

Review of Federal Expenditures to Florida
With Particular Emphasis on
Federal Grant Expenditures to Florida's
State and Local Governments

March 1999

Legislative Committee on Intergovernmental Relations



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WHAT IS THE LCIR?

The Legislative Committee on Intergovernmental Relations is a legislative entity that facilitates the development of intergovernmental policies and practices. The Florida LCIR strives to improve coordination and cooperation among state agencies, local governments, and the federal government.

WHAT ISSUES HAVE BEEN ADDRESSED BY THE LCIR?

The LCIR completes several projects annually, including the Local Government Financial Information Handbook (prepared with the assistance of the Florida Department of Revenue, salaries of county constitutional officers and elected school district officials, and a report on state mandates affecting municipal and county governments. In addition, the LCIR has addressed the following issues:

- | | |
|---|---|
| o Municipal Incorporations and Annexation | o State Revenue Sharing Programs |
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If you would like additional copies of this report or if you have comments or questions pertaining to the information contained herein, please contact the LCIR at (850) 488-9627 or Suncom 278-9627. We welcome your input or suggestions. Our mailing address is:

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EXECUTIVE SUMMARY

The Legislative Committee on Intergovernmental Relations (LCIR) has been asked by the Florida Legislature to review the status of Florida's receipt of federal funds. The state's historically low per capita ranking in receipt of federal grants to the state and its local governments is of particular concern to the Legislature. Based on fiscal year 1997 expenditure data published by the U.S. Bureau of the Census, Florida ranked 49th among the fifty states on a per capita basis in the receipt of federal grants -- down from 48th in fiscal year 1996. The objective of this report is to provide the Legislature with a review and analysis of the current federal funding situation to assist in developing strategies to increase Florida's receipt of federal funds.

Despite the state's low per capita ranking in the receipt of federal grant funds, federal assistance accounted for nearly 23 percent of state revenues in fiscal year 1997-98, according to the Florida Consensus Estimating Conference's revenue analysis published in the Summer of 1998. In fiscal year 1997, federal grants to Florida's state and local governments totaled \$8.5 billion according to expenditure figures published by the U.S. Bureau of the Census. Had Florida received the same per capita grant expenditure in fiscal year 1997 as the average for all states, an additional \$3.7 billion would have been available to state and local governments.

Conversely, Florida has ranked high, on a per capita basis, in its receipt of federal funds distributed directly to individuals. This is due to the state's relatively large elderly population. State and local economies benefit to some degree from these entitlement payments directed toward persons who have

chosen to reside in Florida. However, a number of factors may influence an individual's decision to live in or relocate to Florida. Lawmakers have little control over the amount, distribution, and use of federal entitlement payments made directly to individuals.

Consequently, Florida's low ranking, on a per capita basis, among the states in the receipt of federal grants is significant. Federal grants have been and will continue to be important sources of revenue utilized by state and local governments to provide necessary governmental services to the state's residents.

This report utilizes 1997 federal expenditure data for all states and U.S. outlying areas that are organized by the U.S. Bureau of the Census into five major expenditure categories for reporting purposes. These five expenditure categories and Florida's relative per capita ranking in 1997 were: *direct payments to individuals* (1st), *grants and other payments to state and local governments* (49th), *procurement contract awards* (24th), *salaries and wages to federal employees and military personnel* (29th), and *other programs* (49th).

With the exception of two categories: direct payments to individuals and salaries and wages to federal employees and military personnel, the state's per capita rankings in the remaining categories are lower than those of one year ago. When the figures in the five expenditure categories were combined, Florida ranked 15th, on a per capita basis, among the states. In fiscal year 1996, the state was ranked 13th, on a per capita basis, in receipt of total federal expenditures.

Federal Expenditures to States

Federal expenditures are a major factor in states' economies. In fiscal year 1997, the federal government allocated approximately \$1.37 trillion dollars to the fifty states for the five categories of expenditures.¹ Economic activity in the sectors of state and local government spending, retail, banking and finance, construction, real estate, and health care inevitably increases from this infusion of fiscal resources. As a result, the economic activity generated from out-of-state sources is important to a state's economic growth.

Federal expenditures can significantly affect the growth of state economies. For instance, if the 1997 level of per capita federal expenditure in Florida (all categories) had been the same as the national average, the state would have lost approximately \$467 per capita or \$6.8 billion in total. Conversely, if the federal government expended the same amount in Florida that year as it did in Virginia (the state having the highest level of per capita federal expenditure), Florida would have gained approximately \$2,257 per capita, or \$33.1 billion.²

For all states, it was found that direct payments to individuals (comprising mostly Social Security and Medicare payments) constituted approximately 56 percent of total

¹ U.S. Bureau of the Census. *Federal Expenditures by State for Fiscal Year 1997*. U.S. Government Printing Office, Washington, DC, 1998.

² LCIR staff calculations made from the data presented in the U.S. Bureau of the Census publication, *Federal Expenditures by State for Fiscal Year 1997* and 1997 population estimates also published by the Census Bureau. Unless otherwise noted, all per capita calculations presented in the remainder of this report were made by LCIR staff using these data.

federal expenditures in fiscal year 1997. However, in Florida, the relative contribution of direct payments to individuals was much higher. This category accounted for nearly 69 percent of the state's total federal expenditures.

Grants and other payments to all state and local governments accounted for about 16 percent of total federal expenditures in 1997. In Florida, the relative contribution of this category was much less. Only 10 percent of the state's total federal expenditures that year were accounted for by federal grants and other payments.

The relative contribution of the other major expenditure categories, procurement contracts and salaries and wages, to total federal expenditures has been on the decline in recent years, concurrent with decreases in the amounts of federal military contracts as well as in military and federal workforce employment. Nationally, procurement contract awards and salaries and wages to federal and military personnel constituted 12 percent and 11 percent of total federal expenditures to all states in 1997, respectively. In Florida, procurement awards and salaries and wages accounted for 10 percent and nine percent of total federal expenditures to the state, respectively.

Federal Grants to State and Local Governments

The major portion of federal aid to state and local governments is provided through federal formula grants. Such grants allocate funds based on mathematical formulas using certain factors and statistical data. The data factors used in the formulas and the weight given to each factor determine how the funding will be

distributed to the states. Federal formulas are frequently weighted to affect growth states in an adverse way; as a result states such as Florida do poorly in obtaining funding.

In other cases, grants may be distributed to state and local governments on the basis of certain populations or characteristics. For example, large Native American populations trigger additional grants from the U.S. Department of Education for Indian education and from the U.S. Department of the Interior for Indian programs. Special arrangements to share revenue from timber and mineral sales, via the U.S. Department of the Interior's Bureau of Land Management, are important to many western states with large federal land holdings. Another example is the assistance provided to refugees via grant funding provided by the U.S. Department of Health and Human Services (HHS).

Grants from HHS accounted for approximately 53 percent of all grants to states and the District of Columbia in fiscal year 1997. There is no particular state population size that triggers large per capita HHS grant expenditures; states of various sizes fare both well and poorly under HHS programs. A number of interactive factors explain the variations in HHS grant funding, particularly in the areas of Medicaid and Aid to Families with Dependent Children (AFDC, which has become Temporary Assistance for Needy Families or TANF). These factors include the proportion of the state's population in poverty, the ease of becoming a beneficiary as determined by state eligibility standards, the optional benefits as determined by state decisions, and the percentage of total costs paid by the federal government.

Florida's Receipt of Federal Grants for State and Local Governments

According to expenditure data published by the U.S. Bureau of the Census, Florida's state and local governments received approximately \$8.5 billion in grants and other payments during fiscal year 1997. The grants received from six departments (Health and Human Services, Transportation, Housing and Urban Development, Agriculture, Education, and Labor) accounted for approximately 95 percent of all grant expenditures to Florida that year. The ten largest grant program categories to Florida accounted for approximately 87 percent of all grant expenditures to the state in 1997.

The ten largest categories and the state's relative per capita ranking in 1997 were: *Health Care Financing Administration - Medicaid* (46th), *Administration for Children and Families* (37th), *Federal Highway Administration* (50th), *Food and Consumer Services* (31st), *Lower Income Housing Assistance* (43rd), *Office of Elementary and Secondary Education* (39th), *Office of Special Education and Rehabilitative Services* (46th), *Employment and Training Administration* (42nd), *Community Development* (34th), and *Other Programs* (36th).

With the exception of U.S. Department of Agriculture grants -- for which Florida ranked 36th on a per capita basis -- the state's per capita ranking did not exceed 40th among the six agencies constituting the bulk of federal grant funding. In four of those agencies, Florida's per capita ranking among the seven most populous states was the lowest.³

³The seven most populous states are: California, Texas, New York, Florida, Pennsylvania, Illinois, and Ohio.

Florida's per capita ranking in six of the ten largest grant funding categories also did not exceed 40th place.

By necessity, U.S. Bureau of the Census budget categories were used in this report for the analysis of federal grant expenditures to state and local governments. The use of these categories, which in many cases encompass a multitude of federal department and agency allocations and contain expenditures of numerous grant programs, does not provide the amount of detail necessary for a thorough analysis of all federal expenditures. These categories are supplemented by a table showing state agencies' reporting on their own receipts of federal funds, provided as an appendix to the report. Taken together, the data illustrate that Florida ranks low, on a per capita basis, relative to the other states in the receipt of most grant program funding.

Reasons for Florida's Low Ranking in Receipt of Federal Grant Funds

Although numerous reasons likely exist for Florida's low per capita grant funding, three known reasons are of particular significance. First, many funding formulas are based on outdated population figures or other factors that do not reflect the state's unprecedented growth in recent decades. Second, Florida has not aggressively pursued all federal funding options. Third, Florida must have the support of the majority of representation in both houses of Congress in order to revise past funding formula inequities. This support would be difficult to obtain since many states may lose federal funding under revised formulas that would benefit Florida.

Florida's state agencies were surveyed by the LCIR regarding their receipts of federal grant

funds. Their responses included agencies' perceptions as to why the state ranks low in per capita receipts of federal funds for many programs. In addition to those mentioned above, agencies offered other reasons for Florida's low ranking, including: inability to secure sufficient state match funds for a variety of programs, "strings" or policy requirements required as conditions for receiving certain categories of federal funds, and federal funding cutbacks in general.

Recommendations to Improve Florida's Receipt of Federal Grant Funds

Florida's state agencies offered several recommendations for improving Florida's receipts of federal grant funds. These included:

- working with Congress to change outdated or inequitable federal funding formulas/forming coalitions with other growth states, large states, and/or southern states for this purpose;
- increasing state match funds available;
- making the processes of amending the state budget and obtaining spending authority easier;
- increasing training provided at the state level for accessing federal funds;
- increasing communication and coordination on federal issues among state agencies, Governor's office, Florida Washington Office, Legislature, and Congressional delegation;
- assuring accurate counts in the year 2000 census; and

- promoting the consolidation of federal funding streams to simplify access to federal funds.

Conclusion

The per capita federal grant expenditure to the most favored state in 1997 was just over four times the per capita expenditure to the least favored state. If Florida had received the same per capita grant expenditure that year as the average for all states, an additional \$3.7 billion would have been available to state and local governments. To put such an increase into a state perspective, this amount would represent approximately eight percent of the \$46.8 billion state budget proposed by the Bush Administration for fiscal year 1999-2000.⁴ Consequently, Florida's elected federal, state, and local officials should have considerable interest in influencing the state's receipt of federal grant funding.

The Florida Legislature should strive to work with the Florida Congressional Delegation to increase the state's receipt of federal grants, as follows:

- ▶ The state should work to form coalitions with other states that experience similar funding inequities, especially large population, high growth states such as California and Texas.
- ▶ The state's elected officials should send clear and unified messages urging the Delegation to move forward

⁴ Executive Office of the Governor. *State of Florida FY 1999-2000 Executive Budget*. State of Florida, Tallahassee, FL, January 1999, and LCIR staff calculations.

with proposals that will increase Florida's receipt of federal funds.

- ▶ There should be regular contact between members and staff of the Florida Legislature and the Florida Congressional Delegation on issues of state importance, particularly issues of federal funding.

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INTRODUCTION

The Legislative Committee on Intergovernmental Relations (LCIR) has been asked by the Florida Legislature to review the status of Florida's receipt of federal funds. The Legislature is particularly concerned about the state's low per capita ranking in receipt of federal grants to state and local governments. During the 1997-98 legislative interim, the LCIR reviewed and analyzed this issue for fiscal year 1997 funds. The project is intended to be ongoing, and to facilitate the development of strategies to increase the return of federal tax dollars to the state.

In fiscal year 1997, federal grants to Florida's state and local governments totaled \$8.5 billion according to expenditure figures published by the U.S. Bureau of the Census. In per capita terms, Florida ranked 49th among the states in the receipt of federal grants.

Had Florida received the same per capita grant expenditure in fiscal year 1997 as the average for all states, an additional \$3.7 billion would have been available to its state and local governments. Despite the state's low per capita ranking in the receipt of such funds, federal assistance accounted for nearly 23 percent of state revenues in fiscal year 1997-98, according to the Florida Consensus Estimating Conference's revenue analysis published in the Summer of 1998.

During the initial phase of that interim project, the LCIR staff researched Medicaid funding and the pending reauthorization of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and published separate reports-in-brief on those issues. Medicaid and transportation funding represent two of the largest federally-funded grant programs, as well as two of the largest sources of federal grant funding to Florida. Historically, Florida has not received an equitable share of funds under either program.

In February 1998, LCIR staff prepared a preliminary report reviewing federal expenditures to Florida during fiscal year 1996. That report constituted the second phase of the interim project and was written, in part, in preparation for the third phase of the interim project -- the Federal-State Issues Summit. On February 16, 1998, the Summit was held in Tallahassee and was sponsored by Governor Lawton Chiles, Senate President Toni Jennings, and House Speaker Daniel Webster. The Summit provided an opportunity for Florida's elected congressional and state legislators to discuss policy issues of state importance, including funding issues. A second Federal/State Summit is being planned for March 15, 1999.

This is an updated report of federal expenditures to Florida using data obtained from the U.S. Bureau of the Census publication entitled *Federal Expenditures by State for Fiscal Year 1997*. Part I discusses the historical context and current situation of federal expenditures to states, beginning with a discussion of data sources and relevant definitions of types of federal expenditures. Federal expenditures in federal fiscal year 1997 are summarized next. This is followed by a discussion of the trends over time in per capita federal expenditures, by major category of expenditure, for the seven most populous states (Florida is the fourth most populous state).

Part II of the report reviews Florida's receipt of federal grant expenditures to state and local governments. It examines the per capita grant expenditures to Florida by federal department and agency.

Part III examines changes in federal expenditure patterns to Florida between 1996 and 1997. Reviews of the state's per capita ranking in the receipt of federal grant expenditures for particular program categories -- as well as changes in expenditure patterns -- are provided to be of use in prioritizing the state's efforts to increase its share of federal funds.

Part IV analyzes state agencies' responses to an LCIR survey about their receipts of federal funds, including perceptions about the adequacy of federal funding for their programs, reasons for Florida's low ranking in receipts of federal monies, and recommendations for increasing Florida's share of federal grant funding. Finally, an appendix compiles state agencies' reporting on their own receipts of federal funds.

I. BACKGROUND AND CURRENT SITUATION

A. Introduction

The distribution of federal expenditures has significant effects on the finances of state and local governments as well as important impacts on a state's residents. Federal expenditures are distributed through a wide array of criteria. Changes in criteria for receiving those expenditures have had unequal impacts on state budgets and economies in the past. Likewise, future changes in criteria are very likely to affect individual states quite differently.

This part of the report presents contextual information on the states' historical distribution of federal expenditures, addressing total expenditures and the major federal expenditure categories. The data and analyses should offer the reader a basis for understanding those expenditures to Florida's state and local governments and assessing the state's strategies for increasing its fair share of certain types of expenditures, particularly grants to state and local governments.

B. Data Source and Definitions of Types of Federal Expenditures

The source for the data used in this section is the U.S. Bureau of the Census annual publication *Federal Expenditures by State*. This publication presents federal expenditures, listed by department and agency, to states and U.S. outlying areas.

In order for the reader to understand the data presented in this report, it is necessary to define the five major categories of expenditure. *Direct payments to individuals* represented the largest category of federal expenditure in fiscal year 1997. This category accounted for approximately 56 percent of total expenditures to states that year. Social Security and Medicare payments constituted nearly 73 percent of total payments to individuals that year.

These payment figures are compiled from amounts reported by federal agencies for the Federal Assistance Award Data System (FAADS) and represent obligations of federal funds. The spending involved is sent directly to individuals in the form of Social Security or veterans' pensions or to service providers as reimbursement for something done for identifiable individuals such as reimbursing grocers for accepting food stamps. Social Security, Supplemental Security Income, and Medicare amounts reflect obligations during the fiscal year, with the state-by-state distribution estimated. Retirement and disability payments for federal civilian and military personnel represent actual expenditures during the fiscal year.

Grants and other payments to state and local governments represented the second largest expenditure category in fiscal year 1997. These awards represent actual cash outlays made during the fiscal year. Federal government aid, in the form of grants and other payments, to state and local government units included the following:

1. Direct cash grants to state or local governments;
2. Payments for grants-in-kind such as purchases of commodities distributed to state or local governments;
3. Payments to nongovernmental entities when such payments result in cash or in-kind services passed on to state or local governments;
4. Payments to regional commissions and organizations that are redistributed to the state or local level;
5. Federal payments to state and local governments for research and development that is an integral part of the provision of public services; and
6. Federal revenues shared with state and local governments.

Grants and other payments awarded by the U.S. Department of Health and Human Services constituted approximately 53 percent of total federal grant expenditures to the states and the District of Columbia in fiscal year 1997.

Procurement contracts awarded by the federal government represented the third largest category of expenditure in fiscal year 1997. Contracts awarded by the U.S. Department of Defense accounted for approximately 61 percent of the total value of awards to states and the District of Columbia.

Statistics covering the value of federal procurement contracts of the Defense Department and non-defense agencies were obtained from the U.S. Postal Service (USPS) and the Federal Procurement Data Center (FPDC) within the General Services Administration. Amounts provided by the USPS represent actual outlays for contractual commitments while amounts reported by the FPDC represent the value of obligations for contract actions and do not reflect actual federal expenditures. The FPDC collects procurement data for most federal departments and agencies, and it provides these data according to the place of performance rather than the location of the prime contractor. In general, only current year contract actions are reported for data provided by the FPDC; however, multiple-year obligations may be reflected for contract actions of less than three years duration.

The fourth largest category of expenditure in fiscal year 1997 was **salaries and wages**. The amounts reported in this category represent military and civilian payroll statistics of the U.S. Department of Defense and non-defense agencies. Salary and wages of employees in non-defense agencies constituted 60 percent of total federal salary and wage expenditures to states and the District of Columbia in fiscal year 1997. All amounts represent actual outlays during the fiscal year with the national total distributed among the states on an estimated basis.

The final category of federal expenditure is **other programs**. It reflects federal grant awards to nongovernmental recipients and represents federal obligations, based upon awards of financial assistance during the fiscal year. This category also includes direct payments other than those to individuals. In FY 1997, grants to nongovernmental recipients accounted for approximately 51 percent of total expenditures in this category to states and the District of Columbia.

