



Budget Workshop

June 19, 2014

Budget Workshop Overview



The purpose of this session is to provide an overview of 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. Budgetary Framework



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.

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

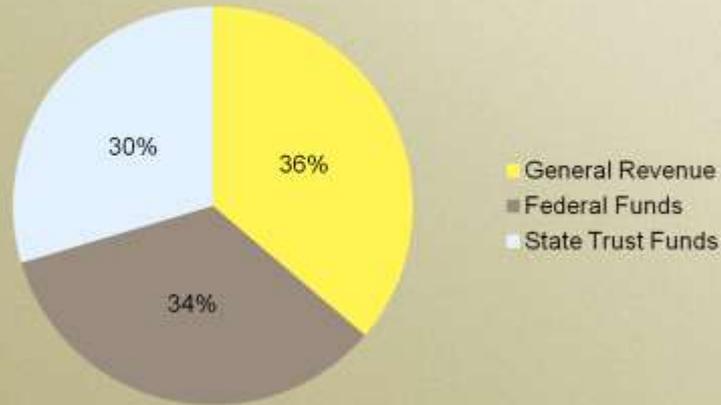
Federal Trust Funds

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

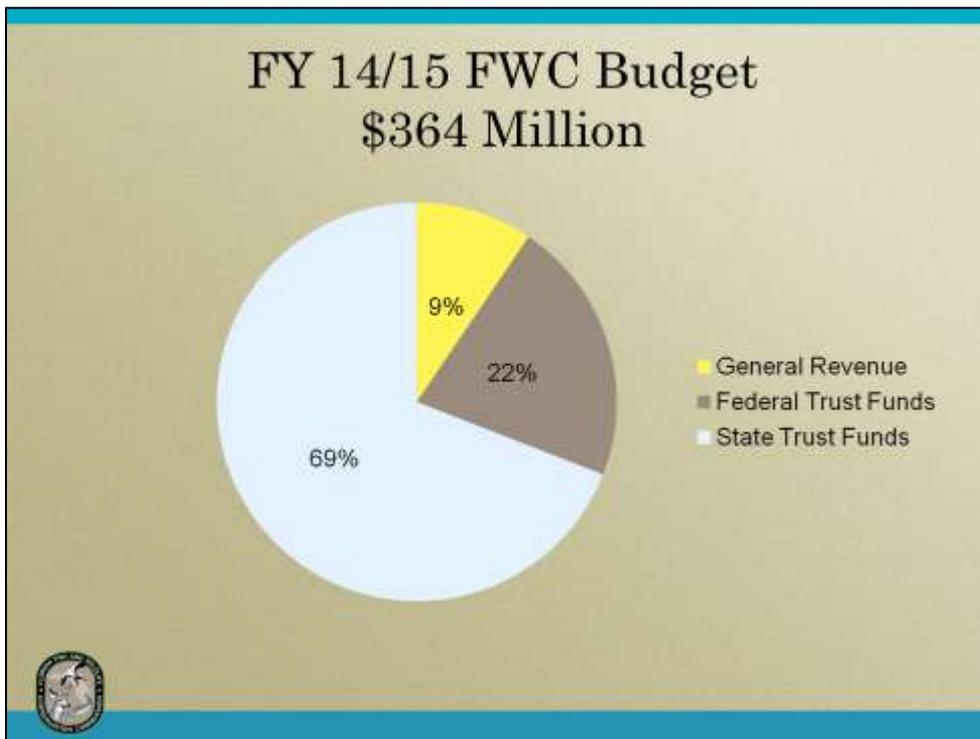


Each state agency is funded by a variety of funding sources. FWC funding sources will be covered in Section 2 of this workshop.

FY 14/15 State of Florida Budget \$77 Billion



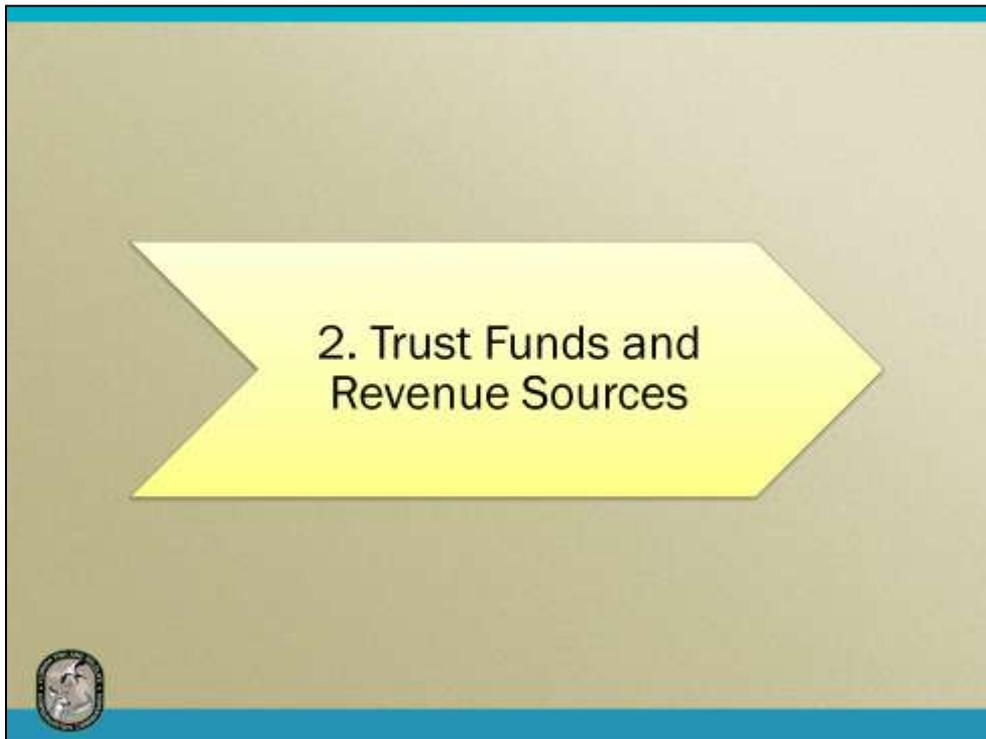
The budget passed by the Legislature during the 2014 Session is approximately \$77B and is split almost equally between General Revenue funding, Federal Funding and State Trust funds.



