BUILDING FOR THE FUTURE: FLORIDA’S INFRASTRUCTURE
MISSION

To provide a one-stop shop for the latest news and valuable insight on Florida’s economy and financial health.

RESOURCES

Chief Financial Officer Jeff Atwater is committed to making Florida more consumer and business friendly by ensuring consumer rights and protections, reducing regulatory burdens, and fighting fraud.

Chief Financial Officer Jeff Atwater’s Your Money Matters website offers a variety of financial tools and resources including credit and debit, saving and spending, life events, small business, games and calculators.
http://www.myfloridacfo.com/Ymm/

Transparency ensures accountability, and Floridians can see how money they send to their government is spent through state budgets, contracts, and more resources.
http://www.myfloridacfo.com/Transparency/

The Division of Insurance Fraud is responsible for investigating criminal acts of suspected insurance fraud. You can help by reporting suspected insurance fraud through our online referral application or by calling the DFS Fraud Hotline (1-800-378-0445).

The Division of Consumer Services helps consumers make informed insurance and financial decisions. Our dedicated and experienced staff are trained in the 26 different categories of insurance. Consumer assistance and protection is our mission.

PARTNERS

Florida’s Bottom Line is produced by the Florida Department of Financial Services in association with:

BUREAU OF ECONOMIC AND BUSINESS RESEARCH

For updates on Florida’s economy, please visit www.MyFloridaCFO.com/FloridasBottomLine/
Dear Fellow Floridians:

Florida’s infrastructure matters. It’s the framework on which we build our cities, our neighborhoods, and our day to day lives. The most common types of infrastructure that come to mind are our roads and bridges, but there are many kinds of infrastructure that our state relies upon to operate on a daily basis. With 20.3 million residents and 2.1 million businesses expected to continue increasing, the strains on our existing infrastructure will also become a growing challenge. These strains will require new ideas, new investments, and new technology to bridge the gap between today and tomorrow, and I am proud to say that Florida is succeeding in putting these critical systems in place for the future.

This edition of *Florida’s Bottom Line* highlights the current state of our infrastructure, and the growing needs that we will have to face in the future. Inside you will find commentary from infrastructure experts around Florida, an update on Florida’s economy, and information on what the Department of Financial Services is doing to update our own technological infrastructure so we’re prepared for the future.

I invite you to read about the important impact that infrastructure has—and will continue to have—on Florida’s economy. I’m proud of what our state has done to foster this vital framework, and how we are working to prepare for a bigger, better, brighter tomorrow.

Sincerely,

[Signature]

Jeff Atwater
Chief Financial Officer
State of Florida
Florida’s transportation infrastructure is a vital part of every Floridian’s daily life. It is also one of the first things more than 100 million annual visitors experience upon arrival to the Sunshine State. Only through a high quality transportation system will Florida be transported to the bright future we desire.

In 1915, Florida established the State Road Department which had six employees and a total maintenance budget of $16,410 to oversee 944 miles of paved roads and 32,777 miles of unpaved roads. Move ahead 100 years, our transportation system is now comprised of roughly 122,000 centerline miles of roadway, 12,225 bridges, over 50 transit systems, six fixed guideway systems, 2,750 miles of railway, 15 seaports, 128 public use airports and even two spaceports. Our state transportation budget has reached $10 billion annually, for the last three years. That is quite a system and one all Floridians can be proud of. It does, however, require significant resources to maintain and improve, along with constant planning to meet future needs tied to Florida’s rapid growth. How will Florida meet the challenges ahead?

The Florida Department of Transportation’s (FDOT) 2015 “Performance Report” highlights some of the areas in which we are making progress:

**Safety:** Between 2010 and 2014, 9,714 people died on Florida’s roadways and another 80,968 were seriously injured. FDOT has set a target to decrease the number of fatalities and serious injuries by five percent annually, and in the long term aspires to zero transportation deaths. Between 2007 and 2014, the five-year rolling averages for fatalities and serious injuries have dropped substantially by 26 percent and 29 percent, respectively. That is great progress.

