

June 19, 2020

The Honorable Ron DeSantis
Governor of Florida
400 S. Monroe St.
Tallahassee, FL 32399

Dear Governor DeSantis:

Thank you for your work in service of our state during this very difficult time. As partners in the effort to help Florida recover, we are asking you to preserve crucial public services and programs in Florida as you review and take action on the fiscal year (FY) 2020-21 budget. While state revenue has significantly dropped, you should pursue every available avenue to preserve hard-won budget priorities, including pressing the Trump Administration and Congress to deliver on additional state and local aid, making current aid — Coronavirus Relief Fund (CRF) dollars — more flexible, and increasing the Federal Medical Assistance Percentages (FMAP). We also ask that you work with the Legislature to pursue common-sense revenue-raising opportunities for the state.

The FY 2020-2021 budget that the Legislature passed in March includes some long-awaited investments, like teacher raises, full funding of the affordable housing trust funds, and increased funding for the Florida Forever program. These investments are critical during an economic downturn and for building a strong future and should be preserved.

In the time since the Legislature passed the budget, the COVID-19 crisis has drastically changed the landscape at the state and national level. It has exacerbated long-standing racial and economic disparities in Florida. Gaps in access to health care, affordable housing, and countless other areas will only grow wider without revenue-raising solutions. Steps must be taken to ensure families across the state are able to weather this unprecedented crisis, and to jumpstart state and local economies.

Specifically, we urge you to take the following actions in order to address potential budget gaps and preserve FY 2020-2021 budget priorities:

- **Lobby the Trump Administration and Florida's congressional delegation for more federal aid to states and localities to address revenue losses.** Moody's Analytics predicts that

Florida will have an \$8 billion revenue shortfall. Without additional aid, our state is facing a fiscal cliff. Governors from both parties have urged action for additional state support.

- **Advocate for an FMAP increase and extension.** The most effective, flexible, and efficient form of state fiscal relief would be a larger increase in the Federal Medical Assistance Percentage (FMAP) for Medicaid that continues until the economy fully recovers. The Families First Act provided a small, temporary increase in federal Medicaid funding — an estimated \$1.69 billion for Florida — but that increase is not enough and will end prematurely. An additional FMAP increase would help our state’s Medicaid program respond to the additional health care demands resulting from COVID-19 while freeing up state funds to be spent in other urgent areas.
- **Advocate for retroactive flexibility in federal CARES Act aid.** Florida received \$8.3 billion from the CRF, with \$2.5 billion going directly to local governments. However, guidance issued by the US Department of Treasury states that “funds may not be used to fill shortfalls in government revenue” and that “revenue replacement is not a permissible use of Fund payments.” States need revised guidance in order to buoy state budgets and boost families and communities facing hardship. Added flexibility for CRF funds will increase the likelihood that these funds can be used to preserve budget priorities.
- **Work with the Legislature to identify common-sense measures to raise state revenue.** After the Revenue Estimating Conference releases updated revenue figures and Congress weighs in with additional state aid, the scope of Florida’s budget gap will become clearer. But the fiscal challenges our state faces are not just immediate — we need to raise revenue to address longer-term problems. Florida loses billions each year in revenue through tax loopholes that have allowed the wealthiest Floridians to avoid paying what they owe. Measures such as enforcing the sales tax on online sales, eliminating tax exemptions for luxury items, holding corporations accountable for their tax liability, and eliminating subsidies for revenue-losing programs can raise the revenue needed to maintain the state’s priorities now and into the future.

We look forward to working with your administration on these issues. Protecting the health and fiscal stability of our families, friends, and neighbors here in Florida is our top priority.

Sincerely,

Florida Policy Institute
Alianza for Progress
Allegany Franciscan Ministries
Catalyst Miami

Daystar Life Center, Inc.
Faith in Public Life
Farmworkers Self-Help Inc.
Fines and Fees Justice Center
Florida Alliance for Retired Americans
Florida Association of Nonprofits
Florida Center for Fiscal and Economic Policy
Florida Chapter of the American Academy of Pediatrics
Florida Children's Council
Florida Conservation Voters
Florida Health Justice Project
Florida Housing Coalition
Florida Impact to End Hunger
Florida PTA
Florida Voices for Health
Habitat for Humanity of Florida
League of Women Voters of Florida
Lupus and Allied Diseases Association, Inc.
Miami Freedom Project
NAACP Upper Pinellas County
National Association of Social Workers - Florida
Opportunity For All Floridians
Progress Florida
QLatinx
Second Harvest Food Bank
Star of the Sea Foundation, Inc.
The Children's Campaign
The Common Ground Project
The Community Health Center of West Palm Beach
UnidosUS
United Way of Broward County
United Way of Florida

CC: Senate President Bill Galvano
House Speaker Jose Oliva
Chief Financial Officer Jimmy Patronis
Attorney General Ashley Moody
Commissioner of Agriculture Nikki Fried