

Fiscal Year 2019-2020 Budget: Summary by Issue Area

July 2019

Introduction: How does the final budget stack up?

Governor Ron DeSantis signed the Fiscal Year (FY) 2019-2020 budget into law on June 21, 2019. The final budget totals \$91 billion, an increase of \$2.3 billion, or 2.6 percent, over FY 2018-19.

The budget, also known as the General Appropriations Act (GAA), represents a \$700 million increase over the Florida Senate's recommended funding levels and a \$1.1 billion increase over the funding levels proposed by the Florida House of Representatives.

Disappointingly, the final budget continues the state's post-Great Recession trend of under-investing in residents.

This report will analyze the GAA in the context of the [Roadmap to Shared Prosperity in Florida](#), a blueprint for improving economic mobility, health and fiscal stability for families in the Sunshine State.

The Florida Policy Institute (FPI) answered the same questions below in early February 2019 in its analysis of the governor's proposed budget, as well as in March 2019 in its analysis of the Senate and House budget proposals.

Does the budget help unleash Floridians' potential and boost productivity by investing in education and health?

The final budget increases investment in K-12 students by \$243 per-pupil over current year funding, which is a step in the right direction. While this increases investment to \$7,672 per student, the highest spending on record in nominal dollars, it's far below FY 2007-08 funding levels (\$8,524, after adjusting for inflation).

Further, the budget does not authorize a pay increase for Florida educators. The state currently ranks 47th in the nation for its average salary of instructional staff and 45th for its average salary of teachers in public schools.¹

The FY 2019-20 budget also fails to restore a cut to Retroactive Medicaid Eligibility (RME) for non-pregnant adults that went into effect earlier this year. Florida already has one of the highest rates of uninsured residents in the nation, and this cut to RME endangers the health of adults with disabilities and seniors.

Does the budget launch public infrastructure projects to create jobs, spur growth, promote equity and improve climate resilience?

Investment in Florida’s infrastructure — transportation, public buildings and water treatment systems — is key to economic growth. Right now, 9 percent of Florida’s roads are in poor condition and the state’s schools are an average of 29 years old.² In a state prone to hurricanes and floods, having modern, climate resilient facilities is especially important.

Instead of investing in infrastructure, many states “cut taxes and have offered corporate subsidies in a misguided approach to boosting economic growth,” according to report from the nonpartisan Center on Budget and Policy Priorities (CBPP).³ Tax cuts, notes CBPP, “spur little to no economic growth and take money away from schools, universities, and other public investments essential to producing the talented workforce that businesses need.”

The budget increases funding for Everglades restoration and water quality improvement initiatives, but under-funds the Florida Forever program, which is a critical vehicle for preserving ecologically critical land and preventing future environmental problems.

Will the budget help boost family income?

The final budget does not include significant measures to reduce Florida’s growing income inequality, nor does it provide targeted benefits to the state’s working families. Notably, lawmakers missed an important opportunity to fully invest in affordable housing, instead moving \$125 million from the Sadowski Affordable Housing Trust Fund into general revenue.

Also lacking in the FY 2019-20 budget is adequate funding for employment and training programs for safety net program recipients.

Further, the final budget under-invests in inmates’ re-entry and rehabilitation.

Does the budget contain language to clean up and modernize the tax code for a strong future?

Florida currently ranks 48th in the nation for tax fairness.⁴ The final budget does not include measures that would help improve the state’s “upside-down” tax system, wherein the people with the lowest household income contribute the greatest share to state and local taxes.

The Legislature passed tax cuts totaling \$121.5 million in FY 2019-20, with a recurring impact of \$73 million in future years. The tax cut bill (HB 7123) included reductions and exemptions across a range of tax categories (see the table below). The most costly of these is the reduction in the commercial tax rate, which is estimated to cost \$30.8 million in the first year it is implemented, and \$64.5 million recurring in subsequent years. This legislation also includes two sales tax holidays, one for “back to school” and another for “disaster preparedness.”

TAX CATEGORY	TAX CUTS INCLUDED IN HB 7123
Sales Tax	Reduces rate for commercial property rentals from 5.7% to 5.5%

	<p>5-day “back to school” sales tax holiday</p> <p>7-day “disaster preparedness” sales tax holiday</p> <p>Provides an exemption for various items including donations to charities, materials for repairing agricultural fences and farm buildings damaged by Hurricane Michael</p>
Property Tax	<p>Establishes that in certain hurricane-impacted counties the value of agricultural tangible personal property shall not have market value greater than its salvage value</p> <p>Distributes property tax revenues generated by local optional voted levies proportionally to charter schools</p> <p>Delays the timing of payments to fiscally constrained local governments for offsetting property tax refunds granted to homeowners due to hurricanes</p> <p>Allows for flexibility in assessing county property tax assessment rolls following a natural disaster</p>
Insurance Premium Tax	<p>Extends the time period for insurers to make contributions to the Florida Tax Credit Scholarship Program from December 31 to March 1 and allow for the credit to retroactively apply to any tax payment for the taxable year.</p>
Fuel Tax	<p>Provides an exemption in certain counties for fuel that is used in transporting agricultural products from the farm to a facility for processing and for fuel that is used in hurricane debris removal.</p>
Documentary Stamp Tax & Tax on Deeds	<p>Removes the stipulation that the documentary stamp tax may be exempted on the transfer of homestead properties between spouses only if the deed is recorded within one year of the marriage</p>
Communications Services Tax	<p>Amends the definition of a “pass-through provider” to exclude persons who sell communications services for resale, which are then integrated into communications services that are sold at retail and where the communications services tax is remitted. These persons will be exempt from certain fees levied by municipalities.</p>
Traffic Fines	<p>For noncriminal traffic infractions, if the driver attends a basic driver improvement course, increase the reduction of the civil penalty to 18 percent from 9 percent and remove the provision that 9 percent of the civil penalty is deposited in the State Courts Revenue Trust Fund.</p>
Court Fees	<p>Redirects funds generated from fees imposed on attorneys appearing “pro hac vice” and on marriage licenses from the General Revenue Fund to the State Courts Revenue Trust Fund.</p>

Total Fiscal Impact: FY 2019-20

\$121.5 million

Total Recurring Fiscal Impact

\$73 million

Addressing the sales tax is one way to alleviate Florida’s unfair and upside-down tax system, but this approach may not result in much relief for families. Florida’s poor ranking on tax fairness is largely driven by the state’s heavy reliance on the sales tax for revenue. Lower- and middle-income Floridians pay more in state and local taxes as a share of their incomes than wealthy Floridians. Lower income families spend a greater share of their household budgets on items they need day-to-day. Sales tax holidays, while aimed at providing some relief to families, tend to result in minimal benefits.⁵ Reforms targeted to Florida’s lower-income taxpayers, such as providing a Working Families Tax Rebate, would be much more effective at reaching working families.

The governor also signed into law corporate tax cut legislation (HB 7127) that could cost upwards of \$340 million in revenue.⁶ This measure is related to the corporate tax cut passed in the federal Tax Cuts and Jobs Act, signed by the President in 2017. This legislation was aimed at simplifying the tax code and boosting job growth, but it had the effective result of significantly increasing the value of stock used to compensate executives. HB 7127 aims to lower the corporate tax liability at the state level. This corporate tax break will exacerbate inequity in Florida. As executives continue to see their incomes grow, most Floridians will see their wages remain stagnant, making it increasingly difficult to make ends meet as the cost of living rises.

What comes next in the budget process?