**Infrastructure Condition:** Regular maintenance and improvements keep transportation assets operating efficiently, extending their useful life and delaying the substantial cost of reconstruction or replacement. FDOT’s maintenance program is one of the best in the country, and has met or exceeded its percent of bridges, pavement and maintenance rating standards every year since 1994. State Highway System pavement is in excellent condition, with more than 92 percent currently meeting FDOT standards. Nearly 95 percent of all FDOT maintained bridges meet standards (bridges not showing evidence of structural deterioration and not weight restricted).

**Mobility:** Florida’s transportation system handles growing demand for moving both people and freight. Florida’s 2014 statistics include 108.1 billion vehicle miles traveled, 277.5 million transit passenger trips, 72.3 million airport passenger trips, 15.6 million seaport passenger trips, 1.1 million rail passenger trips, 838 million tons of truck cargo, 110 million tons of rail cargo, 99 million tons of seaport cargo, 3.3 million seaport containers, and 2.7 million tons of air cargo.

**Economy:** FDOT estimates that its work program investments yield $4.40 in benefits for every dollar invested.

**Environment:** Florida’s air quality has continued to improve over the past decade. Maximum concentrations, measured by the statewide air monitoring network, of carbon monoxide, nitrogen dioxide, ozone, and fine particles all declined from 2002 to 2014.

There is good news and bad news for Floridians when planning for the future transportation needs and how we pay for them. The good news is that Florida Legislature has provided significant resources to maintain and improve Florida’s transportation system. The bad news is that despite our solid funding, Florida will still have a shortfall in funding of over $160 billion over the next 25 years. The primary source of funding is the gas tax. As fuel efficiency improves dramatically in our cars and trucks, we are able to drive further than 20 years ago on a gallon of gas—meaning we collect less fuel tax on an equivalent number of miles driven. In addition, we see more and more alternative fuel or electric vehicles. Long term we must come up with a new funding method.

Every citizen should know that the FDOT works with every level of government and values involving citizens in developing a new transportation plan for the next 25 years and beyond. The goals are: safety and security for residents, visitors, and businesses; an agile, resilient and quality infrastructure; efficient and reliable mobility for people and freight; more transportation choices for people and freight; transportation solutions that support Florida’s global economic competitiveness; transportation solutions that support quality places to live, learn, work and play; and finally, transportation solutions that enhance Florida’s environment and conserve energy. The goals are all interrelated and together create Florida’s transportation future. These are goals we can all support, and I am very proud of the thousands of dedicated men and women who work each and every day to make Florida a better place for all of us.

For more information, please visit www.ftba.com

---

Bob Burleson is the President of the Florida Transportation Builders’ Association

Jeff Atwater | Chief Financial Officer

Florida’s Bottom Line
Combining long-term vision and commitment of the state’s leadership, like all successful endeavors, the key has been a team effort. But how? Who first created a Florida Space Authority in 1989 is paying off in a big way. But how?

Today, Florida can boast of being the home of the Cape Canaveral Spaceport, the busiest and most successful spaceport on the planet! And, every active launch pad at the Cape either has significant state investment arranged by the authority or is owned outright by Space Florida, enabled primarily by harnessing the power of private sector financing.

Florida has embraced the future of space, which is increasingly and inevitably commercial. Florida-based commercial companies are launching bold new initiatives, including a modern, advanced manufacturing plant for Blue Origin’s new launch vehicles, and adjacent to Blue Origin is the recently announced OneWeb/Airbus manufacturing facility, which will house the most advanced satellite production facility in the world.

In addition to these new manufacturing capabilities coming out of the ground, Florida also hosts the assembly of one of two new spacecraft, Boeing’s CST-100 Starliner, designed to end U.S. reliance on the Russians and return American astronauts to space on American launch vehicles, as well as the only spacecraft being assembled anywhere, specifically to carry humans beyond low Earth orbit to the Moon or Mars, the Lockheed Martin Orion.

