

Florida: Conference Update


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Presented by:



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Key Revenue Streams for Next Year

FY 2011-12 Compared to Estimates for Long-Range Financial Outlook		
<i>Final</i>	Education Enhancement Trust Fund Lottery Slot Macines	Essentially Flat Down 23.6% (Miami Jai-Alai & Sales)
<i>Final</i>	Article V Fees & Transfers	Essentially Flat
<i>Final</i>	Tobacco Tax and Surcharge General Revenue Trust Funds	No Change No Change
<i>Final</i>	Highway Safety Fees General Revenue Trust Funds	Down 3.6% (Init Reg, Titles & MVL) Mixed
<i>Final</i>	Ad Valorem	Down  (was up + 0.73%; now down -1.21%)
<i>TBD</i>	Gross Receipts Tax / CST / PECO	Likely Down
<i>TBD</i>	Transportation Revenues / STTF	Likely Down
<i>TBD</i>	General Revenue	Likely Down

Largely
Offset by
Change in
Enrollment

Now
Completed

Gross Receipts / CST / PECO...

Total Gross Receipts Collections			
YEAR	\$ Mil	Diff	% Chg
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FY10-11	1095.4	-35.2	-3.2%
FY11-12	1122.4	-31.5	-2.8%
FY12-13	1165.1	-32.8	-2.8%
FY13-14	1212.0	-30.9	-2.5%
FY14-15	1258.9	-33.6	-2.7%
FY15-16	1304.1	-35.2	-2.7%
FY16-17	1348.0	-37.4	-2.8%
FY17-18	1390.2	-39.6	-2.8%
FY18-19	1432.0	-40.0	-2.8%
FY19-20	1471.7	-38.1	-2.6%

Portion available for bonding equals 90% of the average of the prior two years' collections, minus the debt service on old bonds. The rest is cash.

Maximum Possible PECO Appropriation			
YEAR	\$ Mil	Diff	% Chg
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FY10-11	731.3	0	0.0%
FY11-12	356.3	-301.3	-84.6%
FY12-13	364.2	-170.4	-46.8%
FY13-14	957.5	0.3	0.0%
FY14-15	941.2	-7.7	-0.8%
FY15-16	831.0	-19.5	-2.3%
FY16-17	821.8	-33.5	-4.1%
FY17-18	829.9	-33.6	-4.0%
FY18-19	805.9	-31.3	-3.9%
FY19-20	799.7	-12.7	-1.6%

