



Schedule I Series

**Division of Emergency
Management**

Revenue Estimating Methodology:

Administrative Trust Fund (2021)

Division of Emergency Management

The estimated revenue for the Administrative Trust Fund was calculated using the most current approved rates (Fiscal Year 2011-2012) from the Indirect Cost Allocation Plan. These rates were applied to the Salary and Benefits category (010000) as well as the portion of Other Personal Services (030000) category that applies to temporary employment. This methodology was also used for both Fiscal Year 2011-2012 and Fiscal Year 2012-2013 estimated revenue.

Revenue Estimating Methodology:

Emergency Management Preparedness and Assistance Trust Fund (2191)

Division of Emergency Management

The receipts in this fund come solely from a surcharge on residential and commercial insurance policies in the state, collected by the Department of Revenue (DOR) which is then transferred to the Executive Office of the Governor. The DOR distributes the \$3,000,000 to Executive Office of the Governor in November, April, May and June, and then provides a “true up” distribution in August of the following fiscal year once the revenues have been finalized. Based on the revenue estimating conference held in March 2011, the Fiscal Year 2011-12 and Fiscal Year 2012-13 annual receipts are expected to increase by 2.75% per year. Even though the revenue estimating conference is reflecting a 2.75% increase in revenues for Fiscal Year 2012-13, which is being reflected on the Schedule I, the division is anticipating that the revenues will remain stagnant at \$14,300,000 based on actual receipts collected for the past five fiscal years. State Fees estimated revenues is based on the average revenue receipts for the past two fiscal years. The interest for this fund is based on the average interest earned on the unreserved fund balance for the past two fiscal years.

Schedule I - 5% Trust Fund Reserve Narrative

Division of Emergency Management Emergency Management Preparedness and Assistance Trust Fund (2191)

Exemptions:

1. The portion of receipts identified for county program grants

Description of the impact of establishing the reserve and recommendation of why it may be appropriate to exclude the trust fund from the reserve requirement:

The remaining receipts in this fund that have not been exempted are those provided for emergency management operations, statewide initiatives, and competitive grant programs. The balance in this fund has been reduced significantly over the past years due to a transfer of funding to cover a portion of the state's disaster matching obligations, a transfer of funding for Community Budget Issue Requests and other legislatively initiated projects and trust fund sweeps. Another reduction to the already limited funding available for use in these programs will have a negative impact on this unique fund and its programs.

Calculation:

FY 11-12 Estimated Interest to be Earned	\$ 175,869
FY 11-12 Estimated Revenues for State Fees	\$ 423,911
FY 11-12 Estimated Revenues from Dept. of Revenue	<u>\$12,000,000</u>
Total Estimated Revenue	\$12,599,780
Less Estimated Transfer for Admin Assessment	(\$ 491,562)
Less Estimated Service Charge to GR	(\$ 12,554)
Less Base Grants to 67 Counties	(\$ 7,089,061)
Less Transfer to GR – Back of Bill	<u>(\$ 2,625,000)</u>
Total Estimated Expenditures	(\$10,218,177)
Total Estimated Revenue	\$12,599,780
Less Total Estimated Expenditures	<u>(\$10,218,177)</u>
Estimated Balance	\$ 2,381,603
Estimated Balance @ 5%	\$ 119,080

**SCHEDULE I
TRUST FUNDS AVAILABLE**

**SUPPORTING NARRATIVE - SECTION III ADJUSTMENTS
EMERGENCY MANAGEMENT PREPAREDNESS
AND ASSISTANCE TRUST FUND (2191)**

Following are descriptions of the adjustments included in the Schedule I, Column A02, Section III, of the Department's Fiscal Year 2012-13 Legislative Budget Request:

COLUMN A02: ESTIMATED CURRENT YEAR - FY 2011-12

Prior Year FCO Not Reserved on Trial Balance

Amount - (\$178,688)

Prior year fixed capital outlay which has not been accounted for in the new budget entity.

Revenue Estimating Methodology:

Federal Grants Trust Fund (2261)

Division of Emergency Management

All receipts in this fund are for a variety of federal grants initiated through the US Department of Homeland Security, Federal Emergency Management Agency, US Department of Transportation and US Department of Commerce. Program revenue estimates are reported at currently anticipated award levels based on preliminary program application requirements and other communication with these federal agencies.

Revenue Estimating Methodology:

Grants and Donations Trust Fund (2339)

Division of Emergency Management

The Radiological Emergency Preparedness funding provided by the three nuclear power companies are multi-year negotiated agreements to cover activities and performance requirements contained in the Agreements. The revenue estimates are based on those contracted amounts.