This state continues to host many of the businesses that support the ongoing Exploration mission of NASA at Kennedy Space Center and the National Security missions of the Air Force at the Cape Canaveral Air Force Station. But given that only five years ago when the Space Coast region was again buckled under the loss of almost 9,000 high-wage jobs with the retirement of the federal Shuttle Program, Florida is rightfully proud of its leadership role in the dramatic recovery of our space industry.

Space Florida has also provided essential financial structure behind numerous statewide aerospace projects, including new Northrop Grumman facilities for design and development of the Air Force’s new Long Range Strike Bomber, and the new Embraer business jet design facility, both in Melbourne. These projects have provided Florida with an industrial aviation engineering capability previously unimagined in this state. When added to similar efforts underway in South Florida, the Panhandle, and elsewhere it is clear the dream and vision of those who first created a Florida Space Authority in 1989 is paying off in a big way. But how?

Like all successful endeavors, the key has been a team effort! Combining long-term vision and commitment of the state’s leadership in Tallahassee, with the efforts of Enterprise Florida, local economic development partners and unique capabilities in FDOT and Space Florida’s toolkit, the state has demonstrated it can field a formidable team to recruit and retain a bold and exciting future of high-wage/high-technology jobs.

Armed with Florida Statute 331, Space Florida utilizes creative conduit financing, bonding and tailored private equity and debt agreements to secure critical infrastructure for aerospace companies seeking to do business here. Space Florida has a toolkit which has empowered this state to seize the leadership role nationally in aerospace utilizing small amounts of state funding to access much larger private capital markets.

Many other states have had long traditions of writing big checks to corporations to secure big projects. Florida has been competitive without this practice, but has had to become more innovative and creative, and our investments in critical aerospace infrastructure remain with the state whether the project succeeds or not.

Space Florida is a toolkit, not a bank account. With that toolkit we have done well, but the marketplace remains a treacherous place for those who would rest on their laurels. Georgia is developing its own commercial launch site free of the unnecessary and often burdensome federal bureaucracy. Texas took advantage of that fact by luring away some of SpaceX’s future commercial launch activity. The state of Washington has laid claim to a new center of commercial space activity by virtue of their massive dominance in software development. Silicon Valley wants its share of the NewSpace marketplace and certainly has access to the capital to succeed. New Mexico, Virginia, and others very much covet what Florida has demonstrated it is growing here.

This state has never shied away from a good fight for a bright future, and we won’t start now. We know that the path to a successful future will not be reached by relying solely on large federal programs, but by pursuing the powerful lift of private sector investment pursuing a market-driven course!

FOR MORE INFORMATION, PLEASE VISIT WWW.SPACEFLORIDA.GOV
Florida’s 15 public seaports are very diverse and vary in size, scope, structure, governance, and cargo. So diverse in fact, there really isn’t a cargo our ports can’t handle. Our state is unique in its role as a major player in the global marketplace due to its geography and infrastructure. This marketplace continues to evolve, with growth occurring in South American and Caribbean markets, the expansion of the Panama Canal to accommodate larger vessels, and continuously shifting trade routes.

In response to these developments, Florida Governor Rick Scott and the Legislature have made seaport investment a priority by allocating $1 billion of strategic infrastructure funding over the last six years. In addition, $3.5 billion has been identified for future investments to ensure Florida maintains its position as a global gateway to the world.

Investments in port projects across the state are focused on best positioning Florida to capitalize on these global trends. Here’s a quick overview of recent and current efforts:

- Dredging for deeper water to accommodate larger vessels in PortMiami, JAXPORT, Port Everglades and Port Canaveral
- New cruise terminals and upgrades at multiple ports throughout the state, including Port of Key West, Port Tampa Bay and Port Canaveral
- Addressing connectivity upgrades with rail and road improvements at Port Tampa Bay
- Construction of a tunnel at PortMiami
- Improvements and upgrades at Blount Island and Talleyrand Terminals at JAXPORT
- Intermodal container transfer facilities at Port Everglades and JAXPORT
- Intermodal distribution center expansion at Port Panama City
- Berth expansions and upgrades at Port of Palm Beach, Port Canaveral and Port of Fernandina

Florida recognizes investment in transportation creates and sustains economic growth. The maritime activities at these ports support approximately 700,000 jobs resulting in nearly $97 billion in total economic activity and move 160 million tons of cargo each year. Our network contains top-ranked infrastructure, the third-largest cluster of logistics and distribution establishments, and has the second-largest free trade zone network in the U.S.

