Item # 39

SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM

SUBJECT: **LEGISLATIVE BRIEFING**

DEPARTMENT: County Manager's Office **DIVISION**

AUTHORIZED BY: Kevin Grace **Contact:** Steve Lee EXT. 5741
Sally A. Sherman EXT. 7224

Agenda Date 03/08/05 **Regular** ☒ **Consent** ☐ **Work Session** ☐ **Briefing** ☐
Public Hearing – 1:30 ☐ **Public Hearing – 7:00** ☐

Information Current As Of 2/23/05

Top Legislative Priorities

1. **Deferred Compensation/Govt. Employee** - S1254 by Constantine Companion Bill HB 787 by Mealor to Support Deferred Compensation Plan ; - provides that deferred compensation plan or plans established by Chief Financial Officer apply to employees of governmental entities other than state. Amends 112.215. EFFECTIVE DATE: 10/01/2005. SB1254 and HB787. (Bill previously provided)
   02/09/05 SENATE Filed
   02/18/05 SENATE Referred to Governmental Oversight and Productivity; General Government Appropriations; Ways and Means
   02/10/05 HOUSE Filed
   02/18/05 HOUSE Referred to Governmental Operations (SAC); Local Government Council; Fiscal Council; State Administration Council

2. Car Rental Surcharge – Support adoption of a new per diem charge as a local option (including a referendum requirement, if necessary, in order to secure passage of the bill).

   No proposed bill to date. There will probably not be a separate bill on this subject. Tallahassee lobbyists for Orange County, MetroPlan and Seminole County will meet in the near future to discuss joint strategy.

3. Support inclusion of a Local Sources First Policy in Florida Statutes, Chapter 373 – Oppose any amendment to Florida's Water Resource Policy which allows, encourages, or promotes water transfers.

   No proposed bill to date.

Reviewed by:
Co Atty: ______
DFS: ______
Other: ______
DCM: ______
CM: [signature]

File No LEG02

4. Oppose any attempts at shifting the costs of Government services and programs from the state to counties, such as:

   Department of Juvenile Justice (DJJ) Cost - SB 4A- by Justice Appropriations Committee Senators Christ, Lynn, and Villalobos. (Bill previously provided)

5. FEMA Hurricane Related Issues

   a) Reimbursement for debris removal in gated subdivisions and on private roads.
   b) Timing of reimbursements to offset impact on local budget.

6. <u>**Other Items of Interest**</u>

   A. **Wekiva Parkway & Protection Act - S908 by Constantine/H1013 by Brumer -** <u>Wekiva Parkway & Protection Act</u>; clarifies that requirements for local government to develop master stormwater management plan & wastewater facility plan apply only to that portion of local government located within the Wekiva Study Area; requires local governments hosting interchange on said parkway to adopt interchange land use plan within 1 year after interchange location is established, etc. Amends 369.319,.320,.321,.324.
   (HB 1013 Attachment A - Page 6)

   01/26/05 SENATE Filed.
   02/09/05 SENATE Referred to Environmental Preservation; Community Affairs
   02/15/05 SENATE On Committee agenda-- Environmental Preservation, 02/22/05, 2:00 pm, 401-S
   02/22/05 SENATE Favorable with 1 amendment(s) by Environmental Preservation; YEAS 6 NAYS 0
   02/23/05 SENATE Now in Community Affairs

   B. **Wireless Emergency Telephone System - H305 by Littlefield Companion Bill SB 620 by Bennett -** removes annual audit of Wireless Emergency Telephone System Fund from duties of Auditor General; revises fee schedules for providers of interexchange telecommunications services; provides standards for local governments to follow when regulating placement, construction, or modification of wireless communications facility; directs how county may use funds derived from E911 fee, etc. (Bill previously provided)
   02/01/05 HOUSE Referred to Utilities & Telecommunications (CC); Local Government Council; State Administration Appropriations (FC); Commerce Council
   01/28/05 SENATE Referred to Communications and Public Utilities; Community Affairs; Governmental Oversight and Productivity; Government Efficiency Appropriations

C. **Growth Management** - Sen. Bennett has filed a shell bill (SB 360)
The proposal for the shell bill includes changes to Florida's growth management laws/rules. First, the Department of Community Affairs has issued two draft documents: one addressing general growth management issues under Ch. 163 and Rule 9J-5, while the other addresses changes in the Development of Regional Impact (DRI) process under Ch. 380, F.S.

The two latest draft growth management bills were provided via the internet. The first was the revision of DCA's original draft; the second was a proposed committee bill for the Senate Comprehensive Planning Committee and addresses local funding, and other issues. -SPB 7048

D. **Private Fire Hydrants** – Sen. Miller S748 companion HB0267 by Carroll
requires owners of private fire hydrants to test hydrants in accordance with national standards and to contract with licensed professionals or local fire- control authorities to inspect & service such hydrants; authorizes local fire officials to contract with said owners to maintain such hydrants; provides fines for noncompliance.

Rep. Carroll's bill on fire hydrants, as amended by our proposed language, (HB 267) passed unanimously out of the House Insurance Committee on February 22, 2005. (Attachment B - Page 9)
02/01/05 HOUSE Referred to Insurance (CC); Local Government Council; Commerce Council
02/11/05 HOUSE On Committee agenda-- Insurance (CC), 02/22/05, 9:00 am, Morris Hall
02/22/05 HOUSE Favorable with CS amendment by Insurance (CC); YEAS 18 NAYS 0 --Preliminary
01/28/05 SENATE Referred to Banking and Insurance; Community Affairs

E. **Trauma Care & Rape Crisis Centers** – Sen. Lynn filed (SB 258) which authorizes DOH to adopt and enforce rules necessary to administer provisions re: trauma services; establishes task force on distribution of funds for trauma centers; provides additional civil penalties for certain traffic infractions and for such penalties to be used to fund trauma services; requires that funds credited to Rape Crisis Program TF include moneys appropriated by Legislature and grants from public and private entities, etc. 12/17/04 SENATE Referred to Health Care; Transportation; Government Efficiency Appropriations; Health and Human Services Appropriations; Transportation and Economic Development Appropriations

F. **Velez Memorial Traffic Safety Act - S1264 GENERAL BILL by Saunders (Similar H497 by Cannon; [CO-SPONSORS] Bucher; Flores; Glorioso; Legg; Lopez-Cantera; Reagan; Roberson**); creates Anjelica & Victoria VelezMemorial Traffic Safety Act; revises penalty for moving violation of traffic control signal showing steady red indication; provides for distribution of moneys collected & of specified civil penalties (approximately half of the fines go to fund trauma centers based upon a distribution formula using case load volume and severity of injuries with a kicker for centers with local funding); requires driver improvement course for second moving violation of traffic control signal showing steady red indication within specified time period, etc. Amends Chs. 318, 322, 395. EFFECTIVE DATE: Upon becoming law. (SB 1264 Attachment C – Page 11)

02/09/05 SENATE Filed
02/24/05 SENATE Referred to Transportation; Health Care; Government Efficiency Appropriations; Health and Human Services Appropriations
02/07/05 HOUSE Referred to Transportation (SIC); Judiciary (JC); Finance & Tax (FC); State Infrastructure Council
02/11/05 HOUSE On Committee agenda-- Transportation (SIC), 02/22/05, 2:00 pm, 404-H
02/22/05 HOUSE Favorable with CS amendment by Transportation (SIC); YEAS 14 NAYS 0

G. **Retirement/Emergency Dispatchers** - Sen. Alexander filed SB 1074 Companion Bill by Rep. Goldstein HB 693 which provides that emergency dispatchers and 911 operators employed by county or municipal law enforcement agency may participate as part of Special Risk Administrative Support Class and are eligible for special risk normal retirement date. Amends 121.0515.

The proposed amendment includes 911 Operators and Dispatchers in the Special Risk Category, but excluding other Public Safety 911 Operators and Dispatchers which creates an inequality in the system. It will negatively impact the County's efforts to maintain long term employees in the Emergency Communications Center, when they will be enticed to pursue employment with a law enforcement agency, and receive a better retirement rate. All qualifications being equal, it is recommended that the legislation include County and Municipal Public Safety (Fire and EMS) 911 Operators and Dispatchers.

02/18/05 SENATE Referred to Community Affairs; Governmental Oversight and Productivity; Ways and Means
02/11/05 HOUSE Referred to Governmental Operations (SAC); Local Government Council; Domestic Security (SAC); Fiscal Council; State Administration Council

H. The FY 06/07 CDBG program ($41 billion) has been eliminated from the Office of HUD. It appears that a small fraction ($3 to $4 billion) will be set up in the Commerce Department to run Community Development Block Grants

(CDBG) along with seventeen other grant programs. The CDBG program is being directed towards an Economic Development program.

I. The **Qualified Target Industry Tax Refund Program**, Florida Statutes 288.106 (7) is subject to sunset review by the legislature in the 2005 session. Based on early feedback from the legislative leadership it would appear that this will happen. Since Seminole County has made such good use of this program over the years, an independent study was conducted by the Collins Center for Public Policy to evaluate the effectiveness of the program and how it compares to programs of other states. (Attachment D – Page 19)

J. **Medicaid Nursing Home** – The Legislature's recommendation eliminates certificates of residency (COR) which have ensured each county paid only for its residents. The recommended replacement is an allocation model. At present we have no idea of the impact to the County's budget. (Attachment E – Page 23)

K. Center On Budget and Policy Priorities - The impact of the President's proposed budget on a state by state, program by program basis. (Attachment F – Page 43)

7. ***Funding Request* – Community *Budget Request for 2005***

a) I-4/Greeneway Interchange - Construction Cost Senate Sponsor – Baker / House Sponsor Hayes	$4,000,000
b) State Road 415 – Expand to 4-Lanes - Construction Cost Senate Sponsor – Baker / House Sponsor Simmons	$2,500,000
c) State Road 46 – Expand to 4-Lanes - Design Cost Senate Sponsor – Baker / House Sponsor Adams	$2,000,000
d) State Road 46 and I-4 - - R0W Cost Senate Sponsor – Baker / House Sponsor Hayes	$10,000,000
e) State Road 434 and Interstate 4 Interchange – Interchange Reconstruction - Design Cost Senate Sponsor – Constantine/ House Sponsor Mealor	$3,500,000
f) Middle St. John's River Basin Initiative- Senate Sponsor – Baker / House Sponsor Mealor	$4,000,000
g) Regional Alternative Water Supply Testing Program - Senate Sponsor – Baker / House Sponsor Mealor	$2,400,000
h) Historical Museum Complex Expansion Project - Senate Sponsor – Baker / House Sponsor Hayes	$300,000
TOTAL	**$28,700,000**

Attachment A

HB 1013

A bill to be entitled

An act relating to the Wekiva Parkway and Protection Act; amending ss. 369.319 and 369.320, F.S.; clarifying that requirements for a local government to develop a master stormwater management plan and a wastewater facility plan apply only to that portion of the local government located within the Wekiva Study Area; amending s. 369.321, F.S.; requiring local governments hosting an interchange on the Wekiva Parkway to adopt an interchange land use plan within 1 year after the interchange location is established; exempting interchanges located on Interstate 4 from the requirement for an interchange land use plan; revising the date local governments are required to adopt a 10-year water supply facility work plan; clarifying that the Department of Community Affairs reviews comprehensive plan amendments for the Wekiva Study Area under ch. 163, F.S.; amending s. 369.324, F.S.; correcting a reference to the East Central Florida Regional Planning Council; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 369.319, Florida Statutes, is amended to read:

369.319 Master stormwater management plan.--Each local government within the Wekiva Study Area shall develop a master stormwater management plan that: assesses existing problems and deficiencies in the community; identifies projects to meet long-range needs; establishes priorities to address existing deficiencies; establishes measures to address redevelopment; establishes a schedule to complete needed improvements; evaluates the feasibility of stormwater reuse; and includes requirements for inspection and maintenance of facilities. The plan shall also identify a funding source, such as a stormwater utility fee, to fund implementation of the plan and maintenance program. In addition, the local government shall establish a water reuse and irrigation program that allows for reuse of stormwater on a site basis for development over a size threshold to be determined by the local government or on a jurisdiction-wide basis to minimize pumpage of groundwater for nonpotable usage. For those local governments located partially within the Wekiva Study Area, this section applies only to that portion located within the Wekiva Study Area.

Section 2. Subsection (3) is added to section 369.320, Florida Statutes, to read:

369.320 Wastewater facility plan.--

(3) For those local governments located partially within the Wekiva Study Area, this section applies only to that portion located within the Wekiva Study Area.

Section 3. Section 369.321, Florida Statutes, is amended to read:

369.321 Comprehensive plan amendments.--Except as otherwise expressly provided, by January 1, 2006, each local government within the Wekiva Study Area shall amend its local government comprehensive plan to include the following:

(1) Within 1 year after the establishment of the interchange locations, local governments hosting an interchange on the Wekiva Parkway shall adopt an interchange land use plan into their comprehensive plans. Each interchange land use plan shall address: appropriate land uses and compatible development; secondary road access; access management; right-of-way protection; vegetation protection and water conserving landscaping; and the height and appearance of structures and signage. Local governments within which the Wekiva Parkway is planned shall amend their local government comprehensive plan to include the Wekiva Parkway. Interchanges located on Interstate 4 are exempt from this subsection.

(2) Local governments shall amend the appropriate elements of the comprehensive plan, including the capital improvements element, to ensure implementation of the master stormwater management plan.

(3) Local governments shall amend their comprehensive plans to establish land use strategies that optimize open space and promote a pattern of development on a jurisdiction-wide basis that protects the most effective recharge areas, karst features, and sensitive natural habitats including Longleaf Pine, Sand Hill, Sand Pine, and Xeric Oak Scrub. Such strategies shall recognize property rights and the varying circumstances within the Wekiva Study Area, including rural and urban land use patterns. Local comprehensive plans shall map, using best available data from the St. Johns River Water Management District and the Fish and Wildlife Conservation Commission, recharge areas and sensitive upland habitats for this purpose. Local governments shall have flexibility to achieve this objective through comprehensive plan strategies that may include, but are not limited to:

(a) Coordinated greenway plans;

(b) Dedication of conservation easements;

(c) Land acquisition;

(d) Clustering of development;

(e) Density credits and density incentives which result in permanent protection of open space; and

(f) Low to very low density development.

(4) By December 1, 2006, an up-to-date 10-year water supply facility work plan for building potable water facilities necessary to serve existing and new development and for which the local government is responsible as required by s. 163.3177(6)(c).

(5) Comprehensive plans and comprehensive plan amendments adopted by the local governments to implement this section shall be reviewed by the Department of Community Affairs pursuant to s. 163.3184, and shall be exempt from the provisions of s. 163.3187(1).

(6) Implementing land development regulations shall be adopted no later than January 1, 2007.

(7) During the period prior to the adoption of the comprehensive plan amendments required by this act, any local comprehensive plan amendment adopted by a city or county that applies to land located within the Wekiva Study Area shall protect surface and groundwater resources and be reviewed by the Department of Community Affairs, pursuant to chapter 163 and chapter 9J-5, Florida Administrative Code, using best available data, including the information presented to the Wekiva River Basin Coordinating Committee.

