



The Stimulus Outlook for Florida and the FGNW Region

For the
Florida's Great Northwest Board

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Basic Framework

- **Brief Description of FSU CEFA.**
- **EDC E-sync Report**
- **Federal, State of Florida, FGNW, and County-Level Stimulus Package to Date.**
- **Conclusions**



Florida State University Center for Economic Forecasting and Analysis (FSU CEFA)

The FSU Center for Economic Forecasting and Analysis (CEFA) specializes in applying advanced, computer-based economic models and techniques to perform economic analyses and to examine public policy issues across a spectrum of research areas. FSU CEFA also serves as a foundation for training students on the uses and applications of advanced economics and statistical tools.

Key Areas of Expertise:

- Economics
- Econometrics
- Sustainable Energy
- High Tech Economic Research
- Environmental/Natural Resources
- Economic Development
- Economic Impact Analysis



CEFA Also Wears Three Hats



- **Leadership Board**
- **Institute for Energy Systems, Economics and Sustainability (IESES)**
- **Florida Center for Advanced Aero-Propulsion (FCAAP) Center of Excellence**

Leadership Board for Applied Research and Public Service

- **F.S. 1004.58:** The purpose of the board is to focus, coordinate, and maximize university resources on current issues and events affecting Florida's residents and elected officials.

Some Project Examples:

- **Created “ExpertNet”** providing information about individual faculty members within the state universities who have demonstrated expertise and ability to work with government agencies and private-sector groups. Users will access this talent pool through the clearinghouse and other on-line sources.
- **Developed a statewide Internship program** that matches the academic interests of students with the practical needs of governmental agencies.
- **Conducted economic studies** on Center and Institutes, Academic Research, faculty retirement and return-on-investment of state universities.



FSU Institute for Energy Systems, Economics and Sustainability (IESES)

- Performs scholarly basic research and analysis in engineering, science, infrastructure and the social dimensions of the sustainable energy economy. The unique approach of IESES is to focus not only on new and more efficient sustainable technologies for generating electric power, but on the new efficiencies in energy systems and consumption that will also be necessary to a sustainable energy economy.
- In addition to primary research, IESES trains a new generation of engineers, scientists, policymakers and planners – professionals who possess a comprehensive understanding of complex sustainable energy systems and stand ready to tackle the challenges and opportunities related to our energy-based future.

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Florida Center for Advanced Aero-Propulsion (FCAAP)



FCAAP – Areas of Expertise

- *Active Flow Control*
- *Jet & Rocket Noise Control*
- *Advanced Gas Turbine Technology*
- *Efficient Engine Inlet Design*
- *Air & Space Vehicle System Design*



- *Design of Hypersonic Systems*
- *Alternative Power Systems*
- *Air Traffic Management*



FCAAP Innovation and Economic Opportunities Office (FIEOO)

- **Economic Impact Analysis**
 - **\$1,865,571 Received in Grants at FCAAP during first Six Months.**
- **Innovation Diffusion and Marketing**
- **Public Policy**
- **Training**
- **Student and Public Outreach**



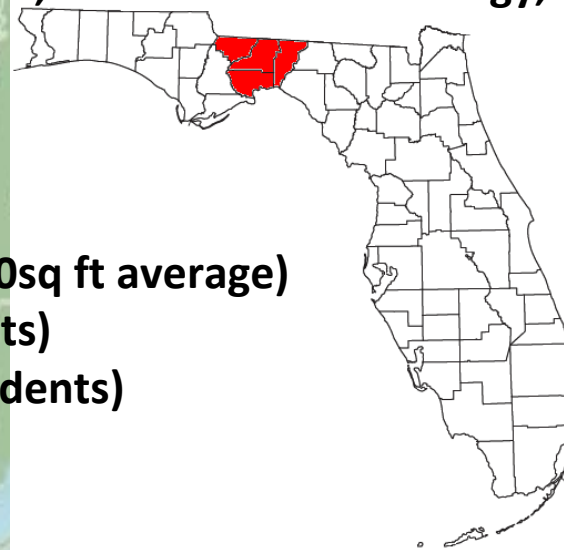
Economic Development Council of Tallahassee/Leon County

Existing Industry Development Results

- e-Synchronist, or E-sync, a comprehensive survey instrument, was used.
- There were 65 companies interviewed in the area and categorized by the four sector groupings (Aviation & Defense, Life Sciences, Information Technology, and Construction Services).

Some Overall Findings:

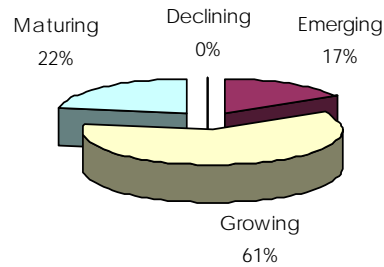
- Total facility spaced needed: 101,100 sq ft (5,950sq ft average)
- Generating \$136M in payroll (38% of respondents)
- Number of FTE employees 1,785 (90% of respondents)



Product Analysis

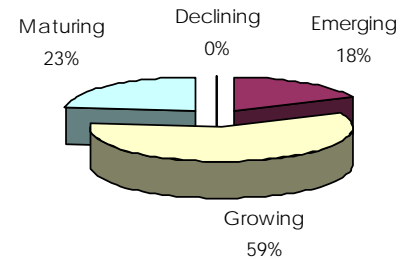
Where Is Your Primary Product In Its Life Cycle?

Aviation and Defense



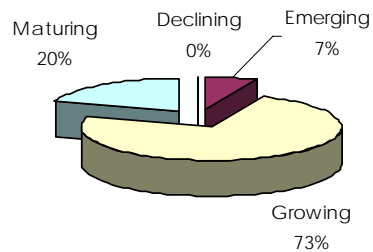
Where Is Your Primary Product In Its Life Cycle?

Information Technology



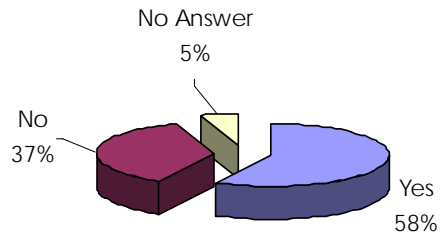
Where Is Your Primary Product In Its Life Cycle?

Life Science



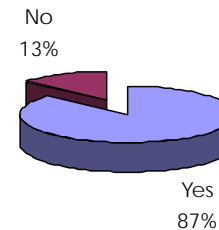
Expansion Plans

Does the Company Plan to Expand in the Next 3 Years?