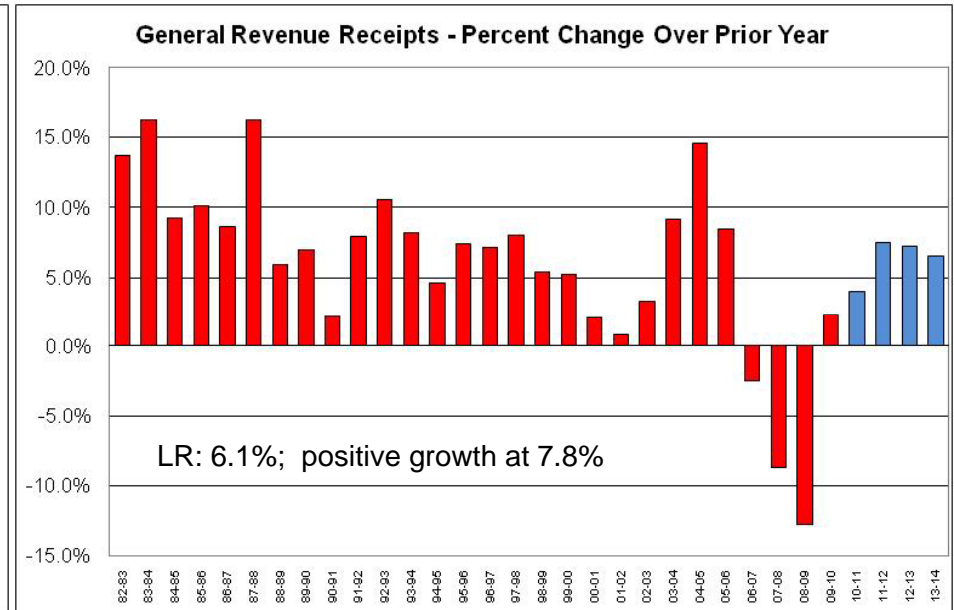
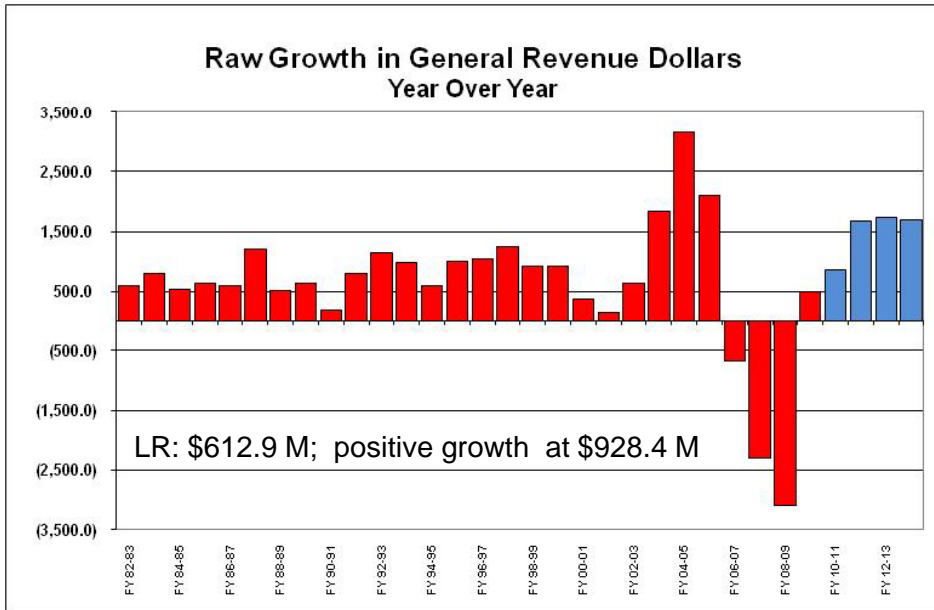


Transportation Revenues (STTF)...

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Previous Forecast (August 2010)						
Highway Fuel Sales Tax	1110.4	1162.7	1219.8	1275.9	1338.8	1396.9
SCETS Tax	640.2	671.9	699.9	735.5	767.5	802.4
Off-Highway Fuel Sales Tax	7.8	9.1	11.1	12.2	12.7	13.0
Aviation Fuel Tax	45.4	46.8	48.4	49.7	50.9	51.9
Fuel Use Tax and Fees	13.8	15.1	16.9	18.5	19.8	21.0
MVL-related Amount (from HS Conference)						
Motor Vehicle Licenses	527.7	543.3	565.3	587.2	603.7	618.3
Initial Registration Fee	84.7	94.5	104.7	111.3	116.5	121.7
Title Fees	88.2	95.1	100.1	104.7	108.7	112.0
Subtotal	700.6	732.9	770.1	803.2	828.9	852.0
Rental Car Surcharge	96.2	100.6	104.6	108.4	112.3	115.7
Local Option Distribution	40.8	42.0	43.3	44.4	45.4	46.4