Expenditure amounts not included in the *Federal Expenditures by State* publication reflect data that could not be distributed by state or U.S. outlying area, or that were not available. Examples of such amounts include net interest on the federal government debt, international payments and foreign aid, current operational expenses included under salaries or procurement, expenditures for selected agencies such as the Central Intelligence Agency and National Security Agency, and foreign outlays.

Federal departments and agencies provide all published data. Data are reviewed for accuracy and consistency, and compared to actual outlays in the federal budget to assure reasonableness and coverage. However, no attempt is made by the U.S. Census Bureau to account for all federal expenditures as reported in the federal budget or as presented in the U.S. Census Bureau's annual report on government finances.

C. Federal Expenditures to States and U.S. Outlying Areas in Federal Fiscal Year 1997

As illustrated by *Table 1*, federal expenditures to states and U.S. outlying areas totaled approximately \$1.4 trillion in 1997. Direct payments to individuals constituted nearly 56 percent of total expenditures (see *Chart 1* on the following page). Grants and other payments to state and local governments, procurement contract awards, and salaries and wages were the second, third, and fourth largest sources of federal expenditures, respectively.

Table 1
Distribution of Federal Expenditures to States and U.S. Outlying Areas
Federal Fiscal Year 1997

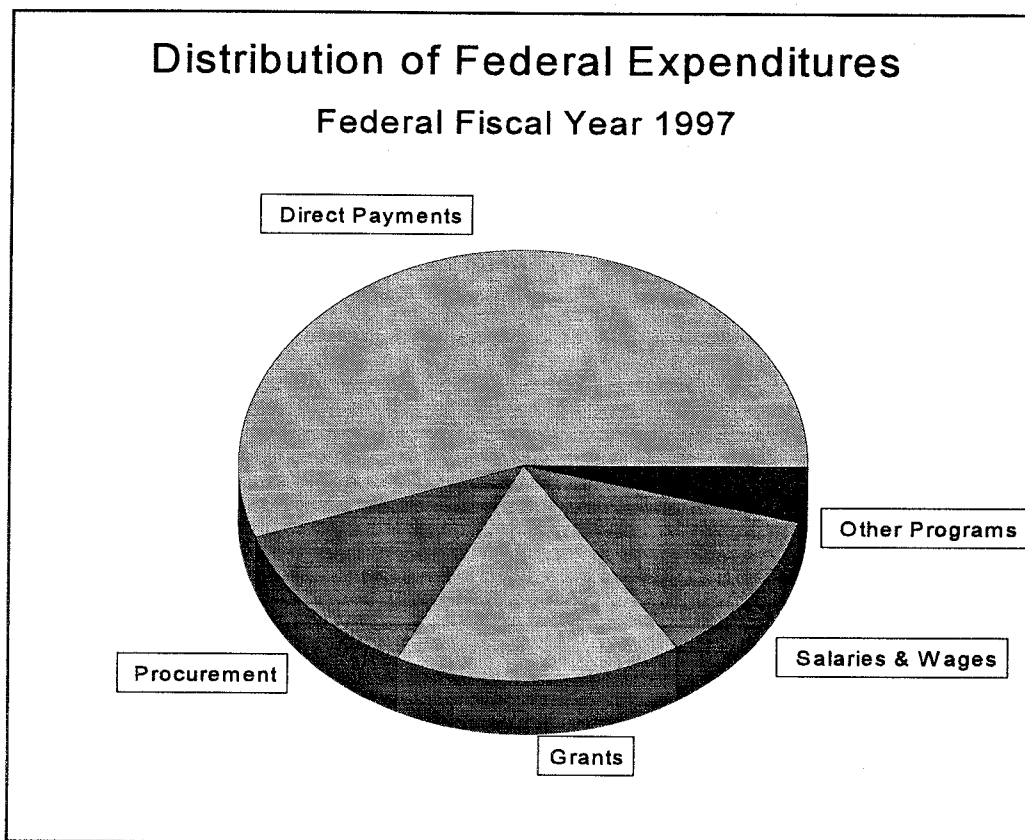
<u>Expenditure Category</u>	<u>Amount (\$ billion)</u>	<u>Percent of Total</u>
Direct Payments to Individuals	\$781.9	55.6
Grants and Other Payments to State and Local Governments	228.7	16.3
Procurement Contract Awards	173.4	12.3
Salaries and Wages	164.8	11.7
Other Programs	57.9	4.1
Total	\$1,406.8	100.0

Note: The total above does not include undistributed funds totaling approximately \$22.1 billion.

Source: U.S. Bureau of the Census. *Federal Expenditures by State for Fiscal Year 1997*. U.S. Government Printing Office, Washington, DC, 1998.

In 1997, Florida ranked 4th among the states, in terms of estimated statewide population. The states of California, New York, and Texas had larger populations, respectively. In terms of total federal expenditures, Florida ranked 15th on a per capita basis among all the states. Among the seven most populous states in 1997 (California, New York, Texas, Florida, Pennsylvania, Illinois, and Ohio respectively), Florida ranked 1st, on a per capita basis, in total federal expenditures. Certainly, Florida's disproportionately higher ranking in direct payments to individuals (1st among all states in 1997) helps explain Florida's top ranking in per capita total federal expenditures.

Chart 1



D. Per Capita Federal Expenditures by Category of Expenditure

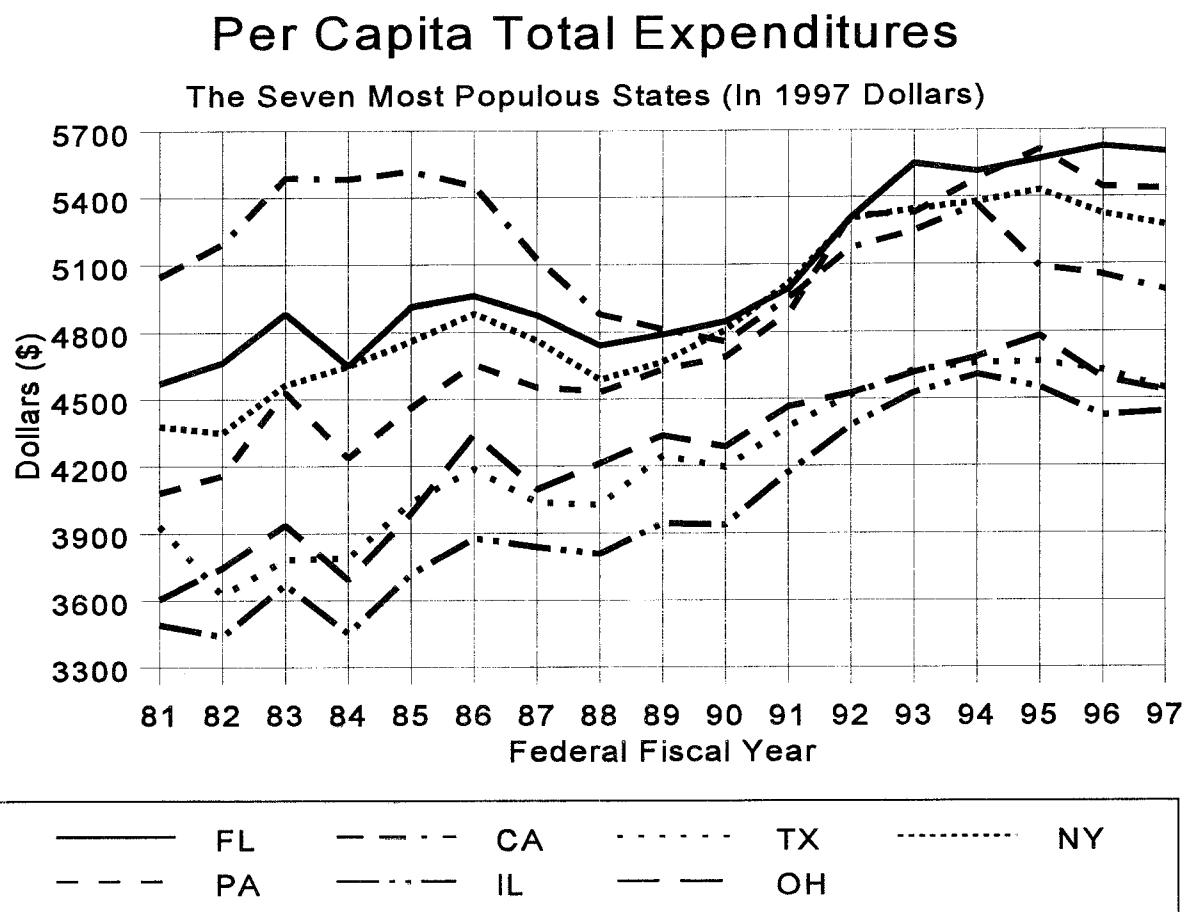
This section of the report examines the historical trend in per capita total expenditures and per capita expenditures for four major expenditure categories: direct payments to individuals, grants to state and local governments, procurement contracts, and salaries and wages for fiscal years 1981 through 1997. In addition to controlling for population change through the use of a 'per capita' measure, the yearly figures have also been adjusted to control for inflation. All per capita

figures for fiscal years 1981 through 1996 have been converted to 1997 dollars.⁵ For each expenditure category, the per capita figures for each of the seven most populous states in 1997 (California, Texas, New York, Florida, Pennsylvania, Illinois, and Ohio) are illustrated.

1. Per Capita Total Expenditures

As illustrated in **Chart 2**, a general pattern of increasing per capita total expenditures existed for the selected states, except California, during fiscal years 1981 through 1997. During the early 1980s, California's per capita amount exceeded that of Florida. However, by the late 1980s, Florida was gaining ground and by the early 1990s, Florida's per capita expenditure exceeded that of California. Since 1996, the per capita total expenditure for Florida has exceeded that of the other selected states.

Chart 2



⁵ Per capita expenditures for 1981 through 1996 were adjusted to 1997 dollars using the Consumer Price Index data published by the U.S. Bureau of Labor Statistics (CPI: All Urban Consumers; Not Seasonally Adjusted; U.S. City Average; All Items; 1982-84=100).

Florida ranked 15th, on a per capita basis, among all states in total federal expenditures in 1997. The state's per capita ranking has dropped two places since last year. A difference of \$2,257 existed between the state having the highest per capita total expenditure in 1997 (Virginia: \$7,857) and the corresponding figure for Florida (\$5,600). Of the seven most populous states, Florida had the highest per capita ranking that year. Florida's high per capita figure, relative to most other states, can be explained, in large part, by the state's proportionate share of federal direct payments to individuals. In 1997, Florida ranked first, on a per capita basis, among all states in direct payments to individuals.

Historically, federal expenditures have tended to respond to differences among states in the rate of population change. Many federal programs are entitlements to individuals, so the funding goes to where the people entitled to those entitlement payments reside. In addition, many grant formulas allocate federal funding based on total population or some component of population. Besides population, growth or decline in federal expenditures also relates to the types of activities that the federal government has been expanding or contracting. For example, procurement contract awards, as a percentage of total federal expenditures, have been declining since 1981, down from about 21 percent in 1981 to just over 12 percent in 1997.

2. Per Capita Direct Payments to Individuals

As mentioned previously, direct payments to individuals constituted the largest category of federal expenditures in fiscal year 1997. An increasing share of federal outlays have been allocated to this expenditure category since 1981. As a percentage of total federal expenditures, direct payments to individuals have increased from just over 47 percent in 1981 to nearly 56 percent in 1997.

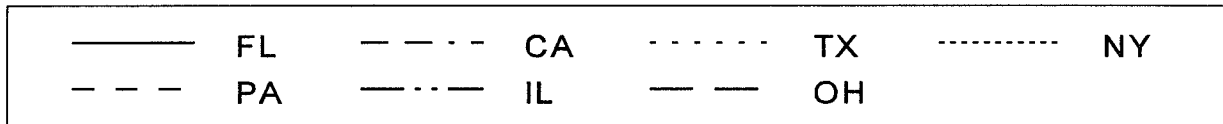
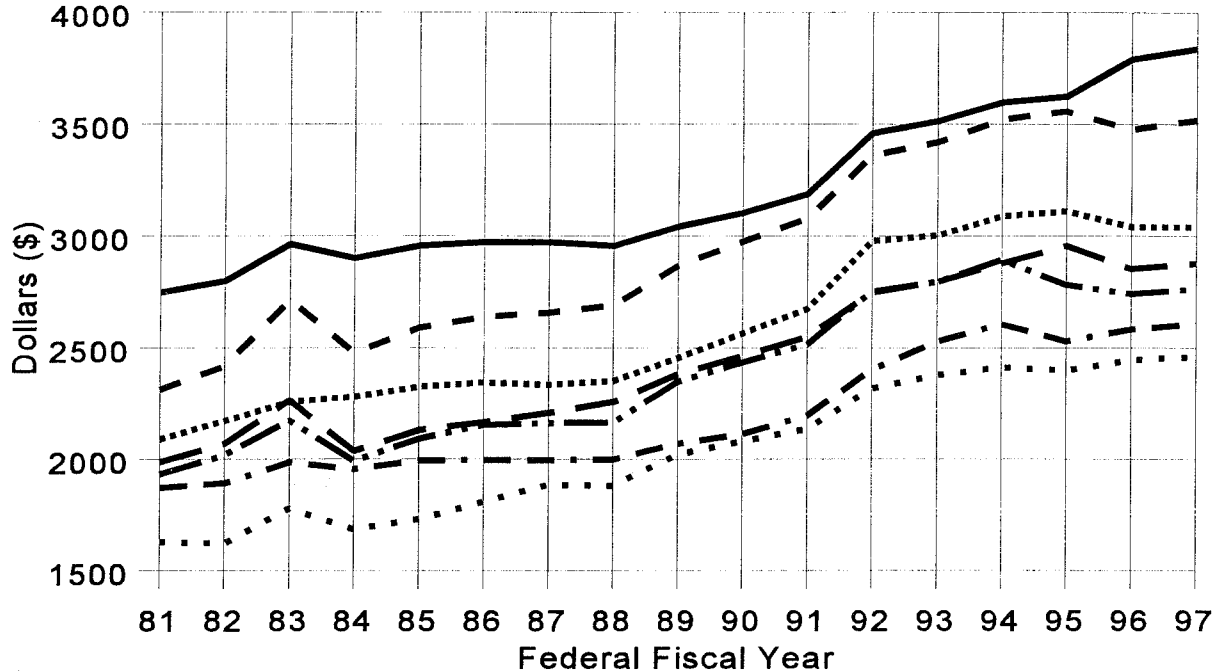
Florida's share of federal direct payments to individuals is illustrated by *Chart 3*. Although Florida was the fourth most populous state during most of the 1981 through 1997 period, the state received the highest per capita federal expenditure of the seven most populous states in each of those seventeen years. In fact, Florida's per capita figure consistently exceeded the average for all states by approximately \$700 to \$950 during this period. The explanation appears to be due to the receipt of Social Security and Medicare benefits by the state's relatively large, elderly population.

For all states and the District of Columbia, Social Security and Medicare payments constituted approximately 73 percent of direct payments to individuals in 1997. For Florida, the figure was slightly higher, 75 percent. The key to any state having a high per capita ranking in this expenditure category is to have a large percentage of the state population that is over age 65 and has had a long history of employment at wage levels substantial enough to earn large Social Security payments. Florida has achieved such a high per capita figure due primarily to the immigration of retired persons eligible to receive such payments. Conversely, Pennsylvania has achieved its high per capita figure (3rd overall in 1997) primarily due to the out-migration of younger persons not yet eligible to receive payments.

Chart 3

Per Capita Direct Payments to Individuals

The Seven Most Populous States (In 1997 Dollars)



3. Per Capita Grants and Other Payments to State and Local Governments

Florida ranked 49th, on a per capita basis, among all states in federal grant expenditures in fiscal year 1997. Among the seven most populous states, federal support of state and local governments through grant programs and other payments shows considerable variation as illustrated by **Chart 4**. Although all seven states show the same general pattern during fiscal years 1981 through 1997, there are some significant differences. New York had the highest per capita expenditure in all years, and these figures were substantially higher than those of the remaining six states. On the other hand, Florida has had the lowest per capita figure, among the seven states, since the mid-1980s.

As previously mentioned, grants awarded by the U.S. Department of Health and Human Services constituted approximately 53 percent of total federal grant funding to states and the District of Columbia in fiscal year 1997. Nearly 80 percent of that amount consisted of Medicaid funding. Total Medicaid spending varies substantially among states because of many interactive factors

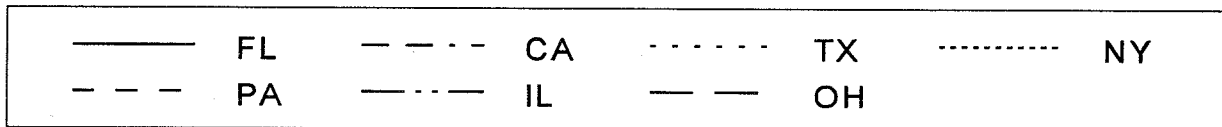
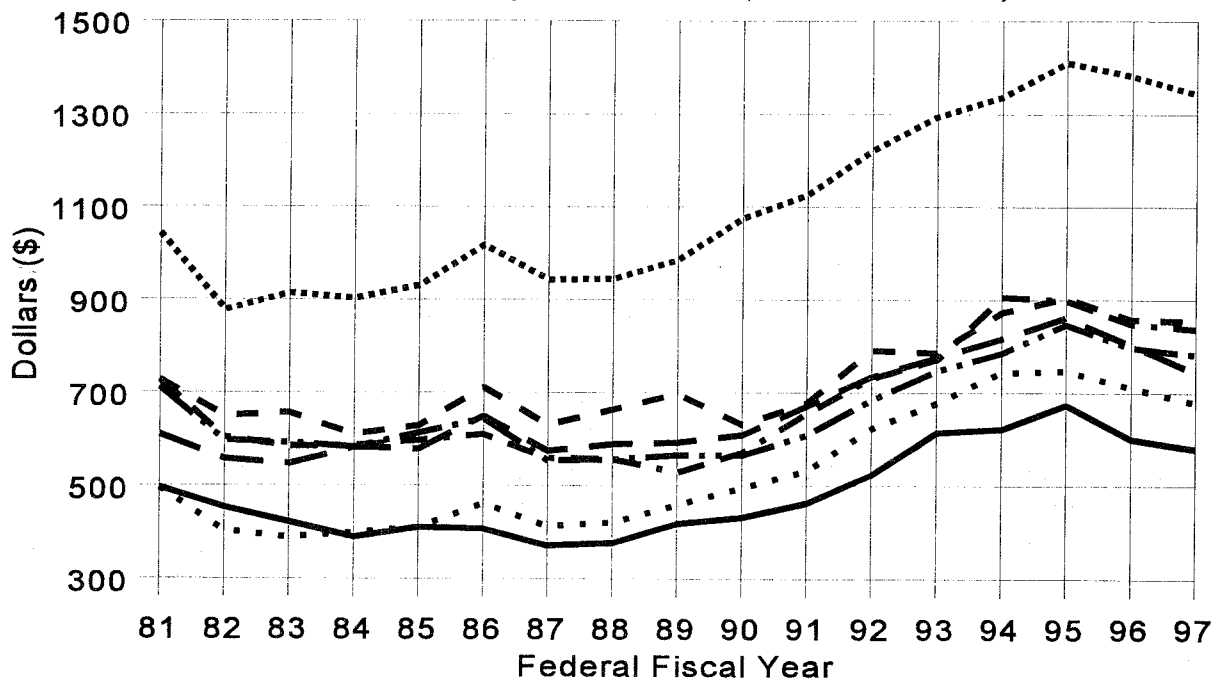
such as the proportion of state population in poverty, the ease of becoming a beneficiary as determined by state eligibility standards, the types of health care services provided, the cost of each service as determined by state decisions on provider reimbursement rates, and the use of services as determined by both state policy and patterns of provider practices.

