# FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 5003 PCB BUC 25-02
TITLE: Implementing the 2025-2026 General

Appropriations Act **SPONSOR(S):** McClure

COMPANION BILL: None LINKED BILLS: None RELATED BILLS: None

**Committee References** 

Orig. Comm.: Budget 26 Y, 1 N

#### **SUMMARY**

#### **Effect of the Bill:**

The bill provides the statutory authority necessary to implement and execute the General Appropriations Act (GAA) for Fiscal Year 2025-2026. The statutory changes are effective for only one year and either expire on July 1, 2026, or revert to the language as it existed before the changes made by the bill.

## Fiscal or Economic Impact:

Because this bill implements provisions of the General Appropriations Act for Fiscal Year 2025-2026, there are no direct fiscal impacts created by this bill.

**SUMMARY** 

ANALYSIS

**RELEVANT INFORMATION** 

**BILL HISTORY** 

#### **ANALYSIS**

JUMP TO

#### **EFFECT OF THE BILL:**

Section 1 provides legislative intent that the implementing and administering provisions of this act apply to the GAA for Fiscal Year 2025-2026.

Section 2 incorporates the Florida Education Finance Program (FEFP) work papers by reference for the purpose of displaying the calculations used by the Legislature.

Section 3 incorporates the school readiness provider rates included in the document titled "School Readiness Program Reimbursement Rates Fiscal Year 2025-2026" dated March 28, 2025, consistent with the requirements of state law, in making appropriations for the school readiness program allocation.

Section 4 requires universities to designate a percentage of their annual state operating budget carry forward (as authorized by <u>s. 1011.45, F.S.</u>) to be applied towards the completion of previously-funded PECO projects, as funded pursuant to <u>s. 1001.706(12), F.S.</u>

Section 5 authorizes the Agency for Health Care Administration (AHCA) to submit a budget amendment to realign funding between AHCA and the Department of Health (DOH) for the Children's Medical Services (CMS) Program for the implementation of the Statewide Medicaid Managed Care program, to reflect actual enrollment changes due to the transition from fee-for-service into the capitated CMS Network.

Section 6 authorizes AHCA to submit a budget amendment to realign funding priorities within the Medicaid program appropriation categories to address any projected surpluses and deficits and to maximize the use of state trust funds.

Section 7 authorizes AHCA and DOH to each submit a budget amendment to realign funding within the Florida KidCare program appropriation categories, or to increase budget authority in the Children's Medical Services

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Network category, to address projected surpluses and deficits within the program or to maximize the use of state trust funds.

Section 8 amends <u>s. 381.986</u>, <u>F.S.</u>, to provide that DOH is not required to prepare a statement of estimated regulatory costs when promulgating rules relating to medical marijuana testing laboratories, and any such rules adopted prior to the effective date of the bill are exempt from the legislative ratification provision of <u>s. 120.541(3)</u>, <u>F.S.</u>

Sections 9 & 10 provide limited emergency rulemaking authority to the DOH and applicable boards to adopt emergency rules to implement the Medical Use of Marijuana Act (2017). The department and applicable boards are not required to prepare a statement of estimated regulatory costs when promulgating rules to replace emergency rules, and any such rules are exempt from the legislative ratification provision of ss. 120.54(3)(b) and 120.541, F.S., until July 1, 2026.

Section 11 authorizes AHCA to submit budget amendments to implement the federally approved Directed Payment Program for hospitals statewide, the Indirect Medical Education Program, and a nursing workforce expansion and education program for certain institutions participating in a graduate medical education or nursing education program.

Section 12 authorizes AHCA to submit budget amendments to implement the federally approved Directed Payment Program and fee-for-service supplemental payments for cancer hospitals that meet certain federal criteria.

Section 13 authorizes AHCA to submit a budget amendment that includes specified information to implement the Low Income Pool Program.

Section 14 authorizes AHCA to submit a budget amendment to implement fee-for-service supplemental payments and a directed payment program for physicians and subordinate licensed health care practitioners employed by or under contract with a Florida medical or dental school, or a public hospital.

Section 15 authorizes AHCA to submit a budget amendment requesting budget authority for public emergency medical transportation services.

