

SFY 2023-24 House & Senate Budget –

On May 5th, 2023, the Florida House of Representatives and the Florida Senate agreed to the budget for the State Fiscal Year (SFY) 2023-2024. The budget is the culmination of many rounds of budget negotiations throughout the legislative session. The Florida Legislature is constitutionally required to pass a state budget, officially titled the General Appropriations Act, or SB 2500, during the annual regular session. The Legislature completed the budget on time and early, passing SB 2500 and adorning Sine Dine at 11:01 A.M.

The House and Senate’s budget for State Fiscal Year 2023-2024 totals approximately \$117 billion, and represents a 4.42% increase from the previous SFY 2023 General Appropriations Act. The chart below summarizes a comparison of this year’s SFY 2024 budget and the budget approved from SFY 2023.

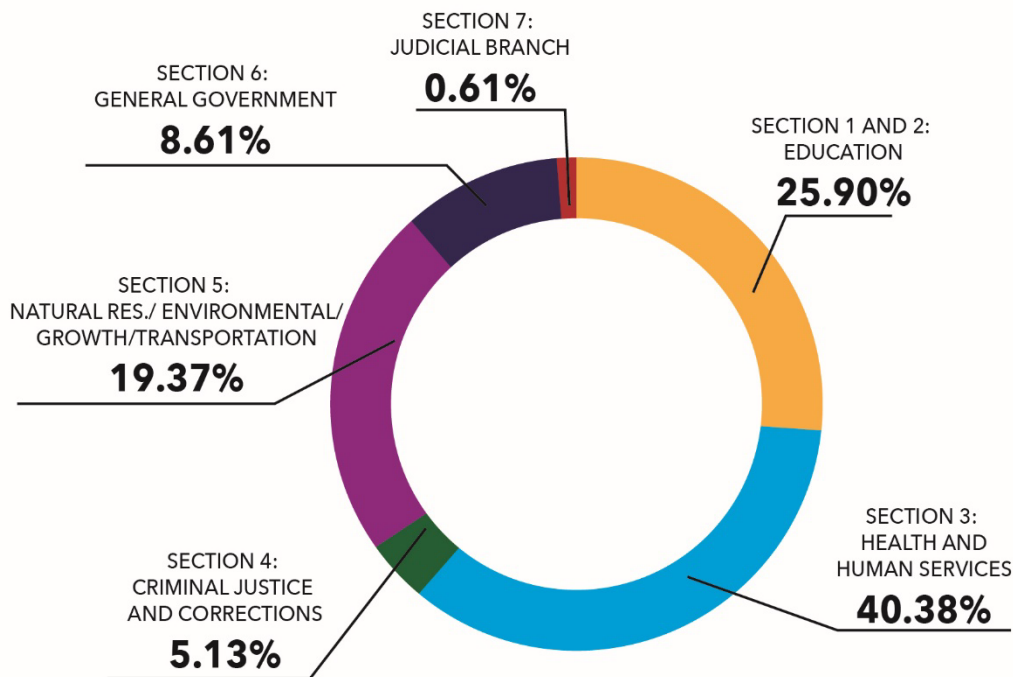
Budget Comparison by Section	FY 2023 GAA	FY 2024 GAA	\$ Difference SFY 2023 vs. SFY 2024	% Difference SFY 2023 vs. SFY 2024	% of Total
Section 1. Education	\$ 2,817,456,263	\$ 3,156,143,737	\$338,687,474	12.02%	2.70%
Section 2. Education	\$ 26,450,922,960	\$27,148,331,524	\$697,408,564	2.64%	23.20%
Section 3. Health and Human Services	\$48,909,546,871	\$47,260,202,276	\$(1,649,344,595)	-3.37%	40.38%
Section 4. Criminal Justice and Corrections	\$6,257,148,587	\$6,007,616,760	\$(249,531,827)	-3.99%	5.13%
Section 5. Natural Resources/Environment/ Growth/Transportation	\$19,367,675,516	\$22,669,753,979	\$3,302,078,463	17.05%	19.37%
Section 6. General Government	\$ 7,565,508,833	\$10,071,975,277	\$2,506,466,444	33.13%	8.61%
Section 7: Judicial Branch	\$ 702,774,972	\$712,723,994	\$ 9,949,022	1.42%	0.61%
Total Budget	\$112,071,034,002	\$117,026,747,547	\$ 4,955,713,545	4.42%	100%

