fair share from each division. Division directors carefully reviewed and prioritized their budgets, making every effort to minimize jobs losses, protect long term program investments, minimize impacts to existing programs’ abilities to effectively operate, maximize use of federal grants, continue work in progress, delay work not yet started, identify the least critical functions, and use efficiencies to reduce travel, operational, and equipment costs.

FY 13/14 General Revenue Base Budget - \$24,745,688



The General Revenue target reduction would have to be taken against funds in Law Enforcement and the Fish and Wildlife Research Institute, since those areas are the only divisions in the agency that are funded with General Revenue.



The Trust Fund Target amount would impact all divisions and offices because all receive revenue from trust funds.

Internal Budget Process

July

- CFO's office compiles issues and potential reductions
- Executive Director reviews issues and potential reductions with Chairman
- Final edits made by Division Directors

Aug/Sept

- Budget issue and potential reduction documents available to public
- Commissioners review budget issues and potential reductions and provide final direction to staff

October 15

- Final LBR due to the Governor, House, and Senate



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Questions?





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Revenue Sources

FWC has a diverse funding structure with 14 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

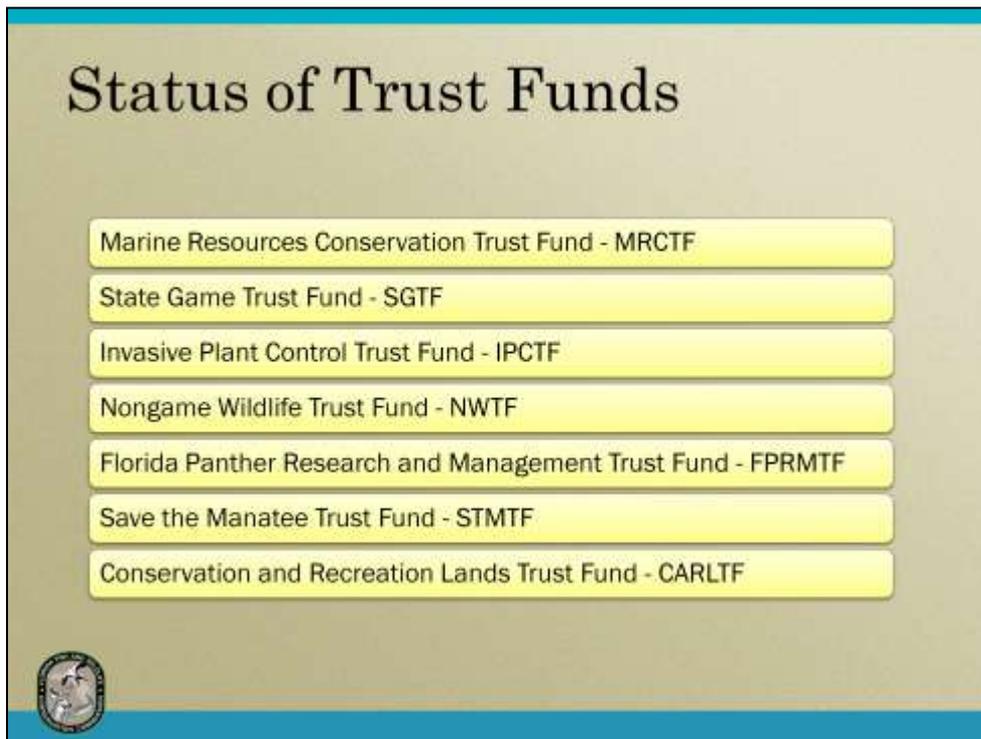


Projected Revenue Streams FY 12/13



Projected Revenue Streams FY 12/13





Status of Trust Funds– See Tab 2

Marine Resource Conservation Trust Fund – MRCTF: 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, aquatic education, recreational and commercial licensing, information/education, recreational and commercial licensing, and marine mammal care.

State Game Trust Fund – SGTF: 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 activities; and education.

Invasive Plant Control Trust Fund – IPCTF: Provides for eradication or maintenance control of invasive exotic plants on public lands.

Nongame Wildlife Trust Fund – NWTF: Provides funding for the management and conservation efforts for non-game wildlife species, conservation stewardship, documentation of non-game wildlife population trends, and assessment of wildlife habitat.

Florida Panther Research and Management Trust Fund – FPRMTF: Provides funding to manage and protect Florida panthers, educate the public on panther management, and reestablish panthers into suitable habitat.

Save the Manatee Trust Fund – STMTF: Provides funding for manatee and marine mammal research, management, protection, and recovery.

Conservation and Recreation Lands Trust Fund – CARLTF: Provides funding for the management of conservation and recreation lands by the Commission.



Status of Trust Funds– See Tab 2

Land Acquisition Trust Fund – LATF: Provides funding for the acquisition and management of fish and wildlife mitigation park land and mitigated species recovery plans.

Federal Grants Trust Funds – FGTF: Serves as a depository for federal grant funds used for allowable grant activities within all programs of the agency.