Besides Medicaid and cash assistance, federal grants to state and local governments cover a wide variety of functions such as support of the arts, environmental protection, education, and highway construction. While each grant program has its own distribution formulas, there are some patterns which help explain why certain states receive more in federal grants. In general, states with small populations have an advantage in per capita funding as the result of minimum amounts per state built into many formulas. In addition, states' allocations may be substantially higher due to the presence of federal lands and the shared revenues received from the uses of such lands for mining or grazing. Allocations may also be higher as the result of concentrations of certain populations such as disadvantaged children or Native Americans.

Chart 4

Per Capita Grants to State and Local Gov'ts

The Seven Most Populous States (In 1997 Dollars)



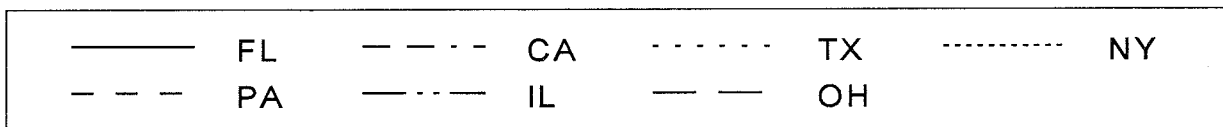
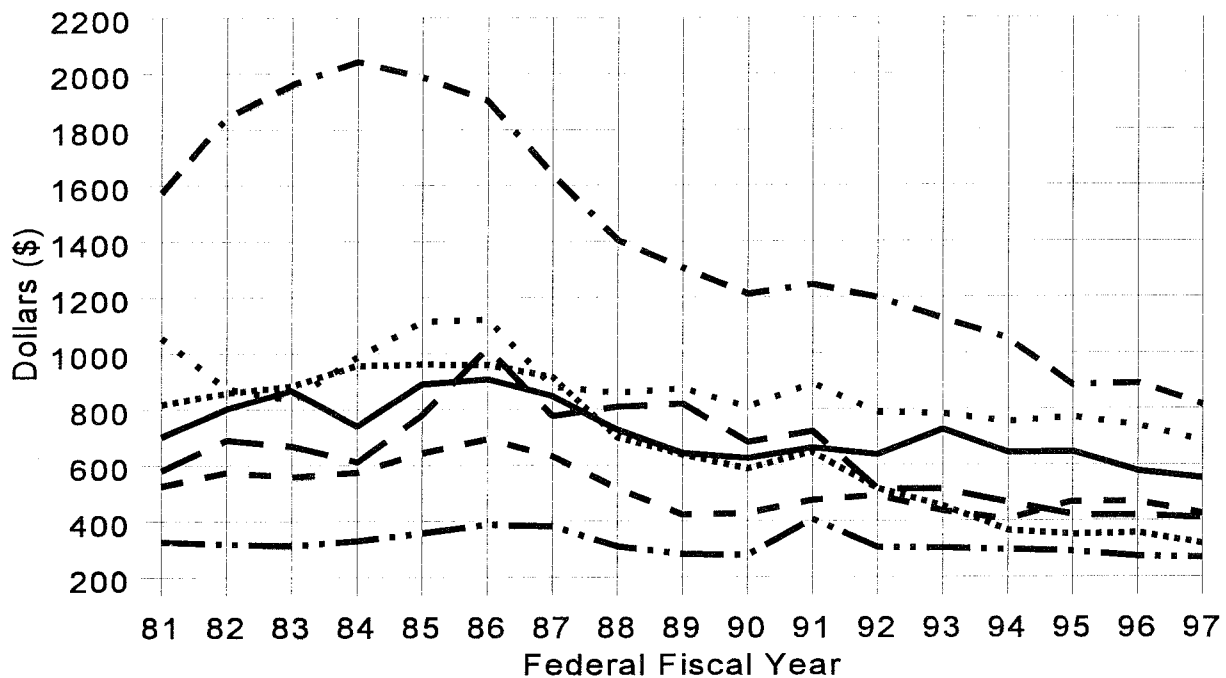
4. Per Capita Procurement Contracts

An increasing share of federal outlays is going to uses where federal officials have little or no control over how the monies are ultimately spent. As a result, there has been a corresponding decline in direct federal operations, particularly in the U.S. Department of Defense, but also in many civilian agencies. In fact, per capita procurement expenditures for most states, including Florida, have remained relatively constant or declined slightly since 1981, as illustrated in *Chart 5*. The per capita figures for California and New York have exhibited the most dramatic declines. In 1997, Florida ranked 24th, on a per capita basis, among all states in federal procurement expenditures.

Chart 5

Per Capita Procurement Contracts

The Seven Most Populous States (In 1997 Dollars)



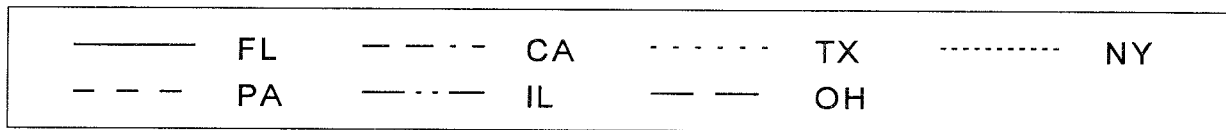
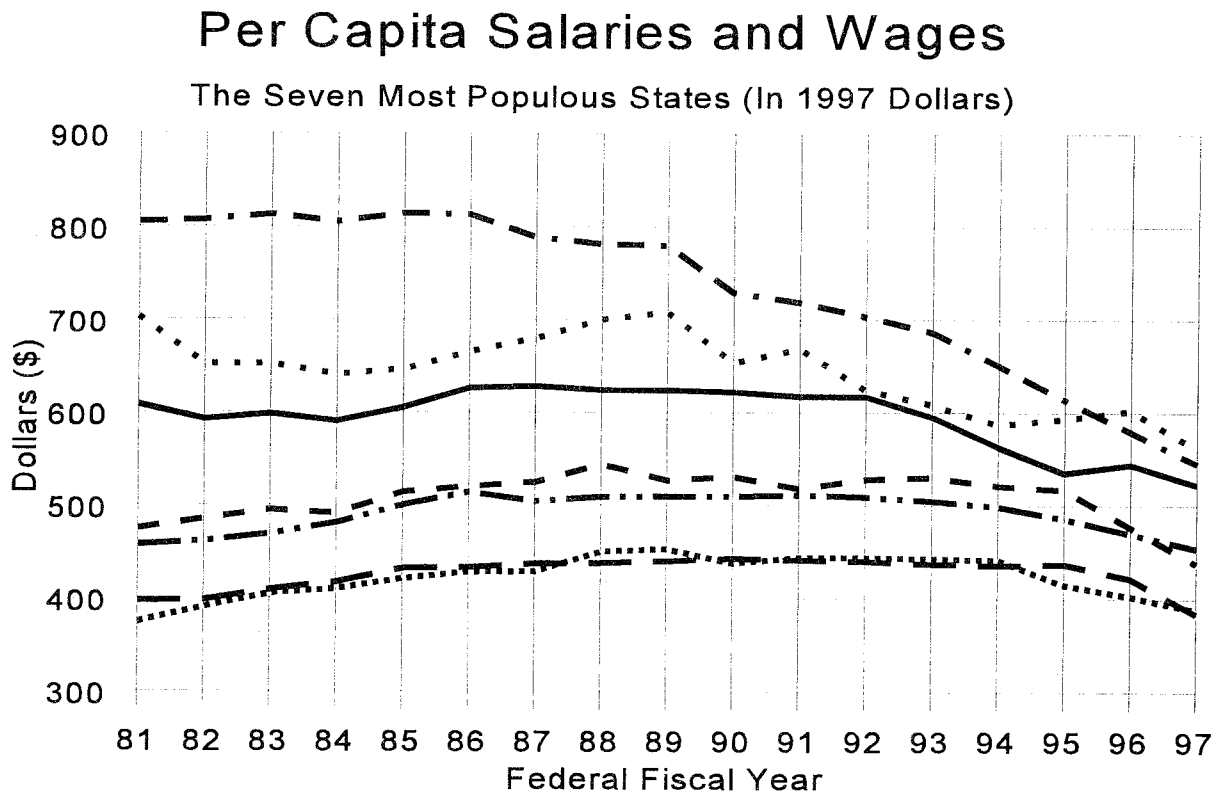
In the area of procurement, the major beneficiaries continue to be those states having: 1) concentrations of contractors serving federal military and civilian agencies, 2) large atomic energy-related facilities, 3) aircraft contractors, or 4) a large military presence relative to total

population. The area that would seem to hold the most promise for Florida would be for the state to continue attracting contractors serving military and civilian agencies.

5. *Per Capita Salaries and Wages*

Most federal workers are found on large federal installations, such as military bases, or concentrated in and around the District of Columbia. However, some federal activities, such as the U.S. Postal Service, are distributed among the states roughly in proportion to population. Florida ranked 29th, on a per capita basis, among all states in federal salary and wage expenditures in 1997. As illustrated in **Chart 6**, of the seven most populous states that year, Florida had the third highest per capita ranking behind the states of Texas and California.

Chart 6



II. FLORIDA'S PER CAPITA GRANT EXPENDITURES COMPARED TO OTHER STATES

A. Introduction

In fiscal year 1997, federal expenditures for all states and the District of Columbia were approximately \$5,133 per capita. With a difference of \$3,833 per capita between the state having the highest level of total federal expenditure (Virginia: \$7,857) and the state having the lowest level of federal expenditure (Wisconsin: \$4,024), elected state and local officials have considerable interest in influencing where federal expenditures are made.

This fact is particularly true for federal grants to state and local governments, in which the 1997 per capita expenditure to the most favored state (Alaska: \$2,139) was just over four times the per capita expenditure for the least favored state (Virginia: \$522). Had Florida, which ranked 49th among all states in 1997 per capita grant expenditures with \$580, received the same per capita amount as the average for all states, Florida would have received an additional \$3.7 billion. To put such an increase into a state perspective, this amount would represent approximately eight percent of the \$46.8 billion state budget proposed by the Bush Administration for fiscal year 1999-2000, according to LCIR staff calculations.⁶

Federal support of state and local budgets through grant programs shows considerable variation. Some grant funding to select states results from the presence of certain populations or characteristics. For example, large Native American populations trigger additional grants from the U.S. Department of Education for Indian education and from the U.S. Department of the Interior for Indian programs. Special arrangements to share revenue from timber and mineral sales, via the U.S. Department of the Interior's Bureau of Land Management, are important to many western states with large federal land holdings. Another example is the assistance provided to refugees via grant funding provided by the U.S. Department of Health and Human Services (HHS).

The HHS grants accounted for approximately 53 percent of all grants to states and the District of Columbia in 1997. Population size does not seem to strongly influence per capita HHS grant expenditures. A number of interactive factors explain the variations in HHS grant funding, particularly in the areas of Medicaid and Aid to Families with Dependent Children (AFDC, which now has become Temporary Assistance for Needy Families or TANF). These factors include the proportion of the state's population in poverty, the ease of becoming a beneficiary as determined by state eligibility standards, the optional benefits as determined by state decisions, and the percentage of total costs paid by the federal government.

⁶ Executive Office of the Governor. *State of Florida FY 1999-2000 Executive Budget*. State of Florida, Tallahassee, FL, January 1999.

B. Per Capita Grant Expenditures to Florida by Federal Department and Agency

As previously stated, Florida ranked 49th among all states in the receipt of federal grants and other payments for state and local governments during fiscal year 1997. The state's per capita grant funding of \$580 was approximately 70 percent of the average for all states. Among the seven most populous states, Florida had the lowest per capita ranking. *Table 2* illustrates how Florida ranked, relative to all other states that year, in per capita grant funding by federal department and agency.

Florida's state and local governments received approximately \$8.5 billion in grants and other payments during fiscal year 1997. Grants received from six departments (Health and Human Services, Transportation, Housing and Urban Development, Agriculture, Education, and Labor) accounted for approximately 95 percent of all grant expenditures to Florida that year. The ten largest grant programs accounted for approximately 87 percent of all grants expenditures to the state in 1997, as illustrated in *Table 3*.

With the exception of U.S. Department of Agriculture grants in which Florida ranked 36th on a per capita basis, the state had a 'departmental' per capita ranking, among those six departments constituting the bulk of grant funding, that did not exceed 40th among all states. In four of those six departments, Florida's per capita ranking among the seven most populous states was the lowest. Florida's per capita ranking in six of the ten largest grant program categories also did not exceed 40th place. In an effort to understand the state's standing in per capita grant funding relative to other states, the remainder of this section focuses on the programs administered by those six departments.

1. Grants Administered by the U.S. Department of Health and Human Services

In Florida, HHS grants accounted for 53 percent of all grant funding received in fiscal year 1997 and provided the state with approximately \$4.5 billion or \$309.08 per capita. As illustrated in *Table 4*, grant programs administered by the Health Care Financing Administration (Medicaid) and the Administration for Children and Families (a number of grant programs, the largest of which is AFDC, now TANF), constituted 96 percent of all HHS grants. Additionally, these two programs accounted for 51 percent of all grant expenditures received by the state that year.

Medicaid was the single largest grant program for Florida in 1997 with a total expenditure of \$3.5 billion or \$241.32 per capita. This program constituted approximately 42 percent of all grant funding and 78 percent of all HHS funding received by the state that year. On a per capita basis, Florida ranked 46th among the states and 7th among the seven most populous states in Medicaid funding.

Table 2
1997 Federal Expenditures to Florida State and Local Governments
Grants and Other Payments Received by Federal Department or Agency

<u>Federal Department or Agency</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Per Capita Ranking:</u>	
			<u>All States</u>	<u>Seven Most Populous States</u>
Dept. of Health and Human Services	\$ 4,529,224,000	\$ 309.08	47th	7th
Dept. of Transportation	980,515,000	66.91	50th	7th
Dept. of Housing and Urban Development	809,124,000	55.22	43rd	6th
Dept. of Agriculture	793,313,000	54.14	36th	4th
Dept. of Education	740,893,000	50.56	48th	7th
Dept. of Labor	216,366,000	14.77	42nd	7th
Dept. of Justice	151,111,000	10.31	12th	3rd
Federal Emergency Management Agency	99,978,000	6.82	26th	5th
Environmental Protection Agency	77,661,000	5.30	50th	7th
Dept. of Commerce	34,210,000	2.33	34th	2nd
Dept. of Interior	24,717,000	1.69	46th	6th
Corporation for Public Broadcasting	10,661,000	0.73	31st	4th
Dept. of the Treasury	10,419,000	0.71	1st	1st
Dept. of Veterans Affairs	9,202,000	0.63	36th	4th
Dept. of Defense	7,453,000	0.51	23rd	1st
Dept. of Energy	4,918,000	0.34	17th	1st
Social Security Administration: Supplemental Security Income	1,914,000	0.13	25th	6th
Equal Employment Opportunity Commission	988,000	0.07	36th	4th
Neighborhood Reinvestment Corp. Grants	808,000	0.06	36th	7th
National Found. for the Arts and Humanities	779,000	0.05	43rd	2nd
Institute of Museum Services	133,000	0.01	38th	6th
State Justice Institute Grants	86,000	0.01	25th	3rd
Total Grants and Other Payments	\$ 8,504,474,000	\$ 580.35	49th	7th

Table 3
1997 Federal Expenditures to Florida State and Local Governments
Ten Largest Grant Program Categories, in Terms of Total Expenditure, to the State

<u>Federal Department/Program Category</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Per Capita Ranking:</u>	
			<u>All States</u>	<u>Seven Most Populous States</u>
Department of Health and Human Services Health Care Financing Administration: Medical Assistance (Medicaid)	\$ 3,536,257,000	\$ 241.32	46th	7th
Department of Health and Human Services Administration for Children and Families	815,973,000	55.68	37th	6th
Department of Transportation Federal Highway Administration	748,498,000	51.08	50th	7th
Department of Agriculture Food and Consumer Services	717,314,000	48.95	31st	4th
Dept. of Housing and Urban Development Lower Income Housing Assistance	398,132,000	27.17	43rd	6th
Dept. of Education Office of Elementary and Secondary Education	375,822,000	25.65	39th	7th
Dept. of Education Office of Special Education and Rehabilitative Services	270,987,000	18.49	46th	6th
Dept. of Labor Employment and Training Administration	215,051,000	14.68	42nd	7th
Dept. of Housing and Urban Development Community Development	188,108,000	12.84	34th	7th
Dept. of Housing and Urban Development Other Programs	155,565,000	10.62	36th	6th
<i>Total of the Ten Largest Grant Categories</i>	<i>\$ 7,421,707,000</i>	<i>\$ 506.46</i>	<i>47th</i>	<i>7th</i>
<i>Total of All Grants to Florida</i>	<i>\$ 8,504,474,000</i>	<i>\$ 580.35</i>	<i>49th</i>	<i>7th</i>
<i>Ten Largest Grant Categories to Florida as a Percentage of Total Grant Funding to Florida</i>	<i>87.3</i>			

Table 4
1997 Federal Expenditures to Florida State and Local Governments
Grant Programs Administered by the U.S. Department of Health and Human Services (HHS)
(Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)

<u>Grant Program</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Percent of Florida's Total HHS Grants</u>	<u>Per Capita Ranking:</u>	
				<u>All States</u>	<u>Seven Most Populous States</u>
Health Care Financing Administration: Medicaid	\$ 3,536,257,000	\$ 241.32	78.1	46th	7th
Administration for Children and Families	815,973,000	55.68	18.0	37th	6th
Aid to Families with Dependent Children	367,467,000	25.08	8.1	24th	5th
Social Services Block Grant	127,377,000	8.69	2.8	39th	5th
Foster Care and Adoption Assistance	121,068,000	8.26	2.7	37th	6th
Children and Family Services	93,888,000	6.41	2.1	32nd	2nd
Refugee Assistance	61,162,000	4.17	1.4	* 1st	* 1st
Job Opportunities and Basic Skills	31,014,000	2.12	0.7	27th	5th
Low Income Home Energy Assistance	13,392,000	0.91	0.3	50th	7th
Other	319,000	0.02	< 0.1	** 10th	** 3rd
Community Service Block Grants	286,000	0.02	< 0.1	*** 40th	*** 7th
Public Health Service	110,796,000	7.56	2.4	29th	3rd
Health Resources and Services Administration	100,064,000	6.83	2.2	22nd	2nd
Centers for Disease Control	10,732,000	0.73	0.2	49th	7th
Substance Abuse and Mental Health Administration	66,198,000	4.52	1.5	45th	7th
Total of HHS Grants to Florida	\$ 4,529,224,000	\$ 309.08	100.0	47th	7th

Table 4 continued

* Two states did not receive funding in fiscal year 1997. Therefore, Florida ranked 1st among the forty-eight states and 1st among the seven most populous states that received funding.