Health and Human Services received the largest portion of funding for the budget in SFY 2023-2024, totaling approximately \$47.3 billion. This represents a 3.37% *decrease* in appropriation from the current year. All educational programs and services combined

received the second-largest amount of funding, totaling approximately \$30.3 billion. This represents a *increase* of approximately 3.5% from the current fiscal year.

Finally, Natural Resources, Environmental Issues, Growth Management and Transportation Expenditures represent the third largest portion of the budget in SFY 2023-2024 with funding equaling approximately \$22.7 billion. This represents an increase of approximately 17.05% from the current fiscal year.

SFY 2024 GENERAL APPROPRIATIONS ACT: % OF TOTAL BUDGET



General Revenue expenditures for the SFY 2023-2024 budget equal approximately \$46.5 billion, while trust fund expenditures total approximately \$70.5 billion. The chart below compares expenditures between the SFY 2023-2024 budget and the previous year's budget for SFY 2022-2023 by fund type.

Budget Comparison by Fund Type	FY 2023 GAA	FY 2024 GAA	\$ Difference SFY 23 vs. SFY 2024	% Difference SFY 23 vs. SFY 2024
General Revenue	\$43,717,505,227	\$46,504,607,631	\$2,787,102,404	6.38%
Trust Funds	\$68,353,528,775	\$70,522,139,916	\$2,168,611,141	3.17%
All Funds	\$112,071,034,002	\$117,026,747,547	\$ 4,955,713,545	4.42%

COUNTY FUNDING HIGHLIGHTS

HEALTH AND HUMAN SERVICES

Shared County/State Juvenile Detention: The SFY 2023-2024 budget estimates the counties’ portion of total Shared County/State Juvenile Detention to be \$70,389,066. This represents an estimated increase of \$7,787,506 from the current year’s budget, or approximately 12%.

Community Substance Abuse and Mental Health Services: Funded at approximately \$1.517 billion in the budget.

Community Action Treatment (CAT) Teams: The SFY 2023-2024 budget allocates \$41.6 million, directed to DCF to contract with providers throughout the state for the operation of CAT teams, which provide community-based services for children (aged 11 to 21) with mental health and/or substance abuse diagnoses, this is the same budget as the previous fiscal year.

Public Safety, Mental Health, and Substance Abuse Local Matching Grant Program: The SFY 2023- 2024 budget allocates \$9 million for the program, which supports county programs that serve adults or youth who are in behavioral crisis and at

risk of entering the criminal justice system. This represents the same budget year funding as the previous fiscal year.

Crime Labs: The SFY 2023-2024 budget allocates slightly over \$69.8 million in grants and aids to local governments for criminal investigations, which represents an 11% increase over the previous fiscal year.

Homeless Programs Challenge Grants: The SFY 2023-2024 budget allocates approximately \$20 million, to DCF for challenge grants, which are awarded to lead agencies of homeless assistance continuums of care. Specifically, \$16.8 million in recurring funding is provided to support the Challenge Grant program through rapid rehousing and homelessness prevention services to vulnerable populations. This additional funding represents an increase from previous budget years.

Sheriff's Funding in Fiscally Constrained Counties: The SFY 2023-2034 budget allocates \$20.7 million is provided for salary increases for deputy sheriffs and correctional officers employed by sheriff's offices or boards of county commissioners in fiscally constrained counties.

