FLORIDA
POLICY
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Governor Ron DeSantis' FY 2021-22 Budget Recommendations: Summary by Issue Area

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Governor Ron DeSantis released his fiscal year (FY) 2021-22 budget proposal on January 28, 2021. The request totals $96.6 billion, a 4.7 percent increase over the $92.2 billion current year budget.[1] Overall, the governor's proposal reflects ongoing support for areas such as teacher raises, conservation, and affordable housing. However, more than half of the proposed increase in the governor's budget is due to increased federal funds, in the form of COVID-19 relief and education funding. While these important measures at the federal level have helped stave off significant funding cuts in the governor's proposal, they are not long-term solutions to Florida's history of under-funding public services and inadequate tax system.

Introduction: COVID-19 Drives Budget Priorities

In the 11 months since the outbreak of COVID-19 in Florida, nearly every aspect of people's lives has been overshadowed by the pandemic. Floridians have faced unprecedented challenges, from social distancing and remote learning, to skyrocketing unemployment, hunger, and homelessness. In the public dialogue, lawmakers at all levels grapple with the economic fallout and public health emergency. Florida's economy, dependent on consumer spending, tourism, and service jobs, has been hit hard and state revenue took a dive.

As lawmakers were wrapping up the 2020 legislative session last March, legislators took some steps toward addressing the state's impending budget shortfall, primarily by scaling back tax cuts. At the same time, Congress was well on its way to passing the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which would send billions of federal dollars to state and local governments to assist with the public health and economic impacts of the pandemic.

In the months since, Governor DeSantis has not addressed the state's declining revenue and impending budget shortfall – nor was there much transparency in how Florida's $8.3 billion share of CARES Act dollars were spent. The governor's FY 2021-22 recommended budget provides insight into how the administration proposes to balance the state's budget. Although the proposed budget increases spending during a recession, it is critical to note that more than half of the recommended budget increase comes from federal dollars. Without federal aid, Florida would be at the edge of a fiscal cliff.

Furthermore, though the proposed budget leverages federal funds for an overall budget increase, the administration misses the opportunity to change course on Florida's long history of under-investing in public services and perpetuating structural inequities through the tax system. Governor DeSantis reiterates on the budget website his commitment to low taxes,[2] despite the fact that Florida remains a *high* tax state for families with low- and moderate-income. The true cost maintaining this status quo is high quality education, affordable health care, a strong safety net, sustainable growth, and an adequate and equitable tax code.

Florida Policy Institute's (FPI's) "Roadmap to Shared Prosperity in Florida" is a blueprint for improving economic mobility, health, and fiscal stability for families in the Sunshine State,[3] principles that are important now more than ever. This includes:

- Fostering community well-being by investing in education and health;
- Spurring sustainable growth by promoting equitable economic development, investing in smart infrastructure, and improving climate resilience;
- Advancing shared prosperity by nurturing inclusive communities and building a strong safety net; and
- Cleaning up and modernizing the tax code for a stronger future.

COVID-19 has laid bare the deep inequities at the core of Florida's economy. The state must pursue policies, including both preserving investments and raising revenue, to ensure not only a recovery from this recession, but also a stronger, more equitable economic foundation for the state's future.

FPI has analyzed the governor's FY 2021-22 budget proposal in the context of the principles of the Roadmap to Shared Prosperity.

→ Does the budget include meaningful investments in education and health that will foster community well-being?

The governor's budget proposal maintains the administration's investment in boosting teacher pay and increasing funding for K-12 education, providing the largest base student allocation since fiscal year (FY) 2015-16. However, this is entirely due to increased federal dollars. Furthermore, the base student allocation has yet to rebound from the cuts enacted in the wake of the last recession in 2008/2009. Florida's ability to raise adequate revenue to fully fund education and withstand economic ups and downs remains inadequate.

Similarly, the state's health care spending, primarily through the Medicaid program, is bolstered by federal dollars in the governor's budget. Florida already ranked poorly across health indicators and had a high rate of uninsured residents prior to the pandemic. Enrollment in Medicaid has increased by 800,000 since the COVID-19 outbreak. Florida lawmakers have yet to expand the Medicaid program, which would give more than 800,000 uninsured Floridians with low income access to care, and they have not restored a cut to Retroactive Medicaid Eligibility (RME) that went into effect in 2019. The governor's proposed budget continues to under-invest in county health departments, despite the ongoing pandemic. The budget does include an increase in funding for county health departments, but it reduces staff capacity by eliminating 30 positions.

The recommended budget does not move the needle on waitlists for services for people with developmental disabilities or for home-bound seniors. For years, Florida has ranked 49th among states in funding for those with developmental disabilities. The proposed budget includes only marginal funding (half of the current year allocation) to help reduce Agency for Persons with Disabilities waitlists. It offers no additional funding to three key Department of Elder Affairs programs that help seniors live longer in their own homes.

→ Are economic development and public infrastructure projects included in the budget to help promote quality jobs, spur sustainable growth, and improve climate resilience?

Investment in Florida's infrastructure — transportation, public buildings, and water treatment systems — is important, particularly during an economic recession. Public infrastructure projects create jobs, increase safety during natural disasters, and help combat the impacts of climate change.[4] Right now, 9 percent of Florida's roads are in poor condition and the state's schools are 29 years old, on average.[5] In a state prone to hurricanes and floods, it's especially important to have modern, climate-resilient facilities.

The type and timing of infrastructure investments, however, is crucial in determining their economic impact. The governor's budget does not include well-planned, economically impactful infrastructure projects. However, it does continue funding for the M-CORES project — 330 miles of new toll roads that would cost hundreds of millions of dollars.[6] At a time when the state is facing a revenue shortfall, this project not only siphons much-needed financial resources— it would also harm ecologically sensitive lands and do little to help rural economies.