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

Questions?





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.

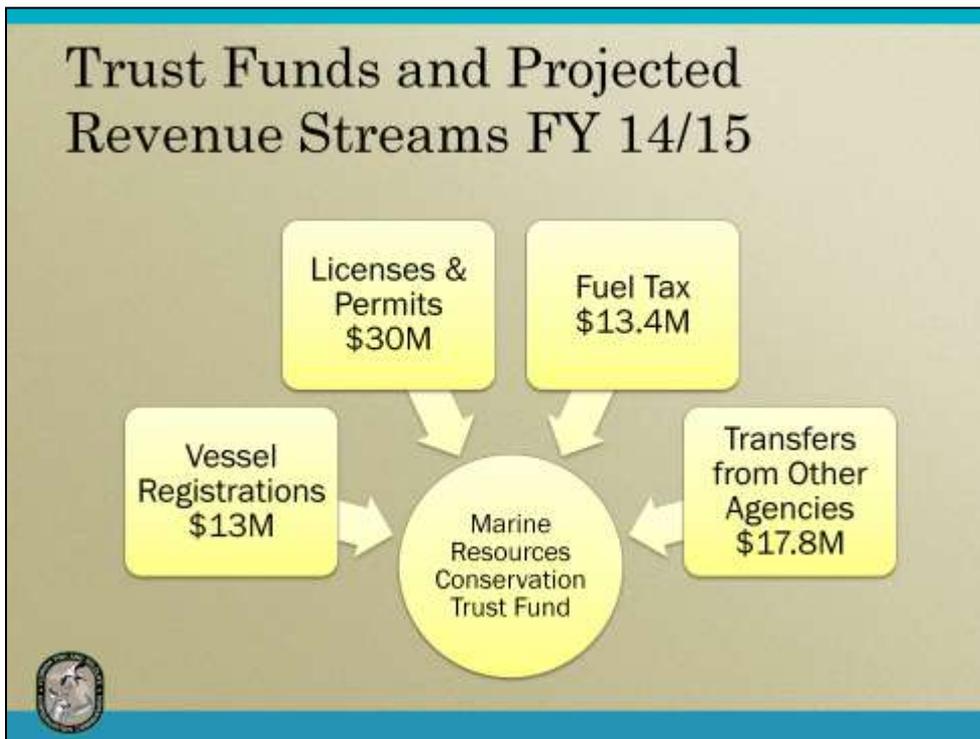
Revenue Sources

FWC has a diverse funding structure with 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





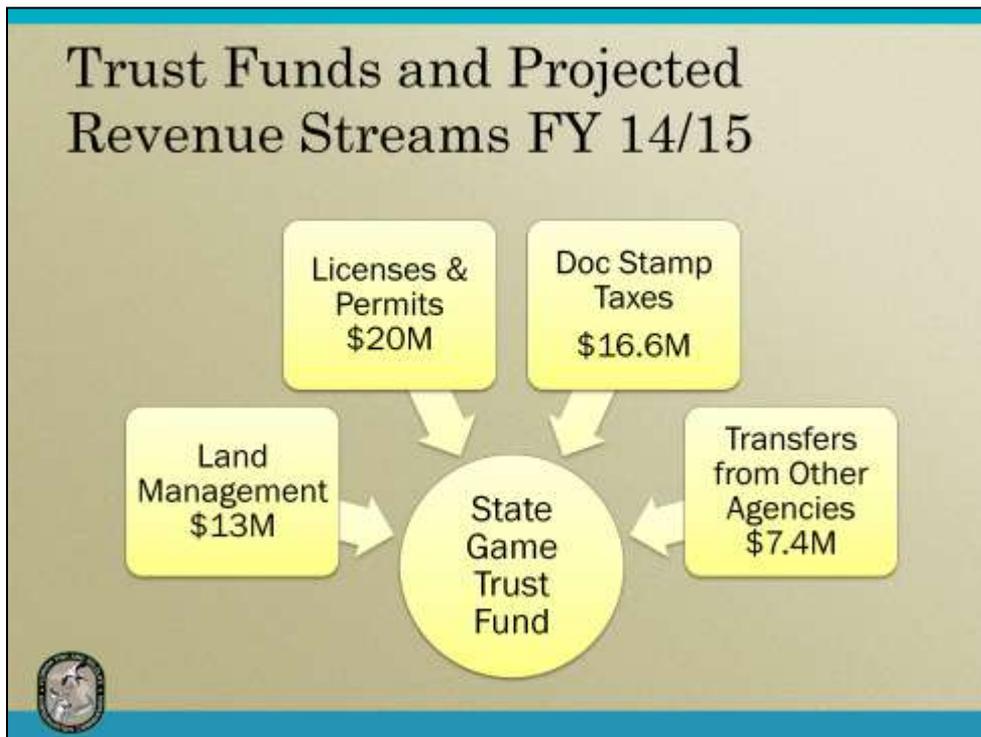
While we project the revenues that will come into the trust funds, the Legislature determines (via annual appropriations) how much funding we can actually spend in any given year. For example, we can only spend up to the amount appropriated even if we receive more revenue than the budget that is appropriated. 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.