Although the FY 2019-20 budget was just signed into law, state agencies and the Legislature are beginning to work toward next year's budget. The Legislative Budget Commission, which is composed of the Senate Committee on Appropriations, the House Appropriations Committee and the Legislative Office of Economic and Demographic Research, is required to issue the Long-Range Financial Outlook by September 15 each year for the three upcoming fiscal years. The outlook document provides a view of Florida's future fiscal standing by combining projections of different revenue streams. This information is then synthesized into fiscal strategies for the Legislature to consider when creating the state budget for FY 2020-2021.⁷

Overview of the Florida State Budget

Like many states, Florida's budget has seen fluctuations over the past several years. After the Great Recession, which began in 2007 and ended in 2009, total appropriations decreased as state revenues constricted. Since then, the total budget has steadily increased. The chart below shows state appropriations — factoring in vetoes and supplemental appropriations as well — between FY 2008-09 and the current fiscal year, broken down by the six major service areas: Education, Human Services, Criminal Justice and Corrections, Natural Resources/Environment/Growth Management/Transportation (NREGMT), General Government and the Judicial Branch.

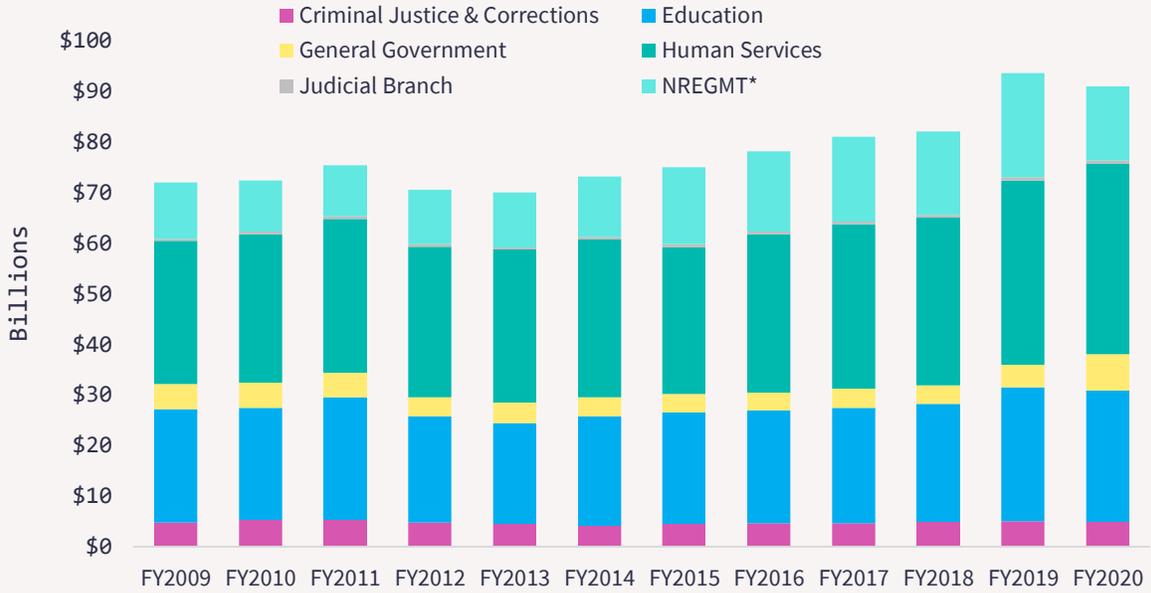
While comparing year-to-year appropriations provides important insights into what direction Florida is moving in, even more valuable is looking at investment over time, factoring in the state's growing population, and comparing Florida to other states along indicators of health and well-being, like the share of uninsured residents. The chart below shows that Florida lawmakers have underinvested in public services every year since the Great Recession; while other states increased their per capita spending as the economy improved, Florida went in the other direction. As a result, Florida ranks 50th among all states for its per capita investment in essential public services.

It's also important to note that the state budget is made up of a few different types of funds, and not all the revenue comes from state coffers. Budget appropriations are funded through the General Revenue Fund, which is where tax revenue is deposited; various state trust funds, which collect revenue specified for a particular purpose; or federal funds.

Additionally, budget and revenue forecasts do not take into account the foregone revenue resulting from state tax expenditures. This "silent spending" has increased substantially since FY 2010, growing on average \$780 million each year.⁸ In FY 2019-20, silent spending will cost the state \$20.5 billion, a number that is likely to continue growing in the coming years.

ANNUAL FLORIDA BUDGET BY YEAR AND SERVICE AREA

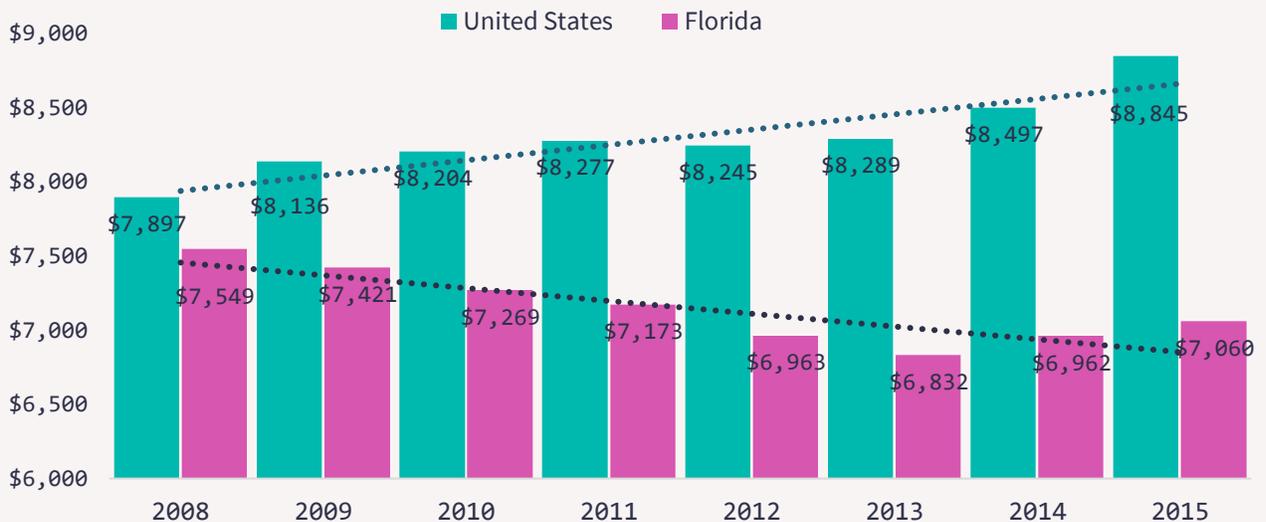
Total includes general appropriations, vetoes, and supplemental appropriations. Inflation adjusted, in billions



*Natural Resources/Environment/Growth Management/Transportation

FIGURE 3. FLORIDA RANKS 50TH ON INVESTMENT IN PUBLIC SERVICES

Per capita state and local government expenditures, 2008-2015



Source: Tax Policy Center. State and Local Government Expenditures, Per Capita.

Human Services

→ Current Landscape

Florida ranks near the bottom on multiple national rankings of health and wellness. The state has one of the highest rates of uninsured residents in the U.S. and lawmakers have failed to expand Medicaid to more than 800,000 uninsured, low-income residents. Additionally, Florida is experiencing skyrocketing growth of its most medically expensive populations: the elderly and people with disabilities. These unique demographics ensure even greater future demands on the state's health care delivery system.