Our ports are working at every level—policy, operations, planning and funding—to make sure that their infrastructure is ready to efficiently and seamlessly move people and freight. Florida is committed to making sure that, no matter the trends, we are ready to serve consumers and businesses around the world.

Florida recognizes investment in transportation creates and sustains economic growth. The maritime activities at these ports support approximately 700,000 jobs resulting in nearly $97 billion in total economic activity and move 160 million tons of cargo each year. Our network contains top-ranked infrastructure, the third-largest cluster of logistics and distribution establishments, and has the second-largest free trade zone network in the U.S.

Our ports are working at every level—policy, operations, planning and funding—to make sure that their infrastructure is ready to efficiently and seamlessly move people and freight. Florida is committed to making sure that, no matter the trends, we are ready to serve consumers and businesses around the world.
An Infrastructure for Payments

When we think of our economic infrastructure, we tend to think of roads, bridges, railways, pipelines, and airports—our physical infrastructure that helps with the safe and efficient movement of goods that are essential to an orderly functioning of the U.S. economy. It is important to remember, however, that a safe and efficient payments system infrastructure is equally important for economic stability and growth. A modern, safe, and efficient payments system is a necessary part of a well-functioning economy.

The United States has a long history of payments system innovation, with much being driven by technological advancements. In 2004, the Federal Reserve implemented a strategy to address the shift in business and consumer preference away from paper check to electronic payments processing. A part of this evolution in the nation’s payments system involved streamlining the check processing infrastructure. At the same time, the Fed increased the resources devoted to building up the country’s electronic payments capabilities.

Legacy financial systems have been refined to the point that it is becoming commonplace to bank online or with a mobile phone. By the end of this year, it will be possible to collect automated clearing house payments on the same day. Meanwhile, credit, debit, and prepaid card transactions continue to grow, made possible by ever-increasing computing power and innovations that don’t fail to put technology to work to improve payments.

Technology will continue to drive change. From high-speed data networks to mobile devices and other applications capable of sending and receiving payments; the nation’s payments system infrastructure will continue to evolve. Meanwhile, security is growing as well in response to the challenges posed by persistent threats from cybercriminals.

A safe, efficient, and fast payments system infrastructure is critical to promoting economic activity. The Federal Reserve is committed to fostering such a system.

The views expressed are the author’s and not necessarily those of the Atlanta Fed or the Federal Reserve System.

Florida PALM Project

The Department of Financial Services (DFS) is responsible for operating two of the five enterprise information subsystems that make up the financial infrastructure for the state of Florida [also known as the Florida Financial Management Information System (FFMIS)]. The current financial accounting system (maintained by DFS) processes nearly $90 billion in payments annually on a software system that is more than 30 years old. While the system has been patched, updated, and modified many times over the years, these workarounds are becoming increasingly time consuming, more difficult, more expensive, and leave the state exposed to unnecessary risks. A 2013 study affirmed statewide concerns and recommended replacing Florida’s Accounting Information Resource (FLAIR) and Cash Management System (CMS) with a single, integrated Enterprise Resource Planning (ERP) solution. As a result, the Florida PALM (Planning, Accounting, and Ledger Management) Project was created to replace the financial accounting infrastructure.

The vision of the Florida PALM Project is to implement a statewide financial management system that enforces standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution. The new financial accounting infrastructure is expected to:

- Improve the state’s financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future.
- Improve productivity, reduce operational complexity, and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.

