


Memorandum



Date: September 18, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager 

Subject: Upcoming Special Session and Related State Agency Proposed Budget Reduction Impacts

Senate President Ken Pruitt and House Speaker Marco Rubio released a letter this week announcing a special session to be held from Wednesday, October 3 to Friday, October 12 for the purpose of making state budget cuts of approximately \$1.1 billion.

These reductions are necessitated by recent economic downturns that have resulted in reduced state revenues, such as documentary stamp taxes from real estate transactions and sales tax. House and Senate negotiators already have reached agreement on how much will be cut from each general area, such as education, human services, public safety and the like, and have made corresponding allocations of required reductions. House and Senate committees will meet on Thursday, September 27 and Friday, September 28 to agree on particular cuts that will be made within each programmatic area.

Cuts to the Jackson Health System could be substantial, as much as \$100 million including the impacts of both the Medicaid reimbursements and commercial insurance (personal injury protection) reimbursements. It is also anticipated that we will see state funding cuts in the transportation disadvantaged and state aide to libraries programs.

It is anticipated that the formal Special Session Call will be released this week. The Call will set forth the specific issues to be addressed during the special session. It is not clear at this time what other issues the call will include in addition to state budget cuts. Personal Injury Protection (PIP) automobile insurance is set to expire October 1, and negotiations are taking place to address PIP during the special session, but no decision has been reached as of yet. Kidcare health insurance may also be addressed during the special session.

Please find attached a summary table of the major impacts to the County from the proposed state agency budget adjustments. In some cases, the proposed adjustment is not a funding reduction but a proposed cost shift from the State to the County, which increases County expenditures in the subject area. This information represents our best estimate of the impact of the proposed state budget adjustments that are currently being discussed by state agencies and the Legislature. Where possible, an attempt has been made to quantify each impact. Because it is unclear how this Special Session will impact the County, it is important that the Board take this information into consideration when determining reserve levels and support to the Public Health Trust at Thursday's budget hearing.

Honorable Chairman Bruno A. Barreiro
and Members, Board of County commissioners
Upcoming Special Session and Related State Agency Proposed Budget Reduction Impacts
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If you have any questions, please do not hesitate to contact Jess McCarty, Assistant County Attorney, Jennifer Glazer-Moon, Director, Office of Strategic Business Management or me directly.

Attachments

c: Honorable Carlos Alvarez, Mayor
Denis Morales, Chief of Staff, Office of the Mayor
Jennifer Glazer-Moon, Director, Office of Strategic Business Management
Jess McCarty, County Attorney, County Attorney's Office
Joe I. Rasco, Director, Office of Intergovernmental Affairs

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FY 2007- 08 Proposed State Funding Reductions

H. Miami-Dade County Department	State/Agency/Program	FY 07-08 Proposed County Budget	Reduction Amount	New Budget	Percent Reduction	Impact to the Department
Public Works	Transportation - County Incentive Grant Program	14,000,000	(3,780,000)	10,220,000	-27.00%	Public Works Causeway Division is programmed to receive \$7 million of County Incentive Grant Program (CIGP) revenue from the State of Florida. This funding is matched with Causeway funding of \$7 million for a total \$14 million, associated with the design phase of a new bascule bridge system for Venetian Causeway as well as rehabilitation of 12 smaller corridor bridges. Due to anticipated cuts from the State of Florida, approximately 54% or \$3.78 million of CIGP grant revenue may be eliminated. Unless additional financing is approved, the Department would put the new bridge system design phase on hold and scale back on the rehabilitation of the 12 corridor bridges.
Miami-Dade Public Library System	Department of State - State Aid to Public Libraries	2,000,000	(250,598)	1,749,402	-12.53%	Currently, the State provides \$ 2 million in operational support to the Library System. As a result of the State's proposed budget cuts, if approved, the Department is planning to offset this reduction by using operational reserves that have been set aside in FY 2007-08 to address funding issues that may arise as a result of budgetary cuts.
Vizcaya Museum and Gardens	Community Affairs - Grants	65,886	(3,408)	62,458	-5.17%	Minimal operational impact
Community Services	Children and Families - Contracted Services	3,191,000	(319,100)	2,871,900	-10.00%	Currently, the Miami-Dade Department of Human Services receives State Children and Family Services funding in the following areas: Elderly and Disability Services (\$1.078 million) including Adult Day Care, Home Care, Care Planning, D/SAIL and High Risk Meals Program. If the 10% reduction is applied proportionally it will have an impact of \$107,000, resulting in the following reductions: four Adult Day Care slots, one Home Care slot, 19,513 meals and seven DSAIL slots; in addition, the state through the South Florida Provider Forum provides the County with approximately \$2.1 million for drug treatment programs. Accordingly a 10% reduction would result in a loss of \$212,000. This cut will result in the closing of the New Opportunity Transitional Living Program (15 beds) and a reduction in residential Level 2 beds from 45 to 30 beds.
Miami-Dade Police Department	Law Enforcement - Violent Crime and Drug Control Council	TBD	TBD	TBD	TBD	The State has proposed a \$3.5 million reduction to the projected FY 07-08 disbursements associated with Grants and reimbursements associated with violent crime and drug related major investigations. Due to the broad nature of this proposal, it is difficult to determine the impact to the County at this point. However, MDPD anticipates a reduction to the Law Enforcement Trust Fund and other investigative grant opportunities.
Miami-Dade Police Department	Law Enforcement - Criminal Justice	240,000	(33,000)	207,000	-13.75%	The State has proposed a \$600,000 reduction to the projected FY 07-08 disbursements to entities that provide Region 14 training course. Historically, the Department has received \$240,000 annually from the state that allows the MDPD Training Bureau to provide training to not only Departmental personnel but all other outside law enforcement agencies within the Region 14 (Southeastern Florida). It is anticipated that the revenues will be reduced by approximately 13.7% (\$33,000) to approximately \$207,000. As result of this reduction, MDPD would be required to reduce courses offered to the region.
Miami-Dade Police Department	Highway Safety and Motor Vehicles - Florida Highway Patrol Enforcement Statewide	TBD	TBD	TBD	TBD	The State has proposed a \$6.2 million reduction to the projected FY 07-08 allocation resulting in the elimination of 105 Florida Highway Patrol Law Enforcement Officers. This reduction will likely impact the services rendered by FHP's presence and enforcement on state roads. As a result, it is anticipated that MDPD may be required to assume some traffic accident investigative responses in order to render aid to the public.
Miami-Dade Corrections Department	Various (Corrections, Public Defender, State Attorney, Law Enforcement, Children and Families, Justice)	TBD	TBD	TBD	TBD	The State is proposing cuts to the entire judicial system. It is expected that the overall strategy of the State Department of Corrections to reduce cost (\$63 million) will be to divert inmates from actual prison time to community control. With more prison inmates no longer in secure detention (prison) in our community, the potential for more prison inmates to re-offend, commit new crimes and/or be charged with violation of probation, etc. will negatively affect the Corrections and Rehabilitation Department and Miami-Dade communities. In addition, if the Public Defenders and State Attorneys budgets are cut as proposed, case back-up will increase and as a result inmates in County custody will stay in jail longer, negatively affecting our inmate population levels and the corresponding operating cost associated with this activity.
Homeless Trust	Children and Families - Mental Health	360,000	(14,400)	345,600	-4.00%	Minimal operational impact
Homeless Trust	Public Defender's Office - Crisis Outplacement Beds	500,000	(20,000)	480,000	-4.00%	Minimal operational impact
Consumer Services	Business and Professional Regulations	TBD	TBD	TBD	TBD	The State is proposing to reduce In-House mediation for condominium disputes and Professional Regulation Unlicensed of Activity. If this passes the County will have an increased workload facilitating these activities that will result in the need of two to three resources to meet the increased demand.