Grants and Donations Trust Funds – GDTF: Serves as a depository for non-federal grant funds and used for allowable grant activities within all programs of the agency.

Florida Forever Trust Fund – FFTF: Provides funding for acquisition of inholdings and acquisitions managed by the Commission.

Administrative Trust Fund – ATF: Supports central administrative functions of the agency.

Dedicated License Trust Fund – DLTF: Serves as a holding trust for future portions of five-year license and permit sales.

Lifetime Fish and Wildlife Trust Fund – LFWTF: Lifetime license proceeds are held here in perpetual trust for the purpose of generating interest earnings to support fish and wildlife conservation programs.

Questions?





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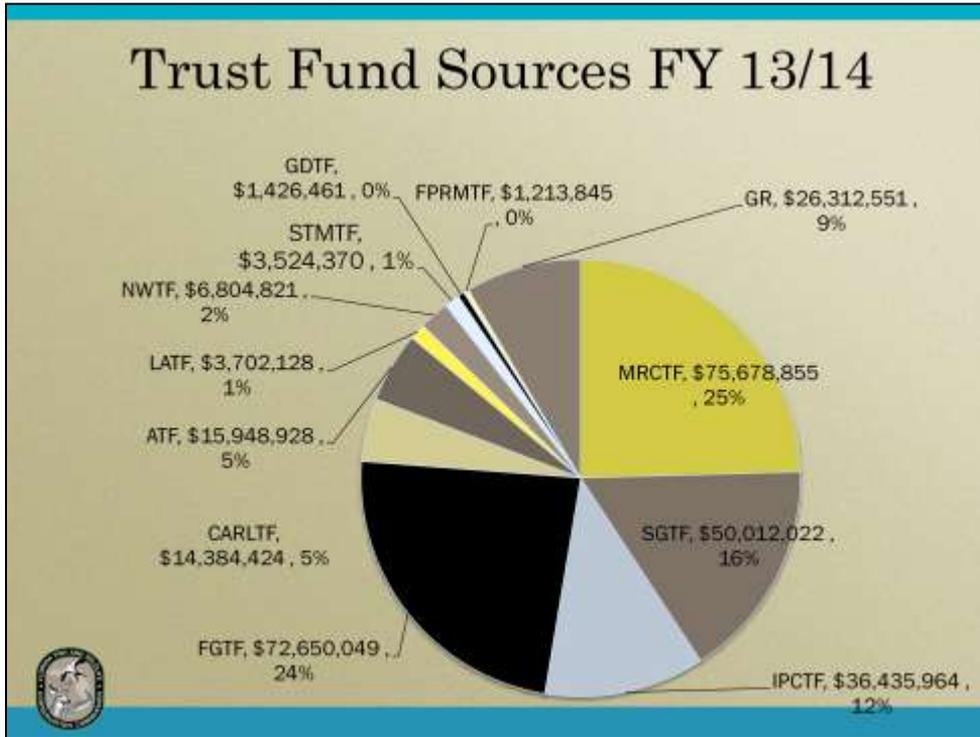


The state budget is appropriated in a bill that is called the Conference Report or the General Appropriations Act (GAA). Budget bills are effective for one year only. Within each agency budget, there is a “base budget”. The base budget refers to those amounts that an agency needs to continue current operations. Examples include amounts for salaries/benefits, expenses, and contract services. Funding is appropriated as either recurring or non-recurring. Recurring funding becomes part of the base budget and non-recurring funding is typically only available for the budget year. An exception to that is Fixed Capital Outlay (FCO) Funding. This funding is for new buildings or permanent improvements/repairs to structures.

The FWC budget is further divided into Division/Office budget categories. It is also tracked by major program, with full –time equivalent (FTE) positions and spending categories.

See Tab 3 for the FWC section of the FY 13/14 General Appropriations Act.