** Ten states did not receive funding in fiscal year 1997. Therefore, Florida ranked 10th among the forty states and 3rd among the seven most populous states that received funding.

*** Four states did not receive funding in fiscal year 1997. Therefore, Florida ranked 40th among the forty-six states and 7th among the seven most populous states that received funding.

According to a 1997 LCIR report, two factors explain Florida's lack of Medicaid funding equity when comparing the fairness of the federal share made to other states on the basis of need.⁷ The first factor relates to the inability of the original Medicaid formula, enacted by Congress in 1965, to accurately measure the medically indigent population, the costs of providing services, and the ability of state and local taxpayers to support the non-federal share of the program. Two population groups, Florida's large population of wealthy individuals who were not subject to state personal income taxes and the state's large medically indigent population, were not reflected in the three-year averages of state and national per capita incomes that were central to the original Medicaid formula.

The second factor relates to Florida's historically conservative approach to utilizing Medicaid options regarding eligibility, services, and administration. Until recent years, this conservative approach to utilizing Medicaid Disproportionate Share Hospital payments in the late 1980s and early 1990s amplified the inequities in Medicaid funding.

Grants funded through the Administration for Children and Families (ACF) constituted the second largest grant program category for Florida in fiscal year 1997 with a total expenditure of \$816 million or \$55.68 per capita. This category represented approximately 18 percent of all HHS grant expenditures to the state. Florida ranked 37th, on a per capita basis, among the states and 6th among the seven most populous states in ACF funding.

The five largest grant programs within ACF constituted approximately 94 percent of total ACF expenditures. Aid to Families with Dependent Children (AFDC, now TANF) was the largest category of the ACF grants, with a total expenditure of \$367 million or \$25.08 per capita in fiscal year 1997. This program accounted for approximately 45 percent of all ACF grant funding to the state. In per capita terms, Florida ranked 24th among the states and 5th among the seven most populous states in AFDC funding.

Social services block grants represented the second largest program of the ACF grants to Florida. In 1997, the state received approximately \$127 million or \$8.69 per capita from this source

⁷ Legislative Committee on Intergovernmental Relations. *Federal Medicaid Funding: Report-in-Brief*. Florida Legislature, Tallahassee, FL, May 1997.

which accounted for nearly 16 percent of all ACF funding. In per capita terms, Florida ranked 39th among the states and 5th among the seven most populous states in program funding. This funding source, authorized through Title XX of the Social Security Act, as amended, is a capped program with state allocations determined by population.

In per capita terms, Florida ranked 37th among all states and 6th among the seven most populous states in foster care and adoption assistance received in 1997. This program category accounted for nearly 15 percent of Florida's ACF grant funding with the state receiving approximately \$121 million or \$8.26 per capita in fiscal year 1997. This grant program is an open-ended funding source requiring a state match at the Medical Assistance Percentage (Medicaid) rate. According to state officials, Florida's current policy with regard to this funding source is to increase the 'draw-down' of these funds.

The fourth largest ACF program category for Florida in 1997 was children and family services. The state received about \$94 million or \$6.41 per capita that year, and the program accounted for nearly 12 percent of Florida's ACF funding. On a per capita basis, Florida ranked 32nd among all states and 2nd among the seven most populous states. The exact reasons for the relatively low overall ranking are unclear due to the number and diversity of grants included in this category.

Refugee assistance accounted for about seven percent of ACF funding to Florida in 1997. The state received approximately \$61 million or \$4.17 per capita in assistance that year. Florida ranked 1st among all states in per capita refugee assistance funding. This top ranking is due in large part to the state's proximity to the Caribbean and influxes of Cuban and Haitian refugees in recent years.

The other four ACF program categories: Job Opportunities and Basic Skills, Low Income Home Energy Assistance, Other, and Community Service Block Grants constituted nearly 6 percent of total ACF funding to Florida in fiscal year 1997. The state received approximately \$45 million or \$3.07 per capita from these sources.

The third largest program category of HHS grants are those administered by the Public Health Service (PHS). In Florida, PHS programs, specifically Health Resources and Services Administration and Centers for Disease Control, accounted for approximately 2 percent of all grants administered by the department in fiscal year 1997. PHS grants provided the state with approximately \$111 million or \$7.56 per capita that year. In per capita terms, Florida ranked 29th among all states and 3rd among the seven most populous states.

Substance Abuse and Mental Health Administration grants accounted for the remaining 1 percent of all HHS grants in fiscal year 1997. This grant source provided the state with about \$66 million or \$4.52 per capita that year. In the receipt of this funding, Florida ranked 45th, on a per capita basis, among all states and 7th among the seven most populous states.

2. Grants Administered by the U.S. Department of Transportation

The federal grant program categories for the U.S. Department of Transportation (DOT) and the respective expenditures to Florida in fiscal year 1997 are summarized below in **Table 5**.

Table 5 1997 Federal Expenditures to Florida State and Local Governments Grant Programs Administered by the U.S. Department of Transportation (DOT) (Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)					
Grant Program	Total Expenditure	Per Capita Expenditure	Percent of Florida's Total DOT Grants	Per Capita Ranking:	
				All States	Seven Most Populous States
Federal Highway Administration	\$ 748,498,000	\$ 51.08	76.3	50th	7th
Highway Trust Fund	736,401,000	50.25	75.1	50th	7th
Other Demonstration Projects	9,299,000	0.63	0.9	* 18th	* 1st
Motor Carrier Safety Grants	2,130,000	0.15	0.2	45th	6th
Highway-Related Safety Grants	573,000	0.04	0.1	** 37th	** 6th
Other	95,000	0.01	< 0.1	*** 18th	*** 3rd
Interstate Transfer Grants	n/a	n/a	n/a	n/a	n/a
Federal Transit Administration	154,438,000	10.54	15.8	17th	5th
Federal Aviation Administration: Airport and Airway Trust Fund	66,272,000	4.52	6.8	31st	5th
National Highway Traffic Safety Administration	6,399,000	0.44	0.7	41st	6th
Coast Guard: Boating Safety	3,938,000	0.27	0.4	**** 12th	**** 1st
Research and Special Programs Administration	820,000	0.06	0.1	40th	6th
Federal Railroad Administration: Rail Services Assistance	150,000	0.01	< 0.1	***** 28th	***** 3rd
Total of DOT Grants to Florida	\$ 980,515,000	\$ 66.91	100.0	50th	7th

Table 5 continued

* Eight states did not receive funding in fiscal year 1997. Therefore, Florida ranked 18th among the forty-two states and 1st among the seven most populous states that received funding.

** Two states did not receive funding in 1997. Therefore, Florida ranked 37th among the forty-eight states and 6th among the seven most populous states that received funding.

*** Twenty-eight states did not receive funding in fiscal year 1997. Therefore, Florida ranked 18th among the twenty-two states that received funding. Only three of the seven most populous states received funding that year; Florida ranked 3rd.

**** Two states did not receive funding in 1997. Florida ranked 12th, on a per capita basis, among the 48 states and 1st among the seven most populous states that received funding.

***** Ten states did not receive funding in fiscal year 1997. Therefore, Florida ranked 28th among the 40 states that received funding. Only four of the seven most populous states received funding that year; Florida ranked 3rd.

These grants represented the second largest departmental source of grant funding for Florida in fiscal year 1997. Collectively, these grant expenditures totaled \$981 million or \$66.91 per capita and accounted for nearly 12 percent of all grant funding received that year. In per capita terms, Florida ranked last among all states in total DOT grant funding.

The largest component of these DOT grants are those administered by the Federal Highway Administration (FHA). In Florida, FHA grants accounted for 76 percent of all grants administered by the department. FHA grants provided the state with approximately \$748 million or \$51.08 per capita in fiscal year 1997. On a per capita basis, the state ranked last among all states in FHA grant funding. A number of grant programs are funded by the FHA. The most significant of the FHA programs, the Highway Trust Fund, accounted for 98 percent of all FHA grant expenditures to the state in 1997.

a. Transportation Equity Act for the 21st Century

The mechanism by which FHA grant funding was allocated to states, prior to October 1, 1997, was the Intermodal Surface Transportation Efficiency Act (ISTEA). The Act, signed into law in December of 1991, expired on September 30, 1997. The 105th Congress was unable to pass a multi-year reauthorization bill prior to ISTEA's expiration; however, legislators did pass a temporary extension in November 1997 which President Clinton signed into law on December 1, 1997.

By early April 1998, both the House and Senate had passed surface transportation reauthorization bills: the six-year, \$219 billion House bill (H.R. 2400) and the six-year, \$217 billion Senate bill (S. 1173), respectively. Prior to the 1998 Memorial Day recess, the Congress voted out a conference report and sent the newly titled Transportation Equity Act for the 21st Century, or TEA-21, to President Clinton for his signature. TEA-21 was signed into law on June 9, 1998 (PL 105-178).

The Act is expected to provide Florida with average annual federal highway funding of \$1.2 billion over the next six years. This would represent a 57 percent increase in average annual funding. Florida's rate of return on its Highway Trust Fund payments also is expected to also improve from the 79 cents per dollar rate of return under ISTEA. Under TEA-21, Florida's rate of return will improve to 90.5 cents per dollar on formula programs and a minimum of 86 cents per dollar on total funds available to the states. Since FHA funding accounted for nearly nine percent of all grant expenditures to the state and represented the third largest source of grant program funding to Florida in fiscal year 1997, these changes will have a significant fiscal impact on Florida.

b. Other Federal Transportation Expenditures

The second largest program category of DOT grants are those administered by the Federal Transit Administration (FTA). In Florida, FTA grants accounted for nearly 16 percent of all grants administered by the department in fiscal year 1997. FTA grants provided the state with approximately \$154 million or \$10.54 per capita that year. In per capita terms, Florida ranked 17th among all states and 5th among the seven most populous states in FTA funding.

The Federal Aviation Administration's (FAA) Airport and Airway Trust Fund accounted for almost 7 percent of all DOT grants in fiscal year 1997. FAA grant funding provided the state with \$66 million or \$4.52 per capita that year. Florida ranked 31st, on a per capita basis, among all states and 5th among the seven most populous states.

The other four program categories: National Highway Traffic Safety Administration, Coast Guard Boating Safety, Research and Special Programs Administration, and Federal Railroad Administration constituted just over 1 percent of total DOT funding to Florida in fiscal year 1997. The state received approximately \$11 million or \$0.78 per capita for these sources.

3. Grants Administered by the U.S. Department of Housing and Urban Development

In fiscal year 1997, those grants administered by the U.S. Department of Housing and Urban Development (HUD) represented the third largest departmental source of grant funding for Florida. Collectively, these grant expenditures totaled \$809 million or \$55.22 per capita and accounted for nearly 10 percent of all grant funding received that year. In per capita terms, Florida ranked 43rd among all states in total HUD grant funding.

A number of grant programs are administered and funded by the department. These program categories and the respective expenditures for Florida in 1997 are summarized in **Table 6**. The most significant of the HUD grant programs, the Lower Income Housing Assistance program, accounted for just over 49 percent of all HUD grant expenditures to the state that year. Florida ranked 43rd, on a per capita basis, among the states and 6th among the seven most populous states in the receipt of these program funds.

The Lower Income Housing Assistance program consisted of three component program categories: Section 8 Housing Payments, Public Housing, and Housing Payments for College Housing. Section 8 Housing Payments accounted for 78 percent of total Lower Income Housing Assistance funding. In per capita terms, Florida ranked 36th among the states and 6th among the seven most populous states in the receipt of Section 8 payments.

Table 6
1997 Federal Expenditures to Florida State and Local Governments
Grant Programs Administered by the U.S. Department of Housing and Urban Development (HUD)
(Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)

<u>Grant Program</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Percent of Florida's Total HUD Grants</u>	Per Capita Ranking:	
				<u>All States</u>	<u>Seven Most Populous States</u>
Lower Income Housing Assistance	\$ 398,132,000	\$ 27.17	49.2	43rd	6th
Housing Payments - Section 8	312,286,000	21.31	38.6	36th	6th
Public Housing	85,657,000	5.85	10.6	42nd	6th
Housing Payments - College Housing	189,000	0.01	< 0.1	* 41st	* 7th
Community Development	188,108,000	12.84	23.2	34th	7th
Other Programs	155,565,000	10.62	19.2	36th	6th
Low Rent Housing - Operating Assistance	56,517,000	3.86	7.0	33rd	5th
Emergency Shelters and Homeless Assistance	10,801,000	0.74	1.3	41st	7th
Urban Development Action Grants	n/a	n/a	n/a	n/a	n/a
Total of HUD Grants to Florida	\$ 809,124,000	\$ 55.22	100.0	43rd	6th

* Six states did not receive funding in fiscal year 1997. Therefore, Florida ranked 41st among the forty-four states and 7th among the seven most populous states that received funding.

The Community Development program represented the second largest source of HUD grant funding to the state in fiscal year 1997. Collectively, these grant expenditures totaled about \$188 million or \$12.84 per capita and accounted for almost 23 percent of all HUD grant funding received that year. In the receipt of these program funds, Florida ranked 34th, on a per capita basis, among the states and 7th among the seven most populous states.

Another category, designated as Other Programs, represented the third largest source of HUD grant funding to Florida in 1997. The expenditures for the various grant programs reflected in this category totaled approximately \$156 million or \$10.62 per capita. This category accounted for 19 percent of all departmental grant funding received that year. In per capita terms, Florida ranked 36th among the states and 6th among the seven most populous states in the receipt of these funds.

Two program categories: Low Rent Housing - Operating Assistance and Emergency Shelters and Homeless Assistance accounted for the remaining 8 percent of HUD grant funding to Florida in fiscal year 1997. Although the state received Urban Development Action Grant funding last year, no funding was received in 1997.

4. Grants Administered by the U.S. Department of Agriculture

Grant programs administered by the U.S. Department of Agriculture (DOA) represented the fourth largest departmental source of grant funding for Florida in fiscal year 1997. Collectively, these grant expenditures totaled \$793 million or \$54.14 per capita and accounted for 9 percent of all grant funding received that year. In per capita terms, Florida ranked 36th among all states and 4th among the seven most populous states in total DOA grant funding.

The department funded a number of grant programs. The ten program categories and the respective expenditures for Florida in 1997 are summarized in **Table 7**. The most significant of these program categories, accounting for approximately 90 percent of all DOA grant expenditures to the state that year, was the Food and Consumer Service (FCS). Collectively, the FCS expenditures totaled \$717 million or \$48.95 per capita. Florida ranked 31st, on a per capita basis, among the states and 4th among the seven most populous states in FCS funding.

The other six program categories, which constituted the remaining 10 percent of total DOA grant expenditures in 1997, accounted for expenditures totaling \$76 million. As illustrated, Florida did not rank particularly high, in per capita terms, in any of these program categories.

5. Grants Administered by the U.S. Department of Education

Grant programs administered by the U.S. Department of Education (DOE) represented the fifth largest departmental source of grant funding for Florida in fiscal year 1997. Collectively, these grant expenditures totaled nearly \$741 million or \$50.56 per capita and accounted for nearly nine percent of all grant funding received that year. Florida ranked 48th, on a per capita basis, among all states and 7th among the seven most populous states in total DOE grant funding.

A number of grant programs are funded by the department. The seven program categories and the respective expenditures for Florida in 1997 are summarized in **Table 8**. The most significant of the DOE budget categories, the Office of Elementary and Secondary Education, accounted for nearly 51 percent of all DOE grant expenditures to the state that year. In per capita terms, Florida ranked 39th among the states and last among the seven most populous states.

Table 7
1997 Federal Expenditures to Florida State and Local Governments
Grant Programs Administered by the U.S. Department of Agriculture (DOA)
(Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)

<u>Grant Program</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Percent of Florida's Total DOA Grants</u>	<u>Per Capita Ranking:</u>	
				<u>All States</u>	<u>Seven Most Populous States</u>
Food and Nutrition Service	\$717,314,000	\$ 48.95	90.4	31st	4th
Child Nutrition Programs	429,208,000	29.29	54.1	28th	4th
Special Supplemental Food Program (WIC)	189,240,000	12.91	23.9	26th	4th
Food Stamp Program	86,276,000	5.89	10.9	36th	7th
Needy Families	6,638,000	0.45	0.8	38th	6th
Commodity Assistance Program	5,952,000	0.41	0.8	45th	7th
Rural Development Activities Service	38,089,000	2.60	4.8	38th	3rd
Rural Housing Service & Rural Business Cooperative Service	20,482,000	1.40	2.6	41st	3rd
Rural Utilities Service	17,289,000	1.18	2.2	* 36th	* 3rd
Other Rural Programs	318,000	0.02	< 0.1	** 38th	** 7th
Cooperative State Research Education and Extension Service	18,819,000	1.28	2.4	49th	6th
Research and Education Activities	10,073,000	0.69	1.3	49th	6th
Extension Activities	8,746,000	0.60	1.1	47th	6th
Agricultural Marketing Service	14,800,000	1.01	1.9	39th	6th
Funds for Strengthening Markets - Section 32	14,765,000	1.01	1.9	39th	6th
Cooperative Projects in Marketing	35,000	< 0.01	< 0.1	*** 21st	*** 3rd

Table 7 continued						
Forest Service	1,897,000	0.13	0.2		44th	5th
National Forests Fund	1,066,000	0.07	0.1	****	36th	**** 4th
State and Private Forestry	777,000	0.05	0.1		47th	6th
National Grasslands - Payments to Counties	54,000	< 0.01	< 0.1	*****	12th	***** 2nd
Food Safety and Inspection Service - Meat/Poultry Inspections	1,851,000	0.13	0.2	*****	26th	4th
National Resources Conservation Service	543,000	0.04	0.1	*****	42nd	6th
Watershed and Flood Prevention Operations	534,000	0.04	0.1	*****	42nd	***** 6th
Resource Conservation and Development	9,000	< 0.01	< 0.1	*****	24th	***** 3rd
Total of DOA Grants to Florida	\$ 793,313,000	\$ 54.14	100.0		36th	4th

* One state did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 36th among the forty-nine states and 3rd among the seven most populous states that received funding.

** Two states did not receive funding in 1997. Florida ranked 38th, on a per capita basis, among the forty-eight states and 7th among the seven most populous states that received funding.

*** Twenty-eight states did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 21st among the twenty-two states that received funding. Only four of the seven most populous states received funding that year; Florida ranked 3rd.

**** Five states did not receive funding in 1997. Florida ranked 36th, on a per capita basis, among the forty-five states and 4th among the seven most populous states that received funding.

***** Thirty-three states did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 12th among the seventeen states that received funding. Only four of the seven most populous states received funding that year; Florida ranked 4th.

***** Twenty-three states did not receive funding in 1997. Florida ranked 26th, on a per capita basis, among the twenty-seven states that received funding. Only four of the seven most populous states received funding that year, Florida ranked 4th.

***** One state did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 42nd among the forty-nine states and 6th among the seven most populous states that received funding.

***** One state did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 42nd among the forty-nine states and 6th among the seven most populous states that received funding.