In terms of investment in mental health and substance use disorder (SUD) treatment, Florida lags far behind other states. Adding to the pressure on Florida's already strained community mental health system is the state's very high rate of uninsured people with mental illness. Mental Health America estimates that there are 533,000 uninsured Floridians with mental illness-- the fourth highest percentage in the country.⁹

Home- and community-based services (HCBS) programs are critical in helping people stay in their homes and in preventing or delaying nursing home or other institutional care. These services are also essential for caregiver family members who need to work during the day to help support their loved ones at home. However, enormous HCBS waitlists that grow substantially year after year are keeping these services out of reach for many.

→ Budget

HUMAN SERVICES

FY 2018-19 Budget: \$37,140,846,008

	Governor	House	Senate	GAA	Final FY 2019-20 Budget (Post-Vetoes)
Proposed FY 2019-20 Budget	\$37,547,061,048	\$37,193,773,270	\$37,738,141,121	\$37,210,255,097	\$37,166,014,476
Difference from FY 2018-19 Budget	+ \$406,215,040	+ \$52,927,262	+ \$597,295,113	+ \$929,161,133	\$884,920,512

The Human Services budget for FY 2019-20 is \$ 37.7 billion. While this budget increase heads in the right direction, vital services needed to meet Florida's growing populations of seniors, persons with disabilities and children continue to be seriously underfunded.

KidCare

The budget includes a \$91.4 million increase, in part, to meet projected growth in KidCare enrollment. Also included in the budget is an additional \$6.9 million, which will be available to help reduce cost-sharing for full-

pay enrollees in January 2020. These are children living in households with income above 200 percent of the federal poverty level, or \$42,660 annually for a household of three.

Retroactive Medicaid

The FY 2019-20 budget fails to restore Retroactive Medicaid eligibility. Based on new projections from the state Agency for Health Care Administration (ACHA), the amount of this cut is \$103.6 million, which is \$5 million more than FY 2018-19. This amount includes \$63.5 million in federal dollars that lawmakers have chosen to forfeit. The cut targets adults with disabilities and the elderly; pregnant women and children have been spared. Without retroactive Medicaid benefits these groups will face enormous medical debt arising from unanticipated catastrophic illnesses or injuries that require hospitalization or end-of-life nursing home care.

Responding to criticisms that AHCA does not have data to demonstrate the impacts of this cut because it was just implemented in February 2019, state lawmakers did not make it permanent. Instead, the cut is in effect for just one year and then the Legislature will re-visit this issue next session. In the meantime, AHCA will be required to collect data to determine the impact of this cut on beneficiaries and providers and submit a report to the governor and Legislature by January 10, 2020.

Medicaid Managed Care

Medicaid managed care continues to be a significant portion of the Medicaid budget-- \$18 billion out of the total Medicaid budget of \$28.3 billion. However, 61 percent of this cost is covered by federal funding. Medicaid is the largest source of federal funding in the budget.

Included in this allocation is \$10 million for a pilot project to provide "flexible services," such as temporary housing assistance, for persons with mental illness or substance use disorders. AHCA recently obtained federal approval to begin implementation of this project.

New proviso language in the budget requires AHCA to develop a different methodology for assigning Medicaid beneficiaries to managed care plans when they do not voluntarily choose a plan. It specifies that all managed care plans receive "equitable treatment," meaning that new plans are not prevented from "establishing successful operations within the program." The new methodology must be provided to the Legislature and its implementation is contingent on legislative approval.

Hospital Medicaid Reimbursement

The House proposal included cuts exceeding \$100 million for hospital Medicaid reimbursements and the Senate recommended a change in the reimbursement methodology for \$318 million of supplemental hospital Medicaid payments, which could have disproportionately hurt safety net hospitals. The enacted budget did not include the House cuts, but a much smaller redistribution of the supplemental payments — just \$9.6 million.

Low Income Pool

The FY 2019-20 budget continues the \$1.5 billion appropriation, including \$925 million of federal funding, for the Low Income Pool (LIP). LIP provides supplemental funding for mainly uncompensated hospital care costs.

The required state match is raised by local governmental entities such as counties and hospital taxing districts. In the past, the state has not been able to access the entire \$1.5 billion allotment because the full state match portion has not been raised. For example, for FY 2017-18, just \$879 million was accessed of the \$1.5 billion allocation.

Community Mental Health and Substance Use Disorder Services

The total FY 2019-20 budget for community mental health and substance use disorder (SUD) services is \$834.7 million — an increase of more than \$130 million. However, this budget includes \$83.3 million of time-limited federal funding to combat the opioid crisis. When these dollars are exhausted, it will create a "treatment cliff" unless state funds are appropriated to continue the increased service capacity.

The budget also includes a \$6.7 million increase in federal block grant funding for community mental health and SUD services.

Additionally, there is \$75 million appropriated in the education budget for school based mental health services, a \$6 million increase over the current year allocation.

Home and Community Based Services (HCBS)

HCBS for persons with disabilities - The FY 2019-20 budget appropriates \$48.7 million to reduce the waitlist for the Medicaid HCBS Waiver program (also known as the iBudget Medicaid waiver – see table below) by more than 1,600 slots.

The implementing bill (SB 2502) requires the Agency for Persons with Disabilities (APD), in conjunction with AHCA, to develop a plan to redesign the waiver program and submit the plan to the Legislature by September 30, 2019, if APD has a deficit. According to the analysis by House legislative staff, APD *will* experience a budget deficit of approximately \$115.1 million (\$44.8 million general revenue).

Among other requirements the plan must include steps to ensure "budget predictability," identify "core services," and recommend elimination of other services that "are not affordable based on current resources." It is anticipated that this plan may be a prelude to moving the iBudget waiver under the umbrella of the statewide Medicaid managed care program. The Legislature must approve the plan before its implementation.

The APD budget also includes an additional \$28.7 million to provide salary increases for residential habilitation workers providing direct services to waiver enrollees.

HCBS for seniors - The FY 2019-20 budget provides modest increases to fund more slots in the community care for the elderly (CCE) program and the Alzheimer's Disease Initiative (ADI) - \$2.2 million in general revenue to fund 256 more slots in CCE and \$1.7 million to fund 151 more slots in ADI.

INCREASED FUNDING FOR HCBS IN FL SENATE AND HOUSE BUDGETS STILL LEAVES TENS OF THOUSANDS ON WAITLISTS

Number of People Served with Increased Funding in Proposed Budgets

Type of HCBS	Size of waitlist*	Governor	House	Senate	Final FY 2019-20 Budget
Alzheimer's Disease Initiative	5,886	250	152	0	151
Community Care for the Elderly Program	45,337	590	256	594	256
Home Care for the Elderly Program	7,572	240	145	0	0
iBudget Medicaid waiver	22,034	1,643	1,643	unknown	1,643
Statewide Medicaid Managed Care Long Term Care Waiver	55,016	0	0	0	0

* Waitlist numbers accessed via the Florida Council on Aging. Estimates for how many additional people would be served are based on House estimates of \$8,418 per individual for CCE; and \$11,654 per individual for the Alzheimer's Disease Initiative. Waitlist numbers for the iBudget Medicaid waiver accessed via Florida DD's Waitlist Campaign.

No additional funds were appropriated to fund more slots in the Medicaid managed care long-term care program, which provides the most robust package of benefits that enable people to stay out of nursing homes. Notably, for every \$1.00 the state spends on the Medicaid long term care program, it receives \$1.56 in federal reimbursement.