Receipts shown to cover the state's matching requirements for open federally-declared disaster programs are based on a project-by-project analysis to determine expected operational and project payment disbursement needs for the fiscal year. These calculations are developed for each open disaster and have a corresponding federal budget authority request in the U.S. Contributions Trust Fund. The source of funding for this disaster matching requirement is determined by the Legislature.

Schedule I - 5% Trust Fund Reserve Narrative

Grants and Donations Trust Fund (2339)

Exemptions:

1. State appropriated match and administration funds for federally declared disasters
2. Annual distribution from the Hurricane Catastrophe Fund

Description of the impact of establishing the reserve and recommendation of why it may be appropriate to exclude the trust fund from the reserve requirement:

This fund has no self-generating or dedicated revenue source, but serves as a holding vehicle for moneys that have been provided to the department for specific purposes.

Radiological Emergency Preparedness Funding - Non-exempted receipts in the GDTF are funds provided annually from three nuclear power companies by contractual agreement for participation in county training, plant exercises, and drills in order to be prepared to respond in an emergency event at a power plant, provide public education and information for nuclear emergencies, and to maintain the Radiological Emergency Management planning portion of the State Comprehensive Emergency Management Plan. The receipts associated with these contracts are provided for the accomplishment of specific Scope of Work items. If these funds are held in reserve, our ability to perform the contractually required activities will be negatively impacted.

Calculation:

FY 11-12 Estimated Interest to be Earned	\$331,134
FY 11-12 Estimated Revenues for Southern Nuclear	\$ 10,129
FY 11-12 Estimated Revenues for Florida Power & Light	\$162,500
FY 11-12 Estimated Revenues for Progress Energy	<u>\$162,500</u>
Total Estimated Revenue	\$666,263
Less Estimated Transfer for Admin Assessment	(\$219,647)
Less Estimated Service Charge to GR	<u>(\$ 65,930)</u>
Total Estimated Expenditures	(\$285,577)
Total Estimated Revenue	\$666,263
Less Total Estimated Expenditures	<u>(\$ 285,577)</u>
Estimated Balance	\$380,686
Estimated Balance @ 5%	\$ 19,034

**SCHEDULE I
TRUST FUNDS AVAILABLE**

**SUPPORTING NARRATIVE - SECTION III ADJUSTMENTS
GRANTS AND DONATIONS TRUST FUND (2339)
DIVISION OF EMERGENCY MANAGEMENT**

Following are descriptions of the adjustments included in the Schedule I, Column A02, Section III, of the Department's Fiscal Year 2012-13 Legislative Budget Request:

COLUMN A02: ESTIMATED CURRENT YEAR - FY 2011-12

Prior Year FCO Not Reserved on Trial Balance

Amount - (\$9,762,912)

Prior year fixed capital outlay which has not been accounted for in the new budget entity.

Revenue Estimating Methodology:

Operating Trust Fund (2510)

Division of Emergency Management

Hazardous Materials Fees: The receipts in this fund come solely from fees collected from industry per Section 252.85 and 252.939, Florida Statutes. Based on historical data collection of the past five fiscal years, annual receipts for Fiscal Year 2011-12 and Fiscal Year 2012-13 are anticipated to remain stable and not increase.

Schedule I - 5% Trust Fund Reserve Narrative

Operating Trust Fund (2510)

Exemptions: None

Description of the impact of establishing the reserve and recommendation of why it may be appropriate to exclude the trust fund from the reserve requirement:

DEM:

Hazardous Materials Planning and Prevention Program Fees - The Federal Emergency Planning and Community Right-to-Know Act of 1986 requires the state to perform certain emergency preparedness and community education and awareness functions relating to hazardous materials. The use of this fund ensures that the cost of performing such functions will be borne by those employers in the states that produce, use or store hazardous materials. Section 112(r) of the Clean Air Act requires certain industries to develop risk management planning programs, and delegation to the Executive Office of the Governor requires audits of these programs. If the 5% trust fund reserve is imposed on this fund it will negatively impact implementation and effectiveness of both programs.

The fees collected from industry associated with both programs are deposited into the OTF and are the sole source for funding the Florida Hazardous Materials Planning and Prevention Program which covers approximately 9,500 facilities. In addition to providing the salaries for those responsible for implementing the program at the state level, monies from the OTF are also provided annually to local governments and Regional Planning Councils to carry out such critical functions as hazardous materials emergency planning and exercise, technical assistance to industry and public access to chemical/facility information.