Table 8
1997 Federal Expenditures to Florida State and Local Governments
Grant Programs Administered by the U.S. Department of Education (DOE)
(Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)

<u>Grant Program</u>	<u>Total Expenditure</u>	<u>Per Capita Expenditure</u>	<u>Percent of Florida's Total DOE Grants</u>	Per Capita Ranking:	
				<u>All States</u>	<u>Seven Most Populous States</u>
Office of Elementary and Secondary Education	\$ 375,822,000	\$ 25.65	50.7	39th	7th
Education for Disadvantaged	294,290,000	20.08	39.7	36th	7th
School Improvement Program	74,888,000	5.08	10.1	36th	6th
School Assistance in Federally Affected Areas	7,020,000	0.48	0.9	* 38th	* 5th
Indian Education	24,000	< 0.01	< 0.1	** 24th	** 3rd
Office of Special Education and Rehabilitative Services	270,987,000	18.49	36.6	46th	6th
Education for the Handicapped	164,777,000	11.24	22.2	42nd	5th
Rehabilitative Services and Handicapped Research	106,210,000	7.25	14.3	46th	6th
Office of Vocational and Adult Education	55,912,000	3.82	7.5	47th	6th
Office of Post Secondary Education	21,901,000	1.49	3.0	49th	7th
Bilingual Education and Minority Language Affairs	8,770,000	0.60	1.2	18th	3rd
Educational Research and Improvement - Libraries	7,222,000	0.49	1.0	50th	7th
Other	279,000	0.02	< 0.1	*** 33rd	*** 6th
Total of DOE Grants to Florida	\$ 740,893,000	\$ 50.56	100.0	48th	7th

Table 8 continued

* One state did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 38th among the forty-nine states and 7th among the seven most populous states that received funding.

** Twenty-two states did not receive funding in 1997. Florida ranked 24th, on a per capita basis, among the twenty-eight states that received funding. Only six of the seven most populous states received funding that year; Florida ranked 3rd.

*** Two states did not receive funding in fiscal year 1997. In per capita terms, Florida ranked 33rd among the forty-eight states and 6th among the seven most populous states that received funding.

Grants funded through the Office of Special Education and Rehabilitative Services represented the second largest source of DOE grant funding to the state in 1997. Collectively, these grant expenditures totaled about \$271 million or \$18.49 per capita and accounted for almost 37 percent of all DOE grant funding received that year. On a per capita basis, Florida ranked 46th among the states and 6th among the seven most populous states.

The five remaining budget categories: Office of Vocational and Adult Education, Office of Post Secondary Education, Bilingual Education and Minority Language Affairs, Educational Research and Improvement-Libraries, and Other, accounted for approximately 13 percent of DOE grant funding to Florida in fiscal year 1997.

6. Grants Administered by the U.S. Department of Labor

Grant programs administered by the U.S. Department of Labor (DOL) represented the sixth largest departmental source of grant funding for Florida in fiscal year 1997. Collectively, these grant expenditures totaled \$216 million or \$14.77 per capita and accounted for nearly three percent of all grant funding received that year. In per capita terms, Florida ranked 42nd among all states and last among the seven most populous states in total DOL grant funding.

Table 9 summarizes the program categories and the respective expenditures for Florida in 1997. The most significant of these budget categories, accounting for nearly all (99.4 percent) DOL grant expenditures to the state that year, was the Employment and Training Administration (ETA). Collectively, the grant expenditures associated with this program category totaled \$215 million or \$14.68 per capita. Florida ranked 42nd, on a per capita basis, among the states and last among the seven most populous states in ETA funding in 1997. The two other program categories, Occupational Safety and Health Administration and Mine Safety and Health Administration, constituted the remaining 0.6 percent of total DOL grant expenditures in 1997, accounted for expenditures totaling just over \$1 million.

Table 9
1997 Federal Expenditures to Florida State and Local Governments
Grant Programs Administered by the U.S. Department of Labor (DOL)
(Major Categories Are Listed in Bold Type; Subcategories Are Listed in Regular Type)

Grant Program	Total Expenditure	Per Capita Expenditure	Percent of Florida's Total DOL Grants	Per Capita Ranking:	
				All States	Seven Most Populous States
Employment and Training Administration	\$ 215,051,000	\$ 14.68	99.4	42nd	7th
Job Training Partnership Act	139,682,000	9.53	64.6	33rd	6th
State Unemployment Insurance and Employment Service Operations	75,291,000	5.14	34.8	42nd	6th
Community Service Employment for Older Americans	78,000	0.01	< 0.1	* 46th	* 7th
Occupational Safety and Health Administration	1,214,000	0.08	0.6	48th	6th
Mine Safety and Health Administration	101,000	0.01	< 0.1	** 38th	** 6th
Total of DOL Grants to Florida	\$ 216,366,000	\$ 14.77	100.0	42nd	7th

* Four states did not receive funding in fiscal year 1997. In per capita terms, Florida ranked last among the forty-six states and last among the seven most populous states that received funding.

** Four states did not receive funding in 1997. Florida ranked 38th, on a per capita basis, among the forty-three states and 6th among the seven most populous states that received funding.

7. Grants Administered by the Other Federal Departments and Agencies

As previously mentioned in text and illustrated by *Table 2* (p.15), the grants received from six departments (Health and Human Services, Transportation, Housing and Urban Development, Agriculture, Education, and Labor) accounted for approximately 95 percent of all federal grant expenditures in Florida that year. Various grant programs of sixteen other federal departments and agencies constituted the remaining 5 percent of total federal grant expenditures to the state in 1997. These programs accounted for \$435 million or \$29.67 per capita.

C. Impact of Federal Grant Expenditures to Florida

Florida ranked 49th, on a per capita basis, among the states in the receipt of federal grant expenditures during the 1997 fiscal year. This is significant given the fact that federal grants have been and will continue to be important sources of revenue utilized by state and local governments to provide necessary governmental services to the state's residents.

Florida's state and local governments received approximately \$8.5 billion in grants and other payments during fiscal year 1997. The state's per capita federal grant expenditure of \$580 was approximately 70 percent of the average of all states. Among the seven most populous states, Florida had the lowest per capita ranking. In addition, Florida's per capita ranking among all states in each of the ten largest grant program categories did not exceed 31st place. Not surprisingly, Florida ranked low, relative to other states, in most of the grant programs administered and funded by the various federal departments and agencies.

Because the federal government aggregates reported expenditures of hundreds of separate grant programs into broad program categories for reporting purposes, it is difficult to determine why the state ranks so low, on a per capita basis, relative to other states in many grant programs. This aggregation of expenditure data into these categories masks differences among individual grant programs. A high per capita ranking in a particular program may be offset by a low per capita ranking in another program. For this reason, Part IV: *State Agency Responses* analyzes state agencies' perceptions of their portion of federal expenditures to the state, including reasons offered for Florida's low ranking, and suggestions for improving the state's standing.

It should also be noted that this report utilizes a per capita measure to control for population differences among states. However, this measure does not take into consideration levels of need or utilization. For example, a state may perceive a need for certain grant funding but be unable to receive monies due to the program's eligibility requirements. Conversely, a state may be fully qualified to participate in a particular federal program but choose not to participate, or participate fully, due to the requirements or conditions associated with the program.

Although there may be numerous reasons for Florida's low per capita grant funding generally, three known reasons are of particular significance. First, many funding formulas are based on outdated population figures or other factors that do not reflect the state's unprecedented growth in recent decades. Second, Florida has not aggressively pursued all federal funding options. Third, Florida must have the support of the majority of representation in both houses of Congress in order to revise past funding formula inequities. This support would be difficult to obtain since many states may lose federal funds under revised formulas that would benefit Florida. Florida's decision makers should work to develop consensus program priorities and strategies which are both ambitious and achievable for increasing federal fund receipts for those programs.

III. CHANGES IN EXPENDITURE PATTERNS BETWEEN 1996 AND 1997

A. Introduction

This report represents the second year that the Legislative Committee on Intergovernmental Relations has reviewed the issue of Florida's receipt of federal funds. This review was undertaken in response to the Legislature's concerns about the state's historically low per capita ranking in receipt of federal grants to state and local governments.

Based on fiscal year 1997 expenditure data recently published by the U.S. Bureau of the Census, Florida ranked 15th on a per capita basis in the receipt of federal expenditures. In the receipt of federal grants, Florida had a per capita ranking of 49th that year. Relatively speaking, the state was worse off in fiscal year 1997 than the previous year when the state's per capita ranking was 13th and 48th in total expenditures and grant expenditures, respectively. This section examines the changes in expenditure patterns that occurred between 1996 and 1997.

Table 10
Federal Expenditures to Florida State and Local Governments, by Category of Expenditure
Changes in Expenditure Patterns Between 1996 and 1997

<u>Expenditure Category</u>	<u>Percent Change in the State's Expenditure Since FY 1996</u>	<u>Per Capita Ranking: All States</u>		<u>Per Capita Ranking: Most Populous States</u>	
		<u>1996</u>	<u>1997</u>	<u>1996</u>	<u>1997</u>
Direct Payments to Individuals	5.4	1st	1st	1st	1st
Grants and Other Payments to State and Local Governments	0.7	48th	49th	7th	7th
Procurement Contract Awards	- 0.5	23rd	24th	3rd	3rd
Salaries and Wages	0.1	29th	29th	3rd	3rd
Other Programs	- 0.4	41st	49th	6th	7th
<i>Total Expenditures to Florida</i>	<i>3.7</i>	<i>13th</i>	<i>15th</i>	<i>1st</i>	<i>1st</i>

B. Changes in the Distribution of Federal Expenditures Between 1996 and 1997

Total federal expenditures to Florida increased by nearly 4 percent between 1996 to 1997 from \$79.2 billion to \$82.1 billion. Although more federal monies were available to Florida in 1997, the state dropped, in per capita rankings among all states, from 13th to 15th as illustrated in *Table 10*. Of the seven most populous states, Florida retained its 1st place ranking.

Of the five major expenditure categories, direct payments to individuals had the largest percentage growth, 5.4 percent, since fiscal year 1996. To a much lesser extent, expenditures also increased in grants and other payments to state and local governments (0.7 percent) and salaries and wages (0.1 percent). As indicated in *Table 1* (p.5), these growth categories accounted for nearly 84 percent of total expenditures to Florida in 1997. Negative expenditure growth occurred in procurement contract awards (-0.5 percent) and other programs (-0.4 percent). In each of these five expenditure categories, Florida's per capita ranking among all states either dropped or remained constant.

Table 11
Federal Grants and Other Payments to Florida State and Local Governments by Department or Agency
Changes in Expenditure Patterns Between 1996 and 1997

<u>Federal Department or Agency</u>	<u>Percent Change in the State's Expenditure Since FY 1996</u>	<u>Per Capita Ranking: All States</u>		<u>Per Capita Ranking: Most Populous States</u>	
		<u>1996</u>	<u>1997</u>	<u>1996</u>	<u>1997</u>
Health and Human Services	- 5.0	45th	47th	7th	7th
Transportation	17.3	49th	50th	7th	7th
Housing and Urban Development	8.0	50th	43rd	7th	6th
Agriculture	9.0	35th	36th	4th	4th
Education	10.5	40th	48th	7th	7th
Labor	-25.1	40th	42nd	7th	7th
Justice	28.1	12th	12th	2nd	3rd
Federal Emergency Mgmt. Agency	-27.5	11th	26th	2nd	5th
Environmental Protection Agency	0.1	49th	50th	7th	7th
Commerce	-11.5	26th	34th	2nd	2nd
Interior	72.7	47th	46th	6th	6th
Corporation for Public Broadcasting	291.1	44th	31st	6th	4th
Treasury	63.8	2nd	1st	2nd	1st
Veterans Affairs	437.8	45th	36th	6th	4th
Defense	265.2	44th	23rd	6th	1st
Energy	147.6	50th	17th	7th	1st
Social Security Administration	109.2	39th	25th	6th	6th

Equal Employment Opport. Comm.	3.9	33rd	36th	5th	4th
Neighborhood Reinvest. Corp. Grants	29.5	25th	36th	4th	7th
Nat. Found. for the Arts & Humanities	-13.2	45th	43rd	3rd	2nd
Institute of Museum Services	-51.6	36th	38th	4th	6th
State Justice Institute Grants	-35.8	26th	25th	3rd	3rd
Total Grants and Other Payments	0.7	48th	49th	7th	7th

In the area of federal grants and other payments to Florida's state and local governments, expenditures increased by 0.7 percent between 1996 and 1997, as indicated in *Table 11*. Expenditure growth (from 1996 levels) occurred for fifteen of the twenty-two departments or agencies that distributed grants and other payments to Florida. However, the state's per capita expenditure rankings among all states increased for only ten of those twenty-two departments or agencies. Among the six departments (Health and Human Services, Transportation, Housing and Urban Development, Agriculture, Education, and Labor) that accounted for approximately 95 percent of the state's grants and other payments received in 1997, Florida's per capita rankings among all states dropped for all departments except Housing and Urban Development.

As previously mentioned in this report, the ten largest grant program categories, in terms of funding levels to Florida, accounted for 87 percent of all grants expenditures to the state in 1997. Collectively, total expenditures to Florida's state and local governments from these program categories decreased by 0.8 percent between 1996 and 1997, as indicated in *Table 12*. Although expenditure growth occurred in seven of the ten program categories, Florida's per capita rankings among all states improved in only three of the ten categories.

Although total federal expenditures to Florida increased 3.7 percent between 1996 and 1997, the state's per capita ranking dropped from 13th to 15th. Between 1996 and 1997, Florida's estimated statewide population increased 1.8 percent from approximately 14.4 million to 14.7 million. In absolute numbers, Florida's estimated population gain of 253,960 was the third largest increase among all states. Only California and Texas had larger absolute gains. Florida's rate of population growth (1.8 percent) was the 8th highest of the states and highest among the seven most populous states. Based on the information presented here, it would seem that the increased growth in federal expenditures in many program areas was offset to some extent by the corresponding magnitude and rate of population growth during the same period.

Table 12
Federal Grants and Other Payments to Florida State and Local Governments
Ten Largest Grant Program Categories, in Terms of Total Expenditure, to the State
Changes in Expenditure Patterns Between 1996 and 1997

Federal Department: Program Category	Percent Change in the State's Expenditure Since FY 1996	Per Capita Ranking: All States		Per Capita Ranking: Most Populous States	
		1996	1997	1996	1997
Dept. of Health and Human Services: Health Care Financing Administration Medical Assistance (Medicaid)	4.6	45th	46th	7th	7th
Dept. of Health and Human Services: Administration for Children and Families	-32.4	40th	37th	6th	6th
Dept. of Transportation: Federal Highway Administration	21.8	49th	50th	7th	7th
Dept. of Agriculture: Food and Consumer Services	4.3	28th	31st	4th	4th
Dept. of Housing and Urban Development: Lower Income Housing Assistance	9.8	49th	43rd	7th	6th
Dept. of Education: Office of Elementary and Secondary Education	6.3	39th	39th	7th	7th
Dept. of Education: Office of Special Education and Rehabilitative Services	6.9	41st	46th	4th	6th
Dept. of Labor: Employment and Training Administration	-25.2	40th	42nd	7th	7th
Dept. of Housing and Urban Development: Community Development	-2.6	31st	34th	7th	7th
Dept. of Housing and Urban Development: Other Programs	39.9	40th	36th	6th	6th
Total of Select Program Categories	-0.8	48th	47th	7th	7th

IV. STATE AGENCY RESPONSES

A. Introduction

In an effort to identify the reasons for Florida's relatively low ranking in its receipt of many categories of federal grants to state and local governments, Florida's state government agencies were surveyed about their receipts of federal grant funds. Each agency was asked to indicate whether federal funds provided to that agency were adequate to meet the needs of its constituencies, and whether Florida fared well in receipt of federal funds for its particular programs compared to analogous agencies in other states. If it was reported that Florida's receipts were perceived to be low, speculation on the reasons for Florida's poor performance and recommendations for improving per capita receipts were requested. Agencies were also asked whether LCIR's analysis of U.S. Census Bureau data on Florida's overall federal funding situation was consistent with their own experience, and for suggested changes that might improve its accuracy or clarity.

This section reports on the results of the survey, analyzing the agencies' responses regarding the reasons for Florida's overall low ranking in per capita receipt of federal grant monies. Agencies reported that, in some cases, there may be valid reasons for Florida's low rankings; however, more often agencies considered it important to strive for increased funding. The information should be useful to assist the state in beginning the difficult task of identifying particularly problematic funding areas, and developing strategies to increase federal grant funds to the state.

B. Adequately Funded Programs

Not unexpectedly, agencies' perceptions and responses varied widely. Several mentioned that while Florida's overall per capita receipt of federal funds was low, funding levels for their particular programs were adequate and fair. These responses can in turn be grouped into five categories:

- new programs or programs with new money and newly-negotiated funding formulas that corrected historic inequities;
- programs for which the per capita measurement is not instructive regarding adequacy of funding for the target population or program objectives;
- programs for which the need in Florida is lower than in other states;
- programs which are run efficiently and at lower cost than in other states; and
- programs for which the state has decided not to pursue high funding levels for a variety of reasons.

1. New money

Agencies reported that when Congress provides new programs or funding sources, Florida has used the opportunity to successfully press for funding formulas that benefit the state, and to obtain increased funding. This is because new money allows inequities to be corrected while holding beneficiaries of current formulas harmless against the changes.

New programs or programs funded through new monies and/or new funding formulas include the U.S. Department of Health and Human Services' (HHS) Children's Health Insurance Program (CHIP or Title XXI) and Substance Abuse Block Grant, and the newly-passed U.S. Department of Transportation's budget legislation TEA-21 (Transportation Equity Act for the 21st Century - successor to ISTEA). The CHIP, for example, administered by the Florida Agency for Health Care Administration (AHCA), is a new program created by the federal Balanced Budget Act of 1997. The program enables states to initiate and expand health insurance coverage for uninsured low-income children. For qualifying expenditures, states receive an "enhanced" federal matching rate, with the allocation of federal funds based on the number of uninsured low-income children in each state and a geographic cost factor. Florida's enhanced federal matching rate is 68.96 percent for FFY 98 and 69.07 for FFY 99, and its program allotment for FFY 1998 is \$270.3 million, up from \$119 in FFY 1997 (the program's first year).

The Substance Abuse Block Grant (SABG) is an example of success in changing an outdated funding formula. This was done through an increase of \$275 million (21%) to the nationwide allocation. The "cost of services" factor for this formula has been changed from one that benefited states with a manufacturing based economy to a more realistic and fairer factor; the result is a \$24 million, or 43%, increase for Florida. However, this formula change continues to be an issue in the 106th Congress; the change was made in federal FFY 1999 appropriations and will need to be made permanent through a change in the authorization law this year.

TEA-21 guarantees that Highway Trust Fund revenues are spent rather than frozen for accounting purposes, increases overall national funding for transportation, and provides a new 90.5 cents per dollar rate of return for Florida on formula programs compared to 79 cents per dollar historically. This represents a relative success for Florida. In each of these cases, the Florida Congressional Delegation was instrumental in ensuring that Florida would receive a greater share of overall program monies than for previous programs.

2. Measurement issues

Per capita measurements of receipt of monies for certain programs, while low compared to other states, may not capture the fact that for Florida the amounts received are adequately serving their target populations. According to the agencies administering them, the per capita measurement for such programs is not particularly instructive in determining whether receipts are adequately serving the state's needs.