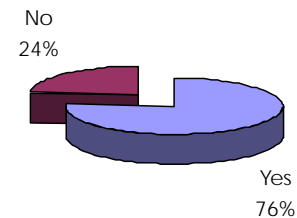
Aviation and Defense

Does the Company Plan to Expand in the Next 3 Years?



Life Sciences

Does the Company Plan to Expand in the Next 3 Years?



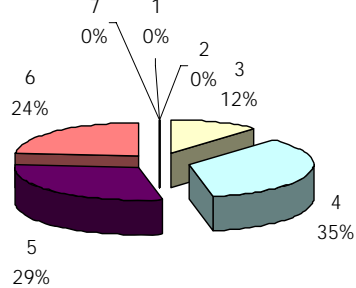
Information Technology

Workforce Analysis

Rating of 1 (Low) To 7 (High)

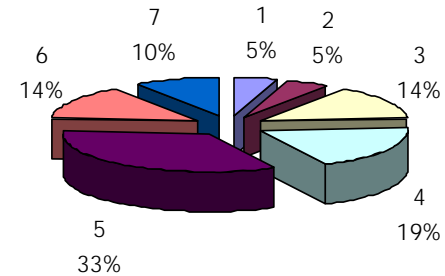
Quality of Workforce

Aviation and Defense



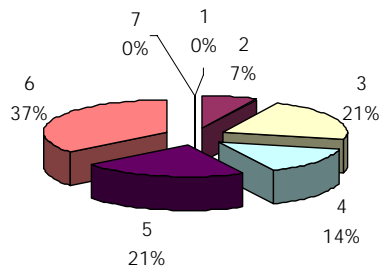
Quality of Workforce

Information Technology



Quality of Workforce

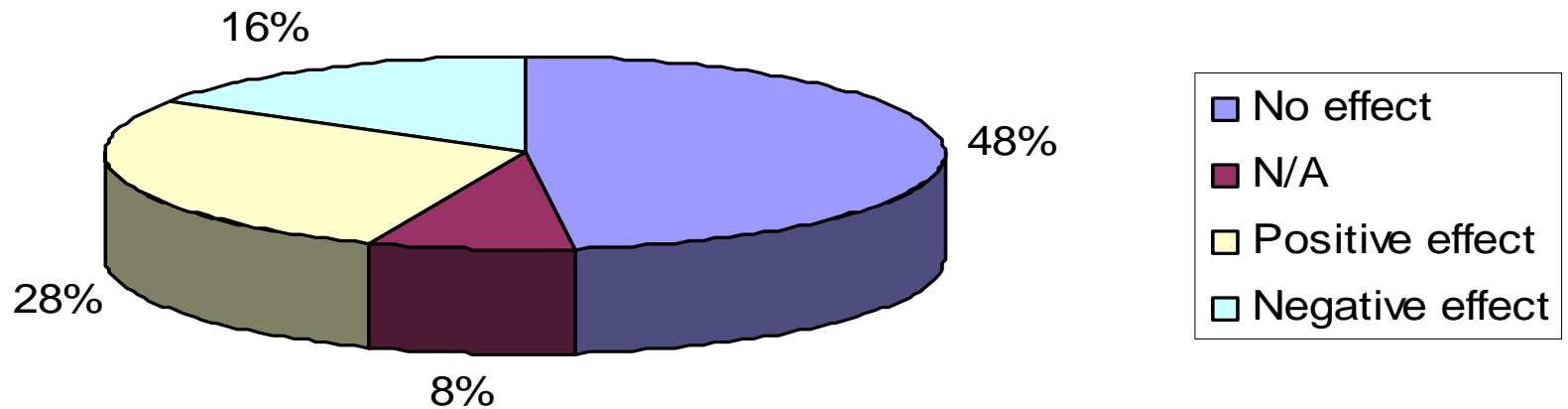
Life Science



Data for December, 2008

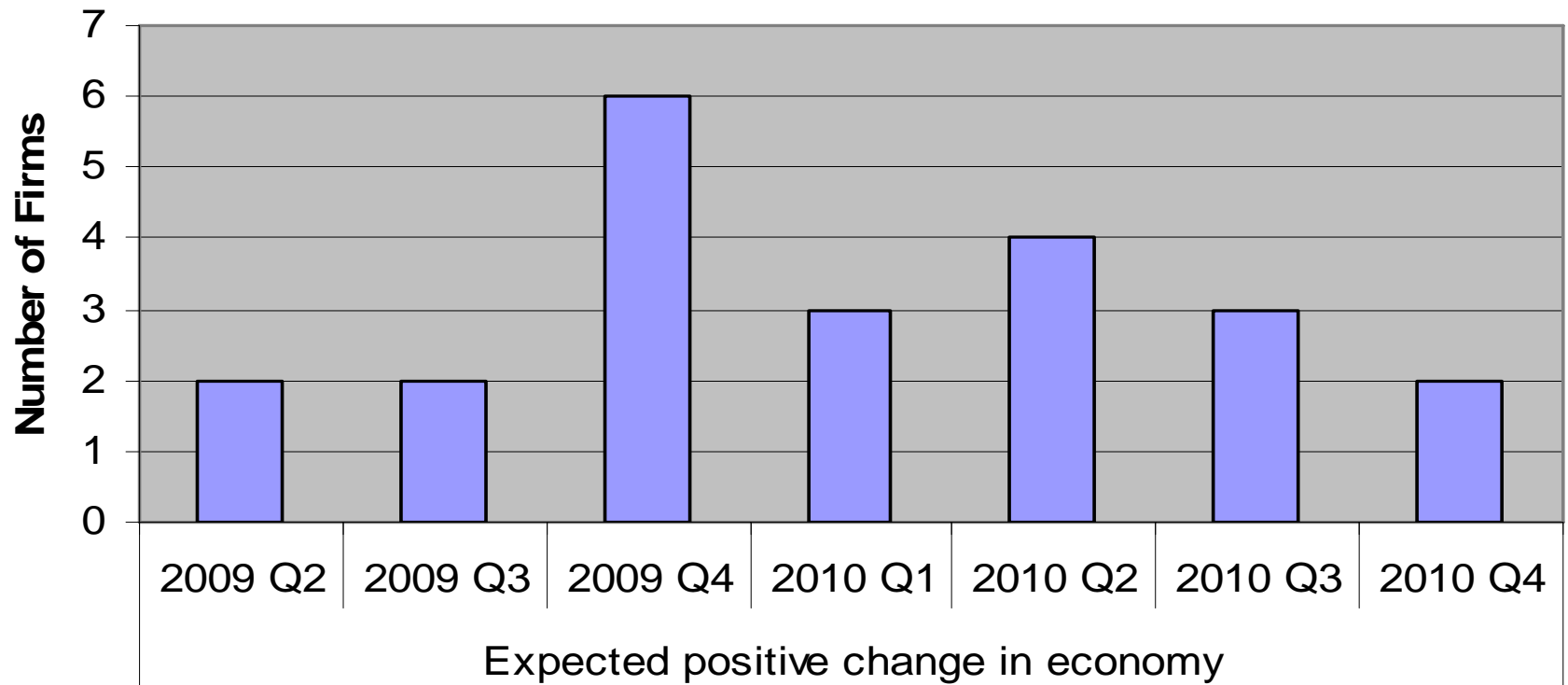
Prior Analysis Was Collected From
July 2007 – April 2008