The governor's budget proposal reflects conflicting priorities in the area of conservation. While it provides an increase in funding for Everglades restoration, it also cuts funding for critical programs such as State Lands (including Florida Forever) and Waste Management. Investments in these programs are just as important as Everglades restoration, and together would provide a concerted effort toward environmental protection.

→ Does the budget include provisions that will advance shared prosperity by nurturing inclusive communities and building a strong safety net?

The governor's proposal once again includes full funding for the Sadowski Affordable Housing Trust Fund, which would help create additional affordable units for Floridians struggling to keep a roof over their heads. The budget also includes an increase in funding for important programs within the Department of Corrections to address inmate education, staffing, and maintenance.

Overall, however, the recommended budget includes little to ease the unprecedented hardships facing Florida's communities as a result of COVID-19. While families face increasing difficulty putting food on the table and meeting their day-to-day needs, the governor's proposal maintains inadequate funding levels for key programs such as Temporary Assistance for Needy Families (TANF) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). TANF benefit levels have remained the same for almost three decades, despite inflation and the rising need for assistance, especially now. The budget recommendations also do not include solutions to fix the state's broken and inadequate Reemployment Assistance (RA) program.

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

Nearly 80 percent of Florida's revenue is generated from the sales tax, which is driven by consumer spending and the state's tourism industry. Business closures, layoffs, and stay-at-home orders meant that Florida's tourism and hospitality industries came to a near halt, significantly impacting the state's main revenue source. As joblessness across both the state and the nation persists, Florida, a state with a consumer-and-tourism driven economy, has continued to see revenue decline.

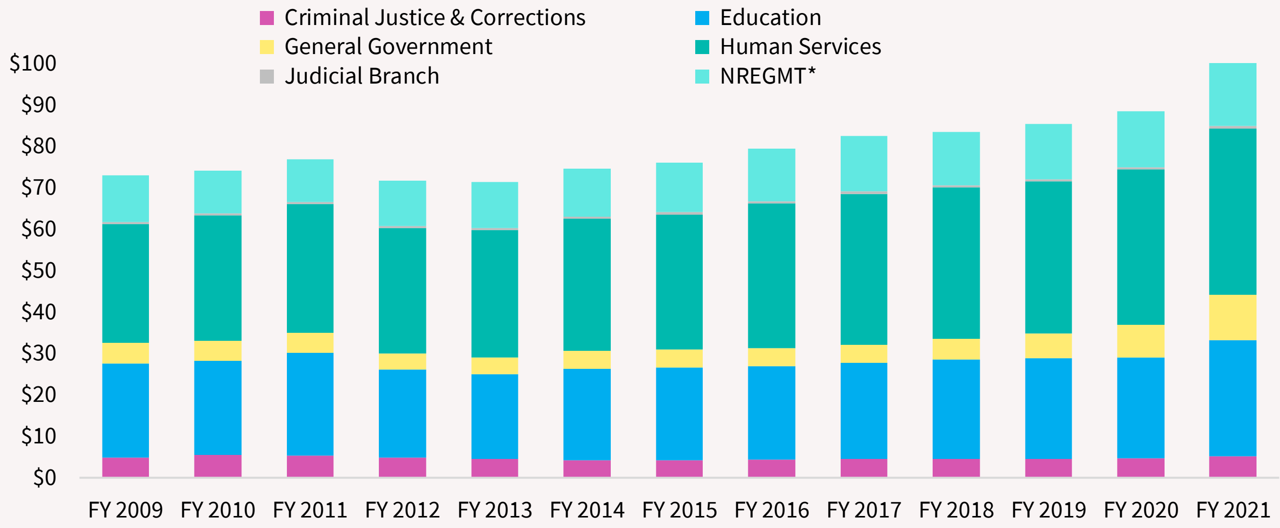
The governor's proposal does not include any revenue-raising measures, which would bolster the state's economy in the long term. Instead, the recommendations rely on a combination of federal funds, trust fund "sweeps," and reductions to balance the proposed budget. The recommended budget — through implementing legislation — includes two sales tax holidays for "back-to-school" shopping and disaster preparedness. The governor also relies on a forecast of increasing sales tax revenue that hinges on a swift economic recovery and effective vaccine distribution, neither of which holds much certainty.

BUDGET & REVENUE OVERVIEW

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. Figure 1 shows state appropriations — factoring in vetoes and any other subsequent actions taken that impact the budget — 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.

Figure 1. ANNUAL FLORIDA OPERATING BUDGET BY YEAR AND SERVICE AREA

Total includes general appropriations, vetoes, budget amendments, and reversions. Inflation adjusted, in billions