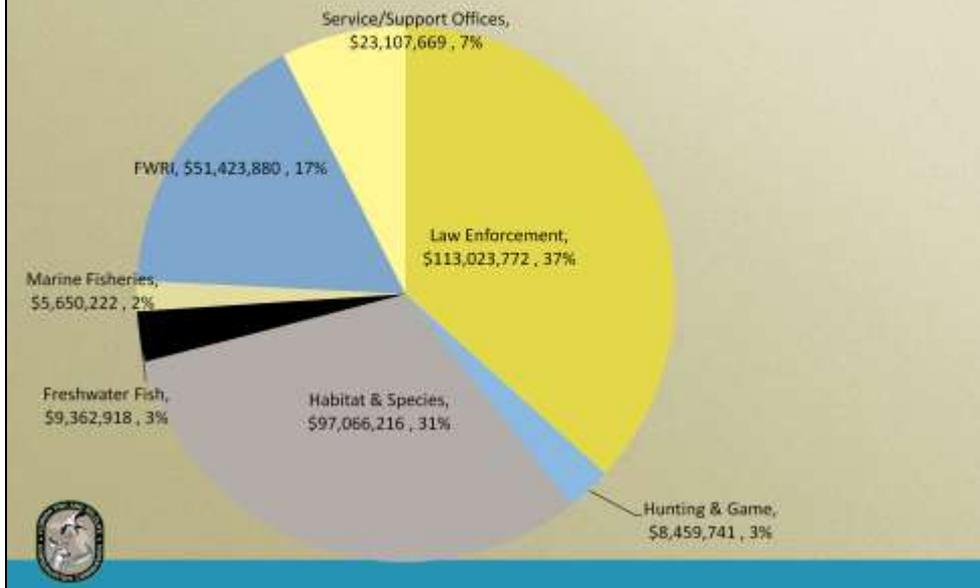
Trust Fund Sources FY 13/14



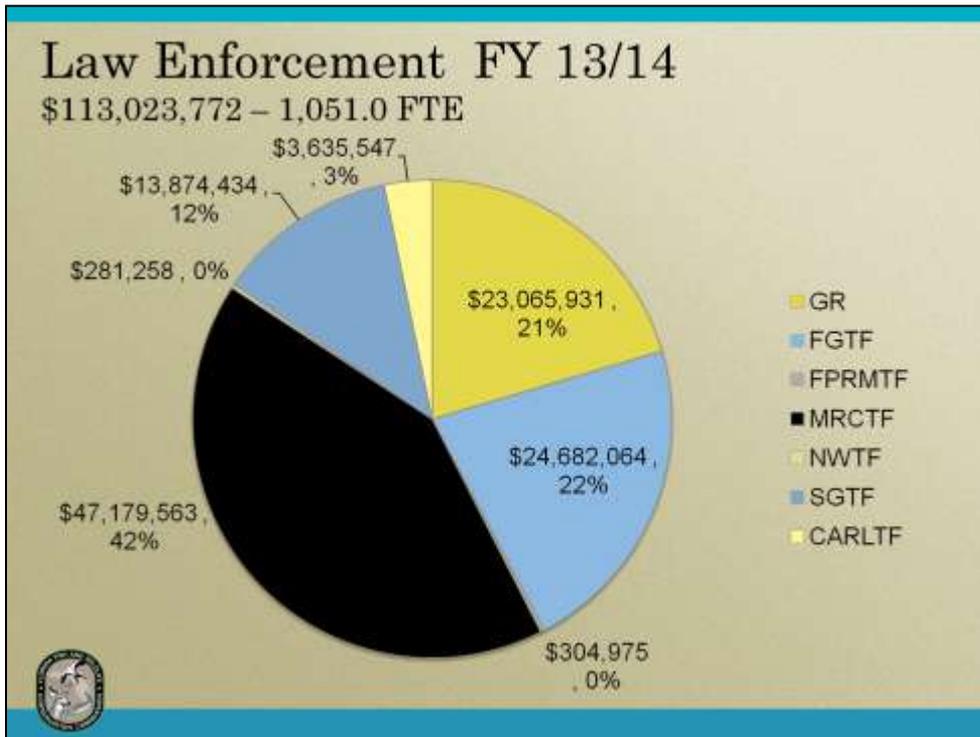
FWC utilizes numerous discrete trust funds and the general revenue fund to operate.

| | |
|---------------|----------------------|
| MRCTF | \$75,678,855 |
| SGTF | \$50,012,022 |
| IPCTF | \$36,435,964 |
| FGTF | \$72,650,049 |
| CARLTF | \$14,384,424 |
| ATF | \$15,948,928 |
| LATF | \$3,702,128 |
| NWTF | \$6,804,821 |
| STMTF | \$3,524,370 |
| GDTF | \$1,426,461 |
| FPRMTF | \$1,213,845 |
| GR | \$26,312,551 |
| Total: | \$308,094,418 |