Such programs include several grants from the U.S. Department of Justice, administered by the Florida Department of Juvenile Justice (DJJ) and Department of Community Affairs (DCA), and U.S. Department of Education grants. Many of the Justice programs are funded through formulas that respond to crime, risk, or incarceration statistics, rather than population as a whole, while the Education programs are pegged to student populations, or subsets of them, rather than to population at large. Because of Florida's unique demographic composition, which features high numbers of elderly and retired persons to whom most Justice and Education programs are not targeted, per capita receipts of these funds are lower than for most other states. However, the state agencies administering those programs report that when funding is compared in terms of raw dollar figures, or per target population figures, Florida ranks much higher nationwide.

For example, according to the Department of Community Affairs, which administers the federal Department of Justice's Violent Offender and Truth-In-Sentencing Programs, the allocation of funds to a given state for those programs is based on the ratio of the state's average Part 1 violent crimes for the preceding three years compared to the average Part 1 violent crimes for all states for the preceding three years. The State of Florida received approximately \$31 million for this program in FFY 1997, the second highest state award in the country. Similarly, funds for the DCA-administered Residential Substance Abuse Treatment for State Prisoners program are allocated by the Department of Justice in the ratio the state's prison population bears to the total prison population of all participating states. Florida is ranked 4th in the amount of funds received (\$1.2 million in FFY 1997).

Several agencies pointed out this measurement issue in their responses. The Florida Department of Veteran's Affairs suggested the use of "a per capita expenditure figure for the group of known users of a specific federal program, or the universe of persons eligible to receive the benefit under consideration." Regarding the U.S. Department of Housing and Urban Development Community Development Block Grant program, DCA commented that a "per capita measure does not reflect need or performance... a more accurate gauge ... would be dollars received per lower income level population. Likewise, many social programs are targeted to poverty level populations, not a total population universe."

Other examples are provided by several U.S. Department of Education programs. Because Florida has a low K-12 student to per capita ratio (49th in the country), education funds pegged to students appear quite low when converted to per capita figures. As stated in the Florida Department of Education survey response, "... a more accurate assessment of Florida's receipt of federal education funding would be to measure such federal expenditures on a per student basis, rather than per capita, thereby eliminating any distortions created by the relative size of the school-age populations."

For across the board comparison purposes, however, the per capita measure allows a standard measurement that is not otherwise available when looking at the wide variety of funding programs across various agencies and states. Per capita figures and rankings are used in this report for those reasons, and have been supplemented by anecdotal data regarding particular grant

programs where this is more instructive about the particular program in question. However, decision makers should bear in mind the shortcomings of the per capita measurement device when identifying and prioritizing programs for strategic action for the purposes of increasing Florida's federal fund receipts. For comparison purposes, *Table 13* provides Florida's ranking in terms of the states' receipts as a percentage of federal expenditures to all states for federal agency grant programs.

3. Relatively low need

Florida ranks low in its receipt of federal funds for some programs because of a relatively low need for the services provided by those programs. Examples of programs for which the need in Florida may be lower than in other states are the Weatherization program, funded by the U.S. Department of Energy, and the Low-Income Home Energy Assistance Program, funded by U.S. Department of Health and Human Services. Both of these programs emphasize the needs of cold-weather states. In addition, grants from the U.S. Department of Interior supporting public land management and resource extractive industries traditionally favor western states, which house the majority of the country's publicly managed lands and extractive industry operations.

4. Relatively low cost

In other cases, Florida's agencies and local governments run certain programs more efficiently and at lower cost than is done in many other states. An example is Medicaid Medical Assistance and Administration, a U.S. Department of Health and Human Services program administered in Florida by the Agency for Health Care Administration (AHCA). AHCA reports that the costs of this program have been reduced through: managed care, primary care case management through the MediPass program, home and community based waiver services, and emphasis on program fraud and abuse initiatives. Such efficiencies may reduce the per capita receipts needed to adequately serve the target population; however, agencies appropriately point out that states should be rewarded for such efficiencies with incentive funding mechanisms -- rather than penalized by lower receipts calculated solely on a reimbursement or case-load basis.

5. Conservative approach

Historically, Florida frequently has not structured its programs in order to maximize its draw-down of federal funds for policy-related or philosophical reasons. One program for which Florida has traditionally decided not to pursue maximum funding levels is Medicaid, for which the state has taken a conservative approach to establishing eligibility criteria, reimbursements to health care providers, and expanding services covered by the program. Another example is offshore oil and gas revenue payments from the U.S. Department of Interior's Marine Mineral Management Service. Florida's receipts of those payments are very low compared to other Gulf Coast states because Floridians have not supported placing such structures in or near the state.

Table 13
Federal Grant Expenditures to Florida's State and Local Governments
by Federal Agency for Fiscal Year 1997

<u>Federal Agency</u>	<u>Florida's Expenditure as % of All States' Expenditure</u>	<u>Florida's Expenditure Ranking</u>	<u>Florida's Per Capita Ranking</u>
Department of Health and Human Services	3.8%	7	47
Department of Transportation	3.7%	8	50
Department of Housing and Urban Development	3.7%	9	43
Department of Agriculture	4.7%	4	36
Department of Education	4.3%	5	48
Department of Labor	4.2%	6	42
Department of Justice	5.9%	4	12
Federal Emergency Management Agency	2.0%	11	26
Environmental Protection Agency	2.7%	9	50
Department of Commerce	3.7%	7	34
Department of Interior	0.9%	26	46
Corporation for Public Broadcasting	4.3%	5	31
Department of the Treasury	46.6%	1	1
Department of Veterans' Affairs	3.2%	10	36
Department of Defense	4.0%	8	23
Department of Energy	6.0%	4	17

Other programs the state and localities may choose not to maximize are those that phase out federal funding by increasing state match requirements over a period of several years. Such programs include U.S. Department of Justice Community Oriented Policing Services (COPS) grants for hiring additional police officers. The multi-year COPS grants require the federal share to decrease for each of three years leading to full local funding by the fourth year of officers' employment. Another such multi-year phase-out federal program is the U.S. Department of Education's new initiative to hire and train 100,000 new teachers nationwide over seven years. Additionally, Florida's policy makers -- in order to retain state-level authority over the administration of certain programs -- have often chosen not to adopt federal restrictions or requirements necessary to receive or maximize federal funds for those programs.

6. More is not necessarily better

Another category of low receipt programs for FFY 1997 which may nonetheless be adequately funded includes those funds which are triggered by disasters or other negative phenomena. For these programs, annual figures vary widely, with a high per capita receipt year indicating a year in which the state suffered hurricanes or other problems beyond policy makers' control. Increases in these funds are not necessarily desirable unless the increases are per incident, rather than an across the board per capita increase in all years. Examples are provided by the non-recurring, disaster-specific Disaster Recovery Program Grants awarded by the Federal Emergency Management Agency and administered by the Division of Emergency Management at the Department of Community Affairs. Another example is the much smaller U.S. Department of Agriculture programs administered by the Florida Department of Agriculture and Consumer Services' Divisions of Animal Industry and Plant Industry. Available funds for this program are directly impacted by the degree of pests and disease prevalent within the state.

7. Reporting discrepancies

Finally, some agency responses questioned the findings of low receipts for particular programs, speculating that varying accounting systems may result in inaccurately low reporting of some federal monies received. For example, the Florida Department of Environmental Protection questioned the reported poor performance in receipt of Clean Water Act State Revolving Fund and Drinking Water State Revolving Fund capitalization grants, suggesting that the possibility of a time lag between annual appropriations and when the state actually concludes agreement negotiations may be responsible for reporting discrepancies between U.S. Department of Census and DEP figures. The Florida Department of Transportation offered similar comments; suggesting that the "use of actual expenditures (cash outlays) may possibly skew the analysis in a given year... examination of a state's federal apportionments and allocations (or its related obligating authority limit) would present a more accurate picture."

Even for those programs which are perceived to be adequately funded, however, agencies offered suggestions on how to improve equity in funding formulas, or to otherwise further improve Florida's funding position. Several of these suggestions are reviewed in Part D below.

C. Inadequately or Unfairly Funded Programs

Despite the substantial number of programs for which funding levels are perceived to be adequate or fair, there were far more programs for which the agencies reported that Florida's receipt of federal funds is lower than for comparable agencies in other states -- often unfairly so. Reasons for the low ranking can be grouped into the following categories:

- *Funding Formulas*: several federal funding formulas unfairly disadvantage large and growing states;
- *State Match*: the State of Florida has not made available sufficient match monies to maximize the draw-down of federal funds available for many programs;
- *Policy Requirements*: in some cases federal funds have strings attached, requiring states to adopt particular policies as requirements of eligibility; and
- *Other*: a few agencies reported cases in which the state is penalized for good performance, when federal funds are targeted at remedial activities in states that need assistance in improving performance.

1. Funding formulas

State agencies gave many examples of programs for which Florida's share of federal funds is disproportionately low due to outdated and inequitable federal funding formulas. In most cases, such formulas result in the disadvantage of large and/or high growth states. Examples include Medicaid funding, Community Services Block Grants, Veterans' Affairs programs, and Coastal Management funds.

a. Medicaid

The Medicaid program presents a prominent example. The key variable in the Federal Medicaid Assistance Percentage formula, which determines each state's federal match percentage, is per capita income, rather than the more relevant poverty indicator. This formula, which has not been changed since the Medicaid program was created by Congress in 1965, hurts states like Florida with relatively high per capita income but significant poverty levels, and fails to reflect the fact that it is now possible to measure poverty levels with a high degree of accuracy, unlike the scenario thirty years ago at the program's inception.

b. Community Services Block Grant

In another example of how funding formulas can hurt Florida's receipt of federal funds, a formula which hasn't changed since 1981 controls allocations under the U.S. Department of

Health and Human Services' Community Services Block Grant, administered in Florida by the Department of Community Affairs. The 1981 formula is in turn based on distributions outlined in the 1964 Economic Opportunity Act. Because of the dramatic changes to Florida's demographic profile in the intervening years, Florida now receives only 2.93% of the state allotments, 10th out of the 50 states. The FFY 1998 budget allocated \$14.25 million for Florida.

c. Veterans' Affairs

A substantial source of federal funds for Florida is the U.S. Department of Veterans' Affairs (USDVA), with total expenditures to the state in FFY 1997 of over \$2.6 billion. This large amount is less than the proportional share of USDVA funds going to other states, however, and despite successful attempts in recent years by the Florida Department of Veterans' Affairs (FDVA) to increase Florida's share, the agency finds that "...Florida's veterans are less able to access USDVA health care than their peers in any large state ...More [Florida] cases are denied and then appealed to the Washington DC Board of Veterans Appeals than from any other state." Because of outdated funding formulas and lags in changing demographic data, USDVA resources have not followed the large numbers of veterans who have relocated to Florida from other, largely northern, states. In FFY 1996, the shortfall for Florida of federally subsidized health care expenditures amounted to some \$225 million, the additional amount Florida would have received if the state -- whose 1.7 million veterans represent 6.5% of the U.S. veteran population -- had generated the national average draw-down per veteran.

d. Coastal Management

Although smaller in monetary value than veteran's programs, another significant program for which funding formulas hurt Florida's receipts is the Coastal Management Program (CMP), funded by the U.S. Department of Commerce National Oceanic and Atmospheric Administration (NOAA) and administered by the Florida Department of Community Affairs (DCA). Each of the thirty-two eligible states receives a coastal program administration award based on the length of its tidal shoreline and the population of its coastal counties. The limiting factor for Florida has been a Congressionally-imposed \$2 million cap on CMP awards to states; for the eighth straight year Florida, and ten other large coastal states, will receive no increase in base funding. DCA's Coastal Management Program provides an illustration of this inequity: Florida, with an 8,436-mile coastline and coastal population of approximately 12,356,550, will receive \$2,200,000 for FY 1998-99, while New Hampshire, with 131 miles of tidal coastline and a coastal population of approximately 350,078 will receive \$558,000.

e. Changing outdated formulas

In several cases, agencies mentioned the political difficulties of changing funding formulas when such changes would create "losers" among states whose funding levels would thereby be caused to fall. For example, the Florida Department of Environmental Protection reported that "the Clean Water Act State Revolving Fund is probably the most outdated of all the formulas, but we

spent five years trying to change it and found that it was politically impossible to overcome the small state representation on the relevant Congressional committees who benefitted from the outdated formula.”

The Department of Community Affairs also urged caution in attempting to change the U.S. Department of Housing and Urban Development’s (HUD) Community Development Block Grant (CDBG) formula, which has caused Florida’s CDBG allocation to fall from \$185 million in FY95 to just over \$173 million in FY98 (during which HUD’s national CDBG budget rose from \$4.4 to \$4.675 billion). DCA responded that “unless Florida can align a strong coalition of other states that support such change, we risk regional growth versus declining state, or sun-belt versus rust-belt debates that bog down Congressional change.”

As previously noted, cases in which formulas have recently been created or revised to address equity concerns, such as the Children’s Health Insurance Program, Substance Abuse Block Grant, or TEA-21, have generally been most successful when new money is made available in sufficient quantity to hold states harmless for allocation changes, in effect guaranteeing at least current funding levels for all states under any new formula arrangement.

In some cases, however, such “hold harmless” provisions have proven to hurt, rather than help, Florida. For example, the CDBG program is funded through a complex dual formula, in which one formula favors growth states and the other favors declining population states. Awards are made based on each state’s best formula score. The intent is to balance funding levels, holding older cities and states with declining populations harmless from grant reductions. In addition specific appropriations language has served to guarantee entitlement grant status for cities or counties that have had declining populations and fall below entitlement population thresholds, and to fund Congressionally designated “setaside” initiatives. The result is that, despite the dual formula system, Florida’s receipts under this program have decreased.

In the case of Medicaid, the state’s single largest source of federal grant funds, the level of funding that would be required to hold potential “loser” states harmless against the introduction of more equitable funding formulas would be so large as to likely preclude such a solution. On the other hand, however, the current Congressional committee leadership structure may present opportunities for large growth states and other potential beneficiaries to engage in creative coalition building to examine changes to the Medicaid formula to an extent that may not have been possible in past years.

2. State match funds

In addition to funding formulas, a second major obstacle to increasing Florida’s federal fund receipts is many agencies’ inability to secure sufficient state match funds for a variety of programs. Agencies which cited this issue include the Florida Department of Labor and Employment Security’s Divisions of Vocational Rehabilitation and Blind Services, the Florida

Department of Environmental Protection, the Florida Department of Revenue for Child Support Enforcement, and the Florida Department of Highway Safety and Motor Vehicles.

The shortage of match funding is the result of either the Legislature's decision not to appropriate funds for particular programs, or of the difficulty in accessing funds and spending authority within the time frames imposed by federal grant cycles. Some agencies also reported that the federal government's share of funding for several programs has been decreasing, requiring states to increase match contributions annually to hold federal funding levels steady.

3. Policy requirements

A third category of obstacles to increasing federal funding is the various policy requirements imposed by funding agencies as conditions of eligibility for funding. Historically, Florida has often chosen against adopting such "strings" for valid policy-related or philosophical reasons. However, some agencies pointed out that the failure to adopt policies being incentivized by federal programs can be both inadvertent and costly.

The Florida Department of Highway Safety and Motor Vehicles offers examples of both funding secured because the state chose to implement such policies, and of funding foregone because the state either has chosen not to implement such policies, or has inadvertently failed to do so. Under TEA-21, Florida will receive an additional \$6 million because the state has adopted a .08 per se Driving Under the Influence law, which the TEA-21 legislation serves to incentivize. On the other hand, the state has in the past foregone potential funding in the area of intra-state trucking because regulations of interest to the federal government were not in place. As the Department of Highway Safety and Motor Vehicles survey response noted, "While state policies should not be dictated by Washington, we need to recognize that sometimes we are giving up potential funding by choosing not to adopt a particular policy."

4. Other Reasons

Agencies also offered a variety of other reasons for Florida's poor receipt of federal funds, such as the use of federal funds to remediate shortcomings in some states' programs, improper implementation of federal funding formulas, and across-the-board federal funding cutbacks.

a. Remedial Funds Penalize Good Performance

One example offered of the state being penalized for good performance is the Cooperative Pesticide Recordkeeping Program, a U.S. Department of Agriculture grant administered by the Florida Department of Agriculture and Consumer Services Agricultural Environmental Services Division, in which "funding is partially determined by whether a state had a recordkeeping requirement in place before the federal recordkeeping requirement was implemented, with the funding priority being the states with no state program." Because Florida had a pesticide recordkeeping requirement in

place before the federal requirement was implemented, it has received only relatively small amounts of funding under this program.

b. Formula Implementation Problems

In other cases, funding formulas may be equitable but are not being implemented according to their intent. An example is the Older Americans Act Title III grants (distributed by HHS and administered by the Florida Department of Elder Affairs), which are distributed to states based on a funding formula that includes both minimum funding levels and "proportionality." The U.S. General Accounting Office (GAO), in reviewing HHS' interpretation of the formula law, found in 1994 that the method of computing allotments "assures that the minimums are met but in a manner that fails to achieve proportionality among states not subject to the minimum grant requirements," and that "states with more rapidly growing elderly populations are under funded." The GAO report found that Florida was receiving approximately 12% less than it should be under the formula. These grants in Florida summed to approximately \$54 million in SFY 1997-98, out of a total federal provision for the agency of approximately \$78.5 million.

c. Federal Cutbacks

Another issue raised addresses general federal underfunding of the costs of programs. A primary example is the U.S. Department of Labor's Unemployment Insurance Program, administered by the Florida Department of Labor and Employment Security. Florida's Unemployment Compensation program allocations were reduced approximately \$18.2 million for FFY 1997-98 to approximately \$75 million. Part of the decrease is due to a "deflator," which has been applied each year since 1992 to states' previous year's average salary rates for positions to carry out the projected workload for the program. Current allocations fund only approximately 88.5 percent of the staff allocated to the states to process the projected workload.

D. Recommended Actions

Most agencies recommended actions that could be taken by the state agencies, Legislature, and/or Congressional Delegation to increase Florida's receipt of federal funds. These fell into the following six categories:

- work with Congress to change outdated or inequitable federal funding formulas/form coalitions with other growth states, large states, and/or southern states for this purpose;
- increase state match funds available;
- make the processes of amending the state budget and obtaining spending authority easier;
- increase training provided at the state level for accessing federal funds;

- increase communication and coordination on federal issues among state agencies, Governor's office, Florida Washington Office, Legislature, and Congressional delegation; and
- Other, including assuring accurate counts in the year 2000 census and urging the consolidation of federal funding streams.

1. Work to change formulas

Several agencies specifically mentioned lobbying to change funding formulas as their top priority for increasing federal funds to Florida. These include: The Agency for Health Care Administration, which referred to the Medicaid program formula's bias against growth states; the Florida Department of Law Enforcement, which is the recipient of 26 federal grants totaling approximately \$12 million annually; the Department of Agriculture and Consumer Services' Division of Forestry, which suggested forming coalitions with other southern states to seek more equitable funding for forestry programs -- which tend to disproportionately fund the U.S. Department of Agriculture's Northeast Region -- in the Southern Region; and the Department of Transportation (DOT), which pointed out that although TEA-21 represents a great improvement for Florida, the state is still a net donor regarding the rate of return on taxes paid to the Highway Trust Fund. The DOT recommended that "future efforts might be directed at increasing the minimum guarantee above TEA-21's 90.5% threshold."