Criminal Justice & Corrections

→ Current Landscape

Florida's Department of Corrections (DOC) is the third largest state prison system in the country. In fact, Florida's incarceration rate is higher than all of the 13 founding NATO countries: USA, Canada and the 11 European countries. Since 1996, the number of people serving 10 or more years has tripled. As a result, the state has not been able to properly respond to the costs and needs associated with its incarcerated population. Inmates' health costs have significantly increased, which caused the department to experience a major budget deficit in FY 2018-19.

→ Budget

CRIMINAL JUSTICE & CORRECTIONS

FY 2018-19 Budget: \$4,669,736,640

	Governor	House	Senate	GAA	Final FY 2019-20 Budget (Post-Vetoes)
Proposed FY 2019-20 Budget	\$4,900,563,610	\$4,777,242,252	\$4,860,499,387	\$4,870,108,398	\$4,860,052,250
Difference from FY 2018-2019 Budget	+ \$230,826,970	+ \$107,505,612	+ \$190,762,747	+ \$200,371,758	+ \$190,315,610

Department of Corrections

The final FY 2019-20 budget funds the Department of Corrections (DOC) at \$2.704 billion, a 6 percent increase over the FY 2018-19 budget of \$2.4 billion.

This is a much-needed increase given several financial shortfalls the agency has experienced in the past few years, especially the current \$28 million deficit. Despite the remarkable increase, the budget still fails to prioritize rehabilitative programs and provides no sustainable relief to one of the most critical issues all DOC facilities and institutions experience, which is understaffing. Allocating funding for treatment of Hepatitis C and mental health, as well as ADA (American Disability Act) compliance, were of the utmost significance this year due to court mandates that have required that the DOC invest more into their inmate's physical and mental health. The latter strain rendered it impossible for the Legislature to sufficiently invest in critical reform efforts.

Inmate education - The FY 2019-20 budget allocates a total of \$3 million for basic skills education. This includes \$750,000 for an online education program that offers career-based online high school diplomas and \$1 million to CareerSource Florida for the development and implementation of a vocational curriculum for inmates in the Florida Correctional System.

Maintenance and repairs - The final budget includes \$184 million for maintenance and repairs, with \$8.4 million being allocated to address the most critical needs and improvements to security systems at DOC facilities statewide. Further, it allows \$500,000 for security cameras for female prison operations. Lowell Correctional Institution, the state's largest female prison, has been the subject of a federal investigation for the sexual abuse of inmates.

Health care - The budget allocates \$566 million inmate health care services. Of great importance, \$4.8 million and \$84.9 million were allocated to treat mental health and infectious disease like Hepatitis C Virus, respectively, which is a significant increase from the \$21.6 million provided in FY 2018-19. The DOC was mandated by a federal district court to treat all inmates with Hepatitis C by 2019.

Operations - The FY 2019-20 budget provides \$4.3 million to increase per diem rates at privately operated correctional facilities. It includes \$150,000 for the Bureau of Private Prison Monitoring within the Department

of Management Services to conduct medical and mental health site visits of the medical departments of private prisons.

Community substance abuse and supervision - Community supervision and substance abuse prevention received \$214 million and \$27 million, respectively, in the FY 2019-20 budget. Notably, \$341,000 was provided to fund Inmate Mental Health Services Compliance at contracted facilities. There is \$1.7 million provided to fund electronic monitoring for inmates in privately operated work release facilities while in the community under work release assignment.

Department of Juvenile Justice

The Department of Juvenile Justice (DJJ) is funded at \$593 million in the FY 2019-20 budget, an almost 3 percent increase from FY 2018-19 and higher than both the Senate and House proposals.

This includes \$120 million for detention centers, slightly less than FY 2018-19, and \$81 million to secure residential commitment centers, which is more than \$3 million over FY 2018-19. The budget appropriates \$90 million to delinquency prevention and diversion, an increase of 6 percent, and more than \$3 million is allocated for services to youth at risk of commitment who are eligible to be placed in evidence-based and other alternative programs for family therapy services.

The budget also allocates \$750,000 to implement retention bonuses for direct care workers in community intervention programs, community supervision programs, non-secure and secure residential programs, and prevention programs in order to help reduce turnover and retain employees.

Education

EDUCATION

FY 2018-19 Budget: \$25,258,497,729

	Governor	House	Senate	GAA	Final FY 2019-20 Budget (Post-Vetoes)
Proposed FY 2019-20 Budget	\$26,126,361,964	\$25,633,310,307	\$26,251,776,905	\$26,045,586,421	\$26,014,741,729
Difference from FY 2018-19 Budget	+\$867,864,235	+\$374,812,578	+\$993,279,176	+\$787,088,692	+\$756,244,000

Early Childhood and Pre-K-12 Education

→ Current Landscape

In the wake of the Great Recession, many states cut education funding dramatically after state and local revenues plummeted. While many states have rebounded, Florida’s investment per-pupil remains 22.9

percent beneath pre-recession levels, after adjusting for inflation. State and local combined funds for Florida’s primary and secondary (PreK-12) education dropped \$2,767 per pupil from 2008 to 2016, inflation adjusted.¹⁰

→ Budget

Voluntary Pre-Kindergarten (VPK)

Florida voters passed a constitutional amendment in 2002 that mandated the state provide free, quality, universal voluntary pre-Kindergarten. The program pays for three hours of educational programming a day to four- and five-year-old children. There is no income eligibility; in fact, 77 percent of eligible four-year-old children in the state attend VPK, one of the highest participation rates in the country. However, many families find themselves struggling to pay for the remainder of each day’s services. Florida’s per student VPK spending ranks 42nd out of the 43 states that offer free VPK.¹¹ Three hours a day is hardly enough for robust, quality education for children.

VOLUNTARY PRE-KINDERGARTEN					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
Voluntary Pre-Kindergarten (VPK) Total	\$398,444,762	\$402,280,371	\$402,280,371	\$402,280,371	\$402,280,371
VPK Per-Pupil School Year Funding	\$2,437	\$2,437	\$2,437	\$2,437	\$2,437

The FY 2019-20 budget invests an additional \$3.8 million in the VPK program, as part of a proposed total budget of \$402.28 million for the program.

The increase will allow more children to participate in VPK, in line with state projections for population growth. However, it keeps the base student allocation at \$2,437 for school-year students. The base student allocation was \$2,483 in FY 2014-15, which is \$46 higher than the amount for FY 2019-20.

School Readiness Program

Florida’s School Readiness Program offers financial assistance to low-income families for early education so parents can work and their children will be prepared for school. The program is only available to families with income below 150 percent of the federal poverty level and most counties have waiting lists for participation.

SCHOOL READINESS PROGRAM					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
School Readiness Program Total	\$690,877,228	\$760,877,228	\$760,877,228	\$760,877,228	\$760,877,228

The 2019-2020 budget invests an additional \$70 million in federal funding for the School Readiness Program, as part of a \$761 million total budget for the program.

The increase in funding is a welcome infusion for childcare advocates, who have drawn attention to the program's long waiting lists and uneven provider quality. However, the state's contribution to the program under both proposals stay level, due to an infusion of federal dollars.