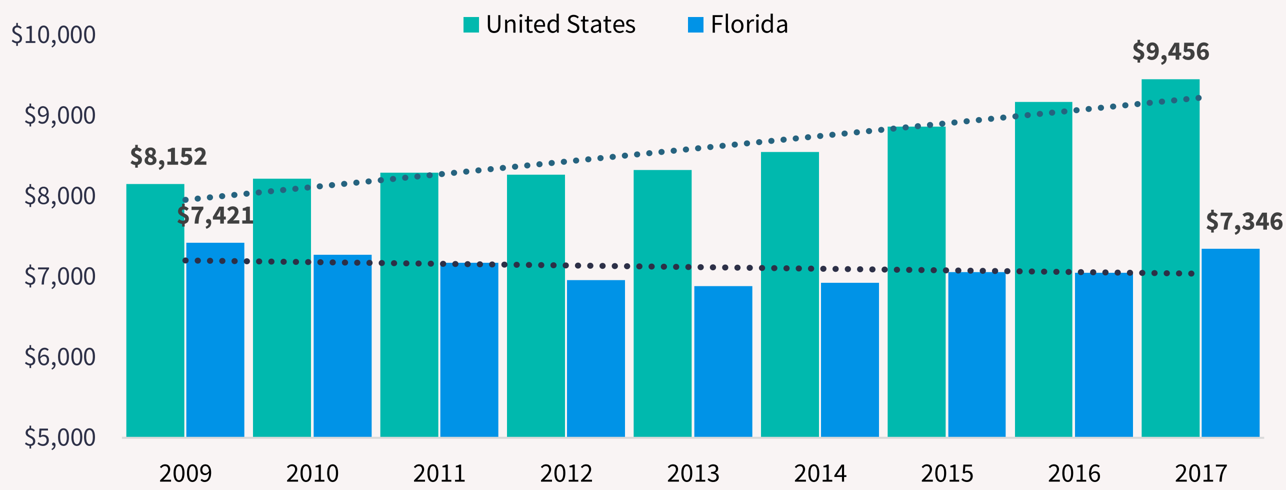


*Natural Resources/Environment/Growth Management/Transportation

While comparing year-to-year appropriations provides important insights into what direction Florida is moving in, it is even more instructive to examine investment over time that factors in the state's growing population. *Figure 2* 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 46th among all states for its per capita investment of state and local resources in essential public services.[7,8]

Figure 2. FLORIDA RANKS 46TH ON INVESTMENT IN PUBLIC SERVICES

Per capita state and local government expenditures, 2009-2017



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

Additionally, budget and revenue forecasts do not consider the foregone revenue resulting from state tax expenditures. This "shadow budget" has increased substantially since FY 2010, growing on average $780 million each year.[9] In FY 2020-21, Florida's shadow budget will cost the state $21.5 billion, a number that is likely to continue growing in the coming years.

How Does the Governor Fund the Proposed FY 2021-22 Budget?

Federal Dollars

Concerning the budget increase of roughly $4.4 billion, about $2.3 billion – close to 53 percent – is federal funds. While the governor's budget includes a boost over current year funding despite the pandemic, over 70 percent of the rise comes from health care costs. With 614,000 Floridians out of work and thousands dealing with the prolonged health consequences of COVID-19,[10] the state has seen its Medicaid program enrollment grow. According to the governor's proposal, $3 billion out of the budget's total $4.4 billion increase is in Medicaid funding.[11] Fortunately, the state has saved about $555 million thanks to a temporary increase in the federal government's share of the state's Medicaid costs (i.e., FMAP).[12] In exchange, as required by federal statute, the state has had to keep premiums the same and stop terminating coverage for those already enrolled in the program.[13] Finally, the governor's budget also counts an increase of $417 million in federal funding for elementary and secondary education.

It is also important to acknowledge that Florida received $5.9 billion through the CARES Act's Coronavirus Relief Fund (CRF). These funds are limited to expenditures incurred due to the pandemic. Furthermore, these funds cannot fill revenue shortfalls or offset current appropriations. As Florida's Long-Range Financial

Outlook specifies, these funds were "available" in FY 2019-20 and carried forward into FY 2020-21.[14,15] Initially, this carryforward was uncertain because it extended beyond the December 30, 2020, deadline to spend CARES Act dollars. However, the federal government has since extended the deadline to December 31, 2021.[16]

As of December 30, 2020, state agencies have reported CRF expenses totaling about $4.7 billion, and counties have submitted plans for the use of $1.26 billion.[17] Nevertheless, it is unclear when the state will disburse the entirety of these funds. Also, per the Governor's Office of Policy and Budget,[18] it seems a significant portion of CARES Act dollars will carry over into FY 2021-22.

Sales Tax Revenue

Alongside federal dollars, which drive the budget increase, the governor's budget also expects $26.8 billion in sales tax revenue – about 80 percent of all general revenue.[19] Since July 2020, economic activity and sales tax revenue in Florida have increased as consumers redirected their spending from the hard-hit service sector to the purchase of goods. Consumers also spent down savings built up during the pandemic. Despite promising revenue reports, four crucial factors should be considered for their potential to impede sales tax revenue growth.

1. Floridians' savings are dwindling. As the Bureau of Economic Analysis reports, nationally,[20] while the personal savings rate went from 7.9 percent in 2018-2019 to 33.7 percent in April, it was about 13.7 percent in November 2020. Moreover, the Office of Economic and Demographic Research (EDR) estimates that reduced savings have been responsible for at least $177.6 million in sales tax collections for FY 2020-21.[21] Without a significant boost (e.g., additional stimulus checks), Floridians' ability to draw down their savings will come to a halt.

2. Tourism has taken a substantial hit. Nearly 15 percent of sales tax revenue comes from tourists. Unfortunately, Florida's tourism-sensitive economy is exceptionally vulnerable to the effects of the pandemic. In a presentation to the state's House of Representatives Tourism, Infrastructure, and Energy Subcommittee,[22] EDR reported a 31.5 percent loss in sales tax revenue related to tourism. This is due to a decline in out-of-state tourists (particularly air travelers) and residents visiting restaurants, local attractions, and other leisure-based activities. Moreover, the Florida Economic Estimating Conference does not expect visitor levels and employment levels in the leisure and hospitality sector to return to pre-pandemic levels until 2024.[23]

3. Sales tax holidays are costing the state millions. In conjunction with his budget recommendation, the governor released an Implementing Bill that calls for sales tax holidays.[24] Specifically, the bill includes a holiday exempting disaster preparedness supplies and a holiday exempting clothing, school supplies, personal computers, and personal computer-related accessories. While lawmakers in several states have enacted similar sales tax holidays (16 states held them in 2019), the Institute on Taxation and Economic Policy explains that these holidays: do nothing to reduce taxes for low- and moderate-income taxpayers during the rest of the year, often result in sizeable hits to state and local revenue, create administrative difficulties for small businesses and tax agencies, and can be exploited by increasing prices or watering down sale promotions or deals. On those days, some businesses seem to increase prices or cut promotions to fully take advantage of increased traffic because more people are coming in to take advantage of the holiday.[25,26] Together, the governor's sales tax holidays will cost $50.3 million in lost revenue.