Rising Unemployment Effects on Workforce

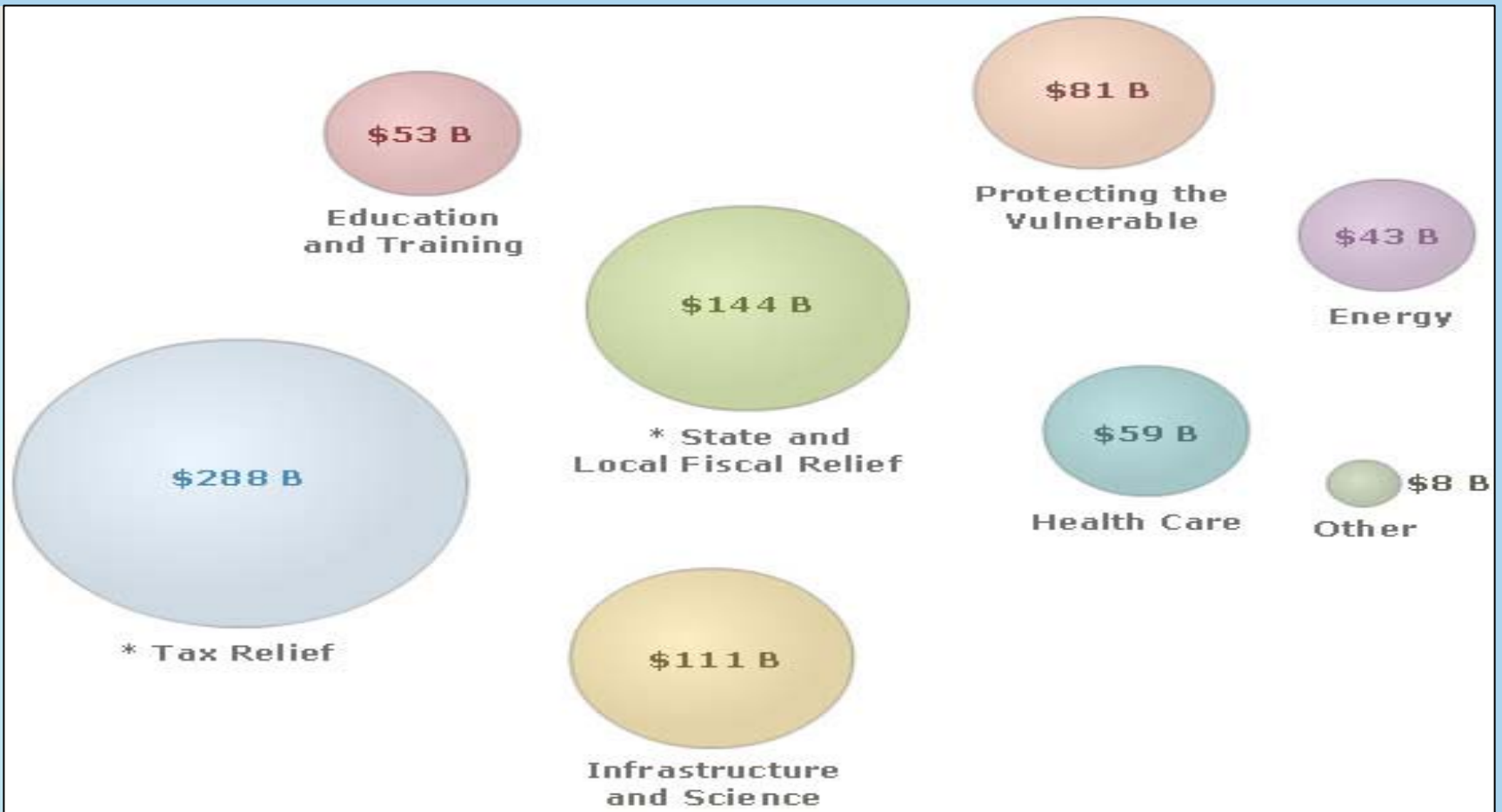


December 2008, cont.

Expected Positive Outlook for Economy



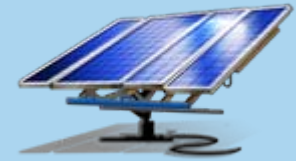
Federal Stimulus Areas of Funding





Total = \$787 Billion. This is because of rounding, the actual number is \$789 Billion. See: <http://www.recovery.com>



Energy

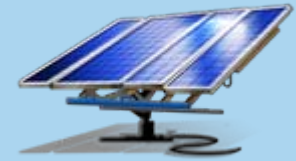


 **March 12, 2009: Obama-Biden Administration Announces More Than \$302 Million in Weatherization Funding and Energy Efficiency Grants for Florida (\$5 Billion for nation). Florida will receive \$302,073,474 in weatherization and energy efficiency funding – including \$175,984,474 for the Weatherization Assistance Program and \$126,089,000 for the State Energy Program.**











 **Weatherization Assistance Program will allow an initial investment of up to \$6,500 per home in energy efficiency upgrades. The estimated reduction in energy bills is 32%, or hundreds of dollars per year.**