Section 4. Subsection (4) of section 369.324, Florida Statutes, is amended to read:

369.324 Wekiva River Basin Commission.--

(4) To assist the commission in its mission, the East Central Florida ~~Coast~~ Regional Planning Council, in coordination with the applicable regional and state agencies, shall serve as a clearinghouse of baseline or specialized studies through modeling and simulation, including collecting and disseminating data on the demographics, economics, and the environment of the Wekiva Study Area including the changing conditions of the Wekiva River surface and groundwater basin and associated influence on the Wekiva River and the Wekiva Springs.

Section 5. This act shall take effect upon becoming a law.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

Attachment B

Private Fire Hydrants

HB 0267

1a

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES
Amendment No. (for drafter's use only)

Bill No. **267**

COUNCIL/COMMITTEE ACTION

ADOPTED	___ (Y/N)
ADOPTED AS AMENDED	___ (Y/N)
ADOPTED W/O OBJECTION	___ (Y/N)
FAILED TO ADOPT	___ (Y/N)
WITHDRAWN	___ (Y/N)
OTHER	___

Council/Committee hearing bill: Insurance Committee
Representative(s) Carroll offered the following:

Amendment to Amendment ( ) by Representative Carroll

Between line(s) 39 and 40 insert:

Section 2. Paragraph (c) of subsection (2) of section 633.171, F.S., is amended to read:

633.171 Penalty for violation of law, rule, or order to cease and desist or for failure to comply with corrective order.--

2) It shall constitute a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083, to intentionally or willfully:

(c) Improperly service, recharge, repair, hydrotest, test, or inspect a fire extinguisher, ~~or~~ preengineered system, or fire hydrant, or fire hydrant.

HB 267.amdtoamd1.carroll.doc

to make any municipality, county or special district responsible for performing the required testing, inspection or maintenance of any fire hydrant except those fire hydrants actually owned by the municipality, county or special district.

(b) The owner of the private fire hydrant shall cause any repair or replacement indicated by the annual inspection to be made within 30 days and shall maintain records of the repair or replacement.

(c) Inspection results that determine the private fire hydrant is non-functioning shall be reported immediately to the local authorities having jurisdiction.

(d) Penalties for noncompliance shall be in accordance with s. 633.171, F.S.

Section 2. This act shall take effect July 1, 2005.

================= T I T L E A M E N D M E N T =================

Remove the entire title and insert:

An act relating to fire hydrants; requiring all public and private fire hydrants to be tested in accordance with national standards; providing timeframes for repairing or replacing defective fire hydrants and providing for maintenance records; requiring that faulty inspections be reported immediately to the local authorities having jurisdiction; providing for misdemeanor penalties for noncompliance; providing an effective date.

Attachment C

Senate Bill sb1264

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By Senator Saunders

37-1141-05 See HB 497

A bill to be entitled

An act relating to highway safety; creating the Anjelica and Victoria Velez Memorial Traffic Safety Act; amending s. 318.18, F.S.; revising the penalty for a moving violation of a traffic control signal showing a steady red indication; providing for distribution of moneys collected; amending s. 318.21, F.S.; providing for distribution of specified civil penalties; amending s. 322.0261, F.S.; requiring a driver improvement course for a second moving violation of a traffic control signal showing a steady red indication within a specified time period; providing a penalty for failure to complete such course within a specified time period; amending s. 322.27, F.S.; assigning a point value for conviction of a moving violation of a traffic control signal showing a steady red indication; creating s. 395.4036, F.S.; providing for distribution of funds to trauma centers; providing for audits and attestations; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. This act may be cited as the "Anjelica and Victoria Velez Memorial Traffic Safety Act."

Section 2. Subsection (14) is added to section 318.18, Florida Statutes, to read:

318.18 Amount of civil penalties.--The penalties required for a noncriminal disposition pursuant to s. 318.14 are as follows:

(14) One hundred twenty-five dollars for a violation of s. 316.075(1)(c)1., of which $60 shall be distributed as provided in s. 318.21 and the remaining $65 shall be remitted to the Department of Revenue for deposit into the Administrative Trust Fund of the Department of Health.

Section 3. Subsection (13) is added to section 318.21, Florida Statutes, to read:

318.21 Disposition of civil penalties by county courts.--All civil penalties received by a county court pursuant to the provisions of this chapter shall be distributed and paid monthly as follows:

(13) Of the proceeds from the fine under s. 318.18(14), $65 shall be remitted to the Department of Revenue for deposit into the Administrative Trust Fund of the Department of Health and the remaining $60 shall be distributed pursuant to subsections (1) and (2).

Section 4. Section 322.0261, Florida Statutes, is amended to read:

322.0261 ~~Mandatory~~ Driver improvement course; requirement to maintain driving privileges; failure to complete; department approval of course ~~certain crashes~~.--

(1) The department shall screen crash reports received under s. 316.066 or s. 324.051 to identify crashes involving the following:

(a) A crash involving death or a bodily injury requiring transport to a medical facility; or

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(b) A second crash by the same operator within the previous 2-year period involving property damage in an apparent amount of at least $500.

(2) With respect to an operator convicted of, or who pleaded nolo contendere to, a traffic offense giving rise to a crash identified pursuant to subsection (1), the department shall require that the operator, in addition to other applicable penalties, attend a department-approved ~~departmentally approved~~ driver improvement course in order to maintain driving privileges. If the operator fails to complete the course within 90 days of receiving notice from the department, the operator's driver's license shall be canceled by the department until the course is successfully completed.

(3) The department shall identify any operator convicted of, or who has pleaded nolo contendere to, a second violation of s. 316.075(1)(c)1., which violation occurred within 12 months after the first violation, and shall require that operator, in addition to other applicable penalties, to attend a department-approved driver improvement course in order to maintain driving privileges. If the operator fails to complete the course within 90 days after receiving notice from the department, the operator's driver's license shall be canceled by the department until the course is successfully completed.

(4) ~~(3)~~ In determining whether to approve a driver improvement course for the purposes of this section, the department shall consider course content designed to promote safety, driver awareness, crash avoidance techniques, and other factors or criteria to improve driver performance from a

safety viewpoint.

Section 5. Paragraph (d) of subsection (3) of section 322.27, Florida Statutes, is amended to read:

322.27 Authority of department to suspend or revoke license.--

(3) There is established a point system for evaluation of convictions of violations of motor vehicle laws or ordinances, and violations of applicable provisions of s. 403.413(6)(b) when such violations involve the use of motor vehicles, for the determination of the continuing qualification of any person to operate a motor vehicle. The department is authorized to suspend the license of any person upon showing of its records or other good and sufficient evidence that the licensee has been convicted of violation of motor vehicle laws or ordinances, or applicable provisions of s. 403.413(6)(b), amounting to 12 or more points as determined by the point system. The suspension shall be for a period of not more than 1 year.

(d) The point system shall have as its basic element a graduated scale of points assigning relative values to convictions of the following violations:

1. Reckless driving, willful and wanton--4 points.

2. Leaving the scene of a crash resulting in property damage of more than $50--6 points.

3. Unlawful speed resulting in a crash--6 points.

4. Passing a stopped school bus--4 points.

5. Unlawful speed:

a. Not in excess of 15 miles per hour of lawful or posted speed--3 points.

b. In excess of 15 miles per hour of lawful or posted speed--4 points.

6. A violation of a traffic control signal device as provided in s. 316.075(1)(c)1.--4 points.

7.~~6.~~ All other moving violations (including parking on a highway outside the limits of a municipality)--3 points. However, no points shall be imposed for a violation of s. 316.0741 or s. 316.2065(12).

8.~~7.~~ Any moving violation covered above, excluding unlawful speed, resulting in a crash--4 points.

9.~~8.~~ Any conviction under s. 403.413(5)(b)--3 points.

Section 6. Section 395.4036, Florida Statutes, is created to read:

395.4036 Trauma payments.--

(1) Recognizing the Legislature's stated intent to provide financial support to the current verified trauma centers and to provide incentives for the establishment of additional trauma centers as part of a system of state-sponsored trauma centers, the department shall use funds collected under s. 318.18(14) and deposited into the Administrative Trust Fund of the department to ensure the availability and accessibility of trauma services throughout the state as provided in this subsection.

(a) Twenty percent of the total funds collected under this subsection shall be distributed to verified trauma centers located in a region that has a local funding contribution as of December 31. Distribution of funds under this paragraph shall be based on trauma caseload volume.

(b) Forty percent of the total funds collected under this subsection shall be distributed to verified trauma centers based on trauma caseload volume of the previous calendar year. The determination of caseload volume for

distribution of funds under this paragraph shall be based on the department's Trauma Registry data.

(c) Forty percent of the total funds collected under this subsection shall be distributed to verified trauma centers based on severity of trauma patients. The determination of severity for distribution of funds under this paragraph shall be based on the department's Injury Severity Scores, weighted based on scores of 1-14 and 15 plus.

(2)(a) Any trauma center not subject to audit pursuant to s. 215.97 shall annually attest, under penalties of perjury, that such proceeds were used in compliance with law. The annual attestation shall be made in a form and format determined by the department.

(b) Any trauma center subject to audit pursuant to s. 215.97 shall submit an audit report in accordance with rules adopted by the Auditor General. The annual attestation shall be submitted to the department for review within 9 months after the end of the organization's fiscal year.

(3) The department, working with the Agency for Health Care Administration, shall maximize resources for trauma services wherever possible.

Section 7. This act shall take effect upon becoming a law.

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Attachment D
Cover w/excepts
pages 45,46, & 47

Florida Qualified Target Industry Tax Refund Program

An Independent Analysis

Conducted by:
Collins Center for Public Policy, Inc.
Tallahassee · Miami

Global Insight, Inc.
Philadelphia

February 2005

COLLINS CENTER

PART TWO:

AN EVALUATION OF THE PAY BACK METHODOLOGY USED IN FLORIDA QTI PROGRAM

Part Two of this report is an in-depth review of Florida's "Payback Ratio Mechanism" (PRM) that is used as an accountability mechanism to measure the amount of tax revenue returned to the state over a 10-year period for each dollar of tax refunds made under the QTI Program. Part One of this report provides details about the QTI Program. Understanding the eligibility criteria for target industries as discussed in Part One, and the job and economic development goals implicit in these criteria, is essential to constructing a method to evaluate the economic benefits of the QTI program.

The primary finding of this review is that the existing payback method, modified as discussed below, and continued use the RIMS II multipliers, will yield defensible estimates of the fiscal impacts for the QTI program. The payback method includes the major types of state-level tax revenues that are generated by new job creation, and with the suggested modifications will likely yield revenue estimates that are on the low side, a prudent result when providing tax refunds for job creation. In addition, given its ease of use, we recommend that Enterprise Florida, Inc. (EFI) purchase and evaluate the IMPLAN model as another tool to be used in calculating fiscal impacts.

1.0 Results of the QTI Program

To conduct this review, Global Insight analyzed data provided by EFI on the results of the QTI program since its inception to date. We converted all dollar amounts contained in the database to current 2004 dollars using an appropriate deflator so that the results over time could be summed and compared on an equivalent basis. Table 1 presents the results our detailed analysis.

Table 1: Employment, Wages and Investment in Florida's QTI Program from 1995 to 2004 by Economic Sector

1997 NAICs Sector	Description	Projected Employment	Rank	Average Wage per Job ($2004)	Rank	Capital Investment (2004$)	Rank
311	Food Manufacturing	580	25	$ 33,042	39	$ 92,206,706	21
312	Beverage and Tobacco Product Manufacturing	12,414	2	$ 37,823	29	$ 702,468,674	3
313	Textile Mills	150	37	$ 37,971	28	$ 25,510,000	31
314	Textile Product Mills	14	48	$ 27,469	45	$ 765,280	43
316	Leather and Allied Product Manufacturing	700	24	$ 49,197	12	$ 58,737,452	23
321	Wood Product Manufacturing	569	26	$ 29,268	42	$ 194,213,774	15
322	Paper Manufacturing	126	39	$ 50,485	10	$ 32,247,743	30
323	Printing and Related Support Activities	406	27	$ 36,115	38	$ 206,227,644	14
324	Petroleum and Coal Products Manufacturing	222	33	$ 31,365	41	$ 38,604,340	27
325	Chemical Manufacturing	816	21	$ 37,504	31	$ 145,317,307	17
326	Plastics and Rubber Products Manufacturing	341	29	$ 29,244	43	$ 44,460,590	26
327	Nonmetallic Mineral Product Manufacturing	1,714	16	$ 37,412	32	$ 269,600,000	11
331	Primary Metal Manufacturing	943	19	$ 37,570	30	$ 34,958,211	29
332	Fabricated Metal Product Manufacturing	2,123	14	$ 36,692	35	$ 156,319,457	16
333	Machinery Manufacturing	2,420	13	$ 42,667	20	$ 327,677,451	9
334	Computer and Electronic Product Manufacturing	5,522	6	$ 46,272	16	$ 773,670,681	2
335	Electrical Equipment, Appliance, and Componer	163	36	$ 43,565	18	$ 24,427,162	32
336	Transportation Equipment Manufacturing	5,336	7	$ 38,545	25	$ 327,609,714	10
337	Furniture and Related Product Manufacturing	240	32	$ 40,230	22	$ 1,056,400	41
339	Miscellaneous Manufacturing	143	38	$ 45,087	17	$ 22,595,219	34
421	Wholesale Trade, Durable Goods	2,463	12	$ 41,412	21	$ 446,265,771	6
422	Wholesale Trade, Nondurable Goods	3,600	8	$ 32,168	40	$ 360,119,881	8
441	Motor Vehicle and Parts Dealers	30	43	$ 35,691	36	$ 1,200,000	40
481	Air Transportation	1,266	17	$ 39,063	24	$ 123,394,193	19
483	Water Transportation	720	23	$ 57,660	6	$ 34,973,518	28
484	Truck Transportation	100	40	$ 35,281	37	$ 1,046,910	42
485	Transit and Ground Passenger Transportation	173	35	$ 36,462	34	$ 2,551,000	38
488	Support Activities for Transportation	30	43	$ 62,072	3	$ 500,000	45
493	Warehousing and Storage	276	31	$ 29,138	44	$ 2,390,160	39
511	Publishing Industries	220	34	$ 49,577	11	$ 17,605,315	35
513	Broadcasting and Telecommunications	2,076	15	$ 52,447	8	$ 584,863,810	5
514	Information Services and Data Processing Serv	3,017	10	$ 43,495	19	$ 144,756,762	18
521	Monetary Authorities - Central Bank	1,159	18	$ 48,469	14	$ 77,743,498	22
522	Credit Intermediation and Related Activities	10,010	3	$ 38,425	26	$ 273,628,264	12
523	Securities, Commodity Contracts, and Other Fin	930	20	$ 58,066	5	$ 46,203,950	25
524	Insurance Carriers and Related Activities	3,197	9	$ 39,568	23	$ 103,865,374	20
531	Real Estate	33	42	$ 66,307	2	$ -	46
532	Rental and Leasing Services	772	22	$ 54,449	7	$ 6,251,297	36
541	Professional, Scientific, and Technical Services	9,750	5	$ 47,498	15	$ 619,634,939	4
551	Management of Companies and Enterprises	9,962	4	$ 48,783	13	$ 400,364,849	7
561	Administrative and Support Services	2,526	11	$ 38,301	27	$ 55,456,896	24
611	Educational Services	347	28	$ 51,163	9	$ 224,433,600	13
623	Nursing and Residential Care Facilities	80	41	$ 27,443	46	$ 4,439,415	37
711	Performing Arts, Spectator Sports, and Related I	16	45	$ 59,363	4	$ 520,404	44
811	Repair and Maintenance	320	30	$ 69,940	1	$ 24,409,122	33
NA	Not Classifiable	13,883	1	$ 37,387	33	$ 989,406,241	1
	Totals/Average	101,718		$ 41,731		$ 9,102,412,123	

Note : The number of jobs listed above are the number of projected new jobs listed in agreement between the applicant & Enterprise Florida. As Enterprise Florida has noted, the actual number of jobs that were created often exceeds the projected number contained in the

Several summary results are presented below:

- Average wage per job created (2004$): $41,731. Florida's average wage and salary income per job as estimated by Global Insight is $35,520, so QTI jobs on average pay wages 17.5% above the state average.
- Total projected jobs: 101,716, including 36,990 jobs in those projects that have received a refund to date under the QTI program.
- Average projected number of jobs per project: 650.
- Total capital investment (2004$): $8,102,412,123, including $2,809,731,427 by those projects that, to date, have received a refund under the QTI program.
- Average capital investment per job (2004$): $78,952.
- Total refunds paid to date (2004$): $67,549,743.
- Average refund paid to date for jobs created (includes employment for projects where refunds have been paid to date): $1,826.

