



Senate Budget's Investment in Higher Education and Related Proposals to Address Florida's Precious Environment Are Positives, but the Budget Should Do More to Support Florida's Families

The Florida Senate budget proposal — while better than the House's budget — fails to provide sufficient support for Florida's growing population. Proposed investments in higher education and the environment are high points of this proposal.

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The Florida Senate began constructing the budget for 2017-18 with two articulated priorities. First, the Senate would provide funding to alleviate problems associated with Lake Okeechobee overflow. Second, it would provide \$500 million to state universities to attract top notch academics and support research with state of the art labs.

The Senate budget totals \$83.2 billion, an increase of \$815 million over the current year. While in nominal terms this reflects an increase of 1 percent, after adjustment for inflation and population growth in the state, the proposed funding level represents a reduction of 3 percent below the current year level.

The remainder of the report covers highlights of this budget.

Tax Cuts

Like appropriations, tax cuts are spending decisions by the Legislature. Unlike appropriations, once tax cuts are codified in statute they are not reviewed annually and there is no requirement that they be reviewed on a routine basis. Specifically, the Senate tax cut package includes:

- One-time sales tax holidays that total \$144 million for back-to-school supplies, veterans, hurricane supplies, animal health products and agriculture-related items.
- A recurring sales tax cut of \$92 million on purchases of diapers, incontinence products and feminine hygiene products.

Additionally, in a tax swap proposal, the Senate is proposing the repeal of the salary tax credit for insurance companies, valued at \$296 million, for a one percentage point reduction in commercial lease taxes, valued at \$305 million. This swap results in a recurring tax cut of \$9 million.

Education

- A 2.9 percent increase in per-student public school funding (\$209.68 more per full-time student, for a total of \$7,414). Of this increase, 91 percent is funded with local property taxes, based on increased housing values. This funding is well below the \$8,583 that would be allocated had the Legislature adjusted the funding for inflation.
- Funding for the Voluntary Prekindergarten Program (VPK) accommodates projected new enrollments in the program and increases the funding provided for instruction by 4 percent over the current year.
- Postsecondary tuition is held constant.
- Funding for instruction in the State College System is almost \$915 million, a reduction of 4 percent from current-year funding.
- Funding for instruction in the State University System, excluding student fees, is \$2.3 billion, an increase of \$361 million (15 percent) over current-year funding.

Health Care

The Senate budget's failure to make strategic investments in health care undermines the well-being of many Floridians as well as the economic and social resilience of the state.

- The \$608 million available to cover the uncompensated cost of health care for uninsured and underinsured Floridians (the Low Income Pool) is maintained, including \$235 million of state funding. The federal government has announced that it will allocate \$1.5 billion to the state for this purpose, but the details of the requirements associated with the funding have not been disclosed as this report is being written.
- Funding for Florida Healthy Kids, or KidCare, is increased by \$62 million to \$457.5 million. The program provides health care coverage for children who are not eligible for Medicaid, but who live in households with incomes at or below 200 percent of the federal poverty level (about \$49,000 for a family of four). Almost 300,000 children in Florida lack health care coverage.

- Funding for prescribed medications is increased by \$155 million, which represents an increase of 41 percent over current-year funding.

Public Safety

The Senate budget for the state's prisons does not improve the safety of either inmates or corrections personnel. Florida's prison system faces chronic shortages of corrections officers, increasing numbers of elderly inmates with heightened health care needs, and deteriorating prison facilities and infrastructure.

- Funding for inmate health care services is increased by \$54.6 million, representing a more than 15 percent increase.
- Funding for juvenile delinquency prevention and diversion programs and services is increased by almost \$8 million, an increase of 10 percent.
- Funding for investigative services within the Florida Department of Law Enforcement is increased by almost \$8 million, an increase of 10 percent.

Economic Development

Regarding economic development, the Senate budget:

- Expends \$38 million for affordable housing from \$293 million available in dedicated trust fund revenues.
- Increases funding for economic development projects by more than \$4 million, an increase of 16 percent.
- Reinstates \$59 million in funding for the Quick Action Closing Fund to honor commitments made before June 30, 2017.
- Maintains funding for Visit Florida at \$76 million.

Environmental Protection

Regarding environmental protection, the Senate budget:

- Reduces funding for the Land Acquisition and Management Program by almost 33 percent to \$202 million.

- Reduces funding for Northern Everglades and Estuaries Protection by half to \$28 million.
- Increases funding for water restoration assistance by almost 10 percent to \$551 million.

Although Senate President Negron's initiative to address the Lake Okeechobee overflow issue is not part of the Senate's budget, Senate Bill 10 seeks to establish water storage sites to mitigate overflows. This legislation, if enacted, would not only be a boon to the environment, but would remediate the viability of tourism in the communities most affected by algae blooms resulting from the overflow.