Marine Resources Conservation Trust Fund:

Revenue Sources: Recreational and commercial saltwater fishing licenses, permits, fees and fines; vessel registration fees; marina fuel taxes; marine turtle specialty license plate fees (voluntary fee); boating fines, fees and penalties; judgments and forfeitures; transfers from other agencies, contract reimbursements, proceeds from sale of seized property, and interest earnings.

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.

Programs Supported: Division of Law Enforcement; Division of Habitat and Species Conservation; Division of Marine Fisheries Management; Fish and Wildlife Research Institute; Office of Community Relations; Office of Licensing and Permitting; Office of Policy and Accountability.



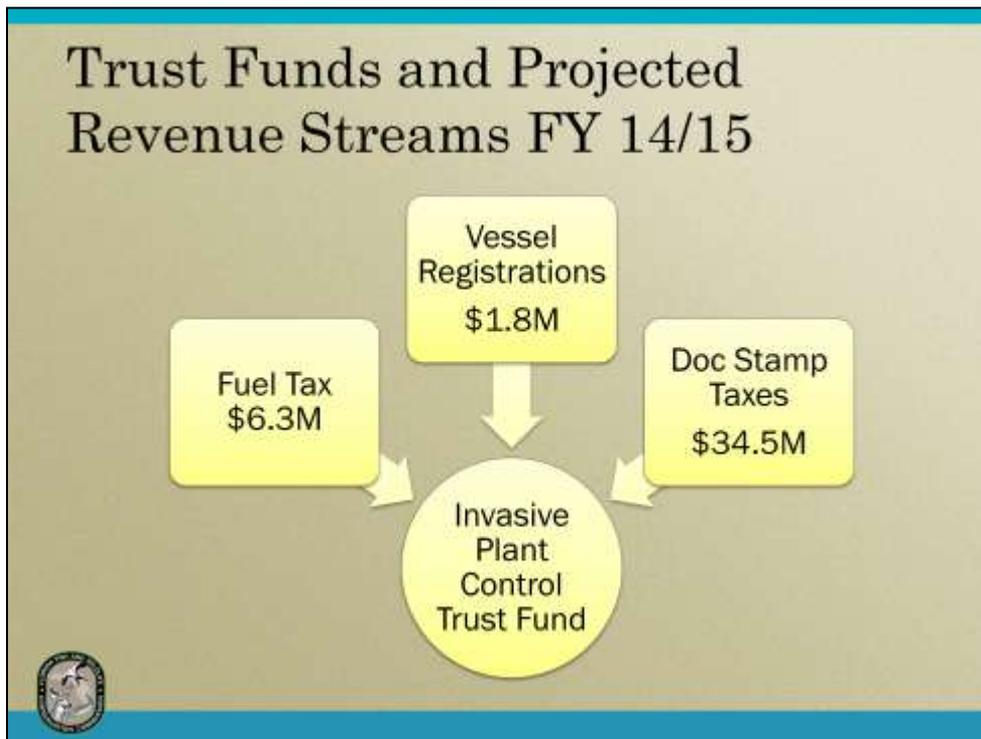
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State Game Trust Fund:

Revenue Sources: Fees from hunting and freshwater fishing licenses, permits, stamps, and tags; documentary stamp taxes, Wildlife Management Area access fees; Largemouth Bass specialty license plate fees (voluntary fee); motor fuel taxes; land management revenues, contract reimbursements, donations, proceeds from sale of seized property, and interest earnings.

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.

Programs Supported: Division of Law Enforcement; Division of Habitat and Species Conservation; Division of Hunting and Game Management; Division of Freshwater Fisheries Management; Division of Marine Fisheries Management; Fish and Wildlife Research Institute; Office of Public Access and Wildlife Viewing Services; Office of Community Relations; Office of Licensing and Permitting; Office of Policy and Accountability.



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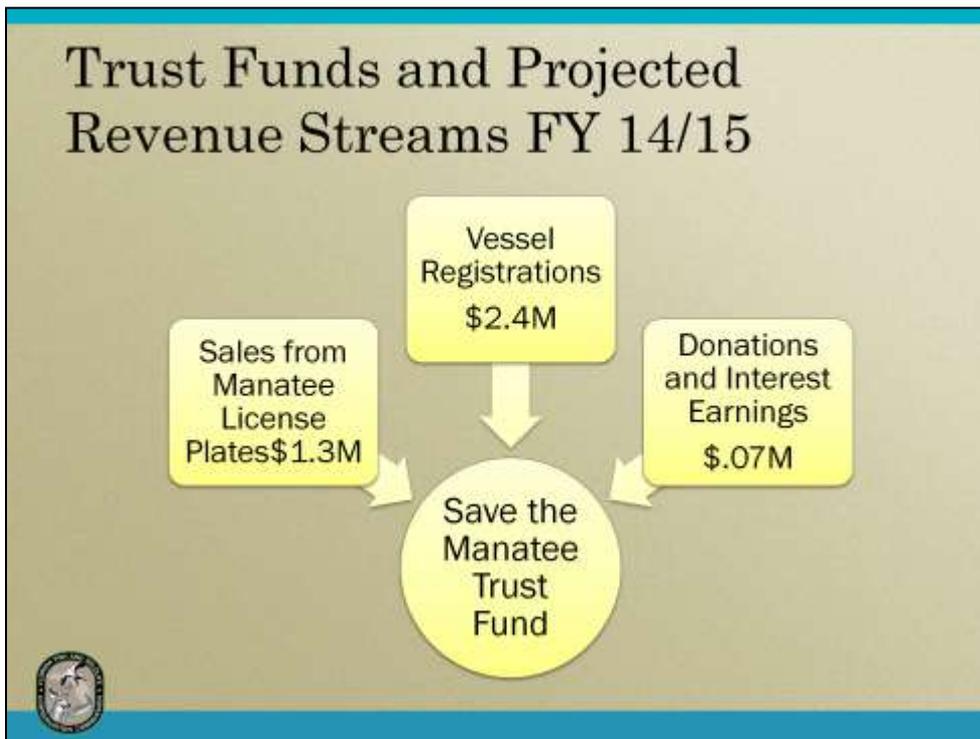
Invasive Plant Control Trust Fund:

Revenue Sources: 2.28% of documentary stamp taxes (capped at \$36.1 million), \$6.3 million fuel tax revenues, \$2 from each non-commercial vessel registration fee (excluding class A-1), 40% of commercial vessel registrations fees, and interest earnings.

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.

Programs Supported: Division of Habitat and Species Conservation

Transfers to Other Agencies: Department of Agriculture and Consumer Services; University of Florida



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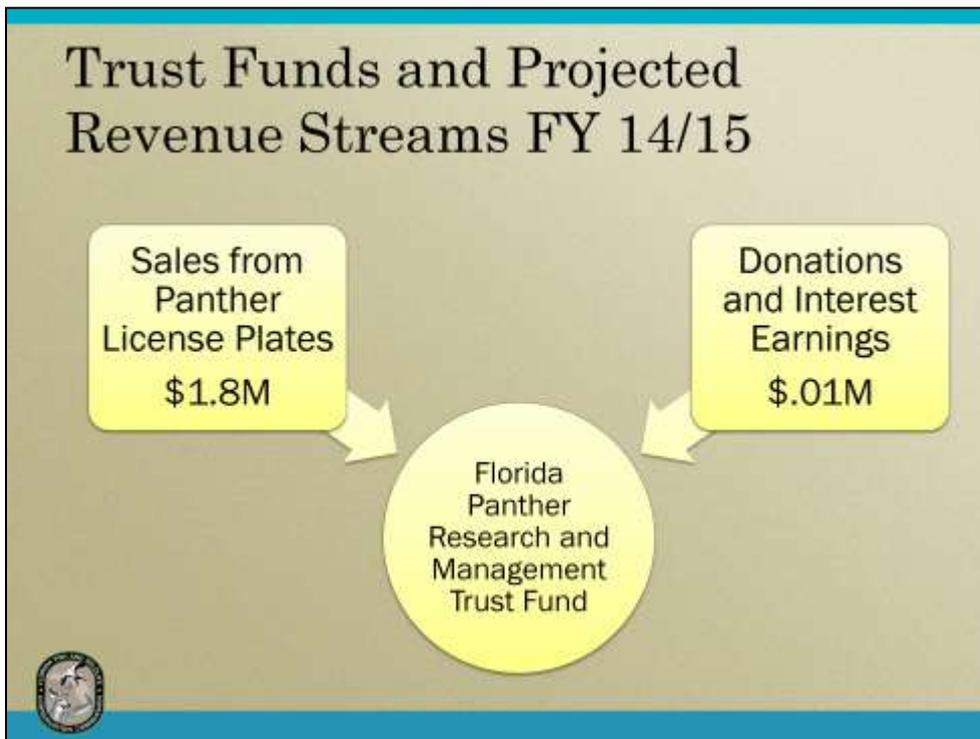
Save the Manatee Trust Fund

Revenue Sources: Manatee specialty license plate fees (voluntary fee), state vessel registration fees, contributions/donations, and interest earnings.

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

Programs Supported: Division of Habitat and Species Conservation; Fish and Wildlife Research Institute; Office of Community Relations.

Transfers to Other Agencies: None



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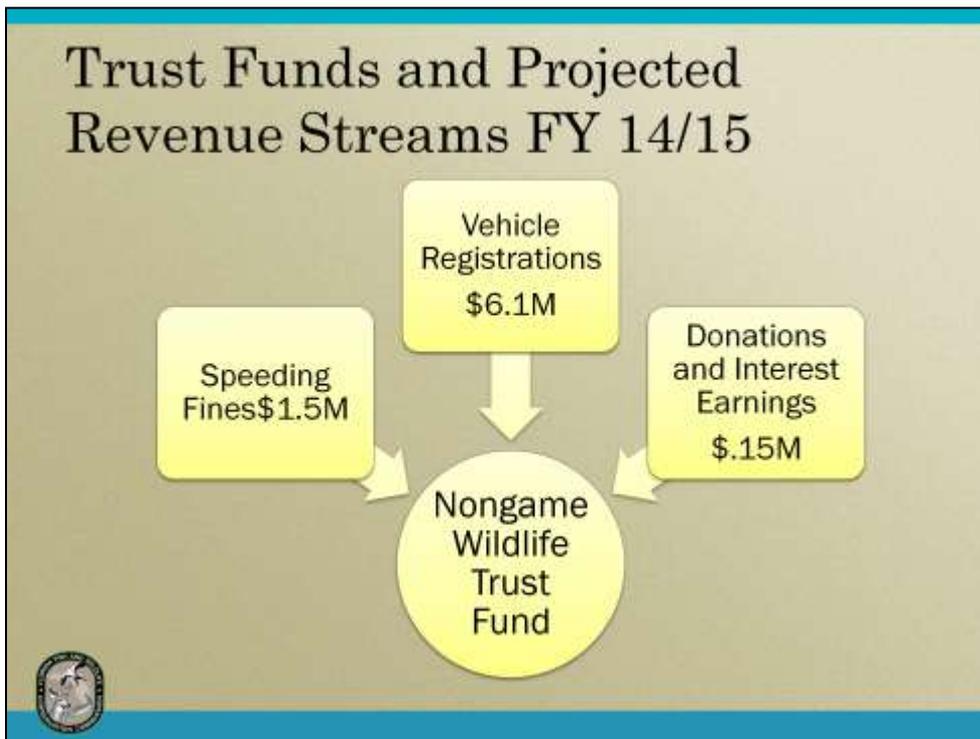
Florida Panther Research and Management Trust Fund