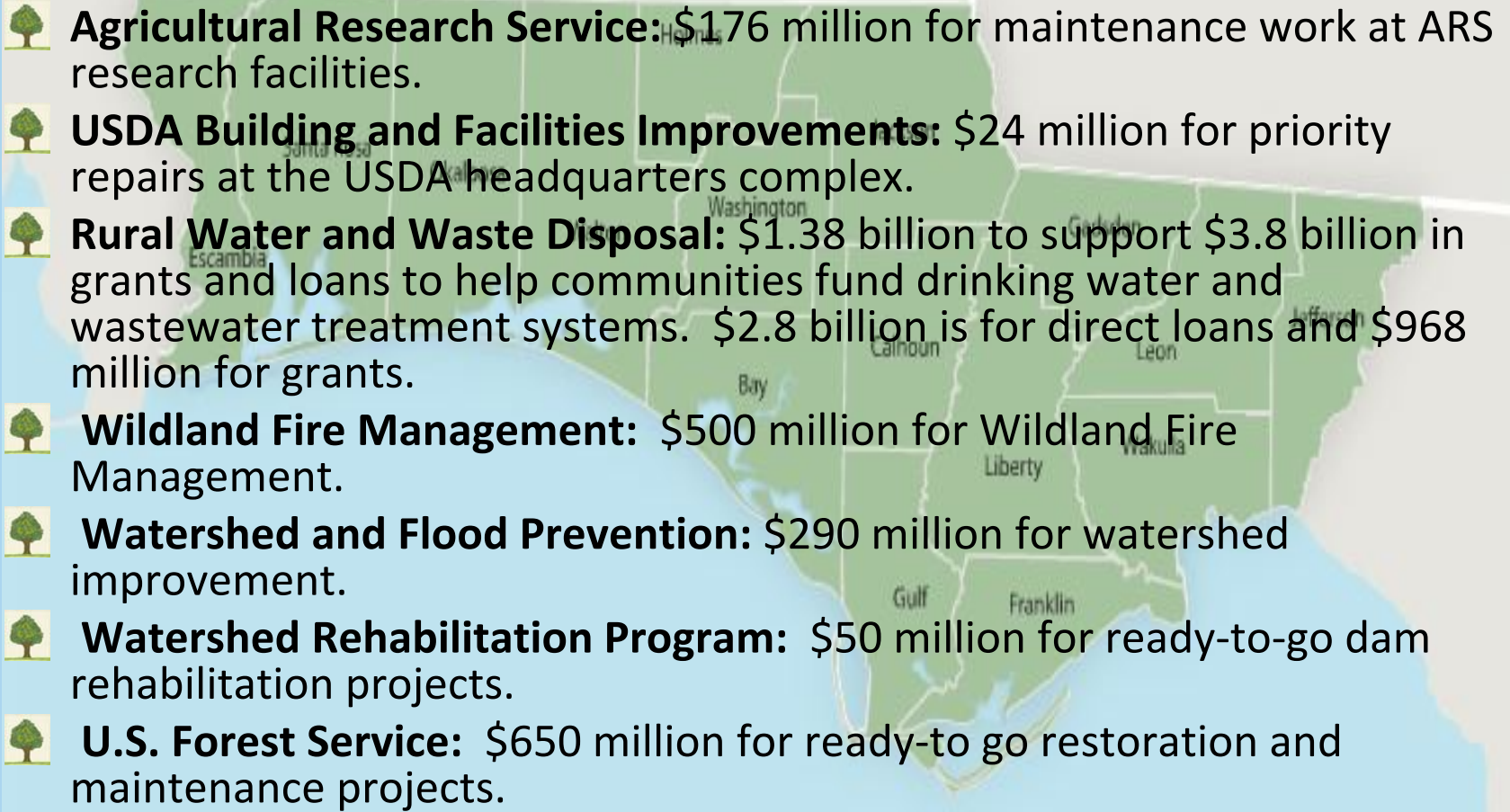







Energy



Federal Stimulus

-  **Transmission Grid:** the bill provides a total of \$11 billion for transmission infrastructure including \$4.5 billion to implement programs (\$10 million for the Smart grid) and \$3.25 billion for the Western Area Power Administration (WAPA) in to increase their borrowing authority and \$3.25 billion for the Bonneville Power Administration (BPA) to increase their borrowing authority.
-  **Renewable Energy:** \$6 billion for Innovative Technology Loan Guarantees that fund a variety of energy projects including next generation nuclear, clean coal and renewables.
-  **Efficiency: Local Government Energy Efficiency Block Grants (EEBG):** \$3.2 billion. Of these \$3.2 billion, \$2.8 billion shall be distributed according to formula. 12 percent of these funds are given to the State Energy Programs.
-  **State Energy Programs:** In addition to the state share of the EEBG, \$3.1 billion.
-  **Energy Efficiency and Renewable Energy Research Development, Demonstration and Deployment:** \$2 billion.
-  **Science and Research:** \$1.6 billion for DOE science programs and \$400 million for the Advanced Research Projects Agency.
-  **Home Weatherization:** \$5.0 billion to lower the eligibility income threshold increase the limit on the amount of assistance from \$2,500 to \$6,500.
-  **Smart Appliances:** \$300 million rebates to replace old appliances with energy efficient Energy Star products.
-  **Fuels and Vehicle Technology : Advanced Battery Loans and Grants:** \$2 billion. **Electric Transportation:** \$400 million. **Alternative Buses and Trucks:** \$300 million
-  **Fossil Energy:** \$3.4 billion for Fossil Energy Research and Development Program

Department of Agriculture

- 
-  **Agricultural Research Service:** \$176 million for maintenance work at ARS research facilities.
 -  **USDA Building and Facilities Improvements:** \$24 million for priority repairs at the USDA headquarters complex.
 -  **Rural Water and Waste Disposal:** \$1.38 billion to support \$3.8 billion in grants and loans to help communities fund drinking water and wastewater treatment systems. \$2.8 billion is for direct loans and \$968 million for grants.
 -  **Wildland Fire Management:** \$500 million for Wildland Fire Management.
 -  **Watershed and Flood Prevention:** \$290 million for watershed improvement.
 -  **Watershed Rehabilitation Program:** \$50 million for ready-to-go dam rehabilitation projects.
 -  **U.S. Forest Service:** \$650 million for ready-to go restoration and maintenance projects.

Environmental Protection Agency



Clean Water State Revolving Fund: \$4 billion for loans to help communities upgrade wastewater treatment systems.



Drinking Water State Revolving Fund: \$2 billion for loans for drinking water infrastructure.



Both SRFs: The bill would waive the 20 percent state match requirement.



Brownfields: \$100 million.



Superfund Hazardous Waste Cleanup: \$600 million.



Leaking Underground Storage Tanks: \$200 million.