Budget By Division/Office FY 13/14



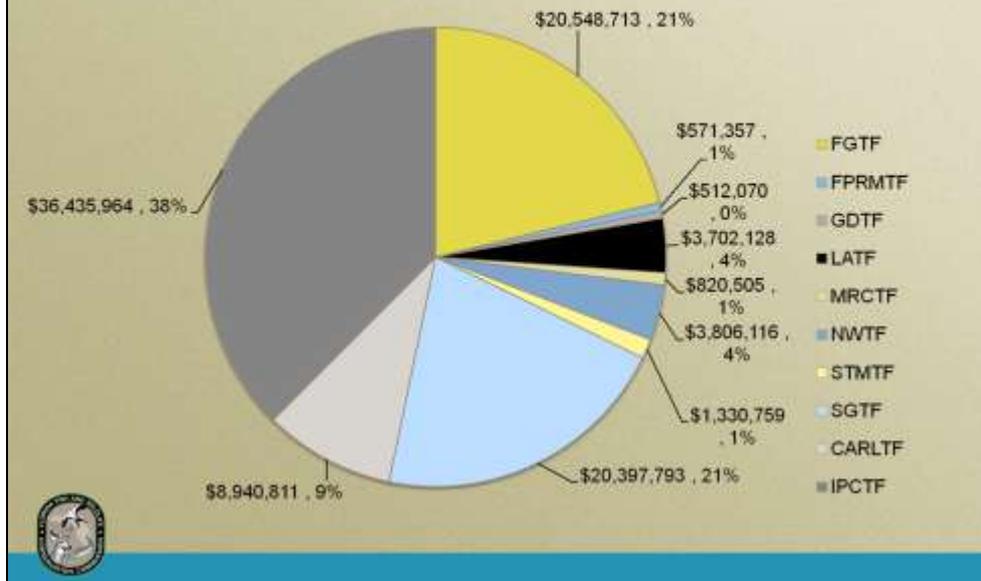
| | |
|-------------------------|---------------|
| Service/Support Offices | \$23,107,669 |
| Marine Fisheries | \$5,650,222 |
| Freshwater Fisheries | \$9,362,918 |
| Hunting & Game Mgmt | \$8,459,741 |
| F&W Research | \$51,423,880 |
| Habitat & Species Consv | \$97,066,216 |
| Law Enforcement | \$113,023,772 |
| Agency Total: | \$308,094,418 |



BUDGET SUMMARY

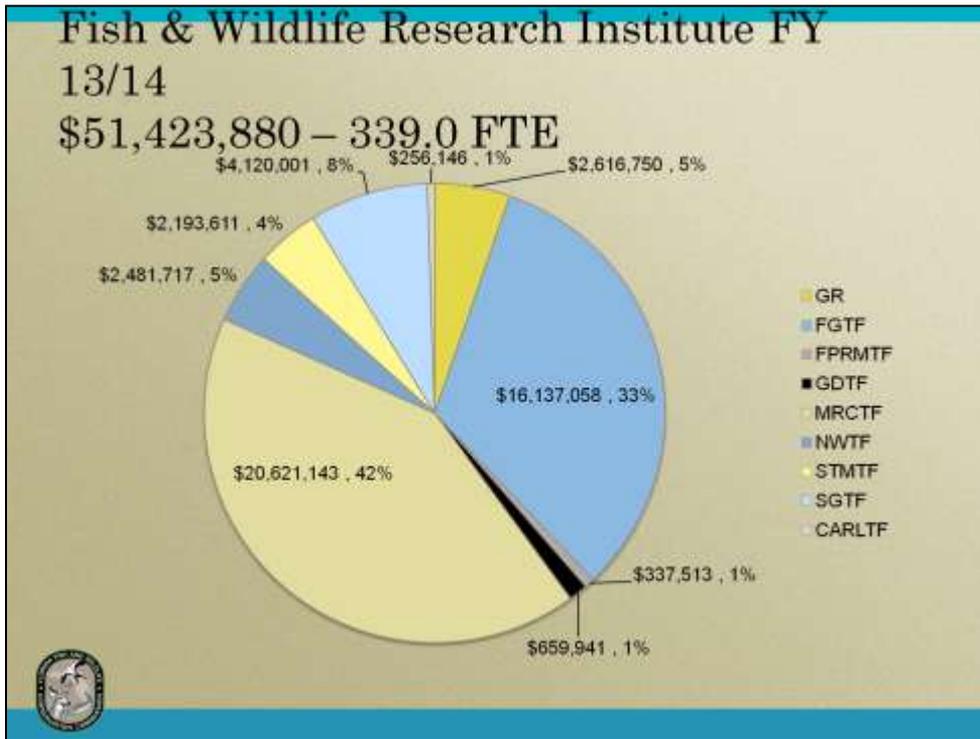
| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|--------------------------|---------|--------------|--------------|---------------|
| GR | | \$19,653,271 | \$3,412,660 | \$23,065,931 |
| FGTF | | \$4,775,814 | \$16,606,250 | \$21,382,064 |
| FPRMTF | | \$304,975 | \$0 | \$304,975 |
| MRCTF | | \$31,291,107 | \$14,702,591 | \$45,993,698 |
| NWTF | | \$281,258 | \$0 | \$281,258 |
| SGTF | | \$8,395,597 | \$4,228,837 | \$12,624,434 |
| CARLTF | | \$2,844,486 | \$791,061 | \$3,635,547 |
| Total Operating | | \$67,546,508 | \$39,741,399 | \$107,287,907 |
| FCO : | | | | |
| Boating Improvement | | | \$5,112,000 | \$5,112,000 |
| Windley Key Field Office | | | \$623,865 | \$623,865 |
| Total Budget | 1,051.0 | \$67,546,508 | \$45,477,264 | \$113,023,772 |