AGRICULTURAL & ENVIRONMENT

Water Quality Highlights:

- **Septic-to-Sewer Improvements:** The SFY 2023-2024 budget allocates \$200 million, provides wastewater grant program for projects to construct, upgrade or expand wastewater facilities, to provide advanced wastewater treatment and to convert from septic to sewer, as established in section 403.0673, F.S.
- **Water Quality Enhancement and Accountability:** The budget allocates \$12.8 million for provided for increased water quality monitoring, the creation of a water quality public information portal, and for the establishment of the Blue-Green Algae Task Force. Funds may be used for administration and planning costs. The task force will support key funding and restoration initiatives to expedite nutrient reduction in Lake Okeechobee and the St. Lucie and Caloosahatchee estuaries. The task force will identify priority projects for funding that are based on scientific data and build upon Basin Management Action Plans (BMAPs) to provide the largest and most meaningful nutrient reductions in key waterbodies, as well as make recommendations for regulatory changes. The budget specifically allocates \$4,000,000 in nonrecurring funds is provided to the Department of Environmental Protection to continue to expand statewide water quality analytics for the nutrient over-enrichment analytics assessment and water quality information portal.
- **Water Quality Improvement Grant Program:**
 - Allocates \$50 million for reductions in harmful discharges to the Caloosahatchee and St. Lucie Estuaries (Everglades).

- Allocates \$104.9 million for water quality improvement projects within the proximity of the Indian River Lagoon.
- Allocates \$20 million for septic to sewer and wastewater projects, that will improve the water quality of Biscayne Bay.
- **Total Maximum Daily Loads:** The SFY 2023-24 budget allocates \$40 million for Total Maximum Daily Loads. Respectively to DEP for innovative water treatment projects that demonstrate the ability to most rapidly achieve department verified phosphorous and/or nitrogen load reductions consistent with the nutrient load reduction goals and total maximum daily loads established by the department. The department may also provide cost-share funding for innovative nutrient removal projects.
- **Harmful Algal Blooms:** The SFY 2023-24 budget allocates \$35.6 for innovative technologies and short-term solutions for addressing harmful algal blooms in fresh waterbodies; funds may also be used for the red tide emergency grant program and to support local government efforts in cleaning beach and coastal areas. Funds may also be used to implement water quality treatment technologies, identified by the department, near water control structures in Lake Okeechobee.
- **Springs Restoration:** The SFY 2023-24 budget allocates \$50 million from the Land Acquisition Trust Fund for land acquisition to protect springs and for capital projects that protect the quality and quantity of water that flow from springs.
- **Alternative Water Supply:** The SFY 2022-23 budget allocates \$60 million, to the water supply and water resource development grant program to help communities plan for and implement conservation, reuse and other water supply and water resource development projects. The House includes language to provide priority funding to regional projects in the areas of greatest need and for projects that provide the greatest benefit. The department shall identify and research all viable alternative water supply resources and provide an assessment of funding needs critical to supporting Florida's growing economy.

Florida Forever: \$100 million

Florida Recreation Development Assistance Grants: \$11.2 million.

Florida Communities Trust: \$15 million

Beach Management Funding Assistance Program: The SFY 2023-24 budget allocates \$50 million provided to the Department of Environmental Protection for distribution to beach and inlet management projects consistent with any component of the comprehensive long-term management plan developed in accordance with section 161.161, Florida Statutes. Funds may be used in accordance with section 161.101, Florida Statutes, for projects on annual ranked lists, storm repair projects, or projects on lands managed by the state.

Additionally, \$106 million for beach erosion recovery projects related to Hurricanes Ian and Nicole, to fully fund DEP's Hurricanes Ian and Nicole Recovery Plan for Florida's Beach and Dune Systems.

Resilient Florida Trust Fund and programs: The SFY 2022-23 budget allocates \$300 million respectively to the allocated Department of Environmental Protection for the Statewide Flooding and Sea Level Rise Resilience Plan, years one through three, as submitted to the Governor, the President of the Senate, and the Speaker of the House of Representatives on December 1, 2022, pursuant to section 380.093(5), Florida Statutes. In the event that projects included in the plan are unable to continue or if excess funds are identified by completed projects, the department may reallocate funds to projects on its Statewide Flooding and Sea Level Rise Resilience Plan to the next project on the ranked list or to projects already funded in year one that have identified funding needs in subsequent years.

Additionally, an allocation of \$20 million is granted for planning grants to fund preconstruction activities.

Mosquito control programs: The SFY 2023-24 budget allocates \$2.7 million.

Piney Point - \$85 million appropriated to the department of Environmental protection to continue the stabilization, water treatment, and closure of the Piney Point facility.