The Department of Juvenile Justice (DJJ) raised a formula-related issue that has resonance for many programs: even those formulas which are population based can still result in a disadvantage to states that are experiencing high rates of population growth. The DJJ recommended lobbying for the inclusion of growth rates for target populations in the funding formulas for various Juvenile Justice and Delinquency Prevention grants (youth age 10-17). This argument could be equally applied to any number of formula based federal grant programs.

As indicated above, some agencies urged caution regarding the political difficulty of changing federal funding formulas. When attempted, coalitions to lobby for formula changes should be broad enough to meet the needs of smaller states which can overwhelm the aims of larger, high growth states in the U.S. Senate.

2. Increase available match funds/make the processes of amending the state budget and obtaining spending authority easier

Another recurrent theme in agencies' responses was that limits on available match funds often prevent the maximization of available federal funds. For example, the Department of Highway Safety and Motor Vehicles (DHSMV) noted that federal requests for proposals often have turn-around times of as little as a few weeks, which is not enough time to amend the Department's budget to reflect required state or local matching funds. The DHSMV suggested establishing a pool of budget authority which agencies could draw on for matching funds in these situations.

This recommendation was echoed by several other agencies, such as the Department of Environmental Protection, particularly for competitive scientific and technical grants, and the Department of Insurance.

Agencies which mentioned that the amount of federal funds they were able to access was limited by available state match include: Department of Revenue for Child Support Enforcement (34% state match); Department of Insurance, which cited difficulties obtaining spending authority for match for unanticipated small grants; and the Department of Labor and Employment Security's Division of Blind Services. While the latter has experienced problems obtaining match to maximize its current federal grants (21.3% state match), the Division noted that the situation could be exacerbated when the Rehabilitation Act comes up for reauthorization in 2003. The agency projects that national funding for this program will then reach \$13 million, which will trigger a shift from discretionary to formula funding, based on population. This in turn will trigger an increase in Florida's funding under the Independent Living Services for Older Individuals who are Blind program from \$219,000 in FFY 99 to over \$2 million annually. While this will present an excellent opportunity to improve the level of service for the state's substantial elderly blind population, it will also require the state to contribute over \$375,000 in additional matching funds.

3. Provide enhanced training

Another theme among agency recommendations was to provide training for agency and legislative staff to maximize effectiveness in identifying and securing federal grant funds. Within the category of training was the suggestion to create a network of professionals within state agencies to coordinate efforts to maximize Florida's receipt of federal funds. This suggestion might be extended to local governments as well. The FDVA recommended that state agencies should consider creating Senior Management positions to coordinate interaction with federal agencies.

The Department of Corrections suggested designating one state lead person for each federal program to track and report on issues, working with appropriate federal agency representatives and Congressional committees. While several state agencies do have Intergovernmental Coordinating or Federal Resource Coordinating positions, their responsibilities generally do not include coordinating with their counterparts in other agencies or building this type of federal relations network.

The Department of Insurance suggested that training should include "where to look for available federal funding, grant writing training and assistance, and accounting for federal funds and indirect cost recovery." The Florida Department of Law Enforcement echoed this suggestion, and added that the state should conduct an annual conference on grant funding. The Department of Corrections recommended that the agencies' training begin with a federal funds training and strategy seminar developed by the Governor's Office, and added that agencies' internal training should focus on grant writing skills. In addition, the Florida Department of Education mentioned

that difficulty in staffing short term, discretionary, or competitive programs serves as a disincentive to applying for funding for these programs.

4. Enhance communication and coordination

Agencies discussed coordination at several levels: federal-state, among state agencies, and between the state executive and legislative branches. There were several variations on the theme of communication and coordination, including developing a briefing book on Florida's needs and potential funding sources for the Congressional Delegation; visits to state agencies by elected officials; and other types of personal interaction among state agency personnel, Legislative members and staff, and the Congressional Delegation.

The Florida Legislature and Executive Branch should avail their resources to assist and support the Florida Congressional Delegation in formulating federal policies that are beneficial to the state. Any or all of the following alternatives are currently available to the Florida Legislature for devising strategies to work with the Congressional Delegation to improve the federal government's responsiveness to Florida's needs: regular Federal/State Summits, periodic visits to Washington, D.C. by Legislative members and agency representatives, conference calls and video-conferences among federal and state elected officials and staff, and building coalitions with other state legislatures and Congressional delegations.

5. Other

Other suggestions included lobbying to simplify the federal grant structure and process, encouraging federal agencies to work together to provide more consolidated funding streams and fewer steps to access them, and ensuring an accurate year 2000 census count for the state.

a. Simplify federal grant structure

The Department of Agriculture and Consumer Services pointed out that when state laws and rules duplicate federal rules and regulations, funding is often not provided to implement them. The Department suggested repealing such redundant laws in order to access funds to administer and enforce those programs.

The Florida Department of Law Enforcement (FDLE) suggested the state should encourage the federal government to work toward a consolidation of funding streams "to provide more clear focus on where agencies can acquire funding." FDLE reported that "a move toward 'one stop shopping' would be very helpful."

b. Year 2000 census

Year 2000 census issues were raised both directly and indirectly in a number of agency responses. As noted above, funding formulas based on population generally help large, growth

states. But as the Florida Department of Transportation's Highway Safety Program's response pointed out, when growth is rapid -- as in Florida -- the decade lag between census years can cause large discrepancies by the end of the census period. Similarly, the Florida Department of Education pointed out that programs pegged to numbers of students don't always keep up with rapid growth among student populations.

For this reason, an accurate census count in the year 2000 will be very important to Florida's receipt of several categories of federal funds such as those administered by the U.S. Departments of Education, Justice, and Labor. Census counts often under-count minorities, immigrants, and urban residents. More accurate counts of these populations could result in millions of dollars more in federal funding to Florida's state and local governments both for programs that target these groups and for those pegged to population as a whole.

Agencies also urged the incorporation of census data where it has not been used in determining federal funding levels. The Florida Department of Veterans' Affairs emphasized the importance to Florida's funding levels of the incorporation of census data into U.S. Department of Veterans' Affairs' funding formulas, noting that there have been reports that "veteran-related data will not even be solicited during the year 2000 census." Florida's efforts to ensure an accurate census count should also consider the categories of populations to be counted, and how these counts will affect federal funding levels.

V. CONCLUSION

Florida has ranked high, on a per capita basis, in its receipt of federal funds distributed directly to individuals as the result of the state's relatively large, elderly population. Conversely, Florida has ranked low among the states in receipt of federal grant funds. For FY 1997, Florida ranked 49th among the fifty states on a per capita basis in its receipts of federal grants.

The per capita federal grant expenditure to the most favored state in 1997 was just over four times the per capita expenditure to the least favored state. If Florida had received the same per capita grant expenditure that year as the average for all states, an additional \$3.7 billion would have been available to the state and its local governments.

Florida's state agencies offered several recommendations for improving Florida's receipts of federal grant funds, including: working to change outdated or inequitable federal funding formulas, increasing state match funds available, increasing training provided at the state level for accessing federal funds, and assuring accurate counts in the year 2000 census.

The Florida Legislature should strive, following the recommendations of the state agencies and other strategies, to assist the Florida Congressional Delegation in an effort to increase the state's receipt of federal funding, particularly grant funding. The state should work to form coalitions with other states that experience similar funding inequities, especially large population, high growth states such as California and Texas. Additionally, the state's elected officials should send clear and unified messages urging the Delegation to move forward with proposals that will increase Florida's receipt of federal funds. Finally, there should be regular contact between members and staff of the Florida Legislature and the Florida Congressional Delegation on issues of state importance, particularly issues of federal funding.

APPENDIX

Appendix: State Agencies and Programs Reviewed¹

State Agency	Program CFDA #	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Dept. of Agriculture and Consumer Services (DACs)					
DACS Div. of Marketing and Development	National School Lunch Program (NSLP) <i>10.555</i>	34,355,905	USDA Food and Nutrition Service, Child Nutrition Programs/28th	Table 7, line 2	Determined by multiplying reported number of school lunches by national per lunch value as adjusted annually by the Secretary of Agriculture
	NSLP Bonus Commodities <i>10.555</i>	2,053,349		Table 7, line 6	
	Summer Food Service Program (SFSP) <i>10.559</i>	51,833			

¹Source: state agency reporting. Budgetary figures reported by state agencies will not necessarily correspond with figures from the federal budget, reflected in tables earlier in this report for the following reasons: the federal fiscal year runs from October 1 through September 30 while the state fiscal year runs from July 1 through June 30; reimbursement-based grants may create a lag between allocations and receipts; state agency budgets may reflect carry-over funds from previous year(s); and receipts for multi-year projects may be accounted in different years by state versus federal agencies. CFDA numbers provided are those that agencies reported.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DACS Div. of Marketing and Development	State Admin. Expenses for the NSLP and SFSP <i>10.555 and 10.559</i>	211,667			
	The Emergency Food Assistance Program (TEFAP) <i>10.568</i>	5,056,605			Based on state's population of low-income and unemployed persons, as compared to national statistics
	TEFAP Admin. Costs <i>10.569</i>	2,238,564			
	TEFAP Bonus Commodities	4,836,007		Table 7, line 6	
	WIC/Farmers' Market Nutrition Program <i>10.572</i>	129,759			Florida participated in program for the first time in FY 97-98.
DACS Division of Standards	Gas Pipeline Safety Program <i>20.700</i>	42,598	USDOT Research and Special Programs Administration/ 40th	Table 5, line 12	With Florida's drop from 50% to 39% federal funding, and the record keeping necessary to comply with federal requirements, continuing to receive federal monies is becoming less and less cost-effective to the program.
DACS Division of Plant Industry	Brown Citrus Aphid	30,000	USDA Agricultural Marketing Service/ 39th	Table 7, line 14	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DACS Division of Plant Industry	Imported Fire Ant	124,230			
	Agriculture Pest Survey	34,500			New Program for Florida in FFY 1998/99
DACS Division of Animal Industry	Cooperative Brucellosis Testing & Related Field Activities 10.025	1,149,710			The less disease control needed, the smaller the amount allocated to the state.
DACS Division of Agricultural Environmental Services	Performance Partnership Grant 66.605	823,852	U.S. Environmental Protection Agency/ 50th	Table 2, line 9	In some cases, states with less stringent statutes and rules benefit from programs designed to increase agricultural environmental protection efforts.
	Regional Multi-Media Initiative to Protect Surface Water 66.606	51,948			
	Cooperative Pesticide Recordkeeping Program 10.163	9,108	Agricultural Marketing Service, Cooperative Projects in Marketing/21st	Table 7, line 16	
DACS Division of Food Safety	Meat and Poultry Inspection 10.475	463,845	USDA Food Safety and Inspection Service/26th	Table 7, line 21	This program was discontinued effective December 2, 1997.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DACS Division of Food Safety	Pesticide Data Program 10.163	904,000	USDA Market Protection and Promotion/39th	Table 7, line 15	
DACS Division of Forestry	Rural Forestry Assistance 10.664	165,000	USDA Forest Service State and Private Forestry/47th	Table 7, line 19	Disproportionately low funding to the U.S. Forest Service Southern Region compared to other regions (especially the Northeastern Region).
	Urban and Community Forestry 10.664	474,000			
	Forest Stewardship 10.664	290,000			In recognition of the emerging importance of forestry in the South versus other regions and the need for professional forestry assistance for management of private forest lands, recommend increasing federal funding for these programs in the Southern region.
	Forest Health 10.664	63,525	USDA Forest Service State and Private Forestry/47th		

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DACS Division of Forestry	Rural Fire Prevention and Control 10.664	423,000			
	Rural Community Fire Protection 10.664	21,377			
Office of the Attorney General					
	Medicaid Fraud Control Unit 93.775	5,326,000	USDHHS Health Care Financing Administration/46th	Table 4, line 1	
	Victim Assistance 16.575	8,043,104	U.S. Dept. of Justice/12th	Table 2, line 7	
	Victim Compensation 16.576	5,759,000			40% of prior federal fiscal year's state dollars paid in victim compensation benefits.
Department of Business & Professional Regulation	Underage Tobacco Retail Compliance Investigations	266,589	USDHHS Public Health Service/29th	Table 4, line 12	
Department of Children and Families (DCF)					

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCF Developmental Services Program	Home and Community Based Medicaid Waiver 93.778	72,315,621	USDHHS Health Care Financing Agency (HCFA)/ 46th	Table 4, line 1	
	Supported Living Waiver 93.778	518,005			
	Medicaid Admin. 93.778	3,424,087			
	Intermediate Care Facility Developmentally Disabled 93.778	154,931,575			
	Social Services Block Grant 93.667	12,905,937	USDHHS Administration for Children and Families (ACF)/ 39th	Table 4, line 4	
DCF Aging Services Program	Home and Community Based 93.778	2,777,752	HCFA/46th	Table 4, line 1	
	Social Services Block Grant 93.667	5,308,887	USDHHS ACF/39th	Table 4, line 4	
DCF Econ. Self Sufficiency Services	Refugee Cash and Medical 93.566	12,520,338	USDHHS ACF Office of Refugee Assistance/1st	Table 4, line 7	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCF Economic Self Sufficiency Services Program	Title IV-F 93.561	442,440	USDHHS ACF Job Opportunities and Basic Skills/27th	Table 4, line 8	
	Repatriated Americans 93.579	32,806	Social Security Administration/ 25th	Table 2, line 17	
	Emergency Shelter 14.231	1,294,629	U.S. Housing and Urban Development/41st	Table 6, line 8	
	Medicaid Administration 93.778	19,164,717	HCFA/46th	Table 4, line 1	
	Temporary Assistance for Needy Families (TANF) 93.558	270,867,540	USDHHS ACF (TANF, formerly AFDC)/24th	Table 4, line 3	
	Foster Care - Title IV-E 93.658	752,788	USDHHS ACF/37th	Table 4, line 5	
	Food Stamp Administration 10.561	76,186,641	USDA Food and Nutrition Service/ 36th	Table 7, line 4	
	Statewide Welfare Reform Evaluation 93.595	556,626	USDHHS ACF/37th	Table 4, line 2	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCF Refugee Program	Refugee Cash and Medical Assistance 93.566	13,833,614	USDHHS ACF/37th	Table 4, line 2	
	Social Services 93.566	9,553,233	USDHHS ACF Refugee Assistance/1st	Table 4, line 7	
	Targeted Assistance Program 93.584	14,098,022			
	Social Services Discretionary Grant 93.576	1,731,591			
	Targeted Assistance Discretionary Grants 93.576	864,307			
	Older Refugee Assistance 93.576	511,470			
DCF Family Safety and Preservation Program	Social Services Block Grant 93.667	125,750,252	USDHHS ACF Social Services Block Grant/39th	Table 4, line 4	
	Title IV-E 93.658, 93.657	139,034,252	USDHHS ACF Foster Care and Adoption /37th	Table 4, line 5	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCF Family Safety and Preservation Program	Title IV-B, Part I 93.645	109,373,081	USDHHS ACF Children and Family Services/32th	Table 4, line 6	
	Title IV-B, Part II 93.556	13,450,045			
	Child Care and Development Fund 93.596, 93.575	118,867,502			
	Child Abuse Prevention and Treatment Act 93.669	428,596			
DCF Alcohol, Drug Abuse and Mental Health Services Program	Community Mental Health Services Block Grant 93.958	13,953,057	USDHHS Substance Abuse and Mental Health Services Administration/45th	Table 4, line 15	
	TANF 93.558	11,800	USDHHS ACF Aid to Families with Dependent Children/24th	Table 4, line 3	
	Strengthening the Capacity of Consumer Networks 93.125	80,315	USDHHS Substance Abuse and Mental Health Services Administration/45th	Table 4, line 15	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCF Alcohol, Drug Abuse and Mental Health Services Program	Assistance in Transition from Homelessness for Mentally Ill	1,050,027			
	Substance Abuse Prevention and Treatment Block Grant 93.959	56,125,849			
Department of Community Affairs (DCA)					
DCA Division of Housing and Community Development	Weatherization Assistance Program 81.042	936,922	U.S. Department of Energy (USDOE)/17th	Table 2, line 16	The majority of the funds are distributed based on a historic base allocation, which is very low for Florida (761,000 out of 171,268,000). Other elements in the formula negatively impact funding to warm weather states.
	Low Income Home Energy Assistance Program 93.568	13,744,474	USDHHS ACF/50th	Table 4, line 9	The program is weighted to give more assistance to cold weather states.
	Community Services Block Grant 93.569	10,778,605	USDHHS ACF/40th	Table 4, line 11	The allocation formula has not changed since the block grant began in 1981.