Habitat & Species Conservation FY 13/14 \$97,066,216 – 362.0 FTE



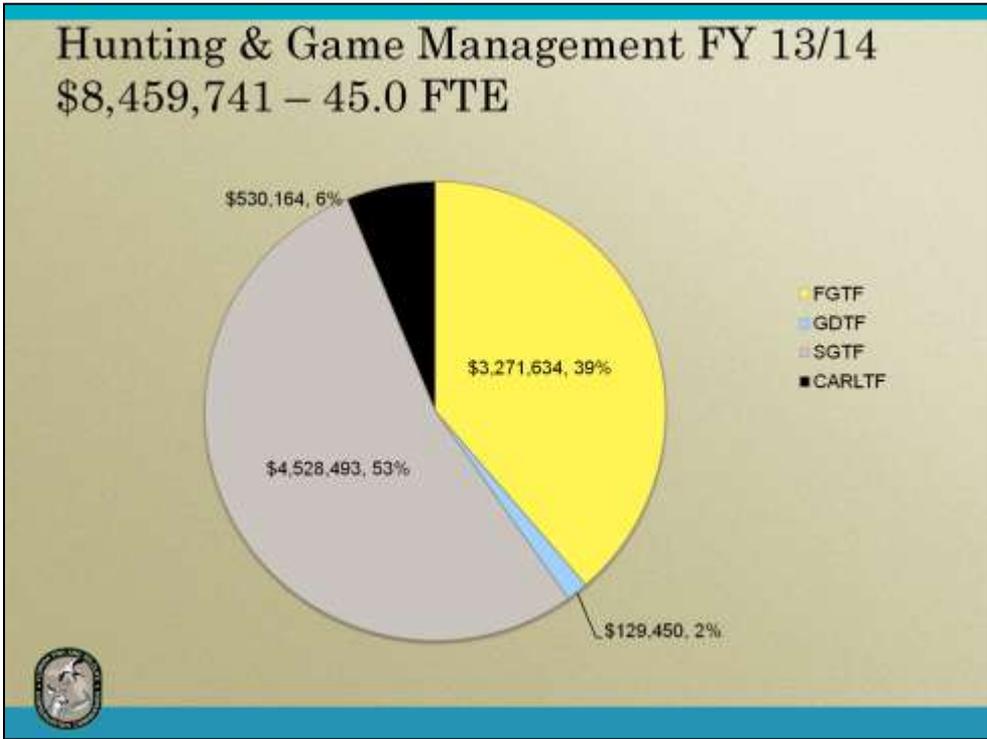
BUDGET SUMMARY

| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|-------------------------|-------|--------------|--------------|--------------|
| IPCTF | | \$2,139,800 | \$34,221,164 | \$36,360,964 |
| FGTF | | \$3,300,686 | \$17,248,027 | \$20,548,713 |
| FPRMTF | | \$219,874 | \$351,483 | \$571,357 |
| GDTF | | \$0 | \$512,070 | \$512,070 |
| LATF | | \$465,042 | \$3,237,086 | \$3,702,128 |
| MRCTF | | \$547,924 | \$272,581 | \$820,505 |
| NWTF | | \$1,790,687 | \$2,015,429 | \$3,806,116 |
| STMTF | | \$817,862 | \$512,897 | \$1,330,759 |
| SGTF | | \$5,523,746 | \$9,874,547 | \$15,398,293 |
| CARLTF | | \$5,344,218 | \$3,596,593 | \$8,940,811 |
| Total Operating | | \$20,149,839 | \$71,841,877 | \$91,991,716 |
| FCO: | | | | |
| Lake Restoration | | | \$2,000,000 | \$2,000,000 |
| WMA Land Improvements | | | \$999,500 | \$999,500 |
| Lake Apopka Restoration | | | \$2,000,000 | \$2,000,000 |
| Invasive Plant Facility | | | \$75,000 | \$75,000 |
| Total Budget | 362.5 | \$20,149,839 | \$76,916,377 | \$97,066,216 |