K-12 Education

K-12 EDUCATION					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
K-12 Total State Funding - FEFP	\$11,885,476,381*	\$12,239,486,268	\$12,758,513,038	\$12,450,345,660	\$12,450,345,660
K-12 Total State Funding - Non-FEFP	\$734,644,868	\$436,133,206	\$376,384,073	\$436,045,351	\$426,511,969
K-12 Total Local Funding	\$9,173,831,963*	\$9,399,143,789	\$9,399,143,789	\$9,399,143,789	\$9,399,143,789
K-12 per-pupil spending	\$7,429	\$7,597	\$7,779	\$7,672	\$7,672
K-12 base student allocation	\$4,204	\$4,243	\$4,354	\$4,279	\$4,279

*2018-19 3rd Calculation

K12 EDUCATION – SELECT PROGRAMS					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
K-12 Best and Brightest Teacher Bonuses	\$233,950,000	\$268,964,000	\$233,950,000	\$284,500,000	\$284,500,000

K-12 Mental Health Assistance Allocation	\$69,237,286	\$69,237,286	\$100,000,000	\$75,000,000	\$75,000,000
K-12 Schools of Hope	\$140,000,000	\$140,000,000	\$0	\$40,000,000	\$40,000,000
K-12 Gardiner Scholarships	\$128,336,000	\$153,872,168	\$144,382,758	\$147,901,004	\$147,901,004
K-12 Community Schools	\$0	\$0	\$10,255,000	\$7,435,571	\$7,435,571
K-12 Turnaround Schools Supplemental Services	\$0	\$0	\$45,666,410	\$45,622,889	\$45,622,889

The FY 2019-20 budget:

- Includes total state Florida Education Finance Program (FEFP) funding of \$12.5 billion for K-12 public education — an increase 5 percent over FY 2018-19 — resulting in per pupil funding of \$7,672.** This is an increase of \$243 over FY 2018-19, with \$75 of that as an increase in the base student allocation (the most flexible spending for schools). However, the rosy per-pupil amounts paper over an easily overlooked caveat: The Best and Brightest Teacher program was not counted toward these figures in years past, and by moving the program to the FEFP portion of the K12 budget, the per pupil funding amount increased by \$99. Significantly, legislators can easily inflate the total per pupil spending amount by arbitrarily shifting which programs count under the FEFP total.
- Creates a new private school voucher program called the “Family Empowerment Scholarship.”** Though not included as an expenditure, this program will transfer an estimated \$132 million from FEFP funds designated for public school districts in 2019-20 to private schools.
- Includes an increase in local funding from property tax revenue of \$225.3 million.** The proposed increased reflects rising property values; however, the budget reduces the millage (property tax) rate instead of keeping the rate constant and capturing the resulting funding increases.

State funding for education comes from the General Revenue fund (sales and other taxes), the Educational Enhancement Trust Fund (lottery proceeds) and other trust funds. In nominal dollars, \$7,672 per pupil funding would be the highest on record in Florida. However, when adjusted for inflation, the amount spent in FY 2007-08 would equal \$8,524 in today’s dollars. Florida’s spending on K-12 education has yet to rebound to its pre-recession level.

- Overhauls the “Best and Brightest” teacher recruitment and retainment program.** The proposal decouples the bonus program from teacher college entrant scores, among other changes, and increases funding for the program to \$285 million from \$234 million.

Teacher recruitment and retainment is one of the most critical areas for Florida’s K-12 system. A growing teacher shortage problem continues to strain class sizes across the state. In January 2019, midway through the school year, there were still 2,217 teacher openings across the state — 700 more than the previous year. Schools are forced to make do with long-term subs and having some teachers teaching courses that they are not certified in.

Teacher pay in Florida is one driver of the shortage. Florida ranks 42nd in average teacher pay. In FY 2018, teachers in Florida made on average 12.2 percent less than they did in FY 2009, when adjusted for inflation.

- **Funds new initiatives to assist struggling schools and pilot community schools.** The final budget includes \$7.4 million for Community Schools, a model that incorporates a multi-generation approach and offers services for family as well as wrap-around services for children. The budget includes \$45.6 million for Turnaround Schools Supplemental Services, to fund extra services that so-called Turnaround schools require to promote student growth.

Higher Education

→ Current Landscape

Researchers have found that the more educated a state’s populace is, the higher the median wage.¹² This makes sense on an individual level: in Florida, the median wage for someone with a bachelor’s degree (\$68,127) was nearly 2.5 times that of someone with a high school diploma alone (\$27,668) in 2017.¹³ It also makes sense at a community-level: the larger the supply of highly-skilled workers, the more attractive the community is to high-wage employers.¹⁴

In Florida, higher education funding per student is 13 percent below what it was in 2008, when adjusted for inflation.

→ Budget

Florida College System

FLORIDA COLLEGE SYSTEM					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
Performance Incentives (for Industry Certificates)	\$10,000,000	\$14,000,000	\$15,000,000	\$14,000,000	\$14,000,000
Performance-based Incentives	\$60,000,000	\$60,000,000	\$0	\$0	\$0
Total State Support	\$1,228,491,003	\$1,222,663,265	\$1,277,837,503	\$1,255,757,765	\$1,253,793,265

FLORIDA COLLEGE SYSTEM					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)

Performance Incentives (for Industry Certificates)	\$10,000,000	\$14,000,000	\$15,000,000	\$14,000,000	\$14,000,000
Performance-based Incentives	\$60,000,000	\$60,000,000	\$0	\$0	\$0
Total State Support	\$1,228,491,003	\$1,222,663,265	\$1,277,837,503	\$1,255,757,765	\$1,253,793,265

The FY 2019-20 budget:

Increases funding for the Florida College System (FCS) by \$25.3 million, for a total of \$1.25 billion. This represents a 2 percent increase in state funding support for Florida’s colleges. A recent TaxWatch report found that the FCS is a great investment for the state, students and the economy, infusing \$9 into the economy for every \$1 spent on FCS.¹⁵

Increases performance incentives for industry certificates to \$14 million. Florida’s College System, formerly known as Florida’s community colleges, have a renewed focus on offering high-demand industry certificates. This program pays Florida’s colleges \$1,000 for each high-demand certificate conferred.

Funds Student Success Initiative at \$20 million. This program supports “2+2” programs, partnerships between state colleges and universities that partner to allow college students to graduate with an associate degree and transition to a 4-year university to finish a baccalaureate program.

Funds a “Work Florida” Incentive Fund at \$10 million. This new program would support local colleges to better align their career education offerings with regional workforce demands and high-paying job growth. This is a worthy goal as many workforce programs at Florida’s colleges do not match up with the needs of local employers and do not always educate students about the types of local high-demand, high-wage jobs available that might only require an industry certificate. If the governor’s new proposed funding is used to build training programs in partnership with local higher-wage employers, the program has the potential to help boost incomes for working families.

Cuts \$60 million for performance-based, competitive incentives. Performance-based funding has a mixed history for improving systemwide outcomes in states using the funding scheme. Institutions with more resources to begin with tend to outpace others with fewer resources, perpetuating funding inequities. Schools that serve more low-income students and students of color often lose out in these funding schemes. Additionally, research has found little net positive impact for higher education performance funding models.¹⁶ For FY 2019-20, the Legislature decided to cut these incentives and fund other programs for the FCS.

Notably missing from the budget is the \$10 million requested by FCS to help bolster campus security and mental health services. The funding request pales in comparison with the proposed funding for the K-12 system for these purposes. FCS served 733,000 students last year — 26 percent the number of K-12 students in the state. However, the amount requested from the FCS for security and mental health represents only 8 percent of the amount proposed for the K-12 system. Many of the same security and mental health issues in K-12 schools are present on Florida’s college campuses, and funding at \$10 million is a reasonable request that the state budget overlooks.