FY 2007-08 Proposed State Funding Reductions

Miami-Dade County Department	State Agency/Program	FY 07-08 Proposed County Budget	Reduction Amount	New Budget	Percent Reduction	Impact to the Department
Transit	Health Care Administration - Transportation Disadvantaged Program	7,313,000	(1,309,238)	6,003,762	-17.90%	Miami-Dade Transit (MDT) currently arranges transportation for Medicaid-eligible patients on behalf of the State of Florida's Agency for Healthcare Administration. This activity is funded by a grant from the State of Florida that is programmed at \$8.47 million in the FY 2007-08 Proposed Budget. The funding is utilized to purchase MDT monthly passes (\$250,000), to make transportation provider payments (\$6.91 million) and to fund operational support (MDT Paratransit Call Center, \$1.31 million). Should the state reduce this funding by \$1.3 million, MDT recommends that it would cease providing Medicaid transport services through the current transportation provider contract, which is scheduled to expire December 31, 2007 (this assumes the Board of County Commissioners approves a ratification item wherein the County Manager extended the existing provider contract with the County from August 17, 2007 to December 31, 2007 at its first meeting in October 2007). Medicaid transportation for eligible users is a federal mandate placed upon the State of Florida and not upon Miami-Dade County. Therefore, if MDT were to eliminate this program (27 positions), the responsibility for providing the trans

FY 2007-08 Proposed State Cost Shift to the County

Miami-Dade County Department	State Agency/Program	FY 07-08 Proposed County Budget	Cost Shift to the County	Total Adjusted Cost to County	Percent Reduction	Impact to the Department
	Health Care Administration - County Contribution for Medicaid Nursing Home Care	3,852,000	9,400,000	13,252,000	244.03%	Increases the County Contribution for Medicaid Nursing Home Care by \$134 per resident per month from the current \$55 per person per month to \$189 per person per month. Based on current billing trends for nursing homes, the adjusted rate of \$189 would translate to approximately \$13,252,000 or \$9,400,000 impact to Miami-Dade County.
Community Services	Children and Families - Substance Abuse License Fee Increase	1,950	7,800	9,750	400.00%	Many County agencies carry more than one license; residential program license will increase from \$150 to \$900. The County currently has approximately 13 licenses for substance abuse treatment including detoxification, residential, outpatient, etc.
Community Services						

FY 2007-08 Proposed State Funding Reductions to Public Health Trust

Miami-Dade County Department	State Agency/Program	FY 07-08 Proposed County Budget	Reduction Amount	New Budget	Percent Reduction	Impact to the Department
Public Health Trust (PHT)	Health Care Administration - Medicaid Reimbursements	340,000,000	(81,000,000)	259,000,000	-23.82%	The State Health Care Administration is proposing a reduction of \$20.0 million to undocumented aliens, \$30 million for Adult Medical Needy Program; in addition, the agency is reducing rate of reimbursements to health providers (\$15 million) and reimbursement for medication (\$16 million); the PHT will be forced to reduce access to indigent patients.
Public Health Trust	Commercial Insurance Reimbursements (including Personal Injury Protection Insurance)	120,000,000	(17,000,000)	103,000,000	-14.17%	The PIP insurance program will sunset October 2007; should the legislature decide not to reinstate, uninsured motorists expenditures will impact Public Health Trust; the PHT will be forced to reduce access to uninsured patients