4. Florida's economic recovery hinges largely on the swift and equitable distribution of COVID-19 vaccines. The successful distribution of COVID-19 vaccines in FY 2021-22 underlies expectations of sufficient sales tax revenue and the recovery of the tourism industry.

Trust Fund Transfers, or "Sweeps"

Earlier this year, the Revenue Estimating Conference reported a loss of nearly $1.9 billion, compared to their previous estimates, for FY 2019-20. The conference also projected a loss of almost $2 billion for FY 2020-21 and $1.4 billion for FY 2021-22.[27] Although federal dollars and encouraging sales tax collections have eased budgetary constraints, the governor's budget also includes $295 million in trust fund transfers, or "sweeps," which move money out of trust funds to be used in other areas of the budget. During the Great Recession, state lawmakers began sweeping restricted trust funds to transfer dollars into the unrestricted general revenue fund.

While these sweeps allow policymakers to avoid other more visible and less favorable measures (e.g., programmatic budget cuts), they also prolong financial difficulties by taking money away from specific programs without automatically replenishing those funds.[28] In effect, sweeps create a multi-year financial burden on these programs and services.

Rainy Day Funds

Another factor that has eased the budgetary constraints is the state's rainy day funds balance. Rainy day funds are budget reserves policymakers can use when recessions or other unexpected events cause revenue to fall or spending to rise. Also, rainy day funds can help reduce economic harm during crises.[29] In Florida, policymakers have access to three central rainy-day funds:

- **Unallocated General Revenue Fund**. According to the governor's office, this fund holds about $2.2 billion. The Unallocated General Revenue Fund consists of excess general dollars needed to meet General Revenue Fund appropriations for the current fiscal year. Since there is still a need to be cautious about funding demands throughout FY 2021-2022, this fund "may prove to be of greater than normal importance, making this a less likely candidate" for drawdown.[30]

- **Budget Stabilization Fund (BSF).** The BSF, which holds about $1.7 billion, can only be used to offset a declared deficit or provide funding for an emergency.[31] Consequently, policymakers have limited access to the BSF.

- **Lawton Chiles Endowment Fund (LCEF)**. The LCEF is a funding source for state children's health programs, human service initiatives, elder programs, and biomedical research activities related to tobacco. It holds about $870 million.[32] Concerning the LCEF, the governor's Implementing Bill includes the option to reschedule a required transfer of $350 million from the General Revenue Fund to the LCEF (originally due July 1, 2021).[33] By postponing this scheduled payment, policymakers will have access to $350 million in FY 2021-2022.

Reductions

The proposal outlines several reductions to current year funding levels, including a $707 million decrease in general revenue funds, a $132 million decrease in trust funds, and about $745,000 in salary cuts (a reduction of 34 full-time positions) for FY 2020-21.

The governor's budget also outlines reductions to the upcoming fiscal year. Accordingly, the governor recommends a $169 million decrease in general revenue funds, a $96 million decrease in trust funds, and eliminating 169 full-time positions.[34]

What Comes Next in the Budget Process?

Per Florida law, the governor must publish his budget recommendations 30 days before the start of the legislative session. Even though the legislative session will start on March 2, 2021, legislators in the Florida House and the Senate are already working on their respective budget proposals.

The Legislature holds "committee weeks" before the legislative session's start on March 2, 2021. During committee weeks, legislators meet to discuss bills they filed, and each chamber assembles their budget priorities. The process continues into the legislative session, at which point the Florida House and the Senate craft what will become Florida's budget and the authority to implement and execute it – their implementing bill. The appropriations are filed, open to amendment by all members, and passed by each chamber.

To reconcile differences between the two versions of the budget, Joint Budget Conference Committees are formed to negotiate over differences between the House and the Senate budget bills. Negotiations continue until a revised, single budget is agreed upon. This budget, the General Appropriations Act (GAA), is then sent back to the Florida House and Senate for a vote. Upon passage, the GAA is sent to the governor, who has the power to veto specific line items within the budget. The legislature can override vetoes if two-thirds of the members in each chamber vote to do so. Once the budget adoption process concludes, the governor signs the final GAA into law.

HEALTH AND HUMAN SERVICES

→ Current Landscape

Florida lands near the bottom on multiple national rankings of health and wellness. Even before COVID, the state had 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. The ongoing failure to expand Florida Medicaid contributes to the growing "racial health gap" that is exacerbating health disparities in communities of color. Additionally, Florida is experiencing skyrocketing growth of its most medically expensive populations: seniors 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. Twenty percent of adults in Florida experience a mental illness.[35] The need for mental health and SUD care is increasing due to the COVID-19 pandemic. 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 there are 461,000 uninsured Florida adults with mental illness — the sixth highest percentage in the country.[36] Twelve Floridians are dying each day due to opioid overdoses.[37] Drug overdose deaths are surging during the pandemic.[38]

Home- and community-based services (HCBS) are critical in helping Florida's growing senior population stay in their homes and avoid or delay nursing home or other institutional care. Institutional care can take a mental and physical toll on individuals and their families and is more costly to the individual and taxpayers than HCBS. These services are also essential for family caregivers who need to work during the day to help support their loved ones at home. However, enormous HCBS waitlists in the tens of thousands that grow substantially year after year are keeping these services out of reach for many Floridians. Notably, a 2020 AARP Public Policy Institute report ranks Florida 51st in the nation, behind all states and D.C., in the provision of HCBS care for seniors.[39]

The pandemic has been a stark reminder that over the years Florida has made deep cuts to public health programs. These have been particularly severe for county health departments, which are intended to be the state's frontline hubs for responding to crises. Notably, between 2010 and 2018, Florida cut county health department funding by 10 percent and funded positions shrunk from 12,800 to 9,300.[40]

Florida's Temporary Assistance for Needy Families (TANF) program, the state's core safety net program for providing families with low income a temporary means to meet basic needs, does a poor job of reaching families struggling to make ends meet. For every 100 families with income below the federal poverty level, only about 13 receive cash assistance from TANF — 42 fewer than in 1996.[41] Adjusted for inflation, Florida's TANF benefit levels are down almost 40 percent since 1996.[42] 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 45 percent of the poverty level. At the same time, the state is doing little to either address food insecurity in food deserts across the state or 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.