State University System

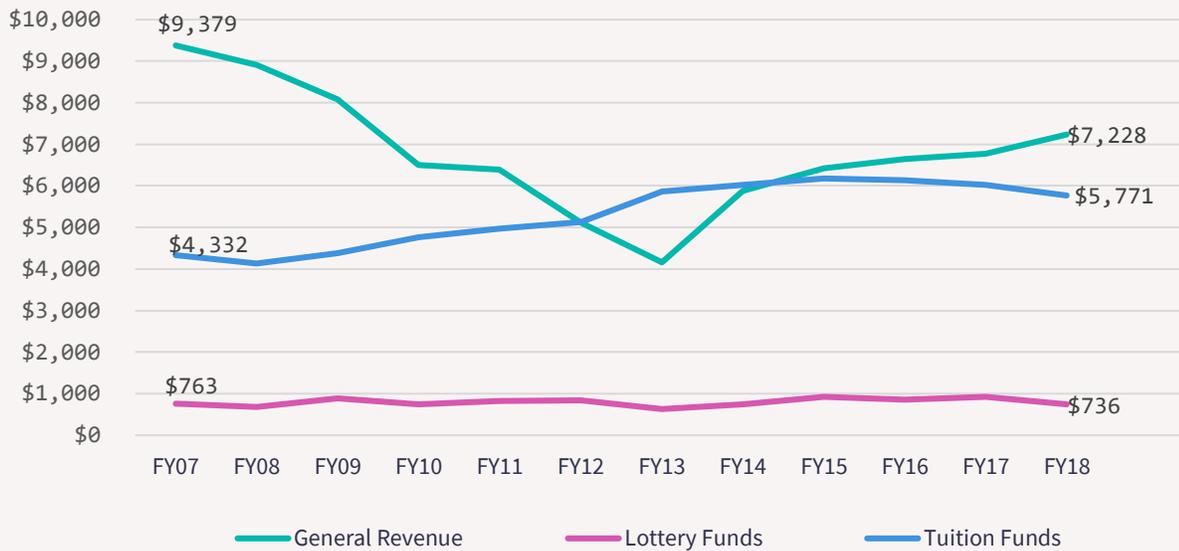
STATE UNIVERSITY SYSTEM					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post- Vetoed)
State University System (SUS) – State Funding Support	\$3,107,653,605	\$2,974,598,997	\$3,166,872,907	\$3,165,753,075	\$3,155,832,501
State University System – Funding from Tuition and Fees	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926	\$1,957,486,926
Total SUS Funding	\$5,065,140,531	\$4,932,085,923	\$5,124,359,833	\$5,123,240,001	\$5,113,319,427

The FY 2019-20 budget:

- **Provides \$3.16 billion in state support for university operating expenses.** This represents a 1 percent increase over the FY 2018-19 budget; however, general revenue support for the State University System has yet to rebound to pre-recession levels (see chart below).
- **Includes \$265 million in state support for performance incentive funding.** As previously stated, performance-based funding for higher education has mixed-results for positive impact systemwide.¹⁷
- **Keeps tuition and fees constant.**

GENERAL REVENUE SPENDING ON FLORIDA'S UNIVERSITIES BELOW PRE-RECESSION LEVELS

University spending per student (FTE) by source, adjusted for inflation (2018 dollars).



Source: FPI analysis of State University System of Florida data. Unlike Figure 2, does not include college system data.

Student Financial Aid

STUDENT FINANCIAL AID					
	FY 2018-19 Budget	House	Senate	GAA	Final FY 2019-20 Budget (Post-Vetoes)
Bright Futures (Merit-based scholarships)	\$519,695,373	\$589,443,167	\$589,443,167	\$595,143,167	\$595,143,167
Student Financial Aid (Need-based aid)	\$283,642,725	\$290,398,215	\$290,398,215	\$280,398,215	\$280,398,215
Total Student Financial Aid	\$841,120,298	\$926,593,423	\$926,593,423	\$921,897,423	\$921,897,423

The FY 2019-20 budget:

- Increases the student financial aid budget by \$80.8 million, for a total of \$921.9 million.** The budget reflects the expansion of financial aid during the 2018 legislative session, plus funding to meet a higher estimate of eligible students. The state estimates that, across all financial aid programs, 351,545 awards will be granted in the 2019-20 school year.¹⁸

Education Facility Construction

→ Current landscape

Funding for school capital expenses, like construction, repairs and technology improvements, have not rebounded from the deep cuts after the recession.¹⁹ Florida’s state and local investment in capital expenses remain 71 percent below 2008 levels, after accounting for inflation, which is the second largest cut in the nation. The lack of funds has come at a cost — the Florida Chapter of the American Society for Civil Engineers gives the infrastructure of the state’s schools a D+ for quality.²⁰

→ Budget

EDUCATION FACILITY CONSTRUCTION					
	FY 2018-19 Budget	House	Senate	GAA	2019-20 Budget (Post- Vetoes)
Education Fixed Capital Outlay	\$1,492,009,271	\$1,415,641,015	\$1,316,678,729	\$1,359,078,729	\$1,356,078,729

The FY 2019-20 budget includes \$1.36 billion for Education Fixed Capital Outlay, a decrease of \$136 million from 2019-20 funding (9 percent).

Education fixed capital outlay funds are used to build public schools, colleges, and university buildings and pay for debt service. This decrease in funding comes despite a decrease in the cost of debt service by \$33 million.

The primary funding for these fixed capital outlays, which are the appropriations for the construction and maintenance of buildings, comes from the Public Education Capital Outlay and Debt Service Fund (PECO), which is made up of revenue from the gross receipts tax (sales tax on gas and electricity) and the tax on communication services (landline phone, cable, satellite and cellular phone services).

Historically, this revenue has been used for issuing bonds.²¹ From FY 1992-93 to FY 2010-11, the state used the PECO funds to issue bonds for capital projects totaling \$12.1 billion; however, during Governor Rick Scott’s tenure, only one PECO bonding project was approved. The Senate and House budget proposals continue this trend and do not take the option to leverage the PECO funds to bond for education projects.

As consumers move away from landline and cable usage, and improve energy efficiencies, the gross receipts and communications taxes prove less lucrative. In December 2018, state economists revised the projected PECO funds available for construction downward for each of the next five years by an average of \$49 million.²² Between August and December, projected available PECO funds for appropriation this year dropped by \$75 million.

Both budget proposals recommend a reduced amount of spending for school construction. This correlates to the reduced amount of PECO funds, a trend that is expected to continue. The proposals also chose to opt out of bonding for school construction, which would have opened the door to up to \$2.4 billion more in funds.²³

General Government

GENERAL GOVERNMENT

FY 2018-19 Budget: \$6,281,093,964

	Governor	House	Senate	GAA	FY 2019-20 Budget (Post-Veto)
Proposed FY 2019-20 Budget	\$7,366,436,791	\$7,053,014,751	\$6,312,792,196	\$7,210,255,097	\$7,166,014,476
Difference from FY 2018-19 Budget	+ \$1,085,342,827	+ \$771,920,787	+ \$31,698,232	+ \$929,161,133	+ \$884,920,512

Economic Security & Self Sufficiency

→ Current Landscape

Florida is falling behind in promoting economic security and self-sufficiency for struggling residents. The erosion of the state’s safety net leaves families who are experiencing hard times with few, if any, resources to meet their basic needs.

Florida’s Temporary Assistance for Needy Families (TANF) program, the state’s core safety net program for providing low-income families with a temporary means to meet basic needs, does poorly at reaching families who fall on hard times. For every 100 families in poverty, only about 13 receive cash assistance from TANF, 42 fewer than in 1996. Adjusted for inflation, Florida’s TANF benefit levels are down more than 37 percent since 1996. Although the Supplemental Nutrition Assistance program (SNAP) is an important thread in the state’s safety net, SNAP and TANF combined still put families below 30 percent of the federal poverty level. At the same time, the state is doing little to provide recipients of public assistance with meaningful education and training to empower them with the skills and education they need to get and keep good-paying jobs in today’s workforce.