The future financial infrastructure implemented by Florida PALM is expected to have many benefits including: significantly reducing risk exposure with modern technology that can keep up regulations and practices; streamlining more than 400 costly agency-based workarounds, stopgaps, and interim processes; standardization of agency processes so that every agency tracks and reports finances in the same language; enhanced forecasting ability for wiser and more real-time investment decisions with the state’s cash-on-hand, maximizing interest earnings of investments; and reduction in paper-intensive processes through use of electronic payments.
Florida's economy has continued growing over the first half of 2016 with the fusion of widespread economic growth across multiple industries, decreasing unemployment rates, and a bustling housing market spurring strong economic momentum that will likely carry into the second half of the year.

General Economy

Newly-released data from the U.S. Bureau of Economic Analysis shows that Florida's economy continued to expand at a faster rate in 2015 than in 2014. Florida's real GDP rose to $789.8 billion in 2015, up 3.1 percent over the year. Real GDP is a strong indicator of economic activity and is the total value of the state's goods and services sold in a given year after adjusting for inflation. Florida's growth rate exceeds that of the national rate of 2.4 percent, and makes Florida the seventh fastest growing state economy in the nation. Florida's real GDP growth has also accelerated year-over-year since 2011.

When looking at Florida's private sector, real GDP growth was 3.7 percent over the year and again outpaced the national rate of 2.8 percent. Over the year, Florida's private sector growth was broadly based across all major industries except for the Transportation and Warehousing, and Utilities industries. The top three fastest-growing industries in Florida were Construction (8.9 percent), Information (6.3 percent), and Professional and Business Services (5.2 percent). Combined, these industries added $10.1 billion to the state's economy over the year. The three largest private industries in Florida are Finance and Real Estate; Professional and Business Services; and Education and Health Services. Together, the three largest industries in Florida account for $354.7 billion, or 50.9 percent, of Florida's entire private sector, and added $12.6 billion to the state's economy over the year.
Job Market

Mirroring the robust GDP growth, Florida’s job market is also posting strong job growth with 253,900 new jobs added over the year in May, translating into a growth rate of 3.2 percent over the year. Florida’s job growth ranked third among all states in the U.S. behind Oregon (3.4 percent) and Utah (3.2 percent). In total, there are now 8.3 million people employed throughout the state, the highest jobs total in Florida’s history. Compared to the national job growth rate of 1.7 percent, Florida is adding jobs at nearly double the rate of the U.S., and has had higher job growth than the U.S. for the last four years.

Looking solely at Florida’s private sector, 239,000 new jobs were added over the year in May. This translates into a private job growth rate of 3.4 percent, which is also one of the highest job growth rates in the U.S. behind only Idaho, Oregon, Utah, and Washington at 3.5 percent. All major private industries in Florida except for one, the Information industry, had positive job growth over the year in May. The top three industries for job growth over the year in Florida are Construction (+6.9 percent); Leisure and Hospitality (+4.4 percent); and Education and Health Services (+3.9 percent). The strong job growth has helped to lower the unemployment rate despite the growth in Florida’s labor force.

Florida’s Job Growth Higher than U.S. for More Than 4 Years

Florida’s unemployment rate, a measure of the number of unemployed people in our state’s economy, currently rests at 4.7 percent as of May 2016, having fallen in line with the national rate of 4.7 percent. The last time that Florida’s unemployment rate was this low was in November 2007, nearly a decade ago. Over the year, Florida’s unemployment rate has declined 0.7 percentage point from 5.4 percent in May 2015, which is a positive sign for Florida’s economy since the labor force has increased by 166,100, or 1.7 percent during the same time. A falling unemployment rate and a rising labor force indicates a robustly growing job market in Florida.

Housing Market

Florida’s job market growth is creating new wealth for families around the state, and is building sturdy growth in Florida’s housing market. In total, the value of homes sold in Florida was $77.7 billion in May, up 8.9 percent over the year. The value of all homes sold in Florida is a useful indicator for gauging the overall health of the housing market. Thus far for the calendar year, the value of homes sold totals $314.2 billion, up 7.5 percent over the same timeframe in 2015. Florida’s median sales price of homes was $221,050 in May, up 10.5 percent over the year, and a new post-recession high. Similarly, closed home sales are up 4.5 percent over the year, indicating that home buying activity remains strong despite high rising home prices. New home building permits, a measure of future homes on the market, is down 1.6 percent over the year in May, indicating that homebuilders are moving slowly to grow supply of homes on the market. Until the home builders can increase the supply of new homes to match homebuyer demand, home prices are likely to continue rising in the coming months.