→ Budget

HEALTH AND HUMAN SERVICES BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Appropriation Amount	$39,223,586,984	$42,454,784,110	+ $3,231,197,126

The governor's recommended FY 2021-22 Human Services budget is $42.4 billion. About $34 billion is allocated to the Agency for Health Care Administration and most of this allocation is federal dollars for the Medicaid program.

While this is a $3.2 million increase over current FY 2020-21 funding, vital services needed to meet Florida's growing population of seniors, persons with disabilities, and children continue to be seriously underfunded.

Items of particular concern in the proposed budget include:

- the continuing policy choice to not expand the Medicaid program;
- failure to restore retroactive Medicaid eligibility;
- lack of funding to reduce waitlists for the Medicaid Long Term Care program and other state funded home- and community-based services programs; and
- ongoing underinvestment in behavioral health and public health funding.

Medicaid Caseload

The proposed budget fully funds the projected 4.5 million Medicaid caseload in FY 2021-22. Medicaid enrollment has increased by 800,000 since March 2020. The Families First Coronavirus Response Act (FFCRA), passed in March 2020, gives states a 6.2 percentage point increase in the federal share of Medicaid spending (the federal medical assistance percentage, or FMAP) as long as the public health emergency is in place. This helps the state cover higher Medicaid costs during the pandemic. To receive the FMAP increase, states may not cut eligibility or make it harder to enroll in or retain Medicaid. The federal government has informed governors that it intends to keep the public health emergency in place through at least 2021. It is estimated that Florida would receive an additional $1 billion in federal Medicaid funding for July through December of

2021. The governor has not included these additional federal funds in his budget. The proposed budget includes a $2.8 billion increase from the current year budget.

KidCare

The proposed budget fully funds projected enrollment of 241,000 in KidCare programs (Florida Healthy Kids, MediKids, and Children's Medical Services Plan) during FY 2021-22. In the current fiscal year, enrollment has declined due to the recession and resulting job losses with a portion of children being shifted to Medicaid. Projected lower enrollment for FY 2021-22 and the enhanced federal match under FFCRA has reduced the need for state funding.

Retroactive Medicaid

The proposed budget fails to restore retroactive Medicaid eligibility. While it would cost $40.1 million in general revenue, those state dollars would leverage an additional $63.5 million in federal funds.

Seniors and adults with disabilities are the target for this cut. Without retroactive Medicaid benefits, thousands will face enormous medical debt arising from unanticipated, catastrophic illnesses or injuries that require hospitalization or end-of-life nursing home care.

Last session, in response to criticism that AHCA did not have data to demonstrate the impacts of this cut, the Legislature did not make it permanent. Instead, the cut is scheduled to expire on July 1, 2021. AHCA is required to submit a report on the impacts to the governor and Legislature by March 1, 2020. Notably, the governor made his budget recommendation on this issue without considering the findings of AHCA's upcoming report.

Medicaid Reimbursement for FACT Teams

FACT teams (Florida Assertive Community Treatment) serve individuals with serious and persistent mental illness who are at high risk of repeated psychiatric admissions. These teams are managed by the Department of Children and Families (DCF). Over 3,200 individuals received these services during FY 2019-20, with 76 percent enrolled in Medicaid. The governor's proposed budget would make these services a Medicaid state plan covered benefit, which would increase the federal match from the current 50 percent to 62.35 percent. This would result in $24.9 million in additional funds— $9.4 million in general revenue and $15.5 million federal dollars. It is unclear whether these additional dollars would be used to increase FACT team services.

Medicaid Institutional Care

The proposed budget includes an additional $36.6 million for reimbursement of Intermediate Care Facilities for Individuals with Intellectual Disabilities, which serve individuals with severe behavioral needs. Although these dollars were authorized by the Legislature last session, the governor vetoed this funding in the current year budget.

Medicaid Expansion

The proposed budget fails to include expansion of Florida's Medicaid program, which could benefit more than 800,000 uninsured adult Floridians with low-income and save lives.[43] Moreover, there is a large and growing body of research that shows Medicaid expansion will save state dollars and provide state budget fiscal gains well beyond the cost of expansion.[44] It would also bring in over $4 billion of new federal dollars, delivering much needed fiscal relief to Florida's economy.

Community Mental Health and Substance Use Disorder Services

The budget includes $889 million for community mental health and substance abuse services, an increase of $54 million from the current year budget. Yet it is unclear how much of this increase is from more state investment — distinct from time-limited federal dollars. Federal dollars in the proposed budget include $119 million to combat the opioid crisis. An additional $59 million in federal dollars for to combat the opioid crisis is budgeted across other multiple state agencies. When these dollars are exhausted, it will create a funding and treatment "cliff" unless state funds are appropriated to continue the increased service capacity.

Also, the recommended budget does not include non-recurring special project funding, which is typical in the governor's proposal. A substantial portion of the current community mental health budget is comprised of this non-recurring funding, meaning it is limited to just one year. This creates uncertainty for providers on their capacity to keep delivering services and uncertainty for consumers as to whether they will be able to access ongoing treatment.

The proposal also includes — within the Department of Education budget — a $110 million allocation for school-based mental health services, a $10 million increase over the current fiscal year allocation.