Diesel Emissions Reduction: \$300 million for grants and loans to state and local governments

Other Entities

- **General Services Administration**
 - **Green Buildings: \$5.5 billion to federal GSA buildings, including \$4.5 billion to convert GSA facilities into “High Performance Green Buildings”.**
 - **The building industry comprises 14.7% of the GDP and uses 40% of our nation’s energy. Greening our existing buildings will result in an estimated savings of \$160 billion in energy costs.**
 - **Efficient Fleets: \$300 million to replace older vehicles owned by the federal government with alternative fuel automobiles.**
- **DOE Facilities Environmental Cleanup: \$483 million for Non-Defense Environmental Cleanup; \$390 million for Uranium Enrichment Decontamination and Decommission Fund; \$5.1 billion for Defense Environmental Cleanup.**
- **National Oceanic and Atmospheric Administration (NOAA):\$600 million for satellite development and acquisitions.**

Supporting the High-Foreclosures States

- According to Mark Zandi (Chief Economist at Moody's) the stimulus plan will not reverse the current recession, but it will provide a vital boost to the economy. With the stimulus, there will be 4 million more jobs and the jobless rate will be more than 2 percentage points lower by the end of 2010 than without any fiscal stimulus. Without stimulus, unemployment will rise well into the double digits by this time next year, and the economy will not return to full employment until 2014.
- All regions of the country will benefit from fiscal stimulus, but some will benefit more than others. The most significant boost is provided to states currently hit hardest by the housing and foreclosure crisis such as Florida and Nevada. Without fiscal stimulus, the job market would suffer significantly, inducing more foreclosures in those parts of the country where house prices have fallen most sharply.

Impact of Stimulus on Employment in Florida

- According to state-by-state employment data released by the White House, the American Recovery and Reinvestment Plan will create about 206,000 jobs in 2009 and 2010 in the Sunshine State*.
- Stimulus amount: Florida expects to receive a total of more than \$13.4 billion (or ~1.7% of \$789 b). Most of that money will go toward health and human services, but it will also pay for new water projects, port revitalization and road construction



*Lemieux report and blog.

However, Moody's is expecting that the stimulus will create 329,550 by the end of 2010 and 512,690 by the end of 2012.

Florida – More Numbers

- **Transportation:** Florida is slated to receive about \$2 billion dollars for transportation projects from the federal stimulus package, but even that amount of cash will cover only a fraction of the work that's ready to go across the state .The Florida Department of Transportation has \$7 billion of projects that are ready to start within the next six months . Some of those projects have been deferred in the past because of a lack of funding, but the cash from the feds will help expedite them based on their priority level .
- **Shovel Ready:** The Department of Transportation identified more than 90 road and bridge projects that are considered “shovel-ready”.
- **Airports:** The stimulus package also includes \$50 million for Florida airports.