TOTAL	2655.2	2781.1	2914.1	3047.8	3176.3	3299.3
Revised Forecast (December 2010)						
Highway Fuel Sales Tax	1098.9	1147.3	1202.8	1260.8	1323.8	1385.3
SCETS Tax	633.9	666.6	697.2	727.1	759.3	794.2
Off-Highway Fuel Sales Tax	8.9	9.3	11.3	12.7	13.5	13.9
Aviation Fuel Tax	45.3	46.8	48.5	50.0	51.2	52.2
Fuel Use Tax and Fees	14.9	16.2	18.1	19.8	21.2	22.6
MVL-related Amount (from HS Conference)						
Motor Vehicle Licenses	531.3	547.0	569.8	592.5	609.3	625.4
Initial Registration Fee	79.5	84.8	92.4	100.1	105.3	109.3
Title Fees	85.1	89.7	95.2	99.7	103.4	106.6
Subtotal	695.9	721.5	757.4	792.3	818.0	841.3
Rental Car Surcharge	96.8	100.3	104.4	108.4	112.4	115.7
Local Option Distribution	40.4	41.4	42.7	43.9	44.9	45.9
TOTAL	2635.0	2749.4	2882.4	3015.0	3144.3	3271.1
Difference	-20.2	-31.7	-31.7	-32.8	-32.0	-28.2
Cumulative Difference	-20.2	-51.9	-83.6	-116.4	-148.4	-176.6