Revenue Sources: 100% of panther specialty license plate fees (voluntary fee); and interest earnings.

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.

Programs Supported: Division of Habitat and Species Conservation; Fish and Wildlife Research Institute; Office of Community Relations.

Transfers to Other Agencies: None



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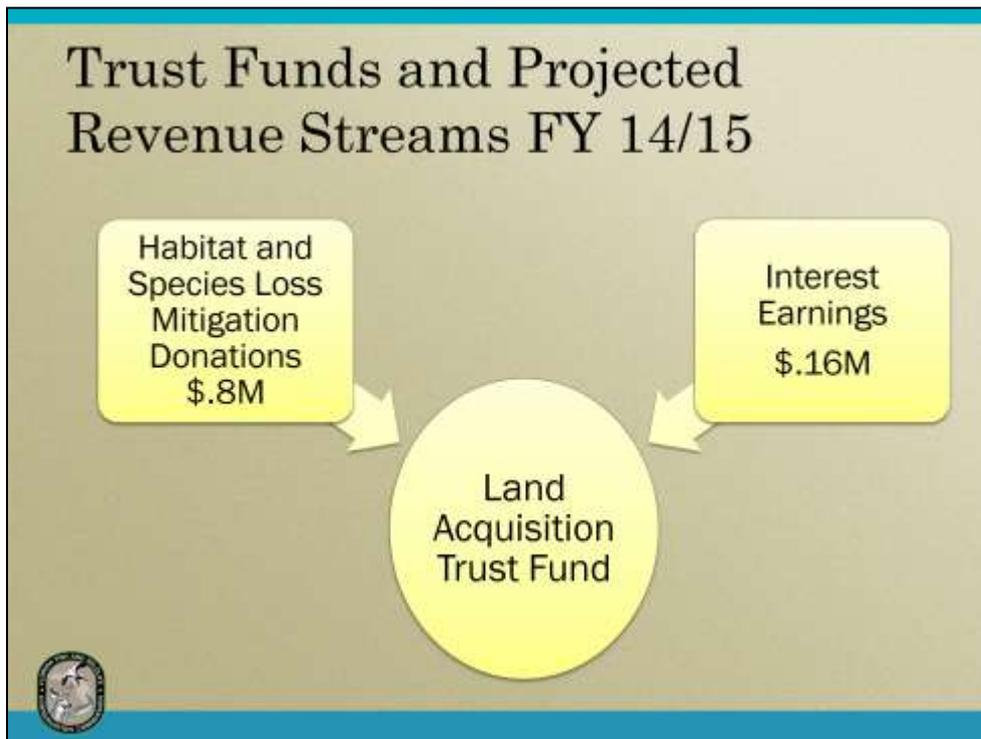
Nongame Wildlife Trust Fund

Revenue Sources: Speeding fines, vehicle title fees, voluntary contributions and interest earnings.

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.

Programs Supported: Division of Habitat and Species Conservation; Fish and Wildlife Research Institute.

Transfers to Other Agencies: None



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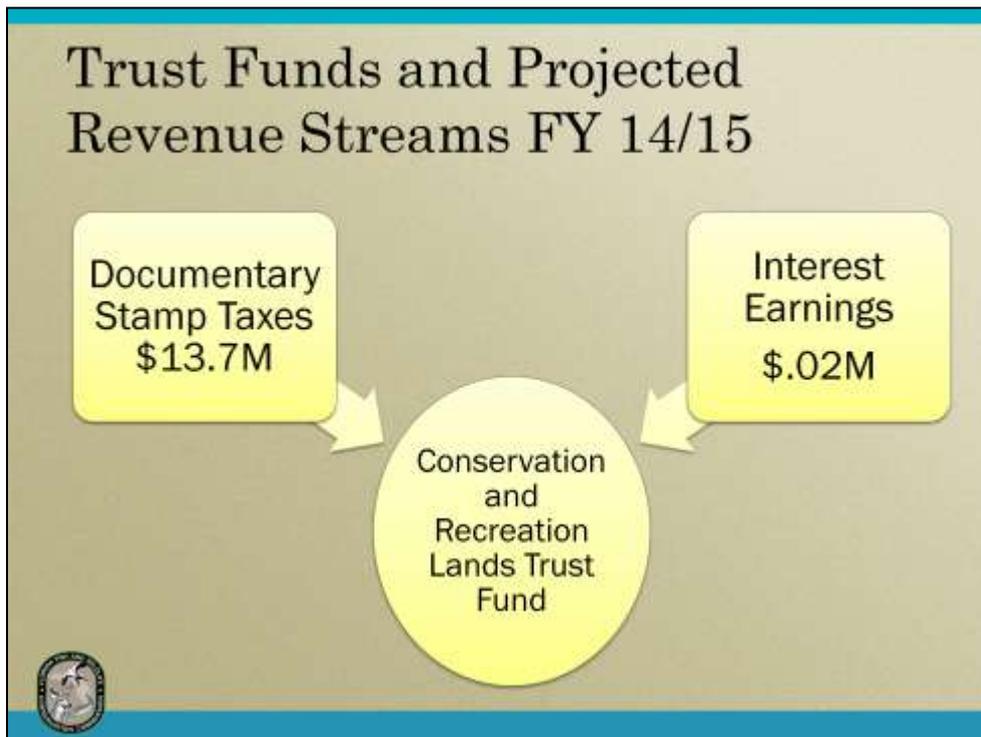
Land Acquisition Trust Fund

Revenue Sources: Habitat and species loss mitigation donations and interest earnings.