The Florida Hazardous Materials Planning and Prevention Program has long been recognized nationwide as a leader in the implementation of the Federal Emergency Planning and Community Right-to-Know Act. Public and private industry has been and continues to be strong proponents of the program recognizing the benefits of the fees they pay to support the program. The citizens of Florida, above all, are the biggest beneficiaries of a strong and vital hazardous materials program which strives to ensure awareness of and protection from dangerous hazardous materials. For these reasons, it is recommended that the Operating Trust Fund be excluded from the reserve requirement due to the critical funding needs referenced above. To not exclude this fund from the reserve requirement would have a negative impact on the programs overall effectiveness.

FY 11-12 Estimated Revenue	\$2,575,000
Less Estimated Transfer for Admin Assessment	(\$146,004)
Less Estimated Service Charge to GR	<u>(\$177,234)</u>
Total Estimated Expenditures	<u>(\$323,238)</u>
Total Estimated Revenue	\$2,575,000
Less Total Estimated Expenditures	<u>(\$ 323,238)</u>
Estimated Balance	\$2,251,762
Estimated Balance @ 5%	\$ 112,588

SCHEDULE 1A: DETAIL OF FEES AND RELATED PROGRAM COSTS

Department: Executive Office of the Governor **Budget Period:** 2012-13
Program: Emergency Management
Fund: Operating Trust Fund (2510)
Specific Authority: Section 189.427, 427, 553.77(4), 553.795(4), F.S.
Purpose of Fees Collected: Support the Hazardous Materials Compliance Program

Type of Fee or Program: (Check **ONE** Box and answer questions as indicated.)

<input checked="" type="checkbox"/>	Regulatory services or oversight to businesses or professions. (Complete Sections I, II, and III and attach Examination of Regulatory Fees Form - Part I and II.)
<input type="checkbox"/>	Non-regulatory fees authorized to cover full cost of conducting a specific program or service. (Complete Sections I, II, and III only.)

<u>SECTION I - FEE COLLECTION</u>	ACTUAL	ESTIMATED	REQUEST
	FY 2010 - 2011	FY 2011 - 2012	FY 2012 - 2013
<u>Receipts:</u>			
<u>Hazardous Material Fees</u>	-	2,575,000	2,500,000

Total Fee Collection to Line (A) - Section III	-	2,575,000	2,500,000

<u>SECTION II - FULL COSTS</u>			
<u>Direct Costs:</u>			
Salaries and Benefits	-	504,542	667,571
Other Personal Services	-	9,453	15,540
Expenses	-	239,752	215,755
Operating Capital Outlay	-	14,650	14,090
Contracted Services	-	10,782	41,382
Risk Management	-		10,101
Transfer to DMS/HR Services	-	4,964	4,956
Fl Hazardous Materials P P	-	897,631	966,597
Indirect Costs Charged to Trust Fund	-		
Total Full Costs to Line (B) - Section III	-	1,681,774	1,935,992

Basis Used: _____

<u>SECTION III - SUMMARY</u>			
TOTAL SECTION I	(A)	-	2,575,000
TOTAL SECTION II	(B)	-	1,935,992
TOTAL - Surplus/Deficit	(C)	-	893,226

EXPLANATION of LINE C:
The Schedule 1 unreserved fund balance rolling forward on July 1, 2011 was \$0. A balance of \$1,469,851 is estimated to roll forward on July 1, 2012.

Schedule IA - Part I: Examination of Regulatory Fees

Department: Executive Office of the Governor – Division of Emergency Management

Regulatory Service to or Oversight of Businesses or Professions Program: Florida
Accidental Release Prevention and Risk Management Planning Act

1. What recent operational efficiencies have been achieved to either decrease costs or improve services? If costs have been reduced, how much money has been saved during the fiscal year?
DEM has implemented an internet based web site for online Tier II reporting known as FloridaHMIS, for RMP facilities handling or storing hazardous materials. This system alleviates duplicative paperwork by sharing reported information captured with the state's SERC, LEPCs and local fire departments. The system also allows for facility owners/operators to pay their fees online using a credit card rather than mailing the report and a check.
2. What additional operational efficiencies are planned? What are the estimated savings associated with these efficiencies during the next fiscal year?
DEM is in the process of linking the State Watch Office incident reports database with FloridaHMIS database to provide a more efficient reporting tool for accidental release information and investigations. The Risk Management Program (RMP) team continues to increase the use of technology to provide better customer service, such as automated e-mail notices and re-registration reminders. Continue to quality check FloridaHMIS data, improve user interface and expand on-line payment capabilities. Decrease time required for endorsing, posting and imaging check payments through scanning and software technology.
3. Is the regulatory activity an appropriate function that the agency should continue at its current level?
Yes
4. Are the fees charged for the regulatory service or oversight to businesses or professions based on revenue projections that are prepared using generally accepted governmental accounting procedures or official estimates by the Revenue Estimating Conference, if applicable?