STTF revenues were decreased by \$176.6 M or about 1.0% during the work program period.

General Revenue Outlook



Fiscal Year	August Forecast	New Forecast	Difference (New - Aug)	Incremental Growth	Growth
2005-06	27074.8				8.4%
2006-07	26404.1				-2.5%
2007-08	24112.1				-8.7%
2008-09	21025.6				-12.8%
2009-10	21523.1				2.4%
2010-11	22967.0	22381.3	(585.7)	858.2	4.0%
2011-12	24672.7	24060.5	(612.2)	1679.2	7.5%
2012-13	26341.6	25808.1	(533.5)	1747.6	7.3%
2013-14	27955.7	27503.1	(452.6)	1695.0	6.6%

Revenue Gap to Expenditures...

GR Collection Growth	GR Expenditure Growth
5.2% over 25 years	6.8% over 25 years
4.2% over 20 years	5.6% over 20 years
3.3% over 15 years	3.8% over 15 years
1.7% over 10 years	3.4% over 10 years
-2.6% over 5 years	3.1% over 5 years

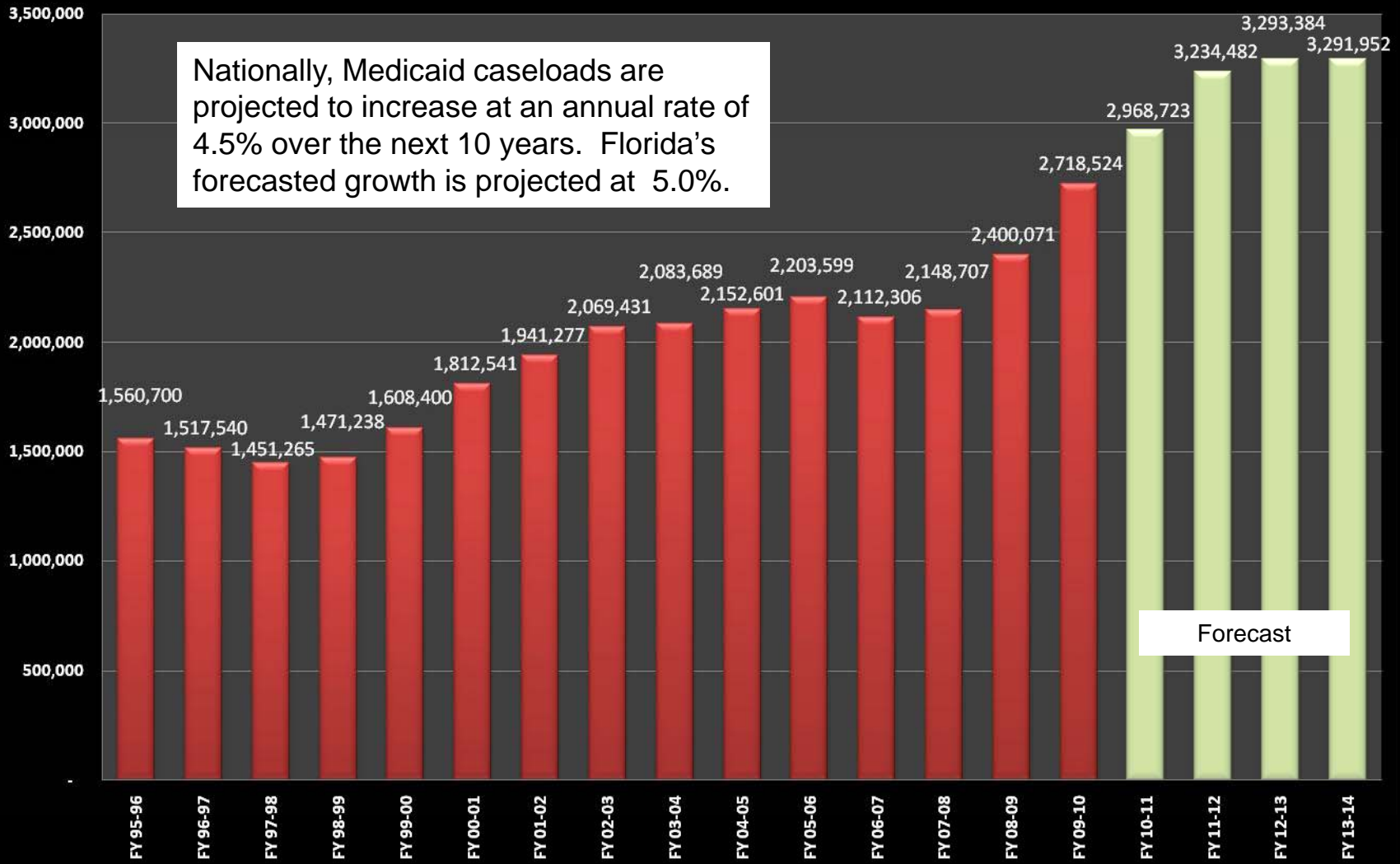
NOTE: Base Year = 2009-10

GR has been propped up by several one-time actions:

1. GR Build-Up from the Boom (windfall over the estimate)
2. Trust Fund Transfers in Multiple Years (\$4.1 billion over 10 years)
3. Budget Stabilization Transfer of \$1,072.4 million in 2008-09
4. Lawton Chiles Endowment Fund Transfer of \$700 million in 2008-09