Section 16 authorizes AHCA to submit a budget amendment requesting additional spending authority to implement the Disproportionate Share Hospital Program. The budget amendment must include a proposed distribution model by entity and a listing of entities contributing intergovernmental transfers and certified public expenditures to support the state match required.

Sections 17 & 18 amend <u>s. 408.07(46), F.S.</u>, to specify that the Legislature is responsible for determining which hospitals meet the definition of a teaching hospital.

Sections 19, 21 & 22 define the terms "Hospital directed payment program," "Indirect graduate medical education program," and "Low Income Pool Program" in <u>s. 409.901, F.S.</u>, and provide for conforming cross references.

Section 20 amends <u>s. 409.908</u>, <u>F.S.</u>, to specify that a teaching hospital's participation in the hospital directed payment program and indirect graduate medical education program is contingent on the hospital's participation in the Low Income Pool Program.

Section 23 provides that a hospital may not participate in the Low Income Pool Program if another hospital with fewer than 300 beds from the same affiliated health care system has closed or is scheduled to close between March 1, 2025 and January 31, 2026.

Sections 24 & 25 amend <u>s. 393.066, F.S.</u>, to remove the requirement for providers to use the iCONNECT system as a condition of payment prior to billing for services and authorizes APD providers to maintain information in its own data management system and electronically transmit required information in a standard electronic format designated by APD.

Section 26 authorizes DCF to submit budget amendments to increase budget authority to support the following federal grants: the Supplemental Nutrition Assistance Grant Program, Summer Electronic Benefit Transfer, American Rescue Plan Grant, State Opioid Response Grant, Substance Abuse Prevention and Treatment Block Grant, and Mental Health Block Grant.

Section 27 authorizes DOH to submit a budget amendment to increase budget authority for the Supplemental Nutrition Program for Women, Infants and Children (WIC) and the Child Care Food Program if additional federal revenues become available.

Section 28 authorizes DOH to submit a budget amendment to increase budget authority for the HIV/AIDS Prevention and Treatment Program if additional federal revenues specific to the program become available.

Section 29 requires AHCA to replace the current Florida Medicaid Management Information System and provides requirements of the system (FX). Establishes the executive steering committee membership, including updated titles to reflect AHCA reorganization, duties and the process for steering committee meetings and decisions. Provides requirements for deliverables-based fixed prices contracts.

Section 30 requires ACHA, in consultation with DOH, the Agency for Persons with Disabilities (APD), DCF, and Department of Corrections (DOC), to competitively procure a contract with a vendor to negotiate prices for prescription drugs, including insulin and epinephrine, for all participating agencies. The contract must require the vendor be compensated on a contingency basis paid from a portion of the savings achieved through the negotiation and purchase of prescription drugs.

Section 31 authorizes APD to submit budget amendments to transfer funding from the Salaries and Benefits appropriation categories to categories used for contractual services in order to support additional staff augmentation resources needed at the Developmental Disability Centers.

Section 32 authorizes AHCA and APD to submit budget amendments at least three days before the effective date of the action to increase budget authority to support the implementation of Medicaid Home and Community Based Services Program of the APD.

Section 33 provides that the Florida Department of Veterans' Affairs (FDVA) may submit a budget amendment requesting authority to establish positions in excess of the number authorized by the Legislature, increase appropriations from the Operations and Maintenance Trust Fund, or provide necessary salary rate sufficient to provide for essential staff for veterans' nursing homes, if FDVA projects that additional direct care staff are needed to meet its staffing ratios.

Section 34 provides that, notwithstanding <u>s. 409.915, F.S.</u>, the term "state Medicaid expenditures" does not include funds specially assessed by a local government entity and used as the nonfederal share for the Directed Payment Program.

Section 35 amends <u>s. 394.9082</u>, <u>F.S.</u>, to authorize a managing entity to carry forward funds from the State Opioid Settlement Trust Fund and provides that such funds are exempt from the 8 percent carry forward cap.

Section 36 amends <u>s. 216.262, F.S.</u> to allow the Executive Office of the Governor (EOG) to request additional positions and appropriations from unallocated general revenue during the fiscal year for DOC if the actual inmate population of the DOC exceeds certain Criminal Justice Estimating Conference forecasts. The additional positions and appropriations may be used for essential staff, fixed capital improvements, and other resources to provide classification, security, food services, health services, and other variable expenses within the institutions to accommodate the estimated increase in the inmate population, and are subject to LBC review and approval.