Also putting a strain on residents is the lack of affordable housing in Florida. The state ranks 44th in the nation for its availability of affordable housing, with only 26 affordable and available housing units for every 100 extremely low-income households.²⁴ The continued sweep of the Sadowski Affordable Housing Trust Fund has

contributed to this shortage. Between FY 2001-02 and FY 2017-18, more than \$2 billion was taken from the fund and moved into the general revenue stream to support other appropriations.

→ Budget

Temporary Assistance for Needy Families (TANF)

The final FY 2019-20 budget decreases funding for TANF by more than \$12 million. TANF was funded at \$144 million in FY 2018-19.

TANF helps very-low income families make ends meet; it enables them to pay for things like toothpaste, diapers, rent and utilities. But Florida's TANF program is failing to provide families the temporary help they need in hard times to keep their children out of foster care and promote the family's economic sufficiency. The maximum TANF benefit for families in Florida — \$303/month for a family of three — is only about 17 percent of the poverty level,²⁵ which is not enough for families to get by on. In fact, TANF benefit levels in the Sunshine State are about 27 percent of fair market rents, and even if a family receives both SNAP and TANF, those benefits combined keep the family under 47 percent of the poverty level.²⁶

Florida has kept TANF payments at the same level over the past 20 years. For a family of three, the \$303 that the family receives today is exactly the same amount that a family of three received 20 years ago. The only difference is that inflation has eroded the value by almost 40 percent.²⁷

Florida's TANF program is failing in its purpose of providing families the temporary help they need in hard times to keep their children out of foster care and promote the family's economic self-sufficiency.

Employment and Training (E&T)

The FY 2019-20 budget provides no funding for third party employment and training (E&T) partnerships for recipients of SNAP in jeopardy.

Both Governor DeSantis and the Senate Appropriations Subcommittee on HHS had recommended allocating \$10 million for third party partnerships in SNAP E&T to provide job-driven training for vulnerable Floridians to gain skills, training or work experience necessary for economic self-sufficiency. In such partnerships, the United States Department of Agriculture reimburses 50 percent for services that partners provide to SNAP recipients, which maximizes federal funding of skills-focused training for decent jobs that pay a living wage in today's labor market—something that does not happen for the majority of persons in in Florida's current SNAP E&T program.

The final budget also provides no funding for more robust work supports to help TANF recipients get and keep stable jobs. In the TANF program, most recipients who do not have disabilities are required to participate in the TANF E&T program as a condition of eligibility unless they have good reason to be excused. Nonetheless, many families on TANF lose their assistance when significant obstacles, such as lack of child care, health problems and transportation keep them from being able to follow through.²⁸ Instead of terminating a family's TANF assistance when barriers are insurmountable, Florida should provide robust work supports.

Transportation for Residents of Food Deserts

Governor DeSantis vetoed a local pilot project to subsidize transportation to grocery stores for 1,000 people living in food deserts.²⁹ Food deserts are parts of the country without access to stores or farmers markets that sell healthy foods.³⁰ More often than not, food deserts are located in low-income neighborhoods. Dozens of areas in the Sunshine State qualify as food deserts.³¹ According to a [study commissioned by the State of Florida](#), those living in food deserts are more likely to die prematurely from certain cancers, diabetes, stroke and liver disease than persons who have ready access to healthy food.³²

Important specifics about how the vetoed pilot program would have been implemented are not included in the proposal, such as whether a sliding scale would have been used to determine the user’s copayment for a ride, whether families with a documented inability to afford a copayment would have had their charge waived, whether rides for each person served would have been subsidized for the entire fiscal year, and whether rides to farmers markers would have been allowed.

While details about this particular pilot project are insufficient to evaluate its value, food deserts in Florida are a very real problem and warrant a holistic approach to solve. Among other things, public-private partnerships are needed to encourage more grocery stores and farmers markets in underserved areas, as well as mobile markets and corner stores that sell fruits and vegetables at a reasonable price. SNAP benefit levels should be raised to allow struggling families to buy more nutritious food than they currently can afford. Right now, the average SNAP benefit per person per meal is only \$1.37 in Florida. Similarly, Florida should adjust TANF payments, which currently are so low that most families can barely pay their rent or utility bills much less spend any of that assistance on food. Good or bad, the governor’s veto of subsidized transportation in food deserts should be a springboard to an in-depth, comprehensive examination of all the collaborative strategies that Florida should employ to solve the state’s food desert problem.

Affordable Housing

Despite Governor DeSantis proposing full funding of the Sadowski Housing Trust Fund, the final FY 2019-20 budget falls short, only allocating \$200.6 million to address the state’s affordable housing crisis.

AFFORDABLE HOUSING TRUST FUNDS							
	FY 2018-19 Sweeps	FY 2018-19 Funding	House Proposed FY 2019-20 Sweeps	House FY 2019-20 Proposal	Senate FY 2019-20 Proposal	Final FY 2019-20 Budget Sweeps	Final FY 2019-20 Funding
Local Government Housing Trust Fund	\$127.4M	\$86.8M	\$140.0M	\$86.8M	\$228.3M	\$115.0M	\$111.6M
State Housing Trust Fund	\$54.6M	\$36.8M	\$60.0M	\$36.8M	\$103.6M	\$10.0M	\$89.0M
Total Housing Support	\$182.0M	\$123.6M	\$200.0M	\$123.6M	\$331.9M	\$125.0M	\$200.6M

The Sadowski Housing Trust Fund supports two programs for expanding the availability of affordable housing:

- The State Housing Initiatives Partnership (SHIP) Program, which is administered by the Florida Housing Finance Corporation (FHFC) and distributes funds to local governments for the creation and preservation of affordable homeownership and multifamily housing.
- The State Apartment Incentive Loan (SAIL) Program, which is also administered by FHFC and provides low-interest loans to developers for affordable housing development.

Though this is an increase from the \$123.6 million appropriated in FY 2018-19, a significant portion of the funding — \$115 million — is allocated specifically for areas impacted by Hurricane Michael. The remaining counties of the state only receive a total of \$85.6 million. The Legislature also swept — or diverted -- \$125 million of affordable housing funding into the state’s general fund. While the hurricane recovery funding undoubtedly addresses a critical and urgent need, the Legislature missed an opportunity to provide full funding by electing not to sweep funds this year.

More than \$2 billion has been swept from the Sadowski trust fund since FY 2002, resulting in 94,000 foregone affordable housing units. The Sadowski Coalition estimates that full funding in FY 2019-20 would result in over 28,000 jobs and \$4.1 billion in positive economic impact.

Natural Resources/Environment/Growth Management/Transportation (NREGMT)

→ Current Landscape

In a disaster-prone state like Florida, investment in environmental conservation efforts and updated state infrastructure are of the utmost importance. Such investments are particularly important in South Florida, where climate equity and climate gentrification are growing issues of concern.³³ The rising sea levels have made higher elevation properties more desirable to investors and developers, putting low-income families who reside in these regions at risk of being displaced.³⁴

A study by the Office of Economic and Demographic Research noted that “hurricanes, tropical storms and other shocks have a negative effect on the attractiveness of the state to visitors and state tax revenues. Depending on the magnitude of the shock, the state may need to spend additional dollars to restore the beaches while also experiencing reduced revenues.”³⁵ Not only do natural disasters impact tourism, they also cause economic and physical devastation within impacted communities.