Table 1 presents a detailed analysis of the results of the QTI program by economic sector using the 1997 NAICS codes. Global Insight analyzed the database provided by EFI and converted the SIC codes listed there to NAICS. For some projects the SIC or NAICS code was not provided, so Global Insight assigned one based on the description and name of the company. The purpose of disaggregating the results by economic sector was to determine what types of industries are taking advantage of the QTI program.

Excluding the non-classifiable projects, the top 5 sectors in terms of projected employment are:

312 Beverage and Tobacco Product Manufacturing	12,414 jobs
522 Credit Intermediation and Related Activities	10,010 jobs
551 Management of Companies & Enterprises	9,962 jobs
541 Professional, Scientific & Technical Services	9,700 jobs
334 Computer and Electronic Equipment Mfg.	5,522 jobs

The top 5 sectors based on the average wage per job created, considering only sectors where at least 500 new jobs were added, are:

811 Repair and Maintenance	$69,940
523 Securities, Commodity Contracts & Other Financial Services	$58,066
483 Water Transportation	$57,650

Attachment E

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Tables and Charts

MEDICAID NURSING HOME COUNTY BILLING CERTIFICATE OF RESIDENCY

Introduction

Medicaid County Billing for nursing homes has been an issue between the state and counties for well over a decade. In that time there have been two groups formally tasked with reviewing and developing recommendations for improvements to the county billing process along with many other groups that have informally reviewed this process. The following reports were developed and issued with recommendations and findings:

- The Task Force on County Contributions to Medicaid – "A Report to the Governor The President of the Senate and The Speaker of the House, February 1, 1992 and March 1, 1993"
- The Office of Program Policy Analysis and Government Accountability (OPPAGA) – Special Review entitled "Legislative Options for County Share of Medicaid Nursing Home Costs, Report No. 03-11, February 2003"

The process of ensuring that each county pay only for Medicaid beneficiaries who are residents of their county is both time consuming and labor intensive. Not only are all 67 counties involved, but also staff from the Agency for Health Care Administration (AHCA) and the Department of Children and Families (DCF).

The 2003-2004 Legislature authorized AHCA to establish a State Medicaid County Billing Workgroup. The purpose of the workgroup was to "review, evaluate and revise the current process for certifying county residents for purposes of billing counties for Medicaid nursing home costs." The workgroup consisted of members from small, medium, and large county governments, the Florida Association of Counties, DCF, the Department of Elderly Affairs, and AHCA. In addition to designated workgroup members, representatives from Clay County, the Florida Health Care Association, and Holland and Knight, LLP (representing Sarasota County) were present at meetings providing valuable input as well.

The workgroup was responsible for reporting to the Chairs of the House and Senate Appropriation Committees and the Florida Association of Counties with recommendations to resolve the current certificate of residency problems by March 1, 2005.

The workgroup met on four separate occasions to identify the problematic aspects of the current Certification of Residency (COR) process, develop alternative proposals, and make a recommendation.

Background

The Florida Medicaid program provides health care coverage to qualified low-income individuals meeting federal and state eligibility requirements. State, federal, and county governments share the costs of Medicaid nursing home services. The counties' participation level is specified in Chapter 409.915, *F.S.* as 35 percent of the total cost paid by the State for Medicaid beneficiaries, not to exceed $55.00 per month per person.

Due primarily to disputes over the Certificate of Residency (COR) between the State and the counties concerning who is responsible for the Medicaid nursing home costs there have been issues from the inception of the Medicaid County Billing process. The process itself is labor intensive, iterative, and frustrating for almost all involved. County participation in Medicaid nursing home expenditures are based on the number of Medicaid beneficiaries each county has that reside in a nursing home. As specified in Chapter 409.915(3), *F.S.* counties pay only for their residents, regardless of where in the state the nursing home care is provided. AHCA is the single state agency responsible for administering the Florida's Medicaid program. AHCA bills counties for their pro rata share of Medicaid nursing home costs in accordance with the Florida Statutes. These billings are provided to the counties on a monthly basis.

Currently AHCA provides the counties with information concerning each of the Medicaid beneficiaries that appears on their billing. The beneficiaries' name and residency address, the facility the beneficiaries are located in, the beneficiaries' designated representative (if any), and the public assistance specialists name are all provided to the counties in an electronic COR file. When the counties receive the electronic information they review the list and confirm the beneficiaries in order to avoid paying for individuals that are residents of other counties. The review process completed by each county varies by county. Some do a line-by-line manual review while others have an automated application that performs various edits. After performing their reviews, the counties then notify AHCA of discrepancies found. AHCA's Medicaid County Billing staff performs further research in an attempt to determine the accuracy of the information received. If AHCA finds that beneficiaries are indeed residents of other counties, an adjustment is made and the other county is billed.

Through their Economic Self-Sufficiency program, DCF provides assistance to low income families through Food Stamps, Cash Assistance, and Medicaid programs. DCF staff perform eligibility determinations for the Medicaid program on behalf of the State of Florida and notifies AHCA of individuals deemed eligible. DCF staff interview individuals applying for assistance, obtaining basic demographic information such as name, address, city, and county of residence. Additionally, DCF staff perform a certification of residence review and provides AHCA with the

COR. AHCA's staff use the COR in the county nursing home billing process to determine which county to bill for their pro-rata share of Medicaid costs.

For various reasons the COR is often incorrect. Because the current address is not required for Medicaid eligibility purposes, the individual applying for Medicaid services may give a post office box number, or may not give an address at all. Post office box numbers are not valid for county billing purposes, and blank addresses are unusable, therefore incorrect billings can and do occur.

Total expenditures for Florida's Medicaid nursing home care in FY 2003-04 were $2,238,956,267. The federal match was 61.78%, with the remaining 38.22% being the state and county portion. The counties were billed $34,254,759 during FY 2003-04 for their pro rata share of nursing home expenditures in accordance with Florida Statutes (this represents 1.53% of the total Medicaid nursing home expenditures). See Table 1 below for billings by county.

Table 1
Medicaid County Billing for Nursing Homes
FY 2003- 2004

COUNTY	BILLING	COUNTY	BILLING	COUNTY	BILLING
ALACHUA	$ 366,890.02	HAMILTON	$ 60,073.14	OKEECHOBEE	$ 93,359.21
BAKER	$ 67,833.45	HARDEE	$ 50,983.84	ORANGE	$ 1,868,776.45
BAY	$ 373,460.92	HENDRY	$ 81,607.44	OSCEOLA	$ 427,045.83
BRADFORD	$ 77,468.08	HERNANDO	$ 226,495.48	PALM BEACH	$ 2,114,942.85
BREVARD	$ 1,058,589.31	HIGHLANDS	$ 277,844.66	PASCO	$ 960,685.31
BROWARD	$ 1,802,634.18	HILLSBOROUGH	$ 1,894,342.13	PINELLAS	$ 3,020,757.78
CALHOUN	$ 61,763.28	HOLMES	$ 77,749.08	POLK	$ 1,322,040.87
CHARLOTTE	$ 380,348.32	INDIAN RIVER	$ 224,037.83	PUTNAM	$ 236,745.27
CITRUS	$ 425,751.25	JACKSON	$ 268,671.45	ST. JOHNS	$ 270,996.86
CLAY	$ 238,061.11	JEFFERSON	$ 75,186.43	ST. LUCIE	$ 472,683.14
COLLIER	$ 325,177.62	LAFAYETTE	$ 15,837.16	SANTA ROSA	$ 195,228.64
COLUMBIA	$ 175,631.10	LAKE	$ 510,699.80	SARASOTA	$ 974,132.07
DADE	$ 4,064,368.59	LEE	$ 877,179.72	SEMINOLE	$ 447,290.37
DESOTO	$ 77,122.76	LEON	$ 409,911.28	SUMTER	$ 117,943.39
DIXIE	$ 41,322.05	LEVY	$ 112,236.59	SUWANNEE	$ 164,404.29
DUVAL	$ 1,955,778.24	LIBERTY	$ 30,500.74	TAYLOR	$ 69,515.49
ESCAMBIA	$ 711,407.19	MADISON	$ 107,285.43	UNION	$ 17,934.07
FLAGLER	$ 82,081.55	MANATEE	$ 537,287.85	VOLUSIA	$ 1,265,105.59
FRANKLIN	$ 27,271.85	MARION	$ 649,708.80	WAKULLA	$ 37,222.59
GADSDEN	$ 151,609.06	MARTIN	$ 286,089.45	WALTON	$ 120,194.94
GILCHRIST	$ 32,667.92	MONROE	$ 142,205.10	WASHINGTON	$ 112,999.94
GLADES	$ 7,386.98	NASSAU	$ 97,579.67		
GULF	$ 67,835.38	OKALOOSA	$ 358,781.20	**TOTAL**	**$ 34,254,759.43**

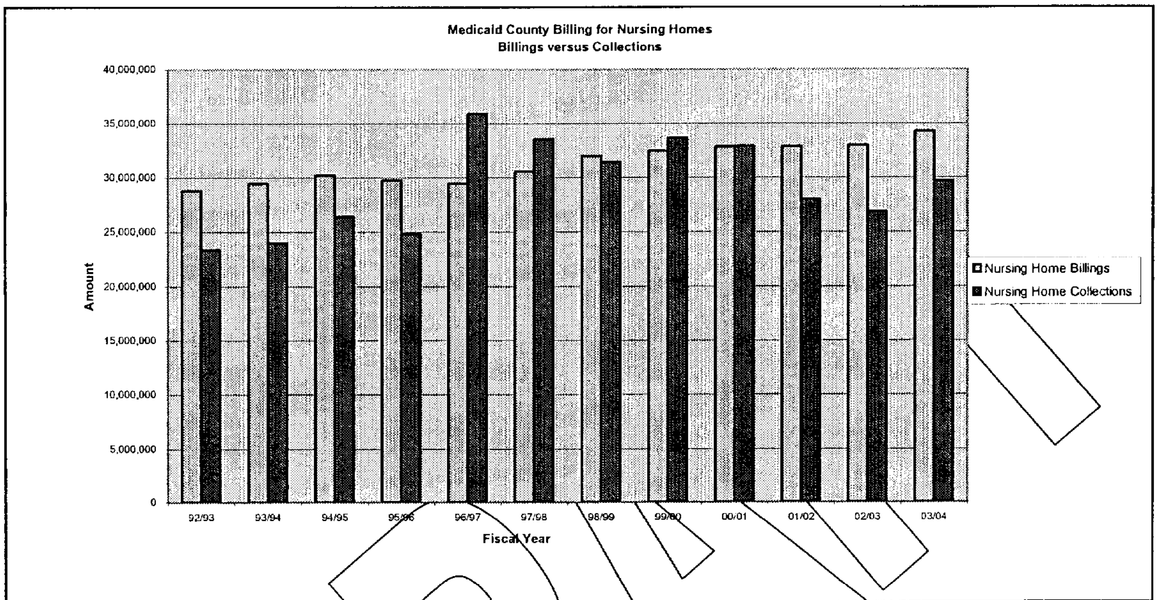
Once a county has notified AHCA of possible billing errors, AHCA researches the information provided by the county. If AHCA is able to show that the county is incorrect then no adjustment is made to the bill. However, if AHCA is able to confirm that there was an error, a correction is made and AHCA rebills the appropriate county. For example, AHCA bills Calhoun county for a Medicaid beneficiary residing in a nursing home, and Calhoun county staff are able to substantiate that the resident in question is in fact a resident of Leon County. AHCA will rebill for that resident, taking the amount off Calhoun County's bill and transferring it to Leon County. This process is referred to as "Rebilling." In Fiscal Year 2003-2004 Medicaid nursing home rebillings to the counties totaled $4,442,192.59, which was 13% of the original billings for that year. See Table 2 below for rebillings by county.