Transportation Projects in the FG NW That Are Shovel Ready



Walton County: \$339,905,612



Bay County: \$81,240,290



Okaloosa County: \$49,756,096



Santa Rosa County: \$42,940,424



Leon County: \$21,396,298



Escambia County: \$11,381,560



Jefferson County: \$7,673,060



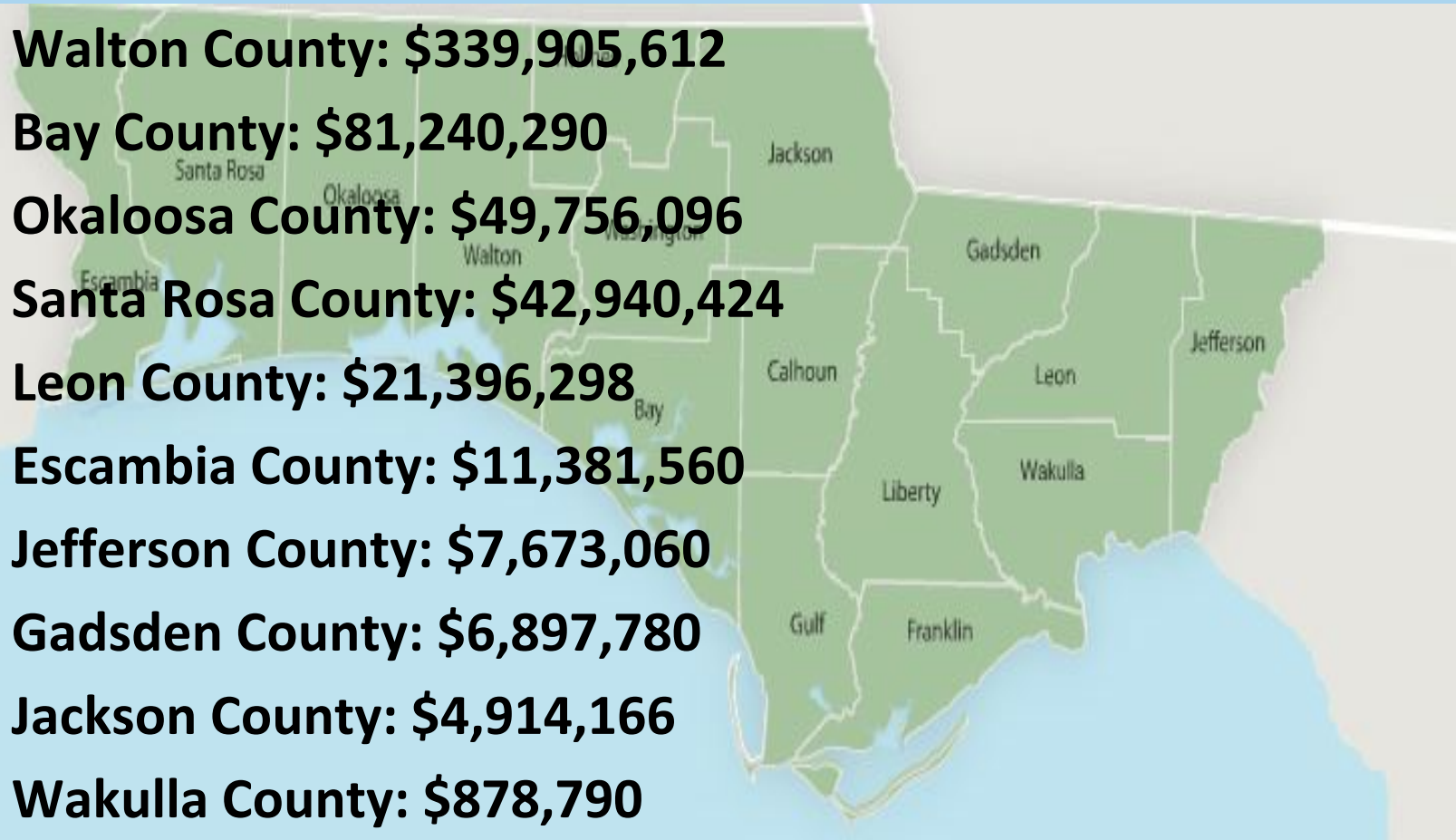
Gadsden County: \$6,897,780



Jackson County: \$4,914,166



Wakulla County: \$878,790



Florida - More Numbers

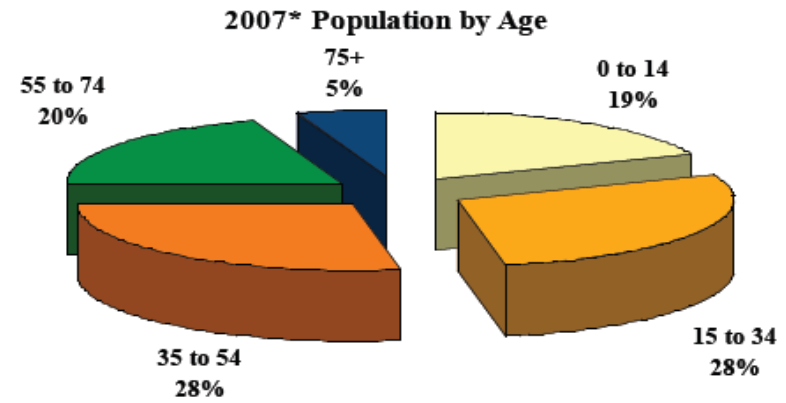
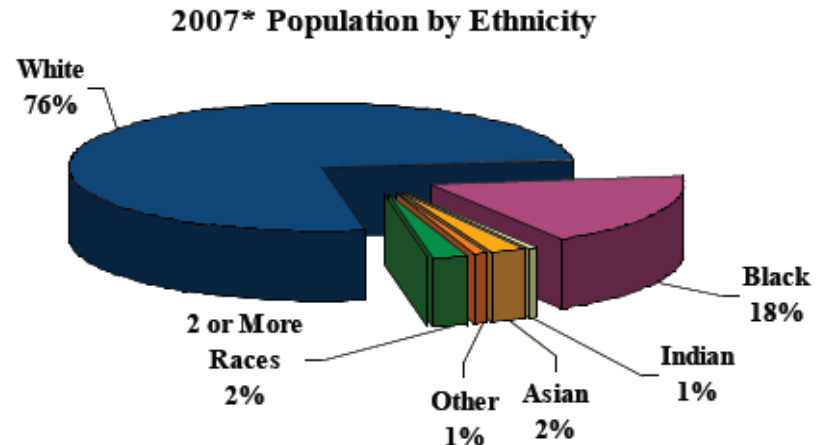
- **Medicaid: \$4.3 billion for the state's fund for Medicaid, the health care program for the poor, and to help laid-off workers pay for health insurance under their former employers' plans for up to nine months.**
- **Payroll Tax: Payroll tax cut of \$400 for 6.9 million Florida workers, or up to \$800 per couple.**
- **Education Tax Credit: New \$2,500 tax credit for four years of college education for 195,000 working-class families.**
- **Unemployment Insurance: Increase in monthly unemployment insurance payments by \$100, affecting 761,000 workers in Florida who have lost their jobs in this recession. Unemployment benefits will be extended from March to September for another 170,000 laid-off workers.**

FGNW - Population

- In 2007, Northwest Florida was home to more than 1.3 million people or 7.3% of the state total, an increase of more than 11,000 from 2006.
- Between 2000 and 2007, Northwest Florida's population grew by 8.1%, while that of the state and the nation grew by 13.1% and 6.3%, respectively.
- Between 2000 and 2007, two of Northwest Florida's counties, Walton and Wakulla, had 30.2% and 30.0% increases in population. Both counties made the U.S. Census Bureau's list of 100 fastest growing counties in the United States for the 4th year in a row.

FGNW-Population

- With these new residents, Northwest Florida's racial and ethnic mix continues to become increasingly diverse.
- The population of Northwest Florida is younger than that of the state as a whole. Almost half of the population are aged less than 35 and over two-thirds under the age of 55.



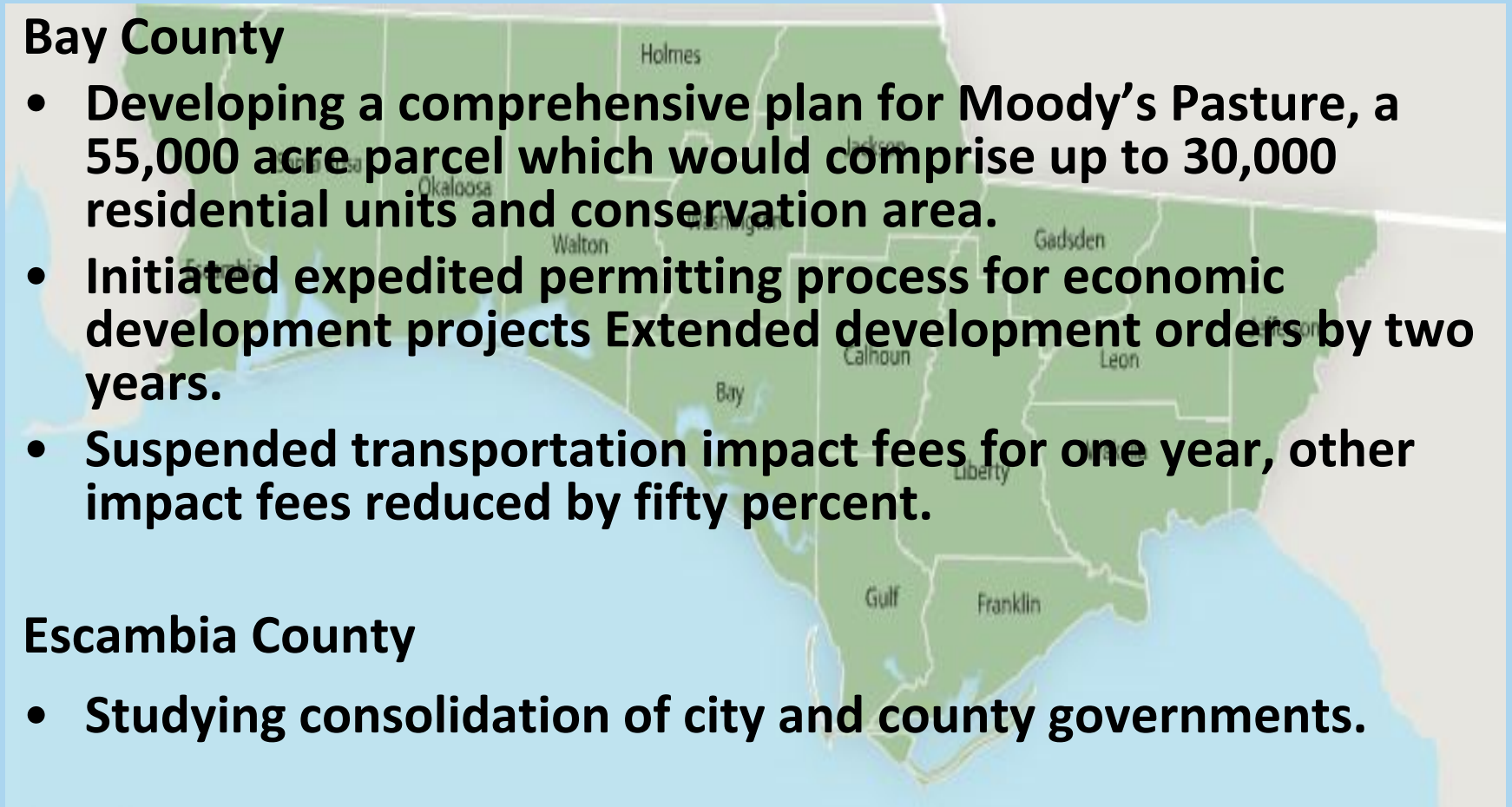
What Are FG NW Counties Doing To Stimulate Local Economies?