The Florida section of the American Society of Civil Engineers (ASCE) gave the state an overall grade of “C” in its 2016 Infrastructure Report Card, with even lower grades on indicators like coastal areas, drinking water, schools and stormwater.³⁶

Florida lawmakers have also siphoned trust fund monies meant for environmental protection since the Great Recession, even after voters approved a ballot measure in 2014 that required 33 percent of the net revenue collected from the excise tax on documents to be put into the Land Acquisition Trust Fund. Ongoing issues in the state include toxic algae blooms, red tide and erosion of beaches

→ Budget

NATURAL RESOURCES/ENVIRONMENT/GROWTH MANAGEMENT/TRANSPORTATION

FY 2018-19 Budget: \$14,838,086,425

	Governor	House	Senate	GAA	Final FY 2019-20 Budget (Post-Veto)
Proposed FY 2019-20 Budget	\$14,780,554,127	\$14,699,410,888	\$14,335,924,321	\$14,757,994,276	\$14,728,172,340
Difference from FY 2018-19 Budget	-\$57,532,298	-\$138,675,537	-\$502,162,104	-\$80,092,149	-\$109,914,085

Economic Development

The final FY 2019-20 budget represent a departure from FY 2018-19 and from the governor’s proposed budget. The differences reflect varying priorities and approaches to economic development in the Sunshine State.

The Job Growth Grant Fund was funded at \$85 million in FY 2018-19. The Governor had maintained this funding level for FY 2019-20. Both the House and Senate had eliminated this fund in their proposed budgets. In the final budget, the legislature provides \$40 million in the final budget. The fund has been contentious since it was established in a 2017 special session. It was established as a compromise when the House wanted to eliminate Enterprise Florida and other economic development incentives.

Visit Florida, the state’s tourism and marketing agency, was funded at \$76 million in FY 2018-19. The House and Senate both significantly reduced funding for Visit Florida in their budget proposals — to \$19 million and \$50 million, respectively. The final budget aligns with the Senate proposal, providing \$50 million for Visit Florida. The Senate’s proposed ban on the use of sunscreens containing oxybenzone or octinoxate, which had been added as a condition in its budget, has been eliminated in the final budget.

The state’s economic development public-private partnership, Enterprise Florida, has been a source of contention over the past few years, facing severe scrutiny over its use of public funds. The House has proposed eliminating funding for Enterprise Florida in its past two budget proposals, while the Senate proposed maintaining the FY 2018-19 funding level of \$16 million. The final budget also provides \$16 million in funding for Enterprise Florida.

Transportation

The final FY 2019-20 budget provides \$10.8 billion for the Department of Transportation (DOT), funded through the State Transportation Trust Fund. Both the Senate and House budget proposals and the final budget fully fund DOT’s Five-Year Work Program, which details the transportation projects for the next five years and calls for \$9.7 billion to fund transportation projects in FY 2019-20.

The FY 2019-20 Work Program will include \$45 million for Senate President Bill Galvano’s proposed legislation (SB 7068) to create Multi-use Corridors of Regional Economic Significance (M-CORES), which was passed into law during the legislative session. The aim of this program is to expand the highway system in rural areas of the state by creating three new toll roads. It also provides funding for other programs, including: the Small

County Road Assistance and Small County Outreach Programs, which rehabilitate and repair roads and bridges in rural areas; the Transportation Services for Transportation Disadvantaged Program that provides services for elderly, disabled and low-income Floridians; and a Workforce Development program to increase employment through the development of these new toll roads.

Funding for M-CORES and these other programs will come from a portion of the vehicle license tax. Currently, the motor vehicle license tax on certain vehicles is deposited into the General Fund, while the remainder is deposited into the State Transportation Trust Fund and other trust funds. The new legislation will redirect this portion from the General Fund to the State Transportation Trust Fund, phased in over the next three fiscal years.

Disaster Planning & Recovery

Governor DeSantis detailed the state's funding for disaster relief and recovery in a summary of the FY 2019-20 budget. He cites several programs that are funded through the state's Community Development Block Grant Disaster Recovery (CDBG-DR) Program, which provides federal funding through the U.S. Department of Housing and Urban Development (HUD) to supports a broad range of activities. In FY 2018-19, this includes repair of low- and moderate-income housing, construction of affordable new rental units, workforce training, grants for business owners and assistance for new Floridians from Puerto Rico. These activities total nearly \$600 million.

State funding for hurricane recovery includes \$25 million for a Hurricane Michael Recovery Grant Program, \$10.8 million in grants and aid to local governments for hurricane recovery, and \$23.2 million for marine fisheries recovery. Additionally, school districts that saw a reduction in students and consequent decrease in funding through the Florida Education Finance Program (FEFP) funding formula are allocated \$14.2 million. \$20 million is also provided for grants and aid to local governments for emergency management preparedness and retrofitting of facilities that are used as public hurricane shelters. The final budget also includes funding for a several local infrastructure and transportation projects in hurricane-impacted counties. In total, state funding for disaster recovery in the final FY 2019-20 budget exceeds \$230 million.

Environment

Across the board, all of the budget proposals and the final budget proposed significant increases in funding for environmental projects. The final FY 2019-20 budget provides allocations for Florida's natural resources preservation and restoration, specifically focused on the Everglades and water quality. The Governor reports in his summary of the final budget that over \$600 million is allocated for the environment, but it is unclear which exact budget line items and projects are included in this total.

The final budget includes funding for addressing the algae blooms and red tide that have been detrimental to Florida's coastal communities. Specifically, it provides funding of over \$400 million for Everglades restoration and for completing the Lake Okeechobee reservoirs that will reduce the amount of nutrients flowing into the water that creates the harmful algae blooms. The budget also provides \$20.8 million for developing innovative technologies for combating algae blooms and to establish a Blue-Green Algae Task Force. Almost \$50 million is allocated for local water quality projects, and another \$25 million is provided for cost-share grants to local governments, also for improving water quality. Notably, the Governor states that \$100 million is allocated for restoration of Florida's springs. This includes \$50 million appropriated for FY 2019-20 and \$50

million that had been appropriated for FY 2018-19 but had not been used. It is unclear why the funding had not been used last year.

Despite providing funding for Everglades restoration and water quality improvements, the House and Senate proposals, as well as the final FY 2019-20 budget under-fund the Florida Forever Fund. The Florida Forever Act was passed in 1999, authorizing \$300 million in bonds for 10 years to support conservation efforts. This is a critical program that allows the state to acquire and preserve ecologically important land and prevent future environmental problems.

FLORIDA FOREVER PROGRAM				
	FY 2018-19 Budget	House FY 2019-20 Proposal	Senate FY 2019-20 Proposal	Final FY 2019-20 Budget
Total Florida Forever Budget	\$100,800,000	\$20,000,000	\$45,000,000	\$33,000,000

Funding was appropriated in full until 2008, when funding was significantly reduced or eliminated. The FY 2018-19 funding level of \$100.8 million was the largest amount of funding in a decade. The final FY 2019-20 appropriation of \$33 million falls in between the Senate and House proposals—far below the amount needed to fully fund land conservation and preservation.

Coastlines

The final budget aligns with the Governor and House budget proposals to provide \$50 million for restoring and preserving Florida’s beaches. This maintains the FY 2018-19 funding level, however it is below the amount needed to adequately address challenges on Florida’s prized coastlines. Florida received a D+ from the American Society of Civil Engineers for management of its coastal areas.

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