Purpose of Fund: Provides funding for acquisition and management of fish and wildlife mitigation park land and mitigated species recovery plans. A portion of the mitigation revenue is held as interest-generating principle. The interest earnings are used to fund perpetual land management.

Programs Supported: Division of Habitat and Species Conservation

Transfers to Other Agencies: None



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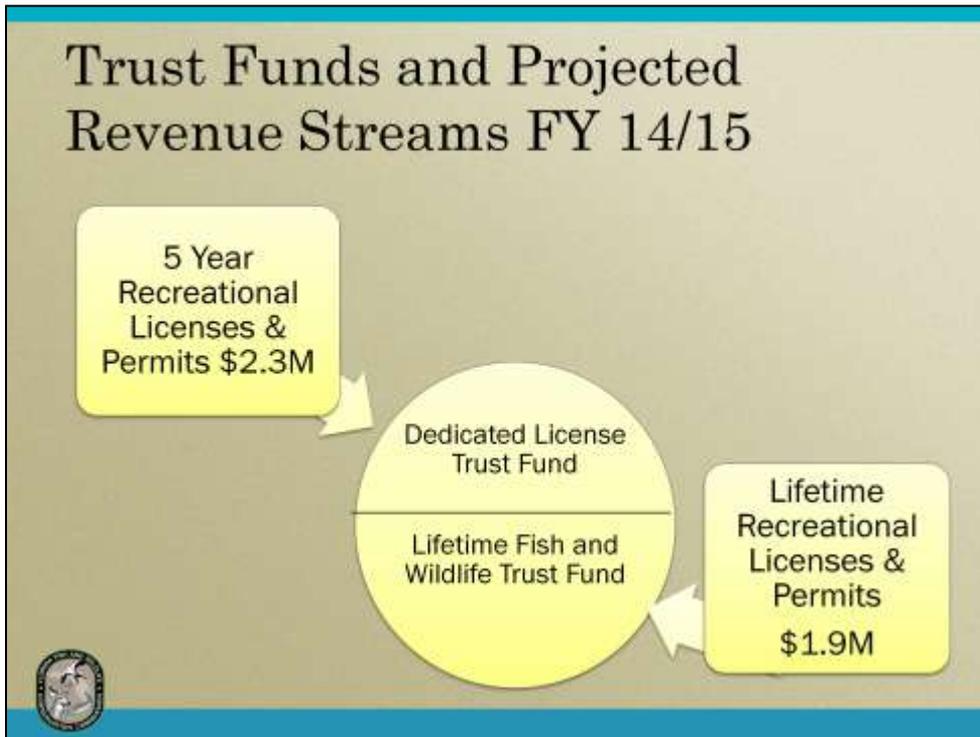
Conservation and Recreation Lands Trust Fund

Revenue Sources: Documentary stamp taxes and interest earnings

Purpose of Fund: Provides funding for the management of conservation and recreation lands by the Commission.

Programs Supported: Division of Law Enforcement; Division of Habitat and Species Conservation; Division of Hunting and Game Management; Division of Freshwater Fisheries Management; Division of Marine Fisheries Management; Fish and Wildlife Research Institute; Office of Public Access and Wildlife Services.

Transfers to Other Agencies: None



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Lifetime Fish and Wildlife Trust Fund

Revenue Sources: Proceeds from the sale of lifetime recreational hunting and fishing licenses.

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.

Programs Supported: None (not an operating trust fund)