N/A
5. Are the fees charged for the regulatory service or oversight to businesses or professions adequate to cover both direct and indirect costs of providing the regulatory service or oversight?

Yes

6. Are the fees charged for the regulatory service or oversight to businesses or professions reasonable and do they take into account differences between the types of professions or businesses that are regulated? For example, do fees reflect the amount of time required to conduct inspections by using a sliding scale for annual fees based on the size of the regulated business; or do fees provide a financial incentive for regulated entities to maintain compliance with state standards by assessing a re-inspection fee if violations are found at initial inspection?

The companies are all very similar, public or private sector facilities, maintaining over a certain planning threshold of extremely hazardous chemicals as determined by the US Environmental Protection Agency.

7. If the fees charged for the regulatory services or oversight to businesses or professions are **not** adequate to cover direct and indirect program costs provide either: N/A
- a) information regarding alternatives for realigning revenues or costs to make the regulatory service or program totally self-sufficient, including any statutory changes that are necessary to implement the alternative; or
 - b) demonstrate that the service or program provides substantial benefits to the public which justify a partial subsidy from other state funds, specifically describing the benefits to the general public (statements such as 'providing consumer benefits' or 'promoting health, safety and welfare' are not sufficient justification). For example, the program produces a range of benefits to the general public, including pollution reduction, wildlife preservation, and improved drinking water supply. Alternatively, the agency can demonstrate that requiring self-sufficiency would put the regulated entity at an unfair advantage. For example, raising fees sufficiently to cover program costs would require so high an assessment as to damage its competitive position with similar entities in other states.
8. If the regulatory program is not self-sufficient and provides a public benefit using state subsidization, please provide a plan for reducing the state subsidy.

N/A

Schedule IA - Part II: Examination of Regulatory Fees

Department: **Executive Office of the Governor/Division of Emergency Management**

Regulatory Service to or Oversight of Business or Profession Program: **Hazardous Materials Facility Safety and Public Notification**

Does Florida Statutes require the regulatory program to be financially self-sufficient? (Yes or No and F.S.): **Yes/Chapter 252, Part IV, F.S.**

What percent of the regulatory cost is currently subsidized? (0 to 100%) **0%**

If the program is subsidized from other state funds, what is the source(s)? **N/A**

What is the current annual amount of the subsidy? **\$ 0**

Service/Product Regulated	Specific Fee Title	Statutory Authority for Fee	Maximum Fee Authorized (cap)	Year of Last Statutory Revision to Fee	Is Fee Set by Rule? (Yes or No)	Current Fee Assessed	Fund Fee Deposited in (indicate General Revenue or Specific Trust Fund)
Hazardous Materials	Annual Fee	Chapter 252, Part IV	\$1,000	1998	Yes	\$1,000 to \$100	Operating Trust Fund
Facility Safety and Public Notification						per facility	

Revenue Estimating Methodology:

U. S. Contributions Trust Fund (2750)

Division of Emergency Management

All anticipated receipts in this fund are for the federal share of open federally-declared disaster programs administered by the Division of Emergency Management. The calculations are based on a project-by-project analysis to determine expected operational and project payment disbursement needs for the fiscal year. These calculations are developed for each open disaster and, where authorized, have a corresponding state budget authority request for matching funds in the Grants and Donations Trust Fund.

**SCHEDULE I
TRUST FUNDS AVAILABLE**

**SUPPORTING NARRATIVE - SECTION III ADJUSTMENTS
U.S. CONTRIBUTIONS TRUST FUND (2750)
DIVISION OF EMERGENCY MANAGEMENT**

Following are descriptions of the adjustments included in the Schedule I, Column A02, Section III, of the Department's Fiscal Year 2012-13 Legislative Budget Request:

COLUMN A02: ESTIMATED CURRENT YEAR - FY 2011-12

Prior Year FCO Not Reserved on Trial Balance

Amount - (\$24,797,773)

Prior year fixed capital outlay which has not been accounted for in the new budget entity.