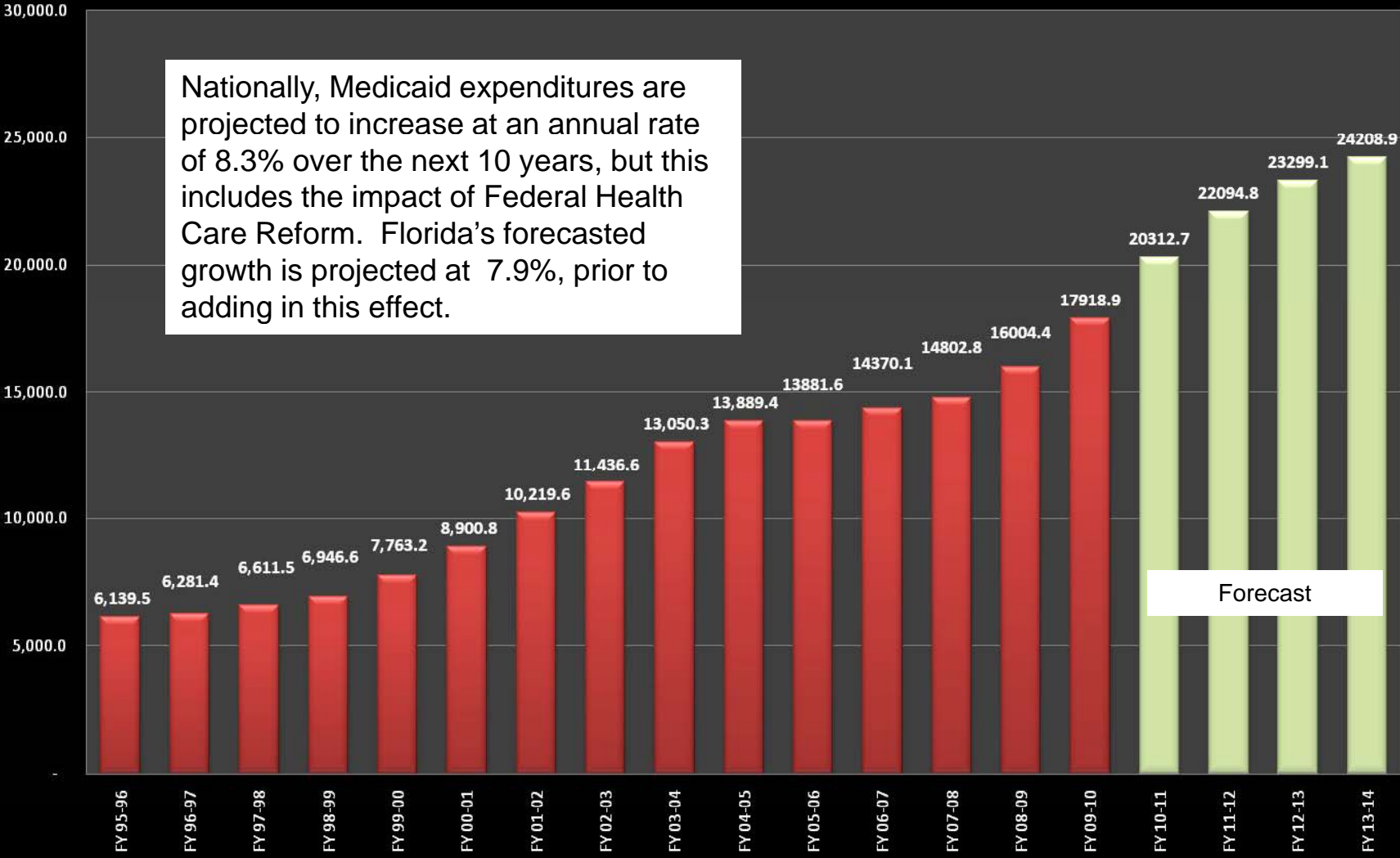
Medicaid Caseload

Nationally, Medicaid caseloads are projected to increase at an annual rate of 4.5% over the next 10 years. Florida's forecasted growth is projected at 5.0%.



Medicaid Expenditures (\$ millions)

Nationally, Medicaid expenditures are projected to increase at an annual rate of 8.3% over the next 10 years, but this includes the impact of Federal Health Care Reform. Florida's forecasted growth is projected at 7.9%, prior to adding in this effect.



Medicaid Driver Grew...

Relative to the Summer Estimating Conference and the Long-Range Financial Outlook:

● FY 2010-11 Conf Adj...	\$ 74.3 M
● FY 2011-12 Conf Adj...	\$ 85.0 M
● Adj to Funding Assumption...	<u>\$ 169.0 M</u>
Total Incremental Change	\$ 328.3 M

Projected GR Cost in 2011-12	\$5.5368 B
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Budget Outlook...

- Currently, sufficient revenues exist to meet the appropriated budget for FY 2010-11. After the new forecast, a positive ending balance of \$249.2 million is projected for the General Revenue Fund.
 - This compares to the 14 states that have already reduced their enacted budgets by more than \$4 billion.
- In the Long-Range Financial Outlook released in September, the projected gap between available revenues and the cost of critical and other high priority needs was \$2.5 billion for next year's budget.
- Based only on the Fall Estimating Conferences, the 2011-12 gap grew to \$3.62 billion:
 - Another significant increase in Medicaid – on top of the one previously identified in the Long-Range Financial Outlook. Medicaid was already the single largest driver in next year's budget projections.
 - Reductions in key revenue forecasts and trust funds.