Everglades Restoration: \$565 million

Florida Wildlife Corridor: In FY 23-24, \$850 million is appropriated to the Department of Environmental Protection to purchase lands for the Florida Wildlife Corridor, subject to appraisals and subject to the provisions of chapter 253, Florida Statutes, through the acquisition of the Caloosahatchee Big Cypress Land Acquisition Project (SF 3211) in whole or in part, and the acquisition of lands that are partially or wholly within the Ocala to Osceola (O2O) Wildlife Corridor within Alachua, Baker, Bradford, Clay, Columbia, Duval, Hamilton, Lake, Marion, Putnam, Union and Volusia counties. Lands purchased within the O2O Wildlife Corridor may only include lands that have been identified on the 2023 Florida Forever priority list approved by the Board of Trustees of the Internal Improvement Trust Fund on March 13, 2023.

TRANSPORTATION AND ECONOMIC DEVELOPMENT

Affordable Housing:

- **State Housing Initiatives Partnership (SHIP) program:** The Legislature appropriated \$252 million respectively, for the State Housing Initiatives

Partnership (SHIP), as part of the affordable housing package signed into law, SB 102.

- **State Apartment Incentive Loan Program (SAIL):** The Legislature appropriated \$259 million for the State Apartment Incentive Loan Program (SAIL), as part of the affordable housing package signed into law, SB 102.
- **Hometown Heroes Housing Program:** \$100 million makes homeownership affordable for eligible frontline community workers such as law enforcement officers, firefighters, educators, healthcare professionals, childcare employees, and active military or veterans, as part of the affordable housing package signed into law, SB 102.

Job Growth Grant Fund: The SFY 2023-2024 budget allocates \$75 million.

Visit Florida: The SFY 2023-24 budget allocates \$80 million.

Small County Outreach Program (SCOP): The SFY 2023-24 budget allocates \$87.4 million. Specifically, \$9,000,000 is provided for transportation projects in municipalities pursuant to section 339.2818(7), F.S.

Small County Road Assistance Program (SCRAP): The SFY 2023-24 budget allocates \$28.4 million

Transportation:

Transportation Disadvantaged Grants and Aids: The SFY 2023-24 budget allocates approximately \$62.4 million. Specifically, \$6,000,000 is provided to the Transportation Disadvantaged Commission for a competitive grant program to provide innovative and efficient transportation service delivery. Funds shall be used to provide competitive grants to community transportation coordinators for innovative service delivery that is more cost efficient for the program and time efficient for the users. Grants may be or projects in which a community transportation coordinator works with a non-traditional service provider, such as a transportation network company or other entity that provides door-to-door, on-demand, or scheduled transportation services. A county may submit one project that encompasses multiple goals or a single goal, such as providing cross-county mobility or reducing service gaps between existing routes and the user's final destination. A county may not receive more than one award and may receive a maximum award of \$750,000. Multiple counties may partner for a grant of up to \$1,500,000 provided that the project includes a goal of providing regional mobility in addition to any other goals. A ten percent local match is required for all grants. All funds shall be used to provide direct services to transportation disadvantaged clients.

Aviation Development Grants: \$404.3 million

Public Transit Development Grants: \$551.9 million

Seaport Funding, Economic Development, Access Program, Grant Program, Investment Program: \$149.3 million

Rail Development Grants: \$239.4 million

Intermodal Development Grants: \$43.5 million

Transportation Planning Grants: \$74.6 million

Electric Vehicle Grant Program- Department of Transportation Work Program:
\$61.4 million

County Transportation Programs: \$62.8 million

Rural Economic Development:

- *Broadband:* The SFY 2023-24 budget allocate \$100 million for Florida's Broadband Equity, Access, and Deployment program (BEAD), which funds broadband Internet planning, deployment, mapping, equity, and adoption activities with a goal of providing high-speed, reliable broadband Internet service access to all Florida communities.
- *Digital Equity Grant Programs:* The SFY 2023-24 budget allocates \$12.9 million for the Digital Capacity grant to help support Local Technology Planning Teams for broadband Internet and public awareness for digital literacy efforts.
- *Rural Infrastructure Fund:* The SFY 2023-24 budget allocates \$30 million to support local rural infrastructure projects such as broadband, roads, storm and wastewater systems, and telecommunications facilities. Specifically, \$5,000,000 is provided as grant funding for the following Florida panhandle counties to facilitate the planning, preparing, and financing of infrastructure projects in these rural communities: Calhoun, Gadsden, Holmes, Jackson, Liberty, and Washington Counties. Eligible uses of these funds include roads or other remedies to transportation impediments; stormwater systems; water or wastewater facilities; and telecommunications facilities and broadband facilities. Grant funds are provided pursuant to section 288.0655(7), Florida Statutes.

GENERAL GOVERNMENT

Library Grants and Library Cooperatives: The SFY 2023-24 budget allocates \$21.5 million.

Fiscally Constrained County Funding: The SFY 2023-24 budget allocates \$58.1 million, to offset the impacts of previously approved constitutional amendments.

- \$1.3 million is allocated to fiscally constrained conservation lands.
- \$862,000 is provided to the Department of Management Services to cover the local match share of E-Rate for Fiscally Constrained Counties.
- \$20.1 million for mitigating deficits in the Fiscally Constrained Counties and Fiscally Constrained Counties Conservation Lands.

Emergency Distributions: The SFY 2023-24 budget allocates \$33.8 million in emergency distributions revenue sharing for small counties from the Local Government Half-Cent Sales Tax Clearing Trust Fund.

Hurricane Ian and Nicole Relief: \$350 million respectively to provide resources to fund gaps in: mitigation of local and county revenue losses and operating deficits; infrastructure repair and replacement, including road, sewer, and water facilities; beach renourishment; and debris removal for hurricane and recovery of Hurricane and Nicole.

Cybersecurity: Allocates \$40 million in local government cybersecurity technical assistance grants. Department of Management Services will administer a competitive cybersecurity grant program that transfers nonrecurring financial assistance to local governments for the development and enhancement of cybersecurity risk management programs. Grants may include funding to establish cybersecurity risk management programs, adopt cybersecurity standards, and implement vulnerability mitigation. No funding is provided for the department to procure or manage cybersecurity capabilities on behalf of local governments.

IMPLEMENTING & CONFORMING BILLS

Appropriations Implementing and Conforming bills make certain changes to substantive law in order to implement the proposed General Appropriations Act. Implementing and Conforming Bill topics include:

SB 2502 – Implementing the General Appropriations Act

County Contributions to Medicaid

Section 27 of the budget implementing bill provides that local specially assessed funds used for direct payment program (DPP) payments made to hospitals serving Medicaid enrollees are not counted toward the state Medicaid expenditures. **This provision is expected to save counties over \$18 M.**

County Juvenile Detention Payments

Section 30 of the budget implementing bill provides that the Department of Juvenile Justice (DJJ) has a responsibility to review a county's juvenile detention cost sharing and may deduct from the shared revenue funds provided to counties in s. 218.23, F.S. for any county failure to meet their financial obligations under this section. The DJJ may make such deductions to the extent that it does not exceed a county's capacity to

comply with bond covenants on any shared revenue distributions pledged for debt service.

Fertilizer Preemption

To implement specific appropriation 146, a county or municipal government may not adopt or amend a fertilizer management ordinance, pursuant to s. 403.9337, Florida Statutes, which provides for a prohibited application period not in existence on June 30, 2023. This section expires in one year, July 1, 2024.

Specific Appropriation 146 of the GAA provides \$250,000 in nonrecurring funds to the University of Florida Institute of Food and Agricultural Sciences (IFAS) to evaluate the effectiveness of the timing of seasonal fertilizer restrictions on urban landscapes toward achieving nutrient target objectives for waterbodies statewide. IFAS must submit a final report, including results and recommendations, by December 31, 2023, to the chair of the Senate Appropriations Committee and the chair of the House Appropriations Committee.

Beach Erosion Projects

\$106,000,000 is appropriated to the Department of Environmental Protection for beach erosion projects as identified in section 161.101 (22), Florida Statutes, related to damages from Hurricanes Ian and Nicole.