With strong real GDP growth, a well performing job market, and a housing market that is continuing to flourish, Florida’s economy is expanding at a steady pace in 2016.

Florida’s Job Growth Higher than U.S. for More Than 4 Years

Despite New Home Permits, Housing Market Fundamentals Showing Strength in 2016


Florida’s Bottom Line

Jeff Atwater | Chief Financial Officer
The odds are fairly high that you will spend part of your day today driving on a public road. It is far less likely however, that you care (or even think about) who owns that road (local, state, or federal government) or exactly how it was funded or who pays for its maintenance. You are just glad that it is there so that you can get to where you need to be safely and efficiently.

Until relatively recently, virtually all major infrastructure projects in the U.S. have been funded by local, state or federal governments and financed via federal grants, federal loan guarantees, state and local direct expenditures, or general revenue bonds. These public infrastructure projects are owned, operated, and maintained by government. Unfortunately, neither the supply—nor level of maintenance—of the existing infrastructure in our state or nation adequately meets the needs and wants of the public. In fact, the American Society of Civil Engineers recently graded the overall status of the infrastructure system in the U.S. as D+. Given this aging and inadequate infrastructure, and the never-ending budget challenges faced by government at every level, the public sector has been forced to consider all viable options available to satisfy increasing infrastructure demands.

One method gaining popularity in the last 20-30 years is the Public-Private Partnership, or P3. While a relatively new concept in the U.S., many other countries have recognized the value of bringing private sector innovation and expertise to help solve this growing problem for decades. What constitutes a P3? It really is as simple as it sounds. Any time a public entity enters into a contractual agreement with a private sector entity, to leverage the skills and assets of each sector to deliver a service or facility for general public use, it is a Public-Private Partnership. As it relates to infrastructure projects, these agreements allocate the responsibilities, and the risk, associated with each phase of the life of the project, between the public and private entities.

The U.S. has been relatively slow to embrace P3s for several reasons. From a strictly up-front cost of completion, given the decades of low interest rates and a robust bond market, governments are generally able to leverage funds less expensively than the private sector possibly could. P3s can also be complex to create and structure appropriately and, generally speaking, are still new and oftentimes misunderstood within the U.S. A P3 is not a funding source, it is a financing mechanism. At the end of the day, the private sector partner will get paid a fair return through some combination of user fees and tax dollars. The amount paid is directly determined by how much risk and what obligations the public sector would like to transfer to the private sector.

So, why use P3s? Well, what the rest of the world has figured out, and what we are now realizing, is that the “cost” of an asset is far greater than the initial construction cost. The total cost must be measured over the entire life cycle of an asset, including the cost of operation, ongoing maintenance, and even the longevity of an asset. As it turns out, when you bring private sector expertise and innovation into the equation and motivate them to perform, you tend to get a better, longer-lasting product than can be delivered by the public sector.

Within the U.S., Florida has been one of the leaders in the acceptance of P3s as a viable delivery option for infrastructure projects. In fact, the Florida Department of Transportation has produced a number of key projects utilizing a P3 model. In Tampa, the I-4 Connector has had a tremendous positive impact on not only local traffic, but the regional economy, connecting Port Tampa Bay directly to the interstate system. In South Florida, the Port Miami Tunnel and the improvements to I-595 have been enormously successful with an immediate positive effect on the region. In Central Florida, the I-4 Ultimate project will dramatically improve the lives of thousands of travelers daily, as well as positively affect the local economy.

Going forward, there is little doubt that as P3s become better understood and their track record of success grows, you will continue to see more and more projects using this method of delivery.
Water is one of the most precious resources we have. Without access to clean water, we have no agriculture, no food, no recreation, and no way to live our lives.