Section 37 amends s. 215.18, F.S. to provide the Chief Justice of the Supreme Court the authority to request a trust fund loan.

Section 38 requires the Department of Juvenile Justice (DJJ) to review county juvenile detention payments to ensure that counties are fulfilling their financial responsibilities. If the department determines that a county has not met its obligations, Department of Revenue must deduct the amount owed to DJJ from shared revenue funds provided to the county under <u>s. 218.23, F.S.</u>

Sections 39 & 40 reenact s. 27.40(1), (2)(a), (3)(a), and (5)-(7), F.S., to continue to require written certification of conflict by the public defender or regional conflict counsel before a court may appoint private conflict counsel.

Sections 41 & 42 reenact and amend <u>s. 27.5304, F.S.</u> to increase caps for compensation of court appointed counsel in criminal cases.

Section 43 requires DMS and agencies to utilize a tenant broker to renegotiate private lease agreements for office or storage space, in excess of 2,000 square feet, expiring between July 1, 2025 and June 30, 2027.

Section 44 provides that, notwithstanding <u>s. 216.292(2)(a)</u>, <u>F.S.</u>, agencies may not transfer funds from a data center appropriation category to a category other than a data center appropriation category.

Section 45 authorizes the Executive Office of the Governor to transfer funds in the appropriation category "Special Categories-Risk Management Insurance" between departments in order to align the budget authority granted with the premiums paid by each department for risk management insurance.

Section 46 authorizes the Executive Office of the Governor to transfer funds in the appropriation category "Special Categories-Transfer to Department of Management Services-Human Resources Services Purchased Per Statewide Contract" of the GAA between departments in order to align the budget authority granted with the assessments that must be paid by each agency to DMS for human resources management services.

Section 47 authorizes DMS to use 5 percent of facility disposition funds from the Architects Incidental Trust Fund after selling a state office building to offset relocation expenses associated with the disposition of state office buildings.

Section 48 provides for the scope of the Florida Accounting Information Resource subsystem (FLAIR) replacement project and specifies governance structure.

Sections 49 & 50 reenact and amend <u>s. 282.709, F.S.</u>, to carry forward the DMS's authority to execute a 15-year contract with the SLERs operator.

Section 51 authorizes state agencies and other eligible users to use the DMS SLERS contract to purchase equipment and services.

Section 52 reduces the transaction fee collected for use of the MyFloridaMarketPlace (MFMP) online procurement system from 1% to 0.7%.

Sections 53 & 54 amend <u>s. 24.105(9)(i)</u>. <u>F.S.</u>, to provide that lottery ticket sale commissions will be 6.0 percent of the purchase price of each ticket sold or issued as a prize by a retailer.

Section 55 amends s. 627.351(6)(ll), F.S., to authorize the Citizens Property Insurance Corporation to contract with the Division of Administrative Hearings to conduct proceedings to resolve disputes regarding its claims determinations.

Section 56 extends an amendment to <u>s. 110.116</u>, <u>F.S.</u>, providing certain requirements relating to the continuity of operations and successful completion of the PALM System.

Section 57 authorizes the Executive Office of the Governor to submit a budget amendment to transfer funds appropriated in the "Northwest Regional Data Center" category between departments in order to align the budget authority granted based on the estimated costs for data processing services.

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

Section 58 provides that auxiliary assessments charged to state agencies related to contract management services provided to Northwest Regional Data Center shall not exceed 3 percent.

Section 59 creates <u>s. 284.50, F.S.</u>, directing the Division of Risk Management at DFS to select a provider to establish a statewide pilot program to make electroencephalogram combined transcranial magnetic stimulation (eTMS) available for veterans, first responders, and immediate family members thereof with certain medical conditions.

Section 60 amends <u>s. 215.18</u>, F.S. to authorize loans to land acquisition trust funds within various agencies.