Table 2
Medicaid County Rebilling for Nursing Homes
FY 2003- 2004

COUNTY	REBILLS	COUNTY	REBILLS	COUNTY	REBILLS
ALACHUA	$ 15,608.83	HAMILTON	$ 5,845.00	OKEECHOBEE	$ 5,665.00
BAKER	$ 8,466.55	HARDEE	$ 13,254.54	ORANGE	$ 1,056,568.94
BAY	$ 9,267.28	HENDRY	$ 18,937.75	OSCEOLA	$ 34,139.54
BRADFORD	$ 4,304.00	HERNANDO	$ 22,603.08	PALM BEACH	$ 86,151.99
BREVARD	$ 53,376.09	HIGHLANDS	$ 87,338.00	PASCO	$ 53,697.13
BROWARD	$ 256,390.69	HILLSBOROUGH	$ 49,113.36	PINELLAS	$ 149,921.23
CALHOUN	$ 2,893.54	HOLMES	$ 7,755.00	POLK	$ 75,728.32
CHARLOTTE	$ 15,124.54	INDIAN RIVER	$ 30,344.58	PUTNAM	$ 14,729.65
CITRUS	$ 235,435.43	JACKSON	$ 30,126.64	ST. JOHNS	$ 11,746.45
CLAY	$ 78,568.70	JEFFERSON	$ 7,217.40	ST. LUCIE	$ 182,885.47
COLLIER	$ 15,824.96	LAFAYETTE	$ 1,705.00	SANTA ROSA	$ 12,472.30
COLUMBIA	$ 18,873.82	LAKE	$ 117,053.53	SARASOTA	$ 181,188.36
DADE	$ 144,460.64	LEE	$ 184,408.75	SEMINOLE	$ 229,473.12
DESOTO	$ 50,045.72	LEON	$ 57,153.58	SUMTER	$ 30,221.07
DIXIE	$ 7,912.08	LEVY	$ 16,733.06	SUWANNEE	$ 21,301.78
DUVAL	$ 172,254.78	LIBERTY	$ 2,819.00	TAYLOR	$ 7,927.30
ESCAMBIA	$ 25,884.00	MADISON	$ 3,650.32	UNION	$ 1,939.00
FLAGLER	$ 17,980.27	MANATEE	$ 43,384.48	VOLUSIA	$ 36,825.24
FRANKLIN	$ 4,745.14	MARION	$ 140,920.66	WAKULLA	$ 4,180.00
GADSDEN	$ 16,814.59	MARTIN	$ 76,962.14	WALTON	$ 17,675.01
GILCHIRST	$ 6,435.00	MONROE	$ 103,482.66	WASHINGTON	$ 6,956.18
GLADES	$ 7,516.76	NASSAU	$ 17,235.56		
GULF	$ 2,585.00	OKALOOSA	$ 11,987.01	**TOTAL**	**$ 4,442,192.59**

A county's portion of Medicaid nursing home costs is currently based on the number of "certified" residents the county has residing in nursing homes throughout the state times 35 percent of the total cost, not to exceed $55 per resident per month, Chapter 409.915 (2), *F. S.* As mentioned earlier, individuals are "certified" as residents of a particular county by DCF. The Florida Medicaid program uses DCF's COR to determine each Medicaid beneficiary's county of residence and then allocates county billing to respective counties based on the total number of certified Medicaid residents a county has in nursing homes.

The chart below shows the past twelve years of Medicaid Nursing Home County billings and collections. The billing amounts are the original billings and do not include amounts rebilled. Collections are recorded in the year received, not in the year applicable, therefore there are years when collections exceed billings.



State Medicaid County Billing Workgroup Activity

The State Medicaid County Billing Workgroup held four meetings where workgroup members from around the state came together to discuss the COR process and develop alternative proposals. The primary issues addressed by the workgroup were:

- Accuracy of residence addresses
- Coding errors
- Labor intensiveness of COR process
- Computer related issues
- Inconsistent application of rules for determination of residency
- The Department of Children and Family Services' interview process
- Supplemental Security Income (SSI) Information
- Alternate Medicaid Nursing Home County Billing Methodology

A summary of each of these issues follows:

Accuracy of Residence Addresses

Often when Medicaid beneficiaries move into nursing homes information is not available concerning their home address. Because a home address is not initially required for Medicaid eligibility, various unusable addresses may be given for a beneficiary such as a post office box, an erroneous address or even no address at all. A post office box, or a blank address, is not valid for county billing purposes and COR's that have either are problematic for county billing purposes.

Coding Errors

County codes for Medicaid beneficiaries are initially entered manually into the FLORIDA system by DCF staff. The error rates have been high enough in the past for counties to be wary of the accuracy of the billings and therefore take the time necessary to review each line of the billings. Issues often arise because of errors in the county codes. County code errors happen for a number of reasons.

One example is the city of Jensen Beach which is located within two counties, Martin and St. Lucie. If the DCF worker enters the wrong county code for a specific Jensen Beach address, that county gets erroneously billed, and then disputes the bill. Another example is a situation that can occur when the DCF worker performs the initial interview and inputs the information obtained from that interview. The entry process includes entering county codes for residence addresses obtained during the interview. The worker, looking at an address, may think it is in one county when in fact it is in another. An error in county codes this early in the process causes issues for several months as AHCA and the counties interact regarding the incorrect county coding. AHCA staff notifies DCF staff of incorrect county codes which can be several months before corrections are completed.

Labor Intensiveness of COR Process

From the outset, the development, processing, monitoring, and correcting of CORs has been labor intensive. Many staff hours are spent monitoring and adjusting COR information. Initially, as described above, DCF staff interview prospective Medicaid beneficiary applicants. The beneficiary's residence information is recorded and maintained. Counties carefully review the billing they receive for their county's pro-rata share of Medicaid nursing home costs to determine if the beneficiary is a resident of their county. The counties then notify AHCA of errors found. AHCA staff confirms the errors and rebills the appropriate counties as well as notifies DCF of needed changes to county codes. The process continues for several months until DCF completes the necessary changes to the county codes in the FLORIDA system. The amount of staff labor devoted to this activity is extensive when you consider the staff for all 67 counties, DCF and AHCA are involved in the process.

Computer Related Issues

Medicaid beneficiary information, which includes address and county, is entered into the FLORIDA system by DCF staff. The system has a sub-program that prompts staff to enter a valid county code. Currently, the system checks to ensure that a county code is not greater than 67, but has no way of checking correctness of county code and address match. Access to enter information into this system is limited to DCF and as a result they are the only ones authorized to make corrections. At times, this results in an extended time period from when errors are found to when the final corrections are made.

Software is available on the commercial market which could provide the automatic entry of correct zip codes and county codes once individuals' addresses are entered into FLORIDA. This software can be purchased with monthly, quarterly, or annual address and zip code updates.

Inconsistent Application of Rule for Determination of Residency

Section 59G-1.020 of Florida Administration Code defines county of residence as:

"For the purpose of county financial participation in the Medicaid Program, the county of residence for inpatient hospital care and nursing home care is defined as follows:

(1) *A person is considered to be residing in a county when they establish or maintain a physical living arrangement, outside of a medical facility, which they or someone responsible for them, consider to be home. A visit to another county does not make a person a resident of that county, nor does a planned temporary living arrangement prior to admission in a medical facility. Except in unusual situations related to an extended visit, it makes no difference how long a person has been physically located in the county if they maintain a primary residence in another county, and intend to return to that county. In all instances the person's intent to reside in a county is the determining factor, regardless of the length of time involved.*

(2) *When an applicant has been admitted to a nursing home directly from a place of residence outside of the State of Florida, so that no Florida residence has been established, the certified county of residency will be considered as that county in which the nursing home is located.*

(3) *In situations that are not clear cut, or otherwise unusually complicated, the determination of residency should be made on the basis of the preponderance of evidence. If a decision is not possible on this basis, the case should be referred to the Office of Social and Economic Services for determination."*

Because the ability to apply this rule is dependent on determining the beneficiary's "intent" and consistent application of the rule has over time proven difficult. An individual who is for all practical purposes unable to return home physically may have every "intent" of doing so. The ability to decide county of residence for someone with good intentions that are not practical and has caused disagreements between counties for many years.

The Department of Children and Family Services' Interview Process

Often Medicaid beneficiaries do not apply for Medicaid services themselves, but have significant others (e.g., family members) apply on their behalf. When entering a nursing home the beneficiary may not be cognizant of their surroundings and therefore the significant other acts in their stead. When this occurs, information provided may be either incorrect or incomplete, resulting in errors regarding residence information. When errors arise at the time of billing it results in processing delays and extra man-hours to make the necessary corrections.

Supplemental Security Income Information

The Supplemental Security Income (SSI) program provides supplemental income to blind, elderly, and disabled individuals. An individual who is deemed eligible for SSI by the Social Security office is automatically eligible for Medicaid services as well. The SSI program provides DCF with a monthly State Data Exchange (SDX) tape on all SSI eligible individuals. AHCA updates the Florida Medicaid Management Information System (FMMIS) with the information from the SDX tape. The state is not authorized to change information provided by SSI on the SDX tape. Changes are effected through notification from AHCA to SSI, with the corrections coming through on the next tape. Once notified, SSI makes necessary changes on a timely basis.

An example of an error experienced on the SDX tapes would be where the county code is greater than 67. When this occurs the FMMIS programming defaults to display a bill county code of 99. AHCA can notify SSA of the error and request the County of Residence be corrected for the beneficiary. The correction will be received on an SDX update. This error occurs most often when SSI recipients move to Florida from a state who has county codes greater than 67. SSA changes the state code to Florida when the recipient reports moving but the county code often doesn't get changed. Equally as common is when SSA does not change the county of residence code for a beneficiary moving within the state to a new county.

SSA offices are not located in every county of the state and therefore a beneficiary may have to call or travel to another county to have their eligibility determined. In these cases, it would not be uncommon for the SSA representative to erroneously input the county code for the location of the SSA office rather than the actual resident county of the beneficiary.

Alternate Medicaid Nursing Home County Billing Methodology

The workgroup considered alternatives to the current Medicaid county billing process for Medicaid nursing home expenditures and developed the model presented below. The model's allocation methodology uses State Fiscal Year (SFY) 2003-2004 Medicaid nursing home county collections as a base, and adjusts forward with an adjustment factor. Under the model, counties would be notified in advance of the amount due for Medicaid nursing homes for the upcoming County Fiscal Year (CFY) (October 1 through September 30) by April 1 of each year.

The adjustment factor for the first year will be based on projected Medicaid nursing home caseload (i.e., bed use), which will be available from the Florida Legislature's Office of Economic & Demographic Research, through their Social Services Estimating Conference reporting on Medicaid caseloads and expenditures, http://www.state.fl.us/edr/conferences/medicaid/medicaid.htm. In all subsequent years, actual nursing home caseload will be used to develop the adjustment factor.

Under the proposed model, AHCA will determine a fixed amount the counties will pay during their fiscal year (October through September) for Medicaid nursing home costs. Although amounts due for Medicaid nursing homes costs will be known in advance, AHCA will continue to bill counties monthly for Medicaid hospital and HMO costs along with one-twelfth of the fixed amount due for nursing homes.

The following narrative explains the process the model uses. Tables 3 and 4 below provide specific examples for the narrative that follows.

Step 1 – Allocation Factor

The first step of the model is to develop an allocation factor for each county. The factor is simply the ratio of a county's average three-year Medicaid nursing home collections to statewide total average three-year Medicaid nursing home collections. This can be seen in detail in Table 3 below. For example, Alachua County's allocation factor is .8207%, and was derived by dividing its three-year average Medicaid nursing home collections of $231,240 (column five) by the total statewide average Medicaid nursing home collections of $28,175,393 ($234,327/$28,175,393 = .8207).

Step 2 – Caseload Change Factor

The model uses the change in Medicaid nursing home caseloads as a means of adjusting county contributions from year to year. This step involves developing a caseload change factor, which is derived by calculating the percentage change between the most recently completed state fiscal year, and the previous year's average daily Medicaid nursing home caseloads. However, for the initial year the caseload factor must include a projected caseload to start the model. The Caseload Change Factor for the first year is derived by calculating the percentage change between the current state fiscal year's projected daily average Medicaid nursing home caseload, and the previous year's actual average daily Medicaid nursing home caseload. Every year after the first uses the actual average annual caseload as determined by the Social Service Estimating Conference.

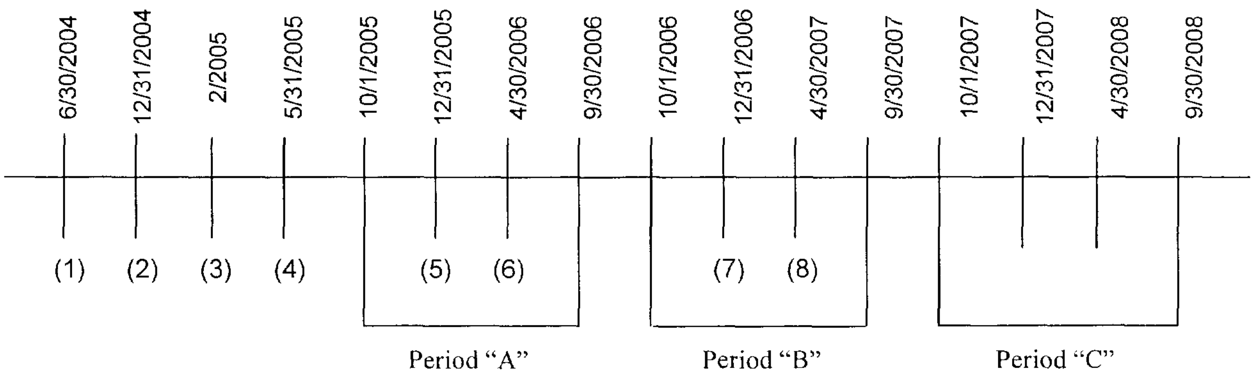
For example, at the bottom of Table 4 is the most recent year's actual Medicaid average daily nursing home caseload of 48,203 for SFY 03-04. A factor of 1.0024% is found by dividing projected caseload for the current state fiscal year 2004-2005 by the SFY 2003-2004 caseload (48,320/48,203 = 1.0024). This becomes the Caseload Change Factor for the initial year.

Step 3 – Determine Statewide Nursing Home County Billing Amount

The third step is to calculate the total statewide nursing home county billing amount. For the first year, the total billing amount is derived by multiplying the base year Medicaid nursing home collections by the initial year's projected Caseload Change Factor (Period "A"). In the example on Table 4, the base year Medicaid nursing home collections of $29,677,418 (found on Table 4, both at the top and bottom of the table), are multiplied by the Caseload Change Factor of 1.0024%, making $29,748,644 the total billing for County Fiscal Year 2005-2006.

For year two, the total billing amount is derived by multiplying the base year Medicaid nursing home collections by the second year <u>actual</u> Caseload Change Factor (Period "B"). For all subsequent years, the total billing amount is derived by multiplying the previous year's Medicaid nursing home billing amount by the actual Caseload Change Facto (Period "C" and beyond).

The timeline below illustrates this process.



Period "A" = $\dfrac{\text{SFY 04-05 Projected Caseload } \mathbf{(3)}}{\text{SFY 03-04 Actual Caseload } \mathbf{(2)}}$ times Base Year (03-04) Collections (1)

Period "B" = $\dfrac{\text{SFY 04-05 Actual Caseload } \mathbf{(5)}}{\text{SFY 03-04 Actual Caseload } \mathbf{(2)}}$ times Base Year (03-04) Collections (1)

Period "C" = $\dfrac{\text{SFY 05-06 Actual Caseload } \mathbf{(7)}}{\text{SFY 04-05 Actual Caseload } \mathbf{(5)}}$ times Period "B" Total Billing Amount (8)

(1) SFY 03-04 collection amounts finalized
(2) Caseload numbers for SFY 03-04 finalized
(3) Social Service Estimating Conference meets to project caseload for SFY 04-05
(4) AHCA notified counties of CFY 05-06 (Period "A") Medicaid nursing home assessment amount
(5) Caseload numbers for SFT 04-05 finalized
(6) AHCA notified counties of CFY 06-07 (Period "B") Medicaid nursing home assessment amount
(7) Caseload numbers for SFY 05-06 finalized
(8) AHCA notifies counties of CFY 07-08 (Period "C") Medicaid nursing home assessment amount

Step 4 – Allocating Total Collections

The fourth and final step in the process is to allocate the total Medicaid nursing home county billing amount determined in step three, to each county. To do this, multiply each county's allocation factor found in step one by the billing amount found in step three to determine each county's respective Medicaid nursing home billing amount. For example, Alachua county has an allocation factor of .8207%, which when multiplied by the total Medicaid nursing home billing for county fiscal year (CFY) 2005-2006 of $29,748,644, results in a nursing home county billing amount of $244,147, as shown in Table 4.