Transfers to Other Agencies: None

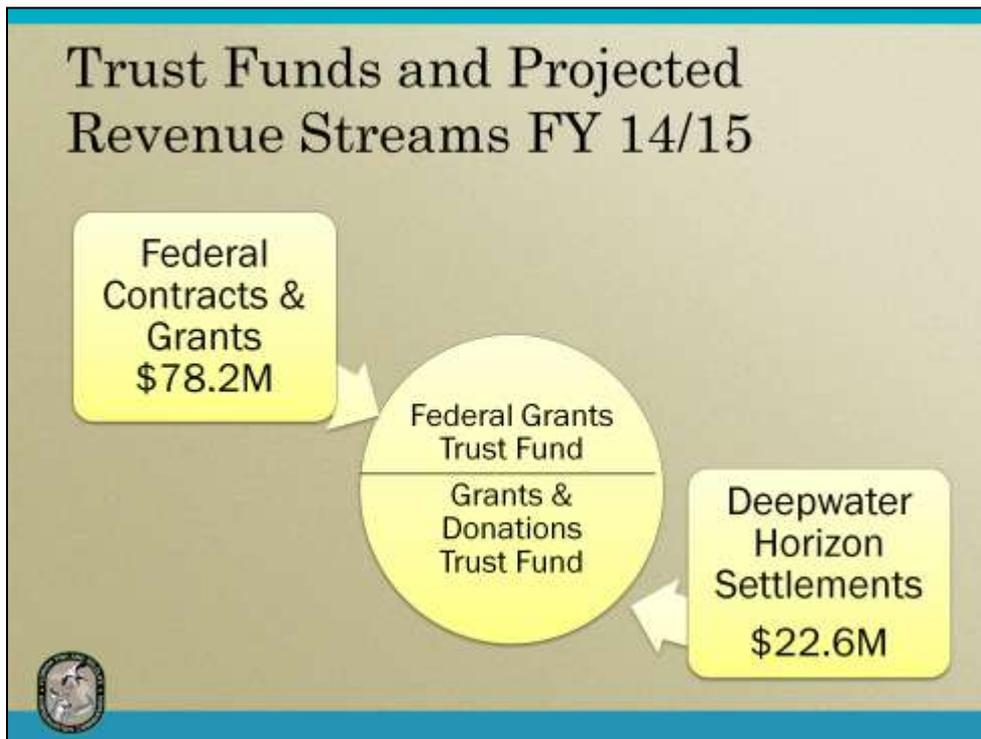
Dedicated License Trust Fund

Revenue Sources: Proceeds from the sale of 5-year recreational hunting and fishing licenses and permits.

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.

Programs Supported: None (not an operating trust fund)

Transfers to Other Agencies: None



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Federal Grants Trust Fund:

Revenue Sources: Federal contract and grant reimbursements, Federal grant program income and interest earnings, and cash advances from other funds.

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

Programs Supported: Division of Law Enforcement; Division of Habitat and Species Conservation; Division of Hunting and Game Management; Division of Freshwater Fisheries Management; Division of Marine Fisheries Management; Fish and Wildlife Research Institute; Office of Public Access & Wildlife Viewing Services.

Grants & Donations Trust Fund

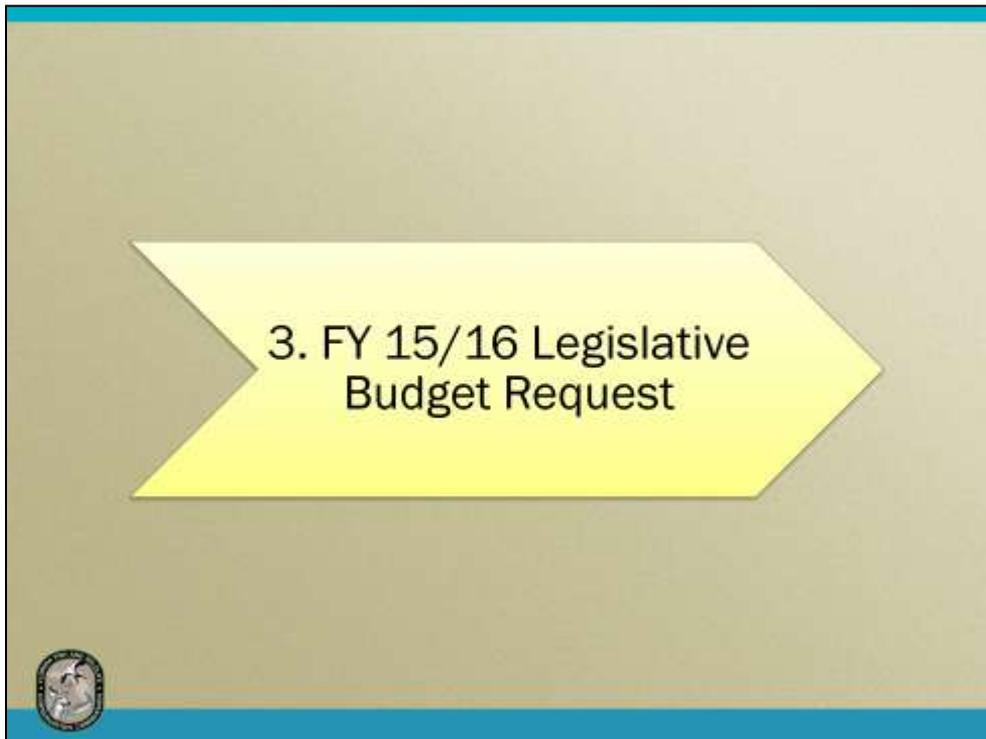
Revenue Sources: Grants from private and public non-federal sources and interest earnings.