Bay County

- Developing a comprehensive plan for Moody's Pasture, a 55,000 acre parcel which would comprise up to 30,000 residential units and conservation area.
- Initiated expedited permitting process for economic development projects Extended development orders by two years.
- Suspended transportation impact fees for one year, other impact fees reduced by fifty percent.

Escambia County

- Studying consolidation of city and county governments.



What Are FG NW Counties Doing To Stimulate Local Economies?

Franklin County

Establishing an Economic Development Council to attract new employers and develop strategy for federal economic stimulus package.

Gadsden County

Regional coordination with Jefferson, Leon and Wakulla counties to develop plan for economic stimulus package.

Jefferson County

Regional coordination with Gadsden, Leon and Wakulla counties to develop plan for federal economic stimulus package.

Leon County

- Implemented suspension of fees and extensions for environmental permits which will allow projects to remain viable until conditions change and maintains transportation concurrency capacity at time of project approval.
- Reduced up-front costs by delaying payment of land use and environmental permitting fees for targeted nonresidential development inside urban service area.
- Regional coordination with Gadsden, Jefferson and Wakulla counties to develop plan for federal economic stimulus package.

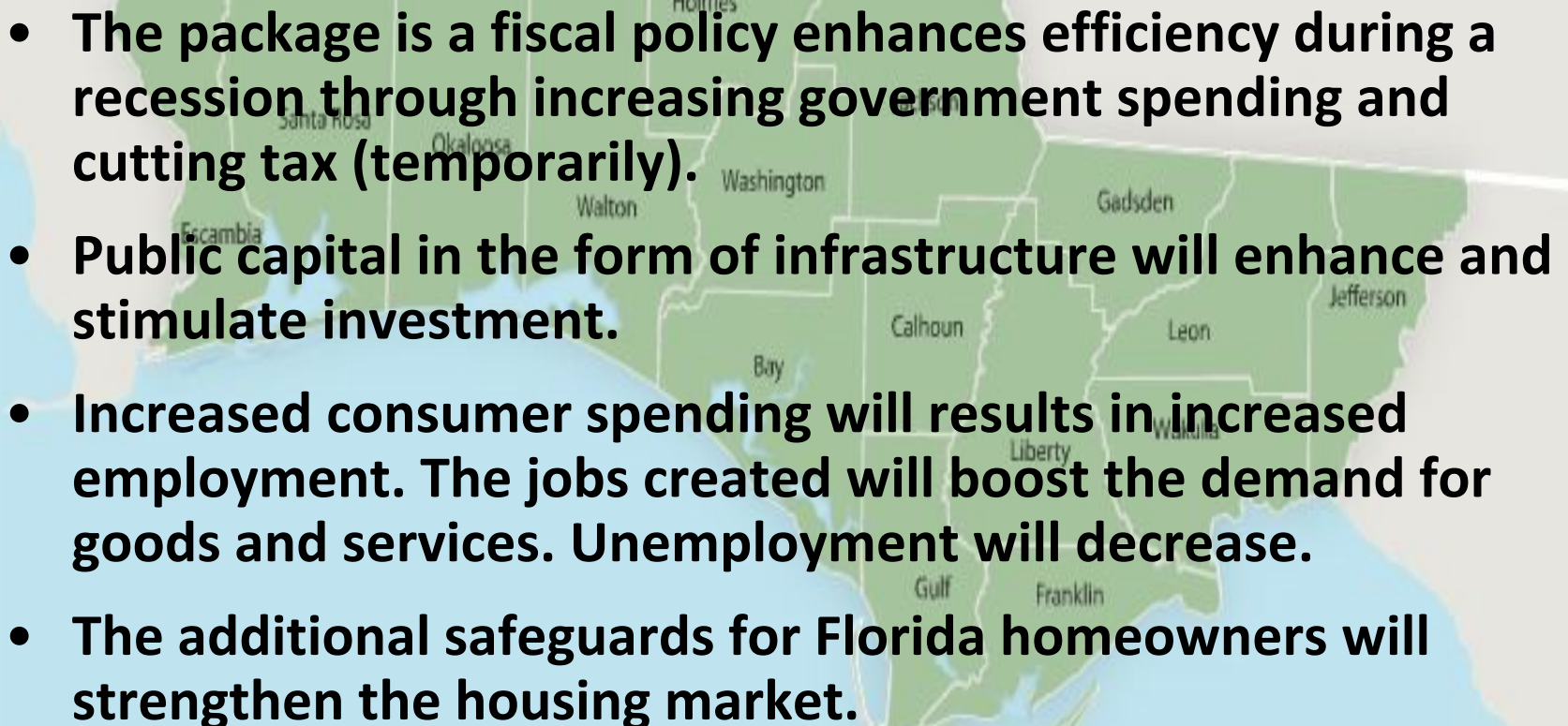
Tallahassee MSA's Projects

ECONOMIC STIMULUS PROJECTS	COST	JOBS CREATED
MOST VULNERABLE	\$78.9	1,330
WATER PROJECTS	\$278.3	3,888
SCHOOL CONSTRUCTION & REPAIR	\$192.7	3,349
CLIMATE & ENERGY EFFICIENCY	\$158.3	895
ROAD, BRIDGE, & TRANSPORTATION INFRASTRUCTURE	\$214.9	3,097
OTHER INFRASTRUCTURE	\$179.2	3,032
* ALL FIGURES CALCULATED ABOVE ARE IN MILLIONS.		
TOTAL	\$1.1B	15,591

Is the Stimulus an Equitable Distribution for Florida?