Table 3
County Billing Collections

COUNTY	FY 01-02	FY 02-03	FY 03-04	Three Year Average	Percent of Total
ALACHUA	$255,090.09	$204,301.81	$234,326.95	$231,240	0.8207%
BAKER	$78,429.54	$51,644.81	$50,923.54	$60,333	0.2141%
BAY	$340,780.45	$321,386.16	$345,499.11	$335,889	1.1921%
BRADFORD	$60,604.57	$77,387.78	$65,162.78	$67,718	0.2403%
BREVARD	$713,780.99	$1,088,292.39	$1,143,904.09	$981,992	3.4853%
BROWARD	$1,587,334.14	$2,000,572.51	$2,170,503.14	$1,919,470	6.8126%
CALHOUN	$57,134.55	$72,004.54	$30,715.73	$53,285	0.1891%
CHARLOTTE	$363,219.75	$321,475.56	$466,712.63	$383,803	1.3622%
CITRUS	$314,043.03	$198,355.24	$322,075.61	$278,158	0.9872%
CLAY	$227,031.90	$197,309.12	$201,859.18	$208,733	0.7408%
COLLIER	$207,576.46	$170,992.22	$184,781.43	$187,783	0.6665%
COLUMBA	$158,216.22	$137,435.93	$177,372.27	$157,675	0.5596%
DADE	$3,654,788.76	$3,772,021.68	$3,773,000.75	$3,733,270	13.2504%
DESOTO	$55,360.25	$73,637.89	$82,804.73	$70,601	0.2506%
DIXIE	$35,972.41	$37,794.90	$30,055.16	$34,607	0.1228%
DUVAL	$1,645,489.88	$1,511,523.38	$1,761,014.64	$1,639,343	5.8184%
ESCAMBIA	$646,299.83	$597,648.07	$705,925.75	$649,958	2.3068%
FLAGLER	$82,593.26	$95,231.67	$85,557.06	$87,794	0.3116%
FRANKLIN	$42,972.70	$32,307.25	$34,821.64	$36,701	0.1303%
GADSDEN	$171,104.10	$137,012.51	$155,347.75	$154,488	0.5483%
GILCHRIST	$29,303.63	$29,196.29	$27,827.77	$28,776	0.1021%
GLADES	$10,164.45	$13,557.47	$13,987.15	$12,570	0.0446%
GULF	$38,918.45	$45,783.81	$34,023.61	$39,575	0.1405%
HAMILTON	$68,993.85	$70,291.64	$59,881.45	$66,389	0.2356%
HARDEE	$55,927.18	$70,289.39	$49,486.55	$58,568	0.2079%
HENDRY	$69,291.69	$72,520.22	$78,328.13	$73,380	0.2604%
HERNANDO	$152,731.08	$112,862.11	$146,315.82	$137,303	0.4873%
HIGHLANDS	$196,525.69	$189,731.40	$191,952.61	$192,737	0.6841%
HILLSBOROUGH	$1,345,447.17	$1,114,152.95	$1,045,636.64	$1,168,412	4.1469%
HOLMES	$104,489.56	$104,827.94	$74,206.71	$94,508	0.3354%
INDIAN RIVER	$208,506.07	$177,775.81	$248,178.93	$211,487	0.7506%
JACKSON	$253,358.35	$243,751.48	$282,857.00	$259,989	0.9228%
JEFFERSON	$44,418.34	$68,652.95	$76,759.63	$63,277	0.2246%

COUNTY	FY 01-02	FY 02-03	FY 03-04	Three Year Average	Percent of Total
LAFAYETTE	$16,451.47	$18,216.56	$18,629.77	$17,766	0.0631%
LAKE	$475,545.67	$250,700.76	$312,770.82	$346,339	1.2292%
LEE	$607,325.29	$665,372.34	$803,642.34	$692,113	2.4564%
LEON	$328,753.96	$357,798.30	$372,970.29	$353,174	1.2535%
LEVY	$116,887.48	$107,063.52	$108,618.56	$110,857	0.3935%
LIBERTY	$30,211.02	$33,890.89	$33,642.30	$32,581	0.1156%
MADISON	$91,546.00	$80,660.38	$120,971.54	$97,726	0.3468%
MANATEE	$474,878.07	$438,677.95	$353,684.04	$422,413	1.4992%
MARION	$547,346.73	$531,268.41	$653,553.35	$577,389	2.0493%
MARTIN	$193,809.91	$241,830.45	$284,975.91	$240,205	0.8525%
MONROE	$104,410.07	$84,603.75	$126,463.03	$105,159	0.3732%
NASSAU	$120,833.95	$139,359.51	$117,988.40	$126,061	0.4474%
OKALOOSA	$342,432.88	$338,923.00	$432,878.33	$371,411	1.3182%

OKEECHOBEE	$79,400.88	$91,851.10	$50,970.40	$74,074	0.2629%
ORANGE	$1,352,204.42	$1,070,638.32	$1,767,567.20	$1,396,803	4.9575%
OSCEOLA	$252,442.08	$319,038.79	$251,017.86	$274,166	0.9731%
PALM BEACH	$1,983,066.43	$1,842,177.67	$2,238,410.87	$2,021,218	7.1737%
PASCO	$890,898.22	$767,506.06	$877,565.40	$845,323	3.0002%
PINELLAS	$1,901,494.44	$1,507,563.68	$1,692,707.89	$1,700,589	6.0357%
POLK	$1,134,794.21	$1,228,234.90	$1,289,912.61	$1,217,647	4.3217%
PUTNAM	$258,729.83	$169,191.26	$205,899.66	$211,274	0.7499%
ST JOHNS	$207,172.60	$161,542.24	$292,713.91	$220,476	0.7825%
ST LUCIE	$428,290.88	$267,088.35	$447,533.15	$380,971	1.3521%
SANTA ROSA	$204,984.24	$138,985.31	$206,522.31	$183,497	0.6513%
SARASOTA	$604,463.14	$450,465.61	$261,186.33	$438,705	1.5571%
SEMINOLE	$412,381.37	$494,111.90	$234,143.16	$380,212	1.3494%
SUMTER	$76,018.02	$70,588.73	$89,155.29	$78,587	0.2789%
SUWANNEE	$134,628.68	$107,034.66	$80,501.25	$107,388	0.3811%
TAYLOR	$64,216.22	$72,915.40	$52,005.64	$63,046	0.2238%
UNION	$22,833.59	$21,615.00	$22,313.20	$22,254	0.0790%
VOLUSIA	$958,436.26	$1,102,585.05	$1,263,057.50	$1,108,026	3.9326%
WAKULLA	$61,215.14	$49,640.44	$49,620.82	$53,492	0.1899%
WALTON	$128,670.15	$116,856.41	$106,659.85	$117,395	0.4167%
WASHINGTON	$118,675.92	$97,696.84	$105,358.58	$107,244	0.3806%
TOTAL COLLECTIONS	**$28,001,347.61**	**$26,847,422.42**	**$29,677,417.50**	**$28,175,393**	**100.000%**

Table 4
Medicaid County Billing
Alternative Collection Methodology

Base Year Total Collections: $29,677,418
CFY 2005-06 Total Billing: $29,748,644

County fiscal year: October 2005 through September 2006

COUNTY	Allocation Factor	Base Year SFY 03-04	Projected CFY 05-06	COUNTY	Allocation Factor	Base Year SFY 03-04	Projected CFY 05-06
ALACHUA	0.8207%	$234,326.95	$244,147	LAKE	1.2292%	$312,770.82	$365,670
BAKER	0.2141%	$50,923.54	$63,692	LEE	2.4564%	$803,642.34	$730,746
BAY	1.1921%	$345,499.11	$354,634	LEON	1.2535%	$372,970.29	$372,899
BRADFORD	0.2403%	$65,162.78	$71,486	LEVY	0.3935%	$108,618.56	$117,061
BREVARD	3.4853%	$1,143,904.09	$1,036,829	LIBERTY	0.1156%	$33,642.30	$34,389
BROWARD	6.8126%	$2,170,503.14	$2,026,656	MADISON	0.3468%	$120,971.54	$103,168
CALHOUN	0.1891%	$30,715.73	$56,255	MANATEE	1.4992%	$353,684.04	$445,992
CHARLOTTE	1.3622%	$466,712.63	$405,236	MARION	2.0493%	$653,553.35	$609,639
CITRUS	0.9872%	$322,075.61	$293,679	MARTIN	0.8525%	$284,975.91	$253,607
CLAY	0.7408%	$201,859.18	$220,378	MONROE	0.3732%	$126,463.03	$111,022
COLLIER	0.6665%	$184,781.43	$198,275	NASSAU	0.4474%	$117,988.40	$133,095
COLUMBA	0.5596%	$177,372.27	$166,473	OKALOOSA	1.3182%	$432,878.33	$392,147
DADE	13.2504%	$3,773,000.75	$3,941,813	OKEECHOBEE	0.2629%	$50,970.40	$78,209
DESOTO	0.2506%	$82,804.73	$74,550	ORANGE	4.9575%	$1,767,567.20	$1,474,789
DIXIE	0.1228%	$30,085.16	$36,531	OSCEOLA	0.9731%	$251,017.86	$289,484
DUVAL	5.8184%	$1,761,014.64	$1,730,895	PALM BEACH	7.1737%	$2,238,410.87	$2,134,078
ESCAMBIA	2.3068%	$705,925.75	$686,242	PASCO	3.0002%	$877,565.40	$892,519
FLAGLER	0.3116%	$85,557.06	$92,697	PINELLAS	6.0357%	$1,692,707.89	$1,795,539
FRANKLIN	0.1303%	$34,821.64	$38,762	POLK	4.3217%	$1,289,912.61	$1,285,647
GADSDEN	0.5483%	$155,347.75	$163,112	PUTNAM	0.7499%	$205,899.66	$223,085
GILCHRIST	0.1021%	$27,827.77	$30,373	ST JOHNS	0.7825%	$292,713.91	$232,783
GLADES	0.0446%	$13,987.15	$13,268	ST LUCIE	1.3521%	$447,533.15	$402,231
GULF	0.1405%	$34,023.61	$41,797	SANTA ROSA	0.6513%	$206,522.31	$193,753
HAMILTON	0.2356%	$59,881.45	$70,088	SARASOTA	1.5571%	$261,186.33	$463,216
HARDEE	0.2079%	$49,486.55	$61,847	SEMINOLE	1.3494%	$234,143.16	$401,428
HENDRY	0.2604%	$78,328.13	$77,465	SUMTER	0.2789%	$89,155.29	$82,969
HERNANDO	0.4873%	$146,315.82	$144,965	SUWANNEE	0.3811%	$80,501.25	$113,372
HIGHLANDS	0.6841%	$191,952.61	$203,510	TAYLOR	0.2238%	$52,005.64	$66,577
HILLSBOROU(	4.1469%	$1,045,636.64	$1,233,647	UNION	0.0790%	$22,313.20	$23,501
HOLMES	0.3354%	$74,206.71	$99,777	VOLUSIA	3.9326%	$1,263,057.50	$1,169,895
INDIAN RIVER	0.7506%	$248,178.93	$223,293	WAKULLA	0.1899%	$49,620.82	$56,493
JACKSON	0.9228%	$282,857.00	$274,520	WALTON	0.4167%	$106,659.85	$123,963
JEFFERSON	0.2246%	$76,759.63	$66,815	WASHINGTON	0.3806%	$105,358.58	$113,223
LAFAYETTE	0.0631%	$18,629.77	$18,771	**TOTAL**	**100.000%**	**$29,677,417.50**	**$29,748,667**

Social Services Estimating Conference's Medicaid Average Daily Nursing Home Caseloads

Caseload – Actual FY 03-04	48,203
Caseload – Estimate FY 04-05	48,320
Caseload Change Factor	1.0024

Proposals

Many issues and various ideas were discussed as the workgroup developed the proposals presented below. Ideas discussed ranged from shifting the responsibility of initiating and maintaining the CORs from DCF to the counties, to DOEA, or to the nursing homes; to totally eliminating the counties contributing to the Medicaid program; to talk about the options presented in the February 2003 OPPAGA report for modifying the Medicaid County Billing process. Each of these ideas came with its own set of strengths and weaknesses. The workgroup agreed that the following two proposals were the only ones likely to provide any degree of relief to the current COR issues.

The following two proposals are a result of the workgroup's review and evaluation of the current process, discussions on strengths and weaknesses of the process, and changes that would be beneficial to both the state and counties.

Proposal 1 – Institute an allocation methodology for assessing the counties for their pro rata share of the cost for Medicaid nursing homes. This proposal would eliminate the need for CORs while enabling the counties and the state to budget more effectively.

1. The Agency for Health Care Administration will utilize the counties' average nursing home collections for the most recently completed three state fiscal years (FY 2001-2002, 2002-2003 and 2003-2004) to develop an allocation factor (county by county percentage of the total). These percentages will remain static until the legislature directs a change.

2. The Agency for Health Care Administration will develop annually a percentage change in the average daily Medicaid nursing home caseloads and utilize it to determine a statewide nursing home county billing amount. This percentage change will be based on the most recently completed state fiscal year and the previous year's average daily Medicaid nursing home caseloads. For the initial year, however, the caseload factor must include a projection to start the model. Every year after the first would use the actual average annual caseload.

3. The Agency for Health Care Administration will then determine the amount to be billed to each county in the subsequent county fiscal year and provide them with notification no later than April 1 of each year.

4. The Agency for Health Care Administration will bill the counties monthly for one-twelfth of their annual Medicaid Nursing Home assessment beginning on October 1, 2005.

5. The counties will pay the amount billed to them within 30 days of receipt of the monthly billing or be subject to the withholding of cigarette tax receipts or other funds to be distributed to the counties.

6. The Agency for Health Care Administration will deposit the funds collected into General Revenue unallocated.

Proposal 2 – Continue with the current process for Medicaid Nursing Home County Billing, instituting improvements to ensure the accuracy, reliability and timeliness of the information in the CORs.

1. The Department of Children and Family Services will research and acquire the most up-to-date software necessary for the FLORIDA system to correctly identify county codes for the Medicaid County Billing COR process, in order to send AHCA the correct county codes on the electronic COR file.

2. The Department of Children and Family Services will provide specific training (pre-service and in-service) to eligibility staff with specific training on how to collect the most accurate addresses for the Medicaid County Billing process.

3. The Agency for Health Care Administration will transmit monthly a file, of cases in dispute with each county, to DCF. DCF will distribute the electronic file to districts/zones for research, resolution and updating of the FLORIDA system. The Department of Children and Family Services will designate an individual responsible for the coordination of the distribution of these files and the tracking of the resolution of the disputed information. The Department of Children and Family Services will provide feedback to the workers, supervisors and managers, by way of monthly reports, to increase their accountability for the accuracy of the data collected.