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

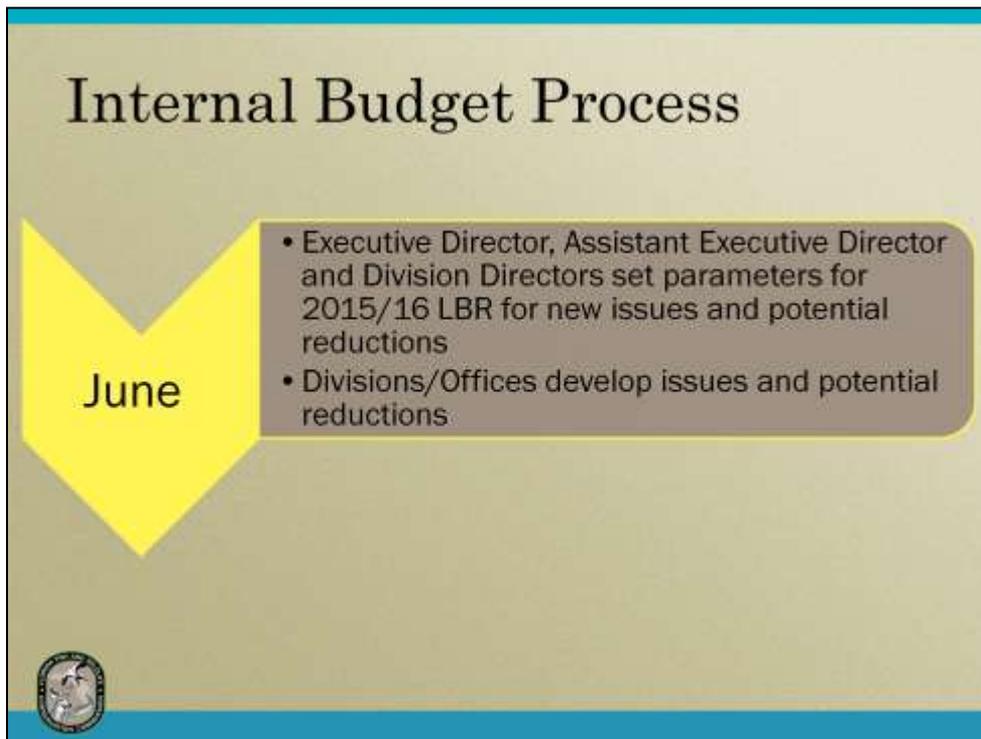
Programs Supported: Division of Habitat and Species Conservation; Division of Hunting and Game Management; Division of Marine Fisheries Management; Fish and Wildlife Research Institute; Division of Law Enforcement; Office of Public Access & Wildlife Viewing Services.

Questions?





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.



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

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



All agency budget requests are due annually on October 15 to the Governor, House, and Senate.

FY 15/16 Legislative Budget Request Development

Agency policy should drive agency
budget requests

- Commission Focal Areas
- Agency Strategic Initiatives



AGENCY STRATEGIC INITIATIVES:

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.

Legislative Budget Request Development

Optimize Federal Revenue - Ongoing Initiative



We are looking for ways to increase flexibility by optimizing federal sources of funding by:

- 1) Maximizing partnerships
- 2) Maximizing available grant programs that align with Strategic Initiatives
- 3) Utilizing matching programs

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 prior years.) 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 Commission Discussion:

Budget Issues for FY 2015/16

- Discuss priority requests or other budget development policy

Potential Reductions for FY 2015/16

- Discuss target reduction exercise



Public Comment



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



Potential 5% Budget Reductions – Schedule VIII B

5% TARGET = \$10.8M

- \$1.2M General Revenue
- \$9.6M Trust Funds



The following list contains the staff recommendations for the Fish and Wildlife Conservation Commission. In developing this list, agency directors carefully reviewed all activities within divisions and offices and made every effort to minimize jobs losses, conserve 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, and identify least critical functions. It should be noted, however, that these issues are all very important and valuable to agency services.

The 5% list totals \$10,791,965 of which \$1,214,788 is from General Revenue and \$9,577,177 is from trust funds. Also, because so much of the agency budget is used as State match for grants, an additional \$60,000 in grant funding would be lost if the matching budget included in some of these issues is cut.

Potential 5% Budget Reductions – Schedule VIII B

Division of Law Enforcement

- Eliminate 7 Law Enforcement Officer Positions \$374,909 GR
- Eliminate 35 Law Enforcement Officer Positions \$1.9M TF

Division of Habitat and Species Conservation

- Reduce Habitat Restoration Funding \$148,993 TF
- Eliminate Transfer to Department of Agriculture and Consumer Services \$844,171 TF
- Reduce Lake Restoration Funding \$639,211 TF
- Reduce Invasive Plant Management \$3.6M TF



See Tab 2 for details of Potential Budget Reductions – Schedule VIII B.

Potential 5% Budget Reductions – Schedule VIII B

Fish and Wildlife Research Institute

- Reduce Harmful Algal Bloom Monitoring and Research \$839,879 GR
- Eliminate Oceanaria Reimbursements for Manatee Rehabilitation - \$854,000 TF
- Reduce Marine Fisheries Assessment \$350,000 TF
- Defer Maintenance \$250,000 TF



Division of Marine Fisheries Management

- Reduce Recreational Outreach and Aquatic Education \$20,000 TF
- Reduce Commercial Blue Crab Outreach \$4,000 TF
- Eliminate Blue Crab Advisory Board Meetings \$6,000 TF
- Reduce Trap Retrieval Program \$89,765 TF



See Tab 2 for details of Potential Budget Reductions – Schedule VIII B.

Potential 5% Budget Reductions – Schedule VIII B

Division of Hunting and Game Management

- Reduce Public Information Related to Game Wildlife
\$60,000 TF
- Eliminate Small Game Management Program
\$163,454 TF



Division of Freshwater Fisheries Management

- Reduce Freshwater Fisheries Operations
\$161,704 TF



See Tab 2 for details of Potential Budget Reductions – Schedule VIII B.

Potential 5% Budget Reductions – Schedule VIII B

Executive Direction – Public Services and Public Access

- Eliminate Communication Partnerships with Stakeholders \$20,000 TF
- Eliminate Remote Video Support \$7,000 TF

Executive Direction – Operational Support Costs

- Eliminate Newspaper and Broadcast Clipping Service \$4,900 TF
- Reduce Replacement Equipment \$12,800 TF
- Reduce Operating Expenses \$165,381 TF
- Reduce Regional Office Operations Expenses \$40,969 TF
- Reduce Other Personal Service (OPS) Staffing \$21,020 TF
- Eliminate Application Development for Smaller Divisions/Offices \$120,000 TF



See Tab 2 for details of Potential Budget Reductions – Schedule VIII B.