Home- and Community-Based Services (HCBS)

Massive waitlists and slim annual increases for HCBS programs has left hundreds of thousands of Floridians languishing without care for years. Since the COVID-19 pandemic hit, the demand for HCBS has increased substantially, especially among older, homebound adults.[45] This year, only one of these programs is receiving an increase in the governor's proposal, even though investing more in these programs now can help offset long-term taxpayer costs. As people spend down what little savings they have while on the waitlists for these services, their assets will become low enough to qualify for Medicaid — at a life stage when health care is the most expensive. Legislators concerned about Medicaid spending and costly institutional care should prioritize investing in these preventative HCBS programs.

The governor's proposal includes $15 million to serve individuals who are on the Agency for Persons with Disabilities (APD) waitlist, which is half of the current year's waitlist funding. The APD provides a wide array of medical, social, behavioral, and residential services to individuals whose daily life is severely hindered by a developmental disability that was present before adulthood. There are 22,832 individuals on the waitlist, according to the most recent available data, a reduction of only 30 people from the prior year. The governor's proposed funding for the upcoming fiscal year would serve an estimated 300 people on the waitlist, just 1 percent.[46] For years, Florida has ranked 49th among states in funding for people with developmental disabilities.[47]

The following programs **do not** receive a funding increase in the governor's proposal:

- **Statewide Medicaid Managed Care Long Term Care (SMMC LTC).** This program provides the most robust package of benefits, enabling people to remain in their homes instead of residing in nursing facilities. It also has the largest waitlist, with 58,824 Floridians as of January 2021. Notably, for every dollar the state spends on SMMC LTC, it receives $1.56 in federal reimbursement. Plus, for the duration of the COVID-19 public health emergency (expected through at least the end of 2021), the state is receiving an even higher federal match.

- **Alzheimer's Disease Initiative (ADI), which has a waitlist that currently stands at 7,254 Floridians (as of January 2021).** ADI is a Department of Elder Affairs (DOEA) program that provides respite and support services to family caregivers of individuals living with Alzheimer's disease and similar cognitive disorders. Notably, this waitlist has increased by 300 people since the current year budget was signed into law.

- **Community Care for the Elderly (CCE), which has a waitlist that sits at a staggering 50,712 Floridians.** CCE is a DOEA program that provides a continuum of care (e.g., case management, personal care, homemaking, adult day care) to functionally impaired seniors, especially those referred to Adult Protective Services for risk of abuse, neglect, or exploitation. Notably, more than 1,100 people have been added to the CCE waitlist since the adoption of the current year budget.

- **Home Care for the Elderly (HCE), which has a waitlist of 11,800 Floridians.** HCE is a DOEA program that provides subsidies to individuals caring for a senior in a private home setting. Nearly 1,500 more people have been added to the HCE waitlist over the past eight months.

DEPARTMENT OF ELDER AFFAIRS PROGRAM WAITLISTS

		Number of People Served with Increased Funding in Proposed Budgets	
Type of HCBS	**Size of Waitlist***	**FY2020-21 Budget**	**Governor's FY 2021-22 Budget Proposal**
Alzheimer's Disease Initiative	7,254	244	0
Community Care for the Elderly Program	50,712	501	0
Home Care for the Elderly Program	11,800	146	0

* Waitlist numbers from FL Dept. of Elder Affairs Assessed Prioritized Consumer List, January 2021. Estimates for how many additional people would be served under House and Senate proposals are based on the House's estimated cost of $8,418 per individual for CCE; $4,119 per individual for HCE and $11,654 per individual for the Alzheimer's Disease Initiative.

Current waitlists include all seniors/persons with disabilities who have been screened by the appropriate Aging and Disabilities Resource Center and determined to be in need of services. These waiting list numbers may change substantially in the future due to a new law that requires the DOEA to continue placing individuals with high priority scores on the waitlist. However, it provides the DOEA discretion on whether to add individuals with low priority scores to the waitlist.

Public Health Funding

The proposed budget includes a funding increase for county health departments but continues the trend of staff reductions by eliminating 30 positions. The exact amount of the funding increase is unclear, since the governor's website shows a $14 million increase from the current fiscal year, but his recommended appropriations bill shows a larger increase when compared to the current fiscal year appropriation. These differences may be attributable to additional COVID relief federal funding which has flowed to health departments during the current fiscal year.

The proposed budget also includes $9 million for the Office of Minority Health and Health Equity. This is an increase of $3 million from the current fiscal year.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

The governor proposes $250 million in federal funds for Florida's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) but does not specifically allocate any funds from general revenue for exploring specific reforms or analyzing barriers that keep eligible families from participating in the program. WIC is a federally funded program that provides healthy food and one-on-one nutrition counseling not only to low-income pregnant, breastfeeding, and non-breastfeeding postpartum mothers, but also to infants and children under the age of 5 at nutritional risk.

Although the governor's proposal keeps WIC at the same funding level as last year, participation in WIC, even during the pandemic, is on a steady decline. More than 400,000 Floridians who are eligible for WIC do not participate in the program.

WIC holds the promise of a healthier future for low-income infants and children in Florida. WIC is associated with better overall health outcomes for infants and children who are nutritionally at risk, as well as a reduction in low-birth-weight rates and improved fetal and cognitive development. In addition to giving low-income children access to a more nutritious diet, WIC plays a role in improving school performance. However, if participation of eligible families in the program continues to shrink, that promise will not be realized.

The decline in WIC participation calls for funding of collaborative strategic planning by lawmakers, state agencies, and health professionals, working in concert with eligible families, to begin exploring impediments to participation and effective workable solutions.