4. The Department of Children and Family Services will provide AHCA with the ability to correct the COR file, based on input/corrections received from the counties. This will provide for more timely correction of the COR errors and therefore eliminating the same errors from recurring month after month. AHCA will verify errors, as noted by the counties, within five working days of receipt, allowing for the timeliest correction of the billings possible. AHCA will provide an electronic file of the revised county codes for DCF to update the FLORIDA system. This will allow the "source" to be updated and the COR file to be accurate in subsequent months.

5. When a valid address has been provided on a county's billing, and the county is disputing the charge, the county will provide AHCA with a reasonable justification for consideration on why the county should not be billed.

6. The Agency for Health Care Administration will be more aggressive in recouping uncollected receivables that are more than 60 days old, by

having the Department of Financial Services withhold cigarette tax receipts from the counties.

Recommendation

Although Proposal 2 does have merit, many of these suggestions have been tried in the past and have not helped in correcting the COR problems. The workgroup members agreed that to fix the problems with the CORs, they should be totally eliminated from the Medicaid nursing home billing process. The allocation method in Proposal 1 would enable the elimination of the CORs. Therefore, the consensus recommendation of the workgroup is that it is in the best interest of all parties involved to adopt and implement Proposal 1 effective October 1, 2005.

County representatives and the Florida Association of Counties have advocated for the implementation of an allocation methodology for the Medicaid nursing home county billing. From the counties perspective, an allocation formula would greatly simplify their process, saving staff time and expense. By calculating an amount due prior to the beginning of their fiscal year, counties would know how much of their budget would be needed for these expenditures. At a recent Florida Association of Counties meeting, county representatives were approached with the idea of an allocation methodology for the Medicaid nursing home billings. The overwhelming response was that they would endorse a "fair and equitable" allocation.

In addition to benefiting the counties, Proposal 1 will provide the State with staffing efficiencies. By eliminating the CORs, the additional information collected at eligibility determination will no longer be needed, the research and correction of erroneous COR information will be in the past and the Medicaid nursing home county billing process will be streamlined by no longer using detailed information on each individual Medicaid nursing home resident. More time can be spent processing additional cases by DCF staff and AHCA staff will be able to concentrate on other accounts receivable issues. Additionally, the State will have the exact amounts owed by the counties, for their pro rata share of the Medicaid nursing home expenditures, instead of estimates.

As required by the proviso language in Chapter 2004-268 Laws of Florida, this recommendation is only concerned with the Medicaid nursing home county billings as it relates to the certificate of residency. This recommendation does not address the Medicaid hospital inpatient or Medicaid Health Maintenance Organization (HMO) portion of the Medicaid county billings. It is the opinion of the workgroup that would be very worthwhile to develop a similar allocation methodology for both the Medicaid hospital inpatient and the Medicaid HMO portion of the county billings. Similarly, this recommendation does not address the issue of how much of the State's share of Medicaid nursing home costs the counties should participate in. Although this was not a part of the workgroup's responsibility, it may be an issue the Legislature will want to address at a later date.

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Attachment F

CENTER ON BUDGET AND POLICY AND PRIORITIES

Table 1	Elementary and Secondary Education
Table 2	Education for the Disadvantaged
Table 3	Special Education Programs
Table 4	School Improvement Programs
Table 5	Vocational and Adult Education
Table 6	Special Supplemental Nutrition Program For Women. Infants and Children
Table 7	Children and Family Services Includes Head Start and Services for Abused and Neglected Children
Table 8	Projected Loss In Number of Families Receiving Rental Assistance Vouchers In 2010
Table 9	Projected Loss In Number of Children Served by Child Care Assistance in 2009
Table 10	Low Income Home Energy Assistance
Table 11	Ryan White HIV/AIDS Funding (Titles I and II only)
Table 12	Projected Funding Cuts Under President's Proposed "Strengthening America's Communities" Block Grant
Table 13	Projected Loss in Grants in Aid to States and Localities

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CENTER ON BUDGET AND POLICY PRIORITIES

Revised February 22, 2005

WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?
State Data

Table 1
Elementary and Secondary Education

Includes Education for the Disadvantaged, Impact Aid, School Improvement funding, and Special Education (including special education for preschoolers and infants)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$4,564.3**	**-$11,544.8**
	-12%	
Alabama	-$68.9	-$174.8
Alaska	-$35.7	-$102.3
Arizona	-$103.2	-$264.3
Arkansas	-$43.9	-$110.4
California	-$523.8	-$1,219.8
Colorado	-$55.0	-$146.5
Connecticut	-$46.2	-$123.4
Delaware	-$14.9	-$40.6
District of Columbia	-$13.0	-$30.0
Florida	-$222.2	-$565.2
Georgia	-$126.5	-$308.0
Hawaii	-$26.8	-$73.6
Idaho	-$21.7	-$59.3
Illinois	-$187.7	-$477.1
Indiana	-$80.8	-$220.4
Iowa	-$38.1	-$108.7
Kansas	-$41.1	-$111.1
Kentucky	-$63.6	-$159.4
Louisiana	-$84.3	-$203.6
Maine	-$21.9	-$59.2
Maryland	-$69.1	-$183.0
Massachusetts	-$92.1	-$243.6
Michigan	-$149.7	-$379.5
Minnesota	-$62.2	-$176.2
Mississippi	-$53.5	-$131.5
Missouri	-$82.6	-$219.5
Montana	-$25.7	-$72.1
Nebraska	-$30.4	-$85.0
Nevada	-$25.3	-$65.4
New Hampshire	-$18.2	-$51.9

Elementary and Secondary Education

Includes Education for the Disadvantaged, Impact Aid, School Improvement funding, and Special Education (including special education for preschoolers and infants)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$118.4	-$318.6
New Mexico	-$52.7	-$140.4
New York	-$329.9	-$764.6
North Carolina	-$112.4	-$291.7
North Dakota	-$18.9	-$53.0
Ohio	-$152.3	-$401.1
Oklahoma	-$63.2	-$169.0
Oregon	-$47.4	-$120.3
Pennsylvania	-$159.2	-$399.0
Rhode Island	-$18.7	-$49.1
South Carolina	-$63.3	-$161.1
South Dakota	-$23.3	-$65.5
Tennessee	-$80.5	-$211.4
Texas	-$385.6	-$942.9
Utah	-$34.8	-$99.3
Vermont	-$13.2	-$35.9
Virginia	-$99.5	-$269.0
Washington	-$86.8	-$233.3
West Virginia	-$32.1	-$79.2
Wisconsin	-$73.0	-$197.8
Wyoming	-$15.2	-$41.8

CENTER ON BUDGET AND POLICY PRIORITIES

Revised February 22, 2005

WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?
State Data

Table 2
Education for the Disadvantaged

Education for the Disadvantaged programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Increase in Funding 2006 - 2010
U.S. Total	**-$867.6** **-5%**	**$807.5**
Alabama	-$13.2	$12.3
Alaska	-$2.6	$2.5
Arizona	-$17.0	$15.8
Arkansas	-$8.6	$8.0
California	-$125.1	$116.5
Colorado	-$8.7	$8.1
Connecticut	-$7.2	$6.7
Delaware	-$2.3	$2.1
District of Columbia	-$3.2	$3.0
Florida	-$41.8	$38.9
Georgia	-$27.0	$25.1
Hawaii	-$3.2	$2.9
Idaho	-$3.1	$2.9
Illinois	-$35.4	$32.9
Indiana	-$11.7	$10.9
Iowa	-$4.4	$4.1
Kansas	-$6.0	$5.6
Kentucky	-$12.7	$11.8
Louisiana	-$18.6	$17.3
Maine	-$3.3	$3.1
Maryland	-$11.3	$10.5
Massachusetts	-$15.1	$14.1
Michigan	-$28.7	$26.7
Minnesota	-$7.3	$6.8
Mississippi	-$11.3	$10.5
Missouri	-$13.2	$12.3
Montana	-$2.8	$2.6
Nebraska	-$3.7	$3.4
Nevada	-$4.5	$4.2
New Hampshire	-$2.2	$2.0

Education for the Disadvantaged

Education for the Disadvantaged programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Increase in Funding 2006 - 2010
New Jersey	-$17.9	$16.7
New Mexico	-$7.3	$6.8
New York	-$80.2	$74.7
North Carolina	-$19.6	$18.3
North Dakota	-$2.2	$2.0
Ohio	-$25.6	$23.8
Oklahoma	-$9.5	$8.8
Oregon	-$9.0	$8.4
Pennsylvania	-$31.6	$29.4
Rhode Island	-$3.2	$3.0
South Carolina	-$11.9	$11.1
South Dakota	-$2.4	$2.3
Tennessee	-$13.6	$12.7
Texas	-$81.1	$75.5
Utah	-$3.9	$3.6
Vermont	-$2.0	$1.9
Virginia	-$14.4	$13.4
Washington	-$12.7	$11.8
West Virginia	-$6.7	$6.3
Wisconsin	-$10.8	$10.0
Wyoming	-$2.1	$1.9

Technical Notes

Education for the Disadvantaged is account 900 in the Elementary, Secondary and Vocational Education subfunction (501). This account includes funding under Title I of the Elementary and Secondary Education Act for schools in low-income communities as well as several smaller funding streams: Reading First, Even Start, Title I Comprehensive School Reform, State Agency Program - Migrant, and State Agency Program - Neglected and Delinquent.

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2005 funding under the Education for the Disadvantaged account. When determining the estimated cuts to states from reductions in overall funding for Education for the Disadvantaged, this analysis assumed that a small proportion of the cuts (less than 1%) in this account would not be borne by states. This percentage was calculated by determining the proportion of 2005 funding that was not provided to states and localities. U.S. total figures include cuts attributed to U.S. territories.

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Table 3
Special Education Programs
Special Education programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$2,295.8** **-18%**	**-$7,599.4**
Alabama	-$36.1	-$119.6
Alaska	-$7.2	-$23.9
Arizona	-$35.6	-$118.0
Arkansas	-$22.7	-$75.1
California	-$246.5	-$815.8
Colorado	-$30.1	-$99.6
Connecticut	-$26.5	-$87.9
Delaware	-$6.7	-$22.1
District of Columbia	-$3.5	-$11.6
Florida	-$125.1	-$414.1
Georgia	-$62.3	-$206.2
Hawaii	-$8.1	-$26.7
Idaho	-$11.0	-$36.3
Illinois	-$101.3	-$335.5
Indiana	-$51.0	-$169.0
Iowa	-$24.2	-$80.2
Kansas	-$21.5	-$71.2
Kentucky	-$32.5	-$107.6
Louisiana	-$37.8	-$125.3
Maine	-$11.1	-$36.8
Maryland	-$40.1	-$132.6
Massachusetts	-$56.4	-$186.6
Michigan	-$79.6	-$263.4
Minnesota	-$38.1	-$126.1
Mississippi	-$23.8	-$78.9
Missouri	-$45.0	-$148.8
Montana	-$7.5	-$24.8
Nebraska	-$14.8	-$49.1
Nevada	-$13.4	-$44.5
New Hampshire	-$9.6	-$31.6

Special Education Programs

Special Education programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$71.8	-$237.6
New Mexico	-$18.1	-$60.0
New York	-$152.9	-$506.2
North Carolina	-$62.9	-$208.1
North Dakota	-$5.5	-$18.1
Ohio	-$86.9	-$287.6
Oklahoma	-$29.2	-$96.8
Oregon	-$25.6	-$84.9
Pennsylvania	-$85.1	-$281.6
Rhode Island	-$8.9	-$29.4
South Carolina	-$35.1	-$116.3
South Dakota	-$6.5	-$21.6
Tennessee	-$46.3	-$153.3
Texas	-$191.3	-$633.3
Utah	-$21.5	-$71.2
Vermont	-$5.3	-$17.5
Virginia	-$56.2	-$186.1
Washington	-$44.4	-$146.8
West Virginia	-$15.2	-$50.4
Wisconsin	-$42.0	-$138.9
Wyoming	-$5.6	-$18.4

Technical Notes

Special Education is account 300 in the subfunction (501). This account includes funding for special education grants (K-12), special education preschool grants, and grants for infants and families.

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2005 funding under the major funding streams included in this account which represent 98 percent of total 2005 funding under this account. When determining the estimated cuts to states from reductions in overall funding for Special Education, this analysis assumed that a small proportion of the cuts (less than 1%) in this account would not be borne by states. This percentage was calculated by determining the proportion of 2005 funding that was not provided to states and localities. U.S. total figures include cuts attributed to U.S. territories.

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Table 4
School Improvement Programs
School Improvement programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$1,187.0**	**-$4,102.7**
	-19%	
Alabama	-$18.9	-$65.3
Alaska	-$5.9	-$20.5
Arizona	-$20.5	-$70.7
Arkansas	-$12.4	-$42.9
California	-$138.6	-$478.9
Colorado	-$13.1	-$45.2
Connecticut	-$10.8	-$37.5
Delaware	-$5.9	-$20.5
District of Columbia	-$5.8	-$20.1
Florida	-$52.8	-$182.4
Georgia	-$33.2	-$114.7
Hawaii	-$6.0	-$20.6
Idaho	-$6.3	-$21.6
Illinois	-$47.1	-$162.9
Indiana	-$18.0	-$62.3
Iowa	-$9.3	-$32.3
Kansas	-$9.6	-$33.3
Kentucky	-$18.3	-$63.2
Louisiana	-$26.0	-$89.8
Maine	-$7.0	-$24.1
Maryland	-$16.3	-$56.3
Massachusetts	-$20.4	-$70.5
Michigan	-$40.6	-$140.2
Minnesota	-$14.1	-$48.7
Mississippi	-$17.5	-$60.6
Missouri	-$20.5	-$70.9
Montana	-$7.3	-$25.2
Nebraska	-$8.0	-$27.5
Nevada	-$6.6	-$22.8
New Hampshire	-$6.4	-$22.3

School Improvement Programs

School Improvement programs constitute one component of the larger group of programs found in Table 1 (Elementary and Secondary Education)

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$25.4	-$87.9
New Mexico	-$10.4	-$35.8
New York	-$93.5	-$323.3
North Carolina	-$26.6	-$92.0
North Dakota	-$6.0	-$20.9
Ohio	-$39.2	-$135.3
Oklahoma	-$16.1	-$55.5
Oregon	-$12.1	-$41.7
Pennsylvania	-$42.2	-$145.9
Rhode Island	-$6.0	-$20.6
South Carolina	-$15.6	-$53.7
South Dakota	-$6.1	-$21.2
Tennessee	-$20.0	-$69.0
Texas	-$98.1	-$339.2
Utah	-$7.5	-$25.9
Vermont	-$5.9	-$20.3
Virginia	-$20.5	-$70.8
Washington	-$18.6	-$64.2
West Virginia	-$10.1	-$35.0
Wisconsin	-$17.8	-$61.4
Wyoming	-$5.8	-$20.2

Technical Notes

School Improvement is account 1000 in the Elementary, Secondary and Vocational Education subfunction (501). This account includes several funding streams designed to help improve school quality, including Teacher Quality State Grants, Educational Technology Grants, funding for school assessments, funding directed to small and rural schools and 21st Century Learning Center funding (which provides funding for before and after-school enrichment programs in schools in low-income communities).