Section 61 provides that, in order to implement specific appropriations from the land acquisition trust funds within in the Department of Agriculture and Consumer Services (DACS), the Department of Environmental Protection (DEP), the Fish and Wildlife Conservation Commission (FWC), and the Department of State (DOS), DEP will transfer a proportionate share of revenues in the LATF within DEP on a monthly basis, after subtracting required debt service payments, to each agency and retain a proportionate share within the LATF within DEP. Total distributions to a land acquisition trust fund within the other agencies may not exceed the total appropriations for the fiscal year. The section further provides that DEP may advance funds from the beginning unobligated fund balance in the LATF to LATF within FWC for cash flow purposes.

Sections 62 & 63 reenact <u>s. 376.3071(15)(g), F.S.</u>, to revise the requirements for the usage of the Inland Protection Trust Fund for ethanol or biodiesel damage.

Section 64 amends <u>s. 376.3071(13)</u>, <u>F.S.</u>, to revise the requirements for the usage of the Inland Protection Trust Fund for participants in the Petroleum Cleanup Participation Program.

Section 65 amends <u>s. 376.3072</u>, <u>F.S.</u>, to revise the requirements for the usage of the Inland Protection Trust Fund for participants in the Petroleum Liability and Restoration Insurance Program.

Section 66 requires DEP to implement the program to provide funds to local governments for water supply infrastructure, including distribution and transmission facilities. To be eligible for the program, a water supply infrastructure project must be located within Regions I or II of the Northwest Florida Regional Water Supply Plan. If a developer is involved in the project, DEP must require match funding equal to the amount of the grant request from local, federal, or private funds. DEP must expeditiously develop an application process and may adopt rules to implement this program.

Sections 67 & 68 create the working waterfronts capital outlay grant program within DEP to provide funding to assist commercial saltwater products or commercial saltwater wholesale dealer or retailer license holders and seafood houses in maintaining their operations.

Section 69 extends the Hurricane Restoration Reimbursement Grant Program.

Section 70 notwithstands <u>s. 823.11(4)(c)</u>, <u>F.S.</u>, to authorize FWC to use funds appropriated for the derelict vessel removal program for grants to local governments or to remove, store, destroy, and dispose of, or to pay private contractors to remove, store, destroy, and dispose of, derelict vessels or vessels declared a public nuisance pursuant to s. 327.73(1)(aa), F.S.

Section 71 authorizes FDACS to submit budget amendments to increase budget authority for the National School Lunch Program.

Section 72 amends <u>s. 403.0673, F.S.</u>, to require that DEP include certain water initiatives listed in the GAA in the water quality improvement grant program.

Section 73 amends <u>s. 375.041(3)(b)</u>, <u>F.S.</u>, to specify that funding for certain Lake Apopka projects will be appropriated as provided for in the GAA.

Section 74 amends <u>s. 288.80125(3)</u>, <u>F.S.</u> relating to the Triumph Gulf Coast Trust Fund, to allow funds to be used for the Rebuild Florida Revolving Loan Fund Program to provide assistance to businesses impacted by Hurricane Michael as provided in the GAA.

Sections 75 & 76 amend <u>s. 288.8013(3)</u>, <u>F.S.</u>, relating to Triumph Gulf Coast, Inc., to allow certain interest earnings to be used for awards under the program or administrative costs, instead of being transferred to the Triumph Gulf Coast Trust Fund.

Section 77 amends <u>s. 288.0655</u>, <u>F.S.</u> to authorize rural Florida Panhandle counties to participate in the Rural Infrastructure Fund grant program as authorized in the GAA.

Section 78 authorizes the Division of Emergency Management to submit budget amendments to increase budget authority for projected expenditures due to federal reimbursements from federally declared disasters.

Section 79 exempts the Division of Emergency Management from <u>s. 282.201, F.S.</u>, relating to the use of the state data center.

Section 80 amends <u>s. 251.001</u>, <u>F.S.</u>, to require the transfer of State Guard aircraft to FDLE for training and operational use, except during specified natural emergencies.

Section 81 amends <u>s. 443.1113</u>, <u>F.S.</u>, to clarify that enhancements to the Reemployment Assistance Claims and Benefits Information System are subject to appropriation, and revises submission timelines and annual reporting requirements for future modernization efforts.

Section 82 requires DMS to collect an administrative health insurance assessment from each state agency equal to the employer's cost of individual employee health care coverage for each vacant position within such agency eligible for coverage through the Division of State Group Insurance.

Section 83 notwithstands <u>s. 11.13</u>, F.S., to maintain salaries of legislators at the same level as July 1, 2010.