Look at California to see the cost of not having a smart, science-based water policy. California is experiencing one of the worst droughts in the state’s history and is facing critical water supply problems. California’s drought has had a significant impact on their economy and way of life. In the last two years, their agriculture industry lost nearly $5 billion and 35,000 jobs. Over 564,000 acres of land went unplanted last year.

We simply cannot afford that here in Florida. However, we face water quality challenges from Lake Okeechobee to the Indian River to Apalachicola Bay. And, we face a rapidly increasing population that is expected to require an extra 1.3 billion gallons of water per day by 2030. With that in mind, the Florida Legislature this year passed SB 552, a comprehensive water policy bill, which will allow us to address Florida’s water challenges today before they become crises in the future. By modernizing our existing water policies and using responsible, science-based solutions, we can begin to tackle water quality and supply challenges across Florida.

While the bill covers nearly every aspect of water policy, it can be summarized in four broad categories. First, it creates the Florida Springs and Aquifer Protection Act, which expedites protection and restoration of the water flow and water quality in the aquifer and Outstanding Florida Springs. “Outstanding Florida Springs” include all historic first magnitude springs (33 springs), including their associated spring runs, as well as De Leon, Peacock, Poe, Rock, Wekiwa, and Gemini Springs.

Second, the bill ensures the appropriate governmental entities will continue to develop and implement uniform water supply planning, consumptive water use permitting, and resource protection programs for the area encompassed by the Central Florida Water Initiative (CFWI). The CFWI is a collaborative regional water supply endeavor to protect, conserve, and restore the water resources of Orange, Osceola, Seminole and Polk counties, and southern Lake County.

Third, the bill updates and restructures the Northern Everglades and Estuaries Act to reflect and build upon the Department of Environmental Protection’s (DEP) completion of basin management action plans (BMAP) for Lake Okeechobee, the Caloosahatchee Estuary, and the St. Lucie River and Estuary, DEP’s continuing development of a BMAP for the inland portion of the Caloosahatchee River watershed, and the Department of Agriculture and Consumer Services’ implementation of best management practices in the three basins. The BMAPs will include the construction of water projects, water monitoring programs, and the implementation, verification, and enforcement of best management practices within these watersheds. The BMAPs will include 5, 10, and 15-year measurable milestones towards achieving the total maximum daily loads for those water basins within 20 years.

Fourth, the bill modifies water supply and resource planning documents and processes in order to provide more robust representations of the state’s water needs and goals. These changes are intended to make Florida's planning efforts more useful in identifying technically and financially feasible projects to meet the state’s water supply needs.

In addition to SB 552, the Legislature also passed the Legacy Florida program, an initiative that will provide clean water to Florida’s growing population and aide us in completing the decades-long restoration of the Florida Everglades. To address the state’s commitment to restoring the Greater Everglades, the 2016 Legislature dedicated a portion of funds in the Land Acquisition Trust Fund as an annual funding source for Everglades restoration (Legacy Florida). Although subject to reduction due to declines in future revenues, the Legacy Florida Act established a minimum appropriation for Everglades restoration reaching and remaining at $200 million after Fiscal Year 2019-2020. For Fiscal Year 2016-2017, the General Appropriations Act provides $203 million for Everglades restoration.

Combined, these changes allow Florida to continue moving forward and building for the future by helping to ensure that one of the most precious resources we have in Florida is protected, maintained, and available for future generations.

FOR MORE INFORMATION, PLEASE VISIT WWW.STEVECRISAFULLI.COM/WATER-RISK/
Florida's Infrastructure

15 Seaports

3.3 Million Seaport Containers

12,000 Groundwater Wells

More than 900 Freshwater Springs

5 Major Aquifer Systems

Supplies more than 6 Billion Gallons of water every day

12,225 Bridges

2,750 Miles of Railways

122,000 Miles of Roadways

2 Spaceports

128 Airports

For more information about Florida's economy, please visit www.MyFloridaCFO.com/FloridasBottomLine/