- **Crist's former Chief of Staff George Lemieux says Florida has 6.5% of the nation's population, but is only getting 1.5% of the stimulus money.**
- **The Florida Chamber of Commerce, leader of the statewide organization of 193 local chambers, has joined with The Florida Council of 100 and Enterprise Florida in requesting that the Legislature target stimulus funds toward more than 250 job creation proposals. The Chamber also noted that Florida is home to 6.5 percent of the nation's population, but is slated to receive only 1.5 percent of the Federal Stimulus Package“.**

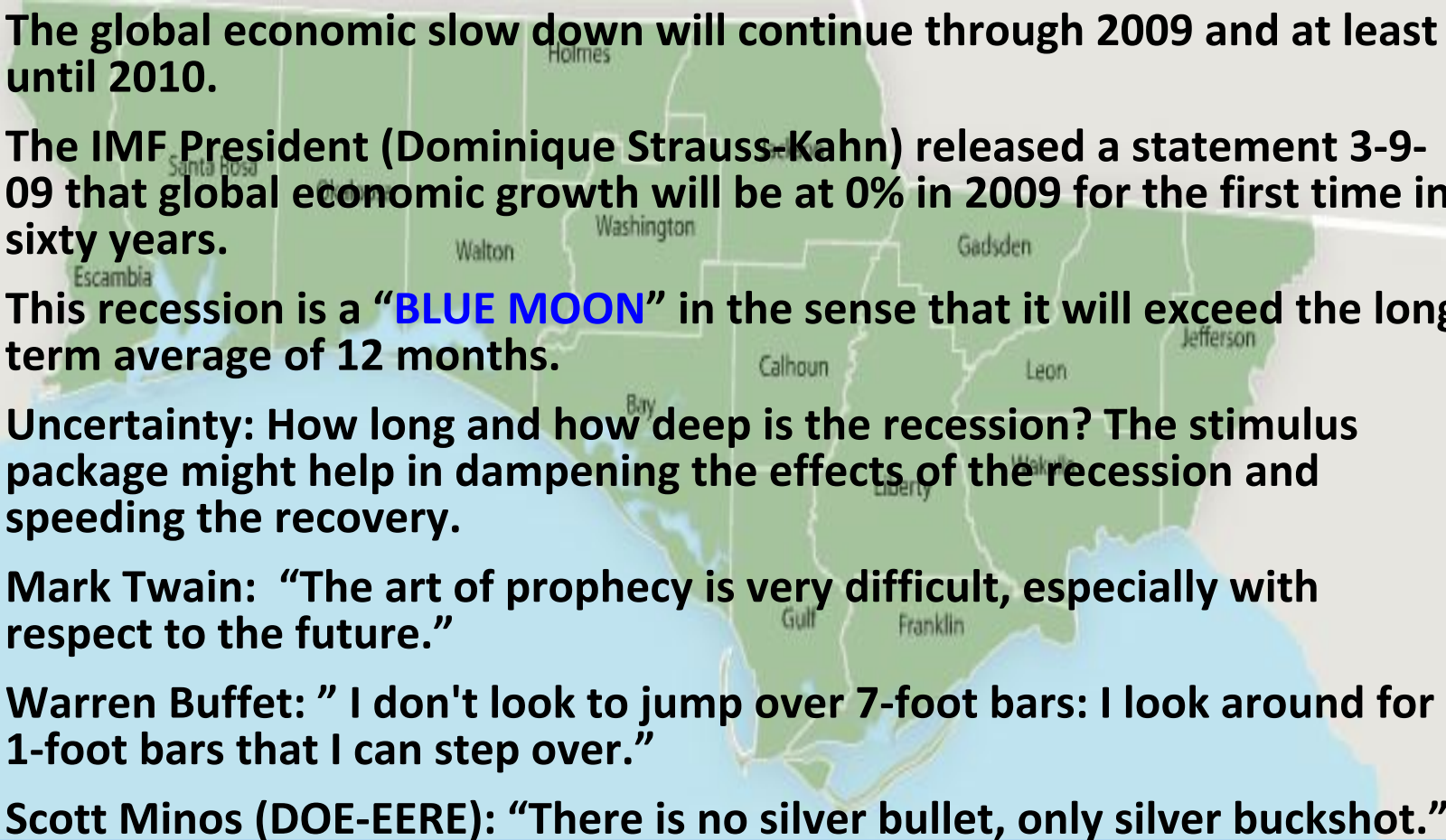
Economic Impact of the Stimulus Package: Some Positive(s)

- 
- A map of Florida showing its counties. The map is green and white, with county names labeled. The counties shown include Santa Rosa, Okaloosa, Holmes, Washington, Walton, Bay, Calhoun, Gadsden, Leon, Jefferson, Liberty, and Franklin. The map is partially obscured by the text of the list.
- The package is a fiscal policy enhances efficiency during a recession through increasing government spending and cutting tax (temporarily).
 - Public capital in the form of infrastructure will enhance and stimulate investment.
 - Increased consumer spending will results in increased employment. The jobs created will boost the demand for goods and services. Unemployment will decrease.
 - The additional safeguards for Florida homeowners will strengthen the housing market.

Economic Impact of the Stimulus Package: Some Negative(s)

- The lag between the execution of the policy and the actual impact, added to the fact that the average recession in the US since World War II is 12 months will divert the efficient use of resources.
- Quagmire or bottleneck created by unclear policy/direction in terms of impending stimulus grant applications. Quality grant review and evaluation process, and technical difficulties are projected to increase substantially.
- Possible inflationary effects.

Future Outlook

- 
- The global economic slow down will continue through 2009 and at least until 2010.
 - The IMF President (Dominique Strauss-Kahn) released a statement 3-9-09 that global economic growth will be at 0% in 2009 for the first time in sixty years.
 - This recession is a “**BLUE MOON**” in the sense that it will exceed the long term average of 12 months.
 - Uncertainty: How long and how deep is the recession? The stimulus package might help in dampening the effects of the recession and speeding the recovery.
 - Mark Twain: “The art of prophecy is very difficult, especially with respect to the future.”
 - Warren Buffet: “ I don't look to jump over 7-foot bars: I look around for 1-foot bars that I can step over.”
 - Scott Minos (DOE-EERE): “There is no silver bullet, only silver buckshot.”