Sections 84 & 85 amend <u>s. 215.32(2)(b), F.S.</u>, in order to implement the transfer of moneys to the General Revenue Fund from trust funds in the GAA.

Section 86 provides that funds appropriated for travel by state employees shall be limited to travel for activities that are critical to each state agency's mission. Prohibits funds from being used to travel to foreign countries, other states, conferences, staff-training or other administrative functions unless agency head approves in writing. Requires state agencies to report certain information relating to travel outside the state. Requires agency head to consider use of teleconferencing and electronic communication to meet needs of activity before approving travel.

Section 87 provides that, notwithstanding <u>s. 112.061, F.S.</u>, costs for lodging associated with a meeting, conference or convention organized or sponsored in whole or in part by a state agency or the judicial branch may not exceed \$225 per day. An employee may expend his or her own funds for any lodging expenses in excess of \$225 per day. Exempts travel for conducting an audit, examination, inspection or investigation or travel activities relating to a litigation or emergency response.

Section 88 authorizes the LBC to increase amounts appropriated to state agencies for new fixed capital outlay projects.

Section 89 amends <u>s. 216.292(2)</u>, <u>F.S.</u> to require transfers to comply with ch. 216, F.S., maximize the use of available and appropriate funds, and not be contrary to legislative policy and intent.

Section 90 creates <u>s. 11.52</u>, <u>F.S.</u>, to require state agencies to provide information about the status of implementation of recently enacted legislation.

Section 91 requires state agencies and the judicial branch to review all statutorily-required reports and prepare a list of the reports that the agency would recommend to modify or repeal.

Section 92 amends <u>s. 216.013, F.S.</u>, to provide that state executive agencies and the judicial branch are not required to develop or post an annual long-range program plan for the upcoming fiscal year, except in circumstances outlined in any updated written instructions prepared by the Executive Office of the Governor in consultation with the chairs of the legislative appropriations committees.

Section 93 amends <u>s. 216.023</u>, <u>F.S.</u>, to require each state agency and the judicial branch, as part of their legislative budget request, to include an inventory of all ongoing technology-related projects that have a cumulative estimated or realized cost of more than \$1 million. The inventory must include specified information.

Section 94 provides that the use of state funds must be consistent with the following principles of individual freedom: No person is inherently racist, sexist, or oppressive, whether consciously or unconsciously, solely by virtue of his or her race or sex; No race is inherently superior to another race; No person should be discriminated against or receive adverse treatment solely or partly on the basis of race, color, national origin, religion, disability, or sex; Meritocracy or traits such as a hard work ethic are not racist but fundamental to the right to pursue happiness and be rewarded for industry; A person, by virtue of his or her race or sex, does not bear responsibility for actions committed in the past by other members of the same race or sex; A person should not be instructed that he or she must feel guilt, anguish, or other forms of psychological distress for actions, in which he or she played no part, committed in the past by other members of the same race or sex.

Section 95 specifies that section of the act shall take effect if the appropriations and proviso to which it relates are vetoed.

Section 96 provides that a permanent change made by another law to any of the statutes amended by this act will take precedence over the provision in this act.

Section 97 provides a severability clause.

Section 98 provides effective dates.

### RELEVANT INFORMATION

### **SUBJECT OVERVIEW:**

Section 12 of Article III of the Florida Constitution states that "[l]aws making appropriations for salaries of public officers and other current expenses of the state shall contain provisions on no other subject." This language has been interpreted to defeat proviso language attached to appropriations that have the effect of amending general law. For this reason, when general law changes are required to effectuate appropriations, those changes are placed in a general bill implementing the appropriations act instead of in the General Appropriations Act (GAA). The changes made in the "implementing bill" are effective for only one year and either expire on July 1 of the next fiscal year or revert to the language as it existed before the changes made by the bill.

## **BILL HISTORY**

			STAFF	
			DIRECTOR/	ANALYSIS
COMMITTEE REFERENCE	ACTION	DATE	POLICY CHIEF	PREPARED BY
Orig. Comm.: Budget Committee	26 Y, 1 N	4/2/2025	Pridgeon	Willson

 JUMP TO
 SUMMARY
 ANALYSIS
 RELEVANT INFORMATION
 BILL HISTORY

8