Temporary Assistance for Needy Families (TANF)

TANF helps families with very low income make ends meet by providing them cash assistance to pay for subsistence needs like toothpaste, diapers, rent and utilities. The governor's FY 2021-22 budget funds TANF cash assistance at $115 million. This is the same level as the Legislature appropriated for TANF in the current fiscal year and is inadequate to meet the most basic needs of children in families with low income. Florida has kept TANF payments at the same level for almost three decades. The maximum TANF benefit for families in Florida — $303/month for a family of three — is only about 17 percent of the poverty level,[48] which is not enough for families to get by on. Inflation has eroded this payment value by almost 40 percent.[49] In fact, TANF benefit levels in the Sunshine State are about 24 percent of fair market rents, and even if a family receives both SNAP and TANF, those benefits combined keep the family under 45 percent of the poverty level.[50] Florida's TANF program, because of its stagnant cash assistance levels, is not fulfilling its intended purpose of promoting economic self-sufficiency and providing families the temporary help they need in hard times to keep their children out of foster care.

The governor's recommended budget also neglects to adequately invest in meaningful supports for TANF recipients to improve their education or build skills for stable employment. In the TANF program, most recipients who do not have a disability are required to participate in the TANF Employment and Training (E&T) program as a condition of eligibility unless they have a good reason to be excused. Nonetheless, many Floridians in TANF E&T either do not get the targeted education and training necessary to boost their employability or they lose their assistance when significant obstacles, such as lack of child care, health problems, or transportation keep them from being able to follow through.[51] The program should provide robust work supports targeted to the needs of the individual family instead of terminating cash assistance when barriers are insurmountable or subjecting participants to cookie-cutter E&T assignments.

Veterans and the Military

The governor recommends $153.5 million in funding for the Department of Veterans' Affairs (DVA), which assists veterans in accessing benefits and operates long-term care facilities for veterans in Florida. This a more than $2 million increase from the current fiscal year. The proposal includes $30,000 to increase awareness of benefits for women veterans, as well as $1.3 million for the Veterans Entrepreneur and Training Services (VETS) Business Training Grants Program, an increase of about $675,000 more than appropriated in FY 2020-21.

In addition to the funding proposed for DVA, the governor also recommends funding other initiatives that support veterans and their families. This includes $3.1 million for Florida National Guardsmen seeking post-secondary education, down from the current funding level of $4.1 million, as well as $11 million for educational scholarships for children and spouses of deceased or disabled veterans, an increase of about $2.57 million.

Governor’s FY 2021-22 Budget Proposal:

PUBLIC SAFETY & CORRECTIONS

→ Current Landscape

Florida's Department of Corrections (FDC) 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

PUBLIC SAFETY & CORRECTIONS BUDGET

	FY 2020-21 Budget	Governor’s FY 2021-22 Proposal	Difference
Appropriation Amount	$4,918,224,703	$5,224,368,077	+ $306,143,374

Department of Corrections

The governor’s budget proposes $2.91 billion for FDC, a roughly 5 percent increase over the current fiscal year. This increase is significant given the financial challenges the department has been dealing with and the increasing needs for the safety of staff and those who are incarcerated during the COVID-19 pandemic. The budget addresses a few of the most critical issues FDC facilities have been experiencing for the past decade, which are understaffing, shortage of educational teachers, and maintenance. However, the recommendations include cuts in funding for some critical re-entry programs. A significant portion of FDC’s budget over the last two fiscal years has gone toward funding for treatment of Hepatitis C and mental health, as well as compliance with the Americans with Disabilities Act as ordered by a court mandate. As a result, key re-entry programs were underfunded.

Inmate Education

The governor’s budget recommends a total of $44 million for basic education skills, a $6.2 million increase over current year funding. While it allocates $4.5 million and seven positions for academic education programs, it eliminates funding for wellness specialists, which received funding last year that created 17 positions. The proposed budget also reduces funding for career and technical expansion from $3 million to $1 million. Hiring and retaining quality teachers has been a persistent issue for the department, and in the past few years, some facilities did not have even one teacher.

Maintenance and Repairs

The proposed budget includes $206 million for maintenance and repair projects at correctional facilities, which is $17 million more than the current year budget. Most of that increase goes toward fixed expenditures. There is $14 million included specifically for various renovations and improvements for major institutions, which is an increase of roughly $2 million from the current year.

Health Care

The governor's budget includes $567 million for inmate health care services, which is the same as the current year allocation. Last year, the governor vetoed $28 million for Hepatitis C treatment for individuals who have been diagnosed and are at level F0-F1, or the early stage of their diagnosis. This is due to the state's ongoing court appeal that seeks to challenge an existing court mandate that requires treatment for all inmates who have been diagnosed with Hepatitis C, regardless of the stage of their diagnosis.

Operations

The proposed budget includes $1.9 billion for security and institutional operations. Of this, $5 million is allocated to continuing a new retention step plan proposed by the FDC Secretary for correctional officers, correctional probation officers, and inspectors. The budget appropriates $26.1 million specifically to continue converting correctional officers' 12-hour shifts to 8.5-hour shifts.

Community Supervision

Community supervision receives $239 million under the governor's proposal, a $12 million increase over current year funding. Additionally, community substance abuse prevention and evaluation received $19 million, slightly more FY 2020-21 levels.

Department of Juvenile Justice

The governor's FY 2021-22 budget proposal includes $583 million for the Department of Juvenile Justice (DJJ), virtually the same as FY 2020-21. The governor recommends a $5 million reduction for non-secure residential commitments, for total funding of $116 million. This is largely due to vacant beds due to low utilization rates.

The budget allocates $94.1 million to community supervision, a $3 million increase from the current fiscal year. It also recommends an increase for detention centers for a total of $127 million, an increase from the current year funding level of $121 million.

The governor's FY 2021-22 budget slashes $5 million from delinquency prevention and diversion programs, allocating $81 million. Diversion programs have been effective as an alternative to juvenile arrests. They provide innovative and hands-on approaches to help divert at-risk kids from delinquent behavior. Additionally, diversion programs offer great fiscal benefits for the state in the long run. Cutting funding for these programs would have a potentially sizable impact on communities across the state.