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2005 funding under the major funding streams included in this account which represent 89 percent of total 2005 funding under this account. When determining the estimated cuts to states from reductions in overall funding for School Improvement, this analysis assumed that a small proportion of the cuts (less than 1%) in this account would not be borne by states. This percentage was calculated by determining the proportion of 2005 funding that was not provided to states and localities. U.S. total figures include cuts attributed to U.S. territories.

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Table 5
Vocational and Adult Education
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$1,275.0** **-58%**	**-$5,855.1**
Alabama	-$21.7	-$99.5
Alaska	-$3.9	-$17.7
Arizona	-$24.6	-$113.1
Arkansas	-$13.3	-$61.3
California	-$151.1	-$694.1
Colorado	-$16.0	-$73.6
Connecticut	-$11.5	-$52.7
Delaware	-$4.7	-$21.6
District of Columbia	-$4.1	-$19.0
Florida	-$69.9	-$321.0
Georgia	-$37.8	-$173.7
Hawaii	-$5.9	-$27.2
Idaho	-$6.6	-$30.2
Illinois	-$49.5	-$227.5
Indiana	-$26.6	-$122.1
Iowa	-$12.5	-$57.6
Kansas	-$11.5	-$52.8
Kentucky	-$19.8	-$91.1
Louisiana	-$23.0	-$105.7
Maine	-$5.7	-$26.3
Maryland	-$19.0	-$87.2
Massachusetts	-$21.1	-$96.8
Michigan	-$40.7	-$187.1
Minnesota	-$18.6	-$85.5
Mississippi	-$15.0	-$68.8
Missouri	-$24.5	-$112.7
Montana	-$5.1	-$23.3
Nebraska	-$7.4	-$33.8
Nevada	-$8.8	-$40.6
New Hampshire	-$5.6	-$25.8

Vocational and Adult Education
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$29.9	-$137.2
New Mexico	-$9.5	-$43.6
New York	-$73.3	-$336.6
North Carolina	-$36.1	-$165.9
North Dakota	-$3.9	-$18.1
Ohio	-$47.0	-$215.8
Oklahoma	-$16.5	-$75.6
Oregon	-$14.7	-$67.3
Pennsylvania	-$48.6	-$223.4
Rhode Island	-$5.9	-$27.2
South Carolina	-$19.6	-$90.0
South Dakota	-$4.2	-$19.5
Tennessee	-$26.0	-$119.4
Texas	-$102.8	-$472.1
Utah	-$11.7	-$53.9
Vermont	-$3.8	-$17.6
Virginia	-$28.5	-$130.9
Washington	-$23.1	-$106.1
West Virginia	-$9.0	-$41.5
Wisconsin	-$22.3	-$102.3
Wyoming	-$3.7	-$16.9

Technical Notes
Vocational and Adult Education is account 400 in subfunction (501). This account includes funding for vocational education, adult education, English literacy and civics education, and Technical Preparation State Grants.

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2005 funding under the major funding streams included in this account which represent 89 percent of total 2005 funding under this account. When determining the estimated cuts to states from reductions in overall funding for Vocational and Adult education, this analysis assumed that a small proportion of the cuts (less than 1%) in this account would not be borne by states. This percentage was calculated by determining the proportion of 2005 funding that was not provided to states and localities. U.S. total figures include cuts attributed to U.S. territories.

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State Data

Table 6

Special Supplemental Nutrition Program For Women, Infants, and Children

(in millions)

State	Projected Cuts 2010	Projected Cuts 2006 - 2010	Projected Loss In Number Of Recipients 2010
U.S. Total	**-$470.2** **-8%**	**-$657.5**	**-660,000**
Alabama	-$7.5	-$10.5	-10,100
Alaska	-$2.0	-$2.9	-2,200
Arizona	-$11.3	-$15.7	-12,700
Arkansas	-$5.3	-$7.5	-7,500
California	-$81.0	-$113.3	-108,700
Colorado	-$4.8	-$6.6	-7,000
Connecticut	-$3.3	-$4.6	-4,400
Delaware	-$1.0	-$1.4	-1,500
District of Columbia	-$1.2	-$1.7	-1,400
Florida	-$22.2	-$31.0	-31,400
Georgia	-$14.6	-$20.4	-21,800
Hawaii	-$2.8	-$3.9	-2,800
Idaho	-$1.9	-$2.7	-3,100
Illinois	-$17.0	-$23.7	-23,200
Indiana	-$7.1	-$9.9	-11,000
Iowa	-$3.7	-$5.1	-5,600
Kansas	-$3.7	-$5.2	-5,400
Kentucky	-$6.8	-$9.6	-9,900
Louisiana	-$8.7	-$12.2	-11,900
Maine	-$1.2	-$1.6	-1,900
Maryland	-$5.9	-$8.3	-9,000
Massachusetts	-$6.3	-$8.8	-9,700
Michigan	-$12.0	-$16.7	-18,600
Minnesota	-$6.3	-$8.8	-9,800
Mississippi	-$6.0	-$8.4	-8,600
Missouri	-$7.3	-$10.3	-11,200
Montana	-$1.3	-$1.9	-1,800
Nebraska	-$2.3	-$3.2	-3,300
Nevada	-$2.7	-$3.7	-3,800
New Hampshire	-$1.0	-$1.3	-1,400

Special Supplemental Nutrition Program For Women, Infants, and Children

(in millions)

State	Projected Cuts 2010	Projected Cuts 2006 - 2010	Projected Loss In Number Of Recipients 2010
New Jersey	-$8.6	-$12.0	-12,000
New Mexico	-$3.8	-$5.4	-5,100
New York	-$31.3	-$43.8	-39,700
North Carolina	-$12.9	-$18.1	-18,400
North Dakota	-$1.0	-$1.4	-1,100
Ohio	-$14.5	-$20.2	-22,500
Oklahoma	-$6.3	-$8.9	-7,800
Oregon	-$6.0	-$8.4	-8,400
Pennsylvania	-$12.8	-$17.9	-20,200
Rhode Island	-$1.4	-$1.9	-1,900
South Carolina	-$5.9	-$8.3	-9,000
South Dakota	-$1.4	-$1.9	-1,700
Tennessee	-$9.4	-$13.2	-13,100
Texas	-$45.2	-$63.3	-72,900
Utah	-$3.3	-$4.6	-5,600
Vermont	-$1.1	-$1.5	-1,400
Virginia	-$7.3	-$10.2	-11,100
Washington	-$10.0	-$14.0	-13,400
West Virginia	-$3.0	-$4.2	-4,200
Wisconsin	-$6.1	-$8.5	-9,300
Wyoming	-$0.7	-$1.0	-1,000

Technical Notes

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is account 3501 in subfunction (605).

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. The baseline for fiscal year 2005 was adjusted downward because contingency funds were provided in fiscal year 2005 that will not need to be provided in future years. The adjusted fiscal year 2005 baseline was inflated for subsequent years by the same factor used in the unadjusted OMB baseline. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2004 funding level. This table illustrates the loss in the number of individuals who could receive WIC benefits if the cut in 2010 were achieved by reducing the number of households receiving assistance. This calculation was done by computing a reduction of 8.2 percent in the number of WIC participants compared to the estimated level for 2005. U.S. total figures include cuts attributed to U.S. territories and tribal organizations.

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Table 7
Children and Family Services
Includes Head Start and Services for Abused and Neglected Children
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010	Projected Loss In Number of Head Start Participants in 2010
U.S. Total	**-$1,143.9**	**-$3,310.9**	**-118,000**
	-13%		
Alabama	-$18.5	-$53.6	-2,100
Alaska	-$2.1	-$6.1	-200
Arizona	-$18.0	-$52.1	-1,700
Arkansas	-$11.2	-$32.5	-1,400
California	-$143.5	-$415.3	-12,900
Colorado	-$12.0	-$34.7	-1,300
Connecticut	-$9.0	-$25.9	-900
Delaware	-$2.3	-$6.6	-300
District of Columbia	-$4.2	-$12.2	-400
Florida	-$46.2	-$133.6	-4,600
Georgia	-$29.5	-$85.3	-3,100
Hawaii	-$4.0	-$11.6	-400
Idaho	-$4.0	-$11.7	-400
Illinois	-$46.6	-$135.0	-5,200
Indiana	-$17.0	-$49.3	-1,900
Iowa	-$9.1	-$26.2	-1,000
Kansas	-$8.9	-$25.9	-1,000
Kentucky	-$18.6	-$53.9	-2,100
Louisiana	-$25.1	-$72.7	-2,900
Maine	-$4.8	-$13.9	-500
Maryland	-$13.7	-$39.7	-1,300
Massachusetts	-$18.7	-$54.0	-1,700
Michigan	-$40.5	-$117.3	-4,600
Minnesota	-$12.6	-$36.6	-1,300
Mississippi	-$27.4	-$79.4	-3,500
Missouri	-$20.7	-$59.9	-2,300
Montana	-$3.6	-$10.5	-400
Nebraska	-$6.3	-$18.2	-700
Nevada	-$4.3	-$12.6	-400
New Hampshire	-$2.4	-$7.0	-200

Children and Family Services
Includes Head Start and Services for Abused and Neglected Children
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010	Projected Loss In Number of Head Start Participants in 2010
New Jersey	-$22.4	-$64.8	-2,000
New Mexico	-$9.0	-$26.0	-1,000
New York	-$74.5	-$215.5	-6,400
North Carolina	-$24.8	-$71.7	-2,500
North Dakota	-$3.0	-$8.6	-300
Ohio	-$42.8	-$123.9	-5,000
Oklahoma	-$13.8	-$40.0	-1,800
Oregon	-$10.4	-$30.2	-1,100
Pennsylvania	-$39.7	-$114.9	-4,000
Rhode Island	-$3.8	-$11.1	-400
South Carolina	-$14.4	-$41.8	-1,600
South Dakota	-$3.2	-$9.4	-400
Tennessee	-$20.8	-$60.2	-2,100
Texas	-$83.5	-$241.7	-8,800
Utah	-$6.8	-$19.7	-700
Vermont	-$2.4	-$6.8	-200
Virginia	-$17.5	-$50.7	-1,800
Washington	-$17.7	-$51.2	-1,400
West Virginia	-$8.7	-$25.3	-1,000
Wisconsin	-$15.9	-$46.1	-1,800
Wyoming	-$2.1	-$6.2	-200

Technical Notes
Children and Family Services is account 1536 in subfunction (506) and includes funding for Head Start and services for abused and neglected children or children at risk for abuse or neglect as well as several smaller funding streams. In addition, under current law, this account includes the Community Services Block Grant and several smaller community development programs. Under the President's budget proposals, these grants would be consolidated along with other community development funding into a new block grant in the Department of Commerce. Thus, the community development funding is excluded from the analysis of this account. See Table 12 for projected cuts in community development funding under the President's consolidation proposal.

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face in this account, this analysis assumed that the cuts would be proportionate to each state's 2005 funding under the major funding streams included in this account which represent 87 percent of funding under this account. When determining the estimated cuts to states from reductions in overall funding for Children and Family Services, this analysis assumed that a small proportion of the cuts (about 5 percent) in this account would not be borne by states. This percentage was calculated by determining the proportion of 2005 funding that was not provided to states and localities.

This table illustrates the loss in the number of children who could participate in Head Start. These estimates were calculated by assuming that Head Start funding would be cut in 2010 by the same proportion as the overall account (13 percent). State estimates were computed by calculating a 13 percent reduction in the number of children participating in Head Start based on the number participating in September 2004. U.S. total figures include cuts attributed to U.S. territories.

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Table 8
Projected Loss In Number Of Families Receiving Rental Assistance Vouchers in 2010

State	
U.S. Total	**-370,000**
Alabama	-5,200
Alaska	-700
Arizona	-3,600
Arkansas	-4,000
California	-52,900
Colorado	-4,900
Connecticut	-6,100
Delaware	-800
District of Columbia	-2,000
Florida	-15,900
Georgia	-8,700
Hawaii	-2,200
Idaho	-1,100
Illinois	-15,900
Indiana	-6,600
Iowa	-3,800
Kansas	-2,000
Kentucky	-5,600
Louisiana	-6,800
Maine	-2,200
Maryland	-7,900
Massachusetts	-12,600
Michigan	-8,600
Minnesota	-5,400
Mississippi	-3,200
Missouri	-7,100
Montana	-1,000
Nebraska	-2,000
Nevada	-2,100
New Hampshire	-1,600

Projected Loss In Number Of Families Receiving Rental Assistance Vouchers in 2010

State	
New Jersey	-11,500
New Mexico	-2,400
New York	-36,300
North Carolina	-9,800
North Dakota	-1,300
Ohio	-15,500
Oklahoma	-4,000
Oregon	-5,600
Pennsylvania	-14,600
Rhode Island	-1,700
South Carolina	-4,200
South Dakota	-1,000
Tennessee	-5,500
Texas	-25,000
Utah	-1,800
Vermont	-1,000
Virginia	-7,800
Washington	-8,000
West Virginia	-2,600
Wisconsin	-4,900
Wyoming	-400

Technical Notes

Cuts for this program are not measured relative to the OMB baseline because that baseline significantly understates the amount needed in 2010 to provide the same number of vouchers as in 2005. The OMB baseline — as called for in the standard baseline rules — projects future funding for this program by starting with the net funding for the program in 2005 and adjusting that amount by a standard measure of inflation (the GDP price index). But, in this instance, the standard baseline rules lead to a significant understatement of the amounts needed to maintain current services in future years. The net funding for the housing voucher program in 2005 was artificially low because it includes a $1.6 billion offset from rescissions of unused prior year funds (similar rescissions are not expected in 2010). And, according to the Congressional Budget Office, the cost of providing each voucher is expected to rise somewhat faster than the increase in the GDP price index over the next five years, primarily because of the growing gap between market rents and the incomes of low-income families.

We estimated the amount needed to provide the same number of vouchers in 2010 as in 2005 by calculating the cost of each voucher in 2005, adjusting that by CBO's estimate of the growth in the cost of providing each voucher, and multiplying the inflated amount by the number of vouchers in 2005. We then compared the projected funding for housing vouchers in 2010 in the President's budget with this estimate of the amount needed to fund the 2005 number of vouchers in 2010.