To implement the appropriation, section 60, establishes the State and local participation in authorized projects and studies relating to beach management and erosion control (s.161.101, F.S.). For beaches in Brevard, Broward, Charlotte, Collier, Duval, Flagler, Indian River, Lee, Manatee, Martin, Nassau, Palm Beach, St. Johns, St. Lucie, Sarasota, and Volusia Counties, impacted by Hurricane Ian or Hurricane Nicole, the department may waive or reduce the match requirements for local governments. This subsection expires July 1, 2024.

CONFORMING BILLS

SB 7024: Florida Retirement System

The conforming bill for the Florida Retirement System raised employer contribution rates into the fund. The legislature ultimately adopted the Senate's contribution figures over the House.

SB 7024 – *Retirement* by Appropriations passed in the House (113-0) and in the Senate (39-0). The bill makes several substantive changes to the Florida Retirement System (FRS) and provides the 2023-24 Contribution rates by class. The total County impact of SB 7024 will be \$325 M, compared to an estimated \$1.187B in HB 239, the House companion.

The \$325 M impact includes:

- Impact of Normal Rate Adjustment
- Impact of Unfunded Liability Adjustment
- Impact of Reduced Special Risk Retirement Date
- Impact of additional 2% Contribution for Investment Plan Participants
- Impact of DROP eligibility extension from 60 to 96 months
- Impact of Removal of Restrictive DROP Window
- Impact of increased interest rate on DROP funds from 1.3% to 4%
- Increased Health Insurance Subsidy
- Does **not** include the Cost of Living Adjustment of 3% (Was not included in final language)

Employer normal contribution rates for each membership class of Florida Retirement System (For both the Defined Benefit and Defined Investment plans) are amended as follows:

CONTRIBUTION RATES

CLASS	FY 2022-23	FY 2023-24
Regular	5.96%	6.73%
Special Risk	16.44%	18.66%
Special Risk Administrative	10.77%	11.54%
Elected Officers (Legislators)	9.31%	10.45%
Elected Officers (Judges)	14.41%	14.90%
Elected Officers (County Officers)	11.30%	12.39%
Senior Management	7.70%	8.56%
DROP	7.79%	8.49%

To address the unfunded actuarial liabilities (UAL) of the Florida Retirement System, the bill amends the current contribution rates for each membership class as follows:

UNFUNDED ACTUARIAL LIABILITY

CLASS	FY 2022-23	FY 2023-24
Regular	4.23%	4.78%
Special Risk	9.67%	11.95%
Special Risk Administrative	26.16%	26.22%
Elected Officers (Legislators)	56.76%	50.21%
Elected Officers (Judges)	27.64%	27.93%
Elected Officers (County Officers)	43.98%	44.23%
Senior Management	22.15%	23.90%
DROP	9.15%	10.64%

Annual Tax Package Passes on Final Day

HB 7063, the Ways and Means' committee's comprehensive tax package, passed both chambers unanimously. The bill contains the following provisions pertaining to counties:

- Limits county authority to levy special assessments on land classified as agricultural, with the exception of bonded assessment revenues. This prohibition does not apply to non-agricultural structures on the property.
- Requires counties to go to referendum to impose additional tourist development tax levies. It also extends statutory authority to use a percentage of tourist development revenues for public safety/law enforcement purposes to all fiscally constrained counties.
- Increases the discrepancy thresholds for a property appraiser to challenge a value adjustment board (VAB) decision in circuit court.
- Requires that any referendum for specified taxes must coincide with a general election, and may only take place once within 48 months prior to reenactment/increase of the tax.
- "Freezes" local communications services tax (CST) rates at their current level until January 1, 2026.
- Provides additional guidelines for property owners to receive a property tax refund following a catastrophic event rendering their residence uninhabitable.
- Appropriates \$35 million to offset the reductions in local property tax revenues from complying with s. 197.3181, F.S., directing counties to issue prorated property tax refunds to property owners whose homes were rendered uninhabitable by Hurricane Ian or Nicole.
- A number of sales tax holidays of varying impacts to local government revenues.