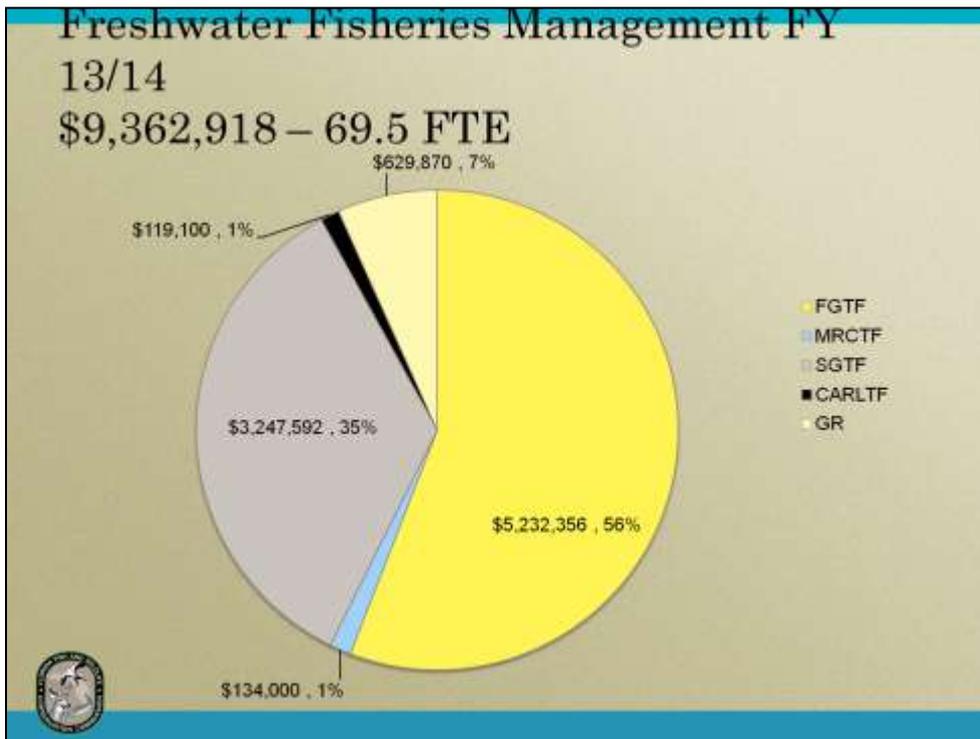
BUDGET SUMMARY

| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|-----------------------------|--------------|---------------------|---------------------|---------------------|
| GR | | \$0 | \$2,616,750 | \$2,616,750 |
| FGTF | | \$5,124,565 | \$11,012,493 | \$16,137,058 |
| FPRMTF | | \$186,801 | \$150,712 | \$337,513 |
| GDTF | | \$0 | \$659,941 | \$659,941 |
| MRCTF | | \$9,275,550 | \$11,345,593 | \$20,621,143 |
| NWTF | | \$1,076,047 | \$1,405,670 | \$2,481,717 |
| STMTF | | \$922,060 | \$1,271,551 | \$2,193,611 |
| SGTF | | \$2,784,302 | \$1,335,699 | \$4,120,001 |
| CARLTF | | \$159,116 | \$97,030 | \$256,146 |
| Total Operating | | \$19,528,441 | \$29,895,439 | \$49,423,880 |
| FCO: | | | | |
| Marine Youth Consv Facility | | \$0 | \$2,000,000 | \$2,000,000 |
| Total Budget | 339.0 | \$19,528,441 | \$31,895,439 | \$51,423,880 |



BUDGET SUMMARY

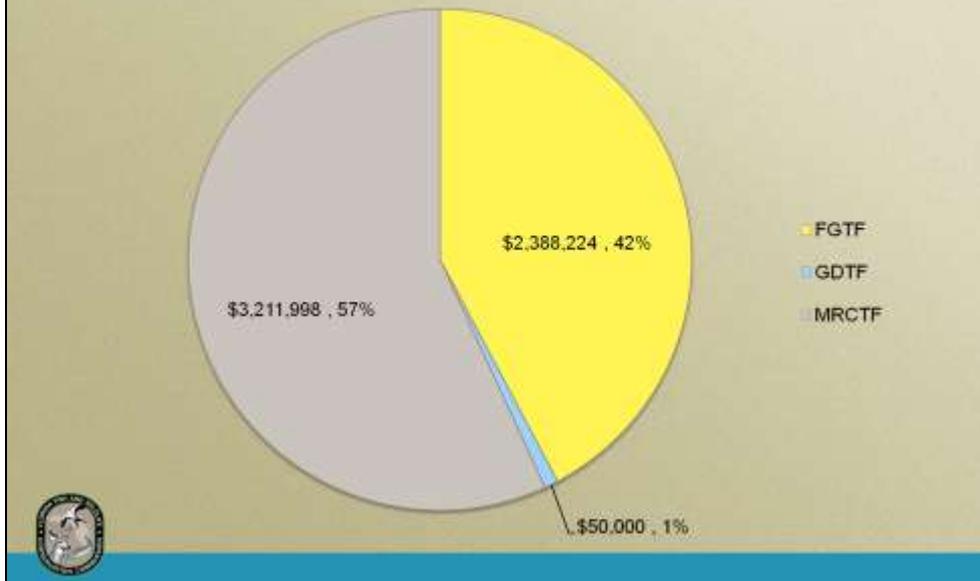
| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|------------------------------|------|--------------|-------------|--------------|
| FGTF | | \$620,505 | \$1,251,129 | \$1,871,634 |
| GDTF | | | \$129,450 | \$129,450 |
| SGTF | | \$1,543,870 | \$2,984,623 | \$4,528,493 |
| CARLTF | | \$463,880 | \$66,284 | \$530,164 |
| Total Operating | | \$2,628,255 | \$4,431,486 | \$7,059,741 |
| FCO: | | | | |
| Triple N Ranch Shooting Park | | \$0 | \$1,400,000 | \$1,400,000 |
| Total Budget | 45.0 | \$2,628,255 | \$5,831,486 | \$8,459,741 |