State Agency Division	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
DCA Division of Housing and Community Development	Community Development Block Grant, Small Cities Program 14.228	35,000,000	U.S. Department of Housing and Urban Development (HUD) Community Development /34th	Table 6, line 5	This is exclusive of any supplemental appropriation to Florida for disasters. It also excluded the CDBG Entitlement awards of \$173,430,000 to 59 cities and urban counties in Florida.
	Drug Control and System Improvement Program 16.579	18,398,354	U.S. Department of Justice /12th	Table 2, line 7	Each state and territory will receive .25 % of the total allocation or \$500,000, whichever is less. The remaining funds are allocated to each state based on its share of the total U.S. population.
	Violent Offender and Truth-In- Sentencing Program 16.586	39,317,277			The allocation of funds to a state is based on the ratio of its average Part 1 violent crimes for the preceding three years compared to the average Part 1 violent crimes for all states for the preceding three years. Florida ranks 2nd in the amount received.
	Residential Substance Abuse Treatment for State Prisoners 16.593	857,607			Each participating state is allocated a base amount of .04 % of the total funds available. The remaining funds are allocated to each participating state in the ratio its prison population bears to the total prison population for all participating states.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DCA Division of Housing and Community Development	Drug-Free Communities Program 84.186B	3,768,442	U.S. Department of Education, Office of Elementary and Secondary Education/39th	Table 8, line 1	Each state receives funds based on the ratio between its school-age population, as reported by the state for the previous year, and that of all states.
	State Energy Program 81.041	1,864,997	U.S. Department of Energy/17th	Table 2, line 16	
	STOP Violence Against Women 16.588	6,076,000	U.S. Department of Justice /12th	Table 2, line 7	
DCA Division of Emergency Management (DEM)	Performance Partnership Agreement (PPA) 83.534 - primary	4,129,577	Federal Emergency Management Agency (FEMA)/ 26th	Table 2, line 8	Level of funding is highly dependent on federal priorities for programs administered by FEMA. PPA is negotiated annually between DEM and FEMA.
	Disaster Recovery Program 83.544 - primary	32,247,271			Level of funding is dependent on federal Stafford Act and award of a federal declaration to the state under very specific qualification guidelines for any given disaster event.
DCA Florida Coastal Management Program	Coastal Zone Management 11.419	2,820,619	U.S. Department of Commerce, National Oceanic and Atmospheric Administration/34th	Table 2, line 10	This amount includes disbursements paid out during the close-out period from the previous year's award.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Banking and Finance	Money Laundering Investigation Assistance	180,505	U.S. Department of Justice /12th	Table 2, line 7	
	Schools and Roads	1,593,749	USDA /36th	Table 2, line 4	"Pass-through" funds for distribution to Florida counties for federal use of land in those counties.
Department of Corrections					
	Star Schools Juvenile Justice Distance Learning 84.203	978,434	U.S. Department of Education Special Education and Rehabilitative Services/ 46th	Table 8, line 6	Federal share for first and second fiscal years is 75%, for the third and fourth years 60%, and for the fifth year 50%.
	Transition Training for Incarcerated Youthful Offenders 84.331	*	U.S. Department of Education Office of Vocational and Adult Education/47th	Table 8, line 9	*New program in FY 1998. Due to the size of Florida's youthful offender population, and since many states did not apply, Florida's award of \$938,114 is third largest in country.
	Criminal Behavior Through Life Skills 84.255	176,879			Competitive grant award.
	Immigration and Naturalization - Aliens 16.606	24,523	U.S. Department of Justice /12th	Table 2, line 7	Discontinued.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Corrections	State Criminal Alien Assistance Program 16.606	18,434,802	U.S. Department of Justice /12th	Table 2, line 7	Awards are made on a pro rata share of the average costs of incarceration of a prisoner in the relevant state.
Department of Education (FDOE)					
FDOE Division of Applied Technology, Adult and Community Education	Carl Perkins 84.048	43,986,041	U.S. Department of Education Office of Vocational and Adult Education/47th	Table 8, line 9	
	Carl Perkins - Tech Prep 84.243	3,718,896			
	Adult Basic Education 84.002	11,545,121			
	Job Training Partnership Act (JTPA) 17.250	2,776,553	U.S. Department of Labor Employment and Training Administration/33rd	Table 9, line 2	
	JTPA - Migrant Farm Workers 17.247	4,966,980			
	JTPA - School to Work 17.249	13,650,000			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
FDOE Division of Public Schools	Individuals with Disabilities Education Act (IDEA), Part B <i>84.027</i>	175,907,015	U.S. Department of Education (USDOE) Office of Special Education and Rehabilitative Services/46th	Table 8, line 6	Based strictly on numbers of students with disabilities identified by state. When a per student formula is applied, Florida's ranking is 9th.
	IDEA, Part B, Preschool <i>84.173</i>	15,256,680			
	IDEA, Personnel Preparation <i>84.029</i>	201,982			This is a competitive project.
	Learn and Serve America <i>94.004</i>	884,325	U.S. Corporation for National and Community Service		Competitive Grant Award. Not all states receive funding. It is perceived that Florida receives a fair portion of available funds.
	Safe and Drug Free Schools (ESEA, Title IV) <i>84.186</i>	17,733,525	USDOE Office of Elementary and Secondary Education/39th	Table 8, line 1	Entitlement/formula grant. Funding is based on the number of students in the state and poverty levels.
	Safe Learning Environment Data Project <i>84.184</i>	600,000			Competitive two-year grant program. Florida receives a very large share of the available funds.
	Comprehensive School Health <i>93.283</i>	303,390	USDHHS Centers for Disease Control/49th	Table 4, line 14	Competitive project award. Only 15 states, including Florida, receive all three components of this funding.

State Agency Division	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
	Title VI, Aid to Districts (ATD) ^{84.298}	14,415,782			
	GOALS 2000 - State Level Technical Assistance (TA) ^{84.276}	1,779,573	U.S. Department of Education Office of Elementary and Secondary Education/39th	Table 8, line 1	Entitlement based on states' relative amount under Title I and Title VI.
	GOALS 2000 - ATD ^{84.276}	17,032,861			
	Title II - Math/ Science - TA ^{84.281}	765,000	U.S. Department of Education School Improvement Program/36th	Table 8, line 3	50% based on relative populations of students aged 5 through 17 and 50% based on relative amounts received under Title I for preceding year.
	Title II - Math/ Science -ATD ^{84.281}	12,993,469			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
FDOE Division of Public Schools	Homeless Child Education 84.196	831,169	U.S. Department of Education Office of Elementary and Secondary Education/39th	Table 8, line 1	Accurate count of school age and poor children in 2000 census is important for increasing Florida's share of federal funds in these programs.
	Title I Basic 84.010	322,683,255	U.S. Department of Education Office of Elementary and Secondary Education/39th	Table 8, line 1	
	Title I Delinquent 84.013	168,873			
	Title I Capital Expenses 84.216	333,427			
	Title I Adult Correctional Institution 84.013	1,148,709			
	Title I Migrant 84.013	21,295,040			
	Title I Even Start 84.013	4,044,058			
	Charter Schools 84.282	1,149,365	U.S. Department of Education School Improvement Program/36th	Table 8, line 3	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
FDOE Division of Public Schools	Technology Literacy 84.318	15,581,801	U.S. Department of Education Office of Elementary and Secondary Education/39th	Table 8, line 1	
	Emergency Immigrant 84.162	12,186,287	U.S. Department of Education Bilingual Education and Minority Language Affairs/18th	Table 8, line 11	These funds flow through to eligible districts.
	Bilingual Education 84.194	87,394			Ranking for Bilingual Education may be deceiving as this is a competitive grant process and not all states compete for these funds.
FDOE Division of Support Services	National School Lunch 10.555	286,821,000	U.S. Department of Agriculture Child Nutrition Programs/28th	Table 7, line 2	Funds are distributed based on the number of reimbursable meals children receive.
	School Breakfast 10.553	72,898,000			
	Summer Food Service 10.559	20,095,000			
Department of Elder Affairs					
	Nutrition Program for the Elderly 10.570	7,893,467	U.S. Department of Agriculture Food and Nutrition Service/31st	Table 7, line 1	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Department of Elder Affairs	Senior Community Services Employment Program 17.235	72,614	U.S. Department of Labor Community Service/46th	Table 9, line 4	Four states did not receive funding in FY 1997.
	Senior Companion Program 94.016	227,964	U.S. Corporation for National and Community Service		
	Prevention of Elder Abuse, Neglect and Exploitation 93.041	426,854	USDHHS Administration for Children and Families (ACF)/39th	Table 4, line 4	
	Ombudsman Programs 93.042	345,050			
	Disease Prevention and Health Promotion Services 93.043	1,259,869			The U.S. GAO has determined that USDHHS is implementing the formula for Older Americans Act Title III grants in a manner that underfunds states with more rapidly growing elderly populations (see text).
	Supportive Services 93.044	22,833,721			
	Home Delivered Nutrition Services 93.045	11,179,665			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Elder Affairs	Congregate Nutrition Services 93.045	17,683,597			
	In-Home Services for Frail Older Individuals 93.046	704,415			
	Health Insurance Counseling Grant 93.779	549,739	USDHHS Health Care Financing Administration/46th	Table 4, line 1	
	Alzheimer's Demonstration Grant 93.951	571,545	USDHHS Health Resources and Services Administration/22nd	Table 4, line 13	
Department of Environmental Protection (FDEP)²					
	U.S. Department of Commerce Grants 11.419, 11.420, 11.427, 11.429, 11.433, 11.434, 11.435, 11.439, 11.441, 11.452, 11.472, 11.473, 11.474	3,208,495	U.S. Department of Commerce/34th	Table 2, line 10	The U.S. Census Bureau compiles federal figures from actual cash awards, so there may be a time lag between annual appropriations and when the state actually concludes agreement negotiations and receives cash awards.

²FDEP programs are clustered according to federal granting agency, except U.S. EPA grants, which are clustered according to program. More detailed break-out of individual grants is available upon request from LCIR or DEP staff.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Environmental Protection (FDEP)	U.S. Army Corps of Engineers Grants <i>12.000, 12.107, 12.113</i>	6,641,155	U.S. Department of Defense/23rd	Table 2, line 15	
	U.S. Department of Interior Grants <i>15.000, 15.221, 15.605, 15.611, 15.612, 15.614, 15.616, 15.617, 15.807, 15.808, 15.900, 15.916, 15.FFB</i>	4,798,125	U.S. Department of Interior/46th	Table 2, line 11	
	Mine Health and Safety Grant <i>17.600</i>	71,555	U.S. Department of Labor Mine Safety and Health Administration/38th	Table 9, line 6	Four states did not receive funding in FY 1997.
	U.S. Department of Transportation Grants <i>20.005, 20.205</i>	4,638,500	U.S. Coast Guard/12th and Federal Highway Administration/50th	Table 5, lines 11 and 1	
	Environmental Protection Agency (EPA): Air Pollution Programs <i>66.001</i>	1,224,985	U.S. EPA/50th	Table 2, line 9	
	U.S. EPA Surface and Ground Water Programs <i>66.419</i>	2,643,912			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Environmental Protection (FDEP)	EPA Drinking Water Programs 66.432	3,719,608			
	EPA - other water quality programs 66.433, 66.435, 66.438, 66.454, 66.460, 66.640	4,945,358			
	EPA State Revolving Fund 66.458	34,033,519			
	EPA Wetlands Programs 66.461	328,826			
	Surveys, Studies, Investigations and Special Purpose Grants 66.456, 66.500, 66.505, 66.606, 99.999	1,137,565	U.S. EPA/50th	Table 2, line 9	
	Pollution Prevention 66.463, 66.708, 66.900	72,692			
	Hazardous Waste 66.801, 66.802, 66.804, 66.805	5,221,466			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Environmental Protection (FDEP)	Solid Waste 66.608, 66.808	102,915			
	Envir. Education Grants 66.951	94,527			
	Governor's Commission for a Sustainable South Florida 66.SS1	11,641			
Department of Health					
	Women, Infants and Children 10.557	202,681,048	U.S. Department of Agriculture Special Supplemental Food Program/26th	Table 7, line 3	Florida has the fourth highest caseload and fourth largest WIC funding in the nation.
	Ryan White AIDS Grant 93.917	37,995,195	USDHHS Public Health Service/29th	Table 4, line 12	Formula based on estimated number of living AIDS cases in Florida.
	Child Nutrition 10.558	40,563,072	U.S. Department of Agriculture Child Nutrition Programs/28th	Table 7, line 2	The program is growing at approximately 20% annually. Welfare reform is increasing the need for child care among poor women and eligibility for the program is based on income.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Health	Immunization Program 93.268	25,308,003	USDHHS Health Resources and Services Administration/22nd	Table 4, line 13	
Agency for Health Care Administration					
Medicaid Program	Medical Assistance Payments 93.778	3,665,314,310	USDHHS Health Care Financing Administration (HCFA)/46th	Table 4, line 1	Continue to lobby for changes in the federal funding formula for Medicaid to more adequately address the needs of growth states.
	Medicaid Administration 93.778	121,244,403			
Agency for Health Care Administration	Children's Health Insurance Program 93.767	1,578,032	USDHHS HCFA/46th	Table 4, line 1	This is a new program created by the Balanced Budget Act of 1997. Florida's federal receipts are budgeted to jump to \$118,926,366 in FY 1998-99.
	State Survey and Certification of Health Care Providers and Suppliers: Medicare 93.777	6,251,818			Continue to lobby HCFA for enhanced funding that considers the state's population, number of diverse facilities statewide, salaries of survey staff and potential for fraud.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Agency for Health Care Administration	State Survey and Certification of Health Care Providers and Suppliers: Medicaid 93.778	4,451,658			
Department of Highway Safety and Motor Vehicles (DHSMV)					
DHSMV Florida Highway Patrol	Community Oriented Policing Squads (COPS) 16.710	1,057,578	U.S. Department of Justice/12th	Table 2, line 7	This program requires a 25% local match (increases in future years). The Legislature has not appropriated requested matching funds for additional positions for this program.
	Operation Beltway 20.600	153,478	U.S. Department of Transportation National Highway Traffic Safety Administration/41st	Table 5, line 10	This is a competitive discretionary grant for a demonstration project. Florida was one of the few states to receive an award.
	Employee Exchange 20.600	26,150	U.S. Department of Transportation National Highway Traffic Safety Administration (NHTSA)/41st	Table 5, line 10	Continued funding depends on the opportunities for using state employees in NHTSA programs and the specific expertise of Department employees.
DHSMV Division of Driver Licenses	Graduated Driver Licensing 20.600	99,130			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
DHSMV Division of Motor Vehicles	International Registration Plan (IRP)/International Fuel Tax Agreement (IFTA) 20.218	36,680	U.S. Department of Transportation Federal Highway Administration Motor Carrier Safety Grants/37th	Table 5, line 4	Funding under this program was offered for a limited time to assist in implementing IRP and IFTA. FY 1998-99 budget is \$0.
DHSMV Division of Administrative Services	Fatality Analysis Reporting System 20.600	89,586	U.S. Department of Transportation National Highway Traffic Safety Administration/41st	Table 5, line 10	
Department of Juvenile Justice					
Department of Juvenile Justice Prevention Services	Juvenile Justice and Delinquency Prevention 16.540, 16.549, 16.548	4,103,247	U.S. Department of Justice Office of Juvenile Justice and Delinquency Prevention (JJDP)/12th	Table 2, line 7	JJD funds to Florida would be positively affected if the growth rate for the target population of age 17 and under were made part of the formula.
	Boot Camp Renovation Grant 16.586	1,036,740	U.S. Department of Justice Office of Corrections/12th	Table 2, line 7	Competitive discretionary grant.
Department of Labor and Employment Security (FDLES)					
FDLES Division of Jobs and Benefits	Wagner Peyser 17.207	29,663,180	U.S. Department of Labor Employment and Training Administration/42nd	Table 9, line 3	Formula based on pro rata share of civilian labor force and unemployed individuals. Florida ranks 4th in funding received.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
FDLES Division of Jobs and Benefits	Local Veterans' Employment Representative Program 17.804	2,647,000			Formula based on pro rata share of disabled veteran population and previous year average cost per position. Florida's lower salaries result in a lower allotment.
	Disabled Veterans' Outreach Program 17.801	3,705,000			
	One Stop Employment Service 17.207	3,000,000			RFP- competitive process.
	Job Training Partnership Act (JTPA) Title III 17.246	74,742,422	U.S. Department of Labor JTPA/33rd	Table 9, line 2	Formula based on pro rata share of unemployed individuals and dislocated workers. Florida ranks 6th in funding received.
	JTPA Title II 17.250	86,631,781			
FDLES Division of Unemployment Compensation	Unemployment Insurance (UI) 17.225	70,320,244	U.S. Department of Labor Employment and Training Administration/42nd	Table 9, line 3	Funds provided are 88.5% of actual staff cost. An annual deflator has been applied since 1992 to the state's previous year salary and benefit rate.
FDLES Division of Safety	Occupational Safety and Health Admin. Consult. Coop. Agr. 17.504	1,204,000	U.S. Department of Labor OSHA/48th	Table 9, line 5	

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
FDLES Division of Safety	Compensation and Working Conditions Data 17.005	152,200			
	Occupational Injury, Illness Data 17.504	99,981			
FDLES Division of Vocational Rehabilitation	Basic Support Program 84.126	87,399,520	U.S. DOE Office of Special Education and Rehabilitative Services /46th	Table 8, line 6	Florida's federal funds are limited by the amount of state match funding allocated (requires 21.3% state match).
FDLES Division of Blind Services	Basic Support 84.126A	9,714,247	U.S. DOE Office of Special Education and Rehabilitative Services/46th	Table 8, line 6	Work to increase the federal funding for Title VII, Chapter 2 from \$11.2 million to \$13 million. This would trigger a population-based formula.
	Independent Living Part B 84.169A	106,936			
	Supported Employment 84.187A	96,000			
	In-Service Training 84.265A	62,818			
	Independent Living Chapter 2 84.177A	103,849			

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Law Enforcement	U.S. Department of Justice Grants <i>16.550, 16.560, 16.580, 16.581, 16.AAC, 16.710</i>	1,328,458	U.S. Department of Justice/12th	Table 2, line 7	The state should continue to pursue more equitable block grant funding. Many grants are now based on simple population figures and do not include Florida's high transient population, economic conditions, high crime rate and drug importation.
Department of Revenue	Child Support Enforcement (CSE) - Grants and Donations Trust Fund <i>93.563</i>	118,800,000	USDHHS Administration for Children and Families/37th	Table 4, line 2	The more state funds appropriated by the Legislature the more federal funding (66%) is provided. Improved efficiency and effectiveness of the program will earn additional incentive funds.
Dept. of Military Affairs ³	CSE - Incentive Trust Fund <i>93.563</i>	22,100,000			

³The Department of Military Affairs does not receive grants directly from any federal agency, but did report on 15 cooperative agreements with the U.S. Department of Defense totaling \$18,172,960.50 for SFY 1997-98 that fund various military activities throughout the state, and a cumulative total of \$1,884,747.11 received through the Coast Asset Sharing Program/Drug Seizure Funds since the program's inception in 1994.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Transportation (FDOT)					
FDOT Highway and Road Programs	Federal Highway Administration Grant Programs	892,626,000	U.S. Department of Transportation Federal Highway Administration/50th	Table 5, line 1	The 1998 passage of TEA-21 should improve Florida's ranking in per capita receipts of FHA funds.
FDOT Transit Office	Transit Grant Programs 20.507, 20.500, 20.501, 20.513, 20.509, 20.505, 20.504	195,333,287	U.S. Department of Transportation Federal Transit Administration/17th	Table 5, line 8	Florida's transit systems may be able to increase their share of discretionary programs with strong support from Florida's legislative contingent.
FDOT Aviation Office	Aviation Grant Programs 20.106	69,900,000	U.S. Department of Transportation Federal Aviation Administration: Airport and Airway Trust Fund/31st	Table 5, line 9	The National Air Transportation Improvement Act will be reauthorized this year. Measures to improve Florida's funding include: increase passenger facility charge ceiling to \$6.00; reinstate Airport Improvement Program (AIP) portion at minimum level of \$2.35 billion annually; increase state apportionment funds to 20%; emphasize AIP flexibility.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
FDOT Safety Office	Highway Traffic Safety Grant Programs	5,963,397	U.S. Department of Transportation National Highway Traffic Safety Administration/41st	Table 5, line 10	The population portion of the funding formula is based on the 1990 census and therefore does not provide the most accurate population data. Use of the most current population and mileage data available could enable Florida to receive additional funds.
FDOT Rail Office	Railroad Grant Programs 20.308	150,000	U.S. Department of Transportation Federal Railroad Administration: Rail Services Assistance/40th	Table 5, line 13	The fact that Congress continually authorizes, but does not appropriate, funds for the program directly affects the Department's ability to secure federal Local Rail Service Assistance Funds. Eligible projects and needs are documented in Florida's Rail Systems Plan that far exceed any past or present available federal funding through this program.
Department of Veterans' Affairs					
Geriatrics and Extended Care	Domiciliary Programs 64.014	834,710	U.S. Department of Veterans' Affairs/36th	Table 2, line 14	Funding has not followed the many veterans' relocation from northern states to the southeast. Veteran-related data should be solicited in the year 2000 census and used in funding.

State Agency	Program	1997-98 Receipts (\$)	Federal Agency/ Program/P.C. Rank	Cross Reference	Agency Comments
Division					
Department of Veterans' Affairs Geriatrics and Extended Care	Nursing Home 64.015	1,555,841	U.S. Department of Veterans' Affairs/36th	Table 2, line 14	
	Construction 64.005	1,050,352			
Education Service	Contract Reimbursement 64.111	348,963			