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Table 9
Projected Loss In Number Of Children Served By Child Care Assistance in 2009

State	
U.S. Total	**-300,000**
Alabama	-5,400
Alaska	-800
Arizona	-4,800
Arkansas	-1,700
California	-29,600
Colorado	-3,100
Connecticut	-2,000
Delaware	-1,400
District of Columbia	-2,300
Florida	-22,600
Georgia	-8,200
Hawaii	-1,800
Idaho	-1,100
Illinois	-23,000
Indiana	-4,600
Iowa	-2,000
Kansas	-2,100
Kentucky	-5,800
Louisiana	-7,500
Maine	-800
Maryland	-4,300
Massachusetts	-6,200
Michigan	-16,500
Minnesota	-5,000
Mississippi	-3,500
Missouri	-6,100
Montana	-700
Nebraska	-1,600
Nevada	-900
New Hampshire	-1,000

Projected Loss In Number Of Children Served By Child Care Assistance in 2009

State	
New Jersey	-5,200
New Mexico	-2,900
New York	-19,900
North Carolina	-14,400
North Dakota	-800
Ohio	-12,600
Oklahoma	-4,200
Oregon	-3,400
Pennsylvania	-9,900
Rhode Island	-1,400
South Carolina	-3,200
South Dakota	-600
Tennessee	-7,800
Texas	-15,900
Utah	-1,300
Vermont	-600
Virginia	-3,400
Washington	-8,700
West Virginia	-1,900
Wisconsin	-4,500
Wyoming	-700

Technical Notes

This table shows projected cuts in the number of children receiving child care assistance in 2009. Child care assistance includes assistance funded with the Child Care and Development Fund (CCDF), the Temporary Assistance for Needy Families (TANF) block grant funds, and funds from the Social Services Block Grant (SSBG). The Child Care and Development Fund includes both discretionary and mandatory funding while TANF and SSBG are mandatory programs.

The estimate that 300,000 children fewer children will receive child care assistance in 2009 as compared to 2004 was computed by the Administration and is published in their budget documents. This analysis assumed that each state's share of the total loss in child care slots would equal each state's share of all U.S. children receiving child care assistance in 2003. Figures on the number of children receiving child care assistance are available for CCDF, but not for TANF and SSBG. Therefore, in cooperation with the Center for Law and Social Policy (CLASP), we estimated the total number of assisted children in 2003, nationally and by state, as follows: We calculated the cost per assisted child in CCDF funded child care in 2003 using HHS data on participation and expenditures. We summed total child care expenditures by state using the CCDF spending data plus expenditures for TANF child care in 2003 and SSBG child care (derived as each state's total SSBG expenditures times percent of SSBG spent on child care). We used SSBG spending data for 2002 because 2003 data are not yet available. In calculating both total spending and costs per child, both federal and state funds were included. We applied the same unit cost to all funding streams. The actual distribution of the 300,000 children could differ from these estimates based on changes in the formula allocation of federal funding as well as state policy choices regarding eligibility requirements, co-payments, reimbursement rates, and the use of TANF funds for child care.

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WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?

State Data

Table 10
Low Income Home Energy Assistance
(millions)

State	Projected Cuts in 2010
U.S. Total	**-$165.2**
	-8%
Alabama	-$1.4
Alaska	-$0.9
Arizona	-$0.7
Arkansas	-$1.1
California	-$7.6
Colorado	-$2.7
Connecticut	-$3.5
Delaware	-$0.5
District of Columbia	-$0.5
Florida	-$2.2
Georgia	-$1.8
Hawaii	-$0.2
Idaho	-$1.0
Illinois	-$9.6
Indiana	-$4.3
Iowa	-$3.1
Kansas	-$1.4
Kentucky	-$2.3
Louisiana	-$1.5
Maine	-$2.2
Maryland	-$2.7
Massachusetts	-$6.9
Michigan	-$9.1
Minnesota	-$6.6
Mississippi	-$1.2
Missouri	-$3.8
Montana	-$1.2
Nebraska	-$1.5
Nevada	-$0.3
New Hampshire	-$1.3

State	Projected Cuts in 2010
New Jersey	-$6.4
New Mexico	-$0.9
New York	-$21.0
North Carolina	-$3.1
North Dakota	-$1.3
Ohio	-$8.5
Oklahoma	-$1.3
Oregon	-$2.1
Pennsylvania	-$11.3
Rhode Island	-$1.1
South Carolina	-$1.1
South Dakota	-$1.1
Tennessee	-$2.3
Texas	-$3.7
Utah	-$1.2
Vermont	-$1.0
Virginia	-$3.2
Washington	-$3.4
West Virginia	-$1.5
Wisconsin	-$5.9
Wyoming	-$0.5

Technical Notes
The *Low Income Home Energy Assistance Program* is account 1509 in subfunction (609).

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2004 gross funding level, before tribal set-asides. This table illustrates the loss in the number of households that could receive LIHEAP assistance if the cut in 2010 was achieved solely by reducing the number of households receiving assistance, not by reducing the average benefit level. This calculation was done by computing an 8 percent reduction in the number of LIHEAP participants compared to 2004 levels.

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WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?
State Data

Table 11
Ryan White HIV/AIDS Funding (Titles I and II only)
(in millions)

State	Projected Cuts 2010	Projected Cuts 2006 - 2010
U.S. Total	**-$191.4**	**-$550.3**
	-10%	
Alabama	-$1.3	-$3.8
Alaska	-$0.1	-$0.3
Arizona	-$2.2	-$6.2
Arkansas	-$0.6	-$1.7
California	-$26.3	-$75.7
Colorado	-$1.4	-$4.2
Connecticut	-$3.2	-$9.1
Delaware	-$0.6	-$1.8
District of Columbia	-$5.3	-$15.3
Florida	-$21.5	-$61.9
Georgia	-$6.1	-$17.5
Hawaii	-$0.4	-$1.1
Idaho	-$0.1	-$0.3
Illinois	-$7.1	-$20.4
Indiana	-$1.3	-$3.9
Iowa	-$0.2	-$0.7
Kansas	-$0.4	-$1.0
Kentucky	-$0.8	-$2.3
Louisiana	-$3.3	-$9.5
Maine	-$0.2	-$0.5
Maryland	-$6.4	-$18.4
Massachusetts	-$4.1	-$11.9
Michigan	-$2.8	-$8.1
Minnesota	-$0.8	-$2.4
Mississippi	-$1.1	-$3.2
Missouri	-$2.1	-$6.0
Montana	-$0.1	-$0.3
Nebraska	-$0.2	-$0.6
Nevada	-$1.3	-$3.7
New Hampshire	-$0.1	-$0.4

Ryan White HIV/AIDS Funding
(Titles I and II only)
(in millions)

New Jersey	-$9.1	-$26.1
New Mexico	-$0.4	-$1.1
New York	-$35.2	-$101.1
North Carolina	-$2.5	-$7.2
North Dakota	$0.0	-$0.1
Ohio	-$2.4	-$6.9
Oklahoma	-$0.7	-$2.0
Oregon	-$1.1	-$3.2
Pennsylvania	-$7.4	-$21.2
Rhode Island	-$0.4	-$1.1
South Carolina	-$2.3	-$6.5
South Dakota	-$0.1	-$0.2
Tennessee	-$2.5	-$7.2
Texas	-$13.3	-$38.3
Utah	-$0.4	-$1.1
Vermont	-$0.1	-$0.3
Virginia	-$3.0	-$8.7
Washington	-$2.0	-$5.7
West Virginia	-$0.2	-$0.7
Wisconsin	-$0.6	-$1.8
Wyoming	$0.0	-$0.1

Technical Notes
The *Ryan White HIV/AIDS* program is part of the Health Resources and Services Administration account (350) in the health care services subfunction (551). Ryan White HIV/AIDS includes two funding streams that are awarded to states and cities on a formual basis and several additional funding streams that are awarded as competitive grants to service providers. This table provides estimates of the cuts in the two funding streams awarded on a forumula basis to states and cities. In 2004, these two sets of formula grants constituted 83 percent of total Ryan White HIV/AIDS funding. This analysis assumed that these two sets of formula grants would absorb 83 percent of the projected cut to overall Ryan White HIV/AIDS funding.

Cuts in overall Ryan White HIV/AIDS funding were measured relative to the Office of Management and Budget (OMB) baseline for this program. That baseline reflects the 2005 funding level adjusted only for inflation. To determine the projected level of cuts each state would face, this analysis assumed that the cuts would be proportionate to each state's 2004 funding level, including funding provided to cities within states.

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WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?
State Data

Table 12
Projected Funding Cuts Under President's Proposed "Strengthening America's Communities" Block Grant
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$2,120.6**	**-$9,225.8**
	-36%	
Alabama	-$28.6	-$124.6
Alaska	-$3.3	-$14.4
Arizona	-$32.5	-$141.5
Arkansas	-$16.9	-$73.3
California	-$260.7	-$1,134.2
Colorado	-$21.8	-$94.9
Connecticut	-$23.3	-$101.2
Delaware	-$4.9	-$21.3
District of Columbia	-$13.6	-$59.2
Florida	-$90.1	-$392.0
Georgia	-$48.7	-$211.9
Hawaii	-$8.8	-$38.2
Idaho	-$7.2	-$31.3
Illinois	-$102.8	-$447.2
Indiana	-$38.5	-$167.4
Iowa	-$23.2	-$100.7
Kansas	-$16.0	-$69.6
Kentucky	-$26.5	-$115.1
Louisiana	-$37.2	-$162.0
Maine	-$11.2	-$48.9
Maryland	-$30.7	-$133.5
Massachusetts	-$64.3	-$279.7
Michigan	-$73.7	-$320.5
Minnesota	-$33.4	-$145.5
Mississippi	-$21.5	-$93.6
Missouri	-$41.7	-$181.6
Montana	-$5.7	-$24.8
Nebraska	-$12.3	-$53.5
Nevada	-$14.6	-$63.7
New Hampshire	-$7.7	-$33.7

Projected Funding Cuts Under President's Proposed "Strengthening America's Communities" Block Grant

(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$64.3	-$279.7
New Mexico	-$11.6	-$50.4
New York	-$197.8	-$860.4
North Carolina	-$47.8	-$208.1
North Dakota	-$4.4	-$19.1
Ohio	-$90.7	-$394.8
Oklahoma	-$18.5	-$80.4
Oregon	-$23.5	-$102.3
Pennsylvania	-$121.3	-$527.7
Rhode Island	-$9.7	-$42.3
South Carolina	-$23.2	-$100.9
South Dakota	-$5.1	-$22.1
Tennessee	-$29.9	-$130.3
Texas	-$136.2	-$592.4
Utah	-$12.6	-$55.0
Vermont	-$5.4	-$23.6
Virginia	-$34.2	-$148.7
Washington	-$38.3	-$166.8
West Virginia	-$16.5	-$71.7
Wisconsin	-$36.7	-$159.6
Wyoming	-$3.5	-$15.0

Technical Notes

The President's budget includes a proposal to consolidate 18 community development funding streams into a single block grant called "Strengthening America's Communities" or SAC. The two largest programs being consolidated into this new SAC block grant are the Community Development Block Grant (CDBG) and the Community Services Block Grant (CSBG). The new SAC block grant would be administered by the Commerce Department.

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To estimate the cuts from this proposal, we projected the funding level for the new SAC block grant by assuming that it would remain the same proportion of its subfunction (452) as it was in 2006. We then compared this funding level to the level of funding for the 18 programs that would be consolidated into the new SAC under the OMB baseline (that is, the cost of these programs in 2005, adjusted for inflation).

To determine the projected level of cuts by state, this analysis assumed that the cuts would be distributed in proportion to the funding received by states under the two major programs being folded into the new SAC - CSBG and CDBG. These two programs represent 85 percent of the 2005 funding for all of the programs that would be consolidated under the President's proposal. U.S. total figures include cuts attributed to U.S. territories.

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WHERE WOULD THE CUTS BE MADE UNDER THE PRESIDENT'S BUDGET?
State Data

Table 13
Projected Loss in Grants in Aid to States and Localities
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
U.S. Total	**-$21,793.1**	**-$70,661.6**
Alabama	-$325.2	-$1,054.4
Alaska	-$130.0	-$421.5
Arizona	-$348.3	-$1,129.2
Arkansas	-$204.9	-$664.3
California	-$3,094.8	-$10,034.5
Colorado	-$254.1	-$823.8
Connecticut	-$262.6	-$851.5
Delaware	-$60.8	-$197.1
District of Columbia	-$102.3	-$331.6
Florida	-$997.3	-$3,233.5
Georgia	-$644.3	-$2,089.2
Hawaii	-$111.0	-$359.9
Idaho	-$95.2	-$308.7
Illinois	-$904.5	-$2,932.8
Indiana	-$365.1	-$1,183.7
Iowa	-$178.1	-$577.4
Kansas	-$174.6	-$566.2
Kentucky	-$303.2	-$983.2
Louisiana	-$361.3	-$1,171.4
Maine	-$90.5	-$293.4
Maryland	-$353.0	-$1,144.7
Massachusetts	-$511.1	-$1,657.2
Michigan	-$678.3	-$2,199.4
Minnesota	-$307.2	-$996.1
Mississippi	-$235.4	-$763.4
Missouri	-$374.0	-$1,212.7
Montana	-$87.2	-$282.8
Nebraska	-$119.0	-$385.8
Nevada	-$133.3	-$432.1
New Hampshire	-$78.1	-$253.1

Projected Loss in Grants in Aid to States and Localities
(in millions)

State	Projected Cuts in 2010	Total Projected Cuts 2006 - 2010
New Jersey	-$601.4	-$1,950.1
New Mexico	-$169.7	-$550.1
New York	-$1,896.2	-$6,148.3
North Carolina	-$521.9	-$1,692.3
North Dakota	-$72.2	-$234.0
Ohio	-$793.3	-$2,572.1
Oklahoma	-$259.4	-$841.2
Oregon	-$237.3	-$769.3
Pennsylvania	-$938.2	-$3,041.9
Rhode Island	-$92.4	-$299.6
South Carolina	-$255.7	-$829.0
South Dakota	-$78.0	-$252.8
Tennessee	-$396.9	-$1,287.1
Texas	-$1,524.0	-$4,941.4
Utah	-$146.0	-$473.3
Vermont	-$62.6	-$203.0
Virginia	-$423.1	-$1,371.8
Washington	-$408.9	-$1,325.8
West Virginia	-$163.9	-$531.5
Wisconsin	-$338.7	-$1,098.3
Wyoming	-$62.2	-$201.8

Technical Notes
According to the President's budget, grants in aid to states from domestic discretionary programs would be cut by $5.9 billion in 2006 as compared to the 2005 level adjusted for inflation. In 2006, this cut in domestic discretionary grants in aid to states constituted one-third of the total cut in domestic discretionary funding ($18 billion).

Cuts are measured relative to the Office of Management and Budget (OMB) baseline for this account. That baseline reflects the 2005 funding level adjusted only for inflation. To estimate the cut in domestic discretionary grants in aid to states after 2007, this analysis assumed that cuts in grants in aid would remain one-third of the total cut in domestic discretionary funding. Projected cuts by state were calculated by assuming that the cuts would be distributed proportionately to overall grants in aid to states (excluding Medicaid) in 2005. (Data on the distribution of grants in aid to states for domestic discretionary programs are not available, but overall grants in aid by state exluding Medicaid can be computed). U.S. total figures include cuts attributed to U.S. territories.