BUDGET SUMMARY

| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|-----------------|------|--------------|-------------|--------------|
| FGTF | | \$2,641,107 | \$2,591,249 | \$5,232,356 |
| MRCTF | | | \$134,000 | \$134,000 |
| SGTF | | \$1,311,305 | \$1,936,287 | \$3,247,592 |
| CARLTF | | \$44,849 | \$74,251 | \$119,100 |
| GR | | \$0 | \$629,870 | \$629,870 |
| Total Operating | | \$3,997,261 | \$5,365,657 | \$9,362,918 |
| FCO: (none) | | | | |
| Total Budget | 69.5 | \$3,997,261 | \$5,365,657 | \$9,362,918 |

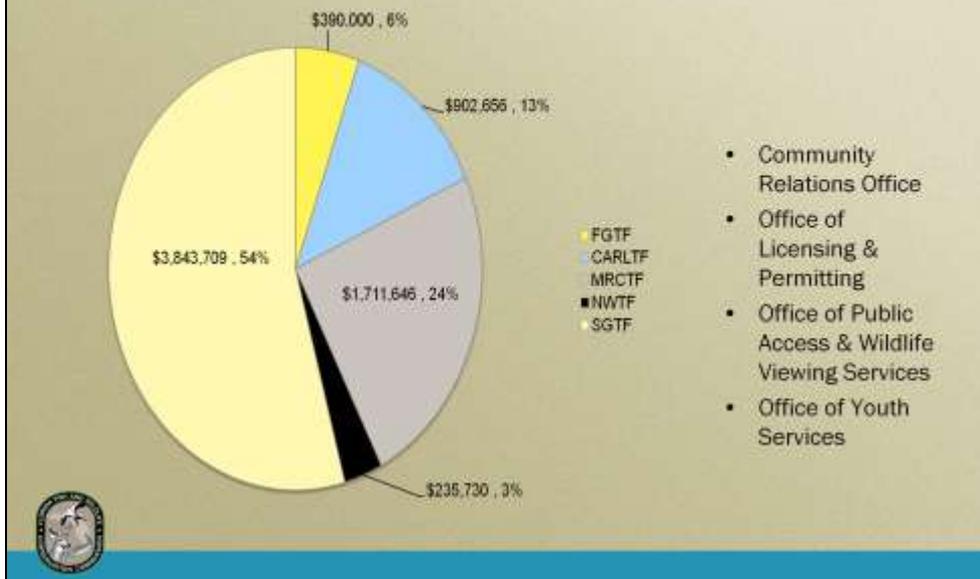
Marine Fisheries Management FY 13/14 \$5,650,222 – 30.0 FTE



BUDGET SUMMARY

| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|-----------------|------|--------------|-------------|--------------|
| FGTF | | \$556,882 | \$1,331,342 | \$1,888,224 |
| GDTF | | | \$50,000 | \$50,000 |
| MRCTF | | \$1,343,472 | \$1,068,526 | \$2,411,998 |
| Total Operating | | \$1,900,354 | \$2,449,868 | \$4,350,222 |
| FCO: | | | | |
| Artificial Reef | | \$0 | \$1,300,000 | \$1,300,000 |
| Total Budget | 30.0 | \$1,900,354 | \$3,749,868 | \$5,650,222 |

Services Offices FY 13/14 \$7,083,741 – 45.5 FTE



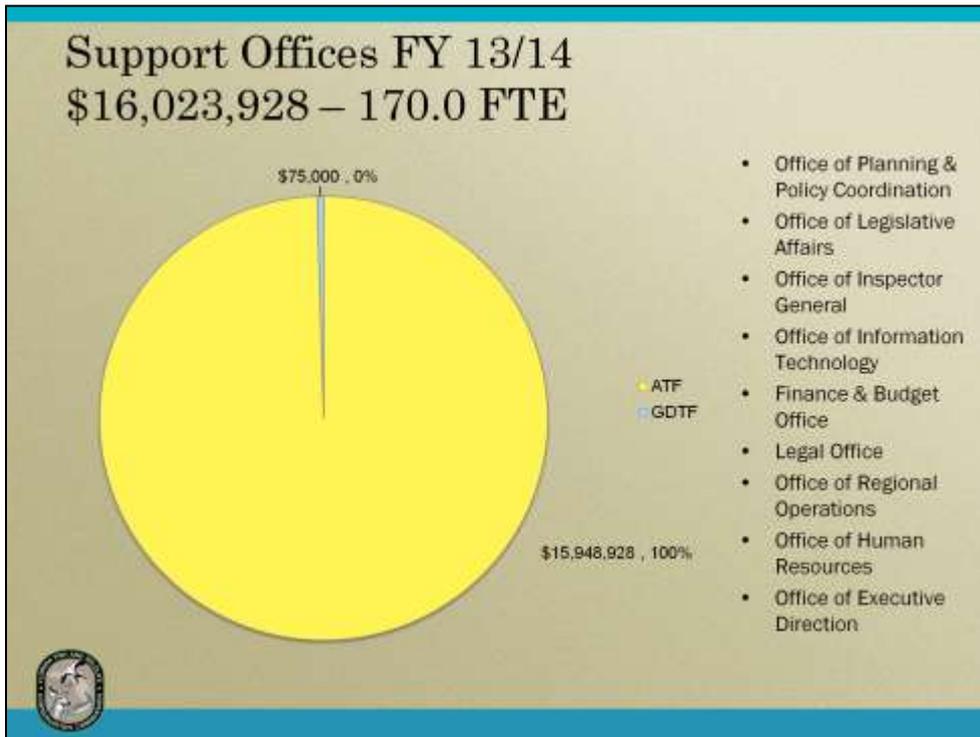
Services Offices include:

Community Relations Office

Office of Licensing & Permitting

Office of Public Access & Wildlife Viewing Services

Office of Youth Services



Support Offices provide central administrative support for the agency. The agency's cost for these offices is \$16,023,928 or 5.2% of the total budget.

BUDGET SUMMARY

| Funding Source | #FTE | FTE Salaries | Other Costs | Total Budget |
|-----------------|-------|--------------|-------------|--------------|
| ATF | | \$10,241,886 | \$5,707,042 | \$15,948,928 |
| GDTF | | | \$150,000 | \$75,000 |
| Total Operating | | \$10,241,886 | \$5,857,042 | \$16,023,928 |
| FCO: (none) | | | | |
| Total Budget | 170.0 | \$10,241,886 | \$5,857,042 | \$16,023,928 |

Changes to Operating Budget

c. 216,
Florida
Statutes

- Budget Amendments
- Legislative Budget Commission



Changes to the annual operating budget may generally only be made with approval from the legislature and the Governor's office.

2011 Economic Impact

| Category | Economic Impact | Jobs |
|--------------------|-------------------------|----------------|
| Boating Industry | \$16,800,000,000 | 202,700 |
| Saltwater Fishing | \$5,692,000,000 | 54,500 |
| Freshwater Fishing | \$2,631,000,000 | 24,800 |
| Wildlife Viewing | \$5,784,000,000 | 51,400 |
| Hunting | \$780,000,000 | 10,700 |
| | | |
| | | |
| TOTAL | \$31,687,000,000 | 344,100 |



36

This slide simply shows the economic impact of hunting, fishing, and boating activities and industries within the State of Florida.

For Commission Discussion:

Budget Issues for FY 2014/15

- Discuss priority requests or other budget development policy.

Potential Reductions for FY 2014/15

- Discuss target reduction exercise.



The following slides are considered backup material and are not anticipated to be part of the actual presentation to the Commission



Potential Reductions for 2013 Legislative Session

- 5% list - \$10.0 million:
 - \$1.2 million GR
 - \$8.8 million Trust
- Staff recommendation is to proportion a 5% reduction from each division to meet the goals.



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. With the continuing slow economic recovery, the Legislature asked agencies to identify 5% of their adjusted recurring state budget for potential reduction. (This percentage is down from 10% in the prior year.) 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.

Staff looked at a few different options to prepare this list and settled on a staff recommendation to list a fair share from each division. Division directors carefully reviewed and prioritized their budgets, making every effort to minimize jobs losses, protect long term program investments, minimize impacts to existing programs' abilities to effectively operate, maximize use of federal grants, continue work in progress, delay work not yet started, identify the least critical functions, and use efficiencies to reduce travel, operational, and equipment costs.

Potential Reductions – 5% List

- Law Enforcement
 - eliminate 21 officer positions \$1.1 million GR
 - eliminate 56 officer positions \$3.0 million TF
- Hunting & Game Management
 - reduce public information outreach \$60,000 TF
 - eliminate small game management program \$162,066 TF



The next few slides outline the reductions by division.

Potential Reductions – 5% List

- Habitat & Species Conservation
 - eliminate IFAS transfer \$844,171 TF
 - reduce habitat restoration \$143,000 TF
 - reduce lake restoration \$639,211 TF
 - reduce invasive plant mgmt \$1.7 million TF
- Freshwater Fisheries Management
 - reduce management operations \$160,582 TF



Potential Reductions – 5% List

- Marine Fisheries Management
 - reduce outreach & education \$20,000 TF
 - reduce blue crab outreach \$4,000 TF
 - reduce blue crab advisory meetings \$6,000 TF
 - reduce trap retrieval program \$82,642 TF



Potential Reductions – 5% List

- Fish & Wildlife Research Institute
 - reduce red tide research \$83,988 GR
 - eliminate marine mammal care \$854,000 TF
 - reduce marine fisheries assessment \$283,015 TF
 - defer research facilities maintenance \$265,000 TF



Potential Reductions – 5% List

- Executive Direction & Support Services
 - reduce public services & public access
\$145,555 TF; 1.50 FTE
 - reduce operational support \$316,788 TF
 - reduce information technology \$213,000 TF