Governor's FY 2021-22 Budget Proposal:

EDUCATION

EDUCATION BUDGET

	FY 2020-21 Budget	Governor's FY 2021-22 Proposal	Difference
Appropriation Amount	$26,747,188,967	$27,119,589,656	+ $372,400,689

→ Current Landscape

The pandemic has caused upheaval in the state's education sector, from child care centers pivoting to serve children of first responders and dealing with dramatic dips in enrollment, to schools pivoting to hybrid models that stretch their capacity, to universities grappling with creating safe, valuable experiences for students. After a unique budget year in which state revenues plummeted but federal grants flowed, the governor's budget proposal incorporates increases to recurring federal grants and increases in property tax proceeds from property values, which rose despite the pandemic to keep education programs relatively whole.

In March 2020, Florida received $2.04 billion in Education Stabilization Funds from the federal CARES Act. More than a third of these funds —$693 million — went to school districts to help with a range of COVID-related expenses. However, the state has required districts to request reimbursement for expenses to receive these funds, adding to the time it has taken for these funds to be expended. Higher education institutions in the state directly received $874 million, half of which was required to go directly to students. DeSantis had broad discretion in spending the remaining $475 million.

Education Stabilization Funds were not included in the FY 2020-21 budget, nor are they included in the governor's proposed FY 2021-22 budget. The governor's office and the Florida Department of Education has operated outside of the usual state budget process to allocate these funds, often with broad latitude and little input from legislators.

Florida's education systems also stand to gain considerably under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), which became law in December 2020. Like the CARES Act, CRRSA has earmarked funding for K-12 schools, child care, and higher education.

While timing of receipt is still in flux, the state is slated to receive the following:

- $2.8 billion for Florida's K-12 districts.
- $313 million the Florida Department of Education.
- $75 million in additional "flexible spending" for education through the governor's office.

- $625 million for the Office of Early Learning for child care supports.[52]
- $110 million in student aid for Florida's public colleges and $355 million in institutional aid.
- $65 million in student aid for state universities and $149 million in institutional aid.

All told, Florida stands to receive $4.5 billion from the CRRSA for education. Like the CARES funds, the CRRSA funds are not reflected in the governor's education budgets.

EARLY CHILDHOOD AND PRE-K-12 EDUCATION

→ Current Landscape

Florida voters passed a constitutional amendment in 2002 that mandated the state provide free, quality, universal voluntary pre-Kindergarten (VPK). The program pays for three hours of educational programming a day for 4- and 5-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 41st out of the 43 states that offer free VPK. Three hours a day is hardly enough for robust, quality education for children.

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 majority of funding comes from the federal Child Care and Development Block Grant (CCDBG). The program is available to families with income below 150 percent of the federal poverty level, and most counties have waiting lists for participation. Even pre-pandemic, only 15 percent of eligible Florida families were lucky enough to receive School Readiness vouchers to assist with the ever-increasing cost of child care.

The pandemic has dramatically altered the landscape for child care in the state and the nation. The vast majority of Florida's centers shut their doors in spring of 2020, and then reopened with support of CARES Act dollars administered through the state, which prioritized serving children of first responders and also paid providers according to enrollment instead of attendance, girding against the worst predictions about the sector from early in the pandemic. Indeed, in his presentation on the governor's budget proposal to the Senate Appropriations Subcommittee on Education, Florida Department of Education's Chief of Staff Alex Kelly pointed to agency surveys that indicate over 98 percent of child care providers in the state were open as of January 2021. However, child care advocates still express worry about the fiscal pressure due to drops in enrollment, which have yet to rebound, and are hopeful the state continues to support providers in a flexible manner. The Office of Early Learning will once again have to decide how best to distribute significant COVID response aid as the federal government begins to distribute the supplemental CRRSA childcare support dollars through the CCDBG, through which Florida is estimated to receive $625 million.[53]

→ Budget

Voluntary Pre-Kindergarten (VPK)

VOLUNTARY PRE-KINDERGARTEN BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Appropriation Amount	$412,158,049	$405,487,294	- $6,670,755
VPK Per-Pupil School Year Funding	$2,486	$2,486	$0

The governor's proposal for VPK keeps the per-pupil funding level at $2,486, and drops funding for the program overall by $6.6 million, a reflection of the pandemic-induced attendance fluctuations. The state's VPK enrollment was 157,000 in 2019-20, and shrank to about 116,000 children enrolled in 2020-21, a drop of 26 percent.

The VPK program is funded entirely with general revenue funds. While the base allocation was kept level in the governor's proposal, it is still below the base student allocation in FY 2005-06, the first year of the program. Moreover, if the base allocation had kept up with inflation, it would have amounted to $3,293 today.

School Readiness Program

SCHOOL READINESS PROGRAM BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Appropriation Amount	$895,877,228	$945,877,228	+ $50,000,000

The governor's budget boosts funding levels for the School Readiness Program by $50 million, due to federal increases in the CCDBG. Between FY 2018-19 and FY 2020-21, funding for this program increased by $205 million, wholly through federal funding increases of the CCDBG. This was a welcome infusion for child care advocates, who have drawn attention to the program's long waiting lists and uneven provider quality. The governor's budget recommends that $100 million of the total go toward child care provider pay increases to reduce the current inequities experienced by providers across the state.

For the School Readiness Program, the governor's budget includes a carve-out of $30 million in matching funds for local programs that expand eligibility up to 200 percent of the federal poverty level, as long as income does not exceed 85 percent of the state median income. Additionally, the Office of Early Learning received $224 million from the CARES Act Education Stabilization Fund and will receive an estimated $625 million from the CRRSA toward childcare supports in response to the COVID-19 crisis, above and beyond the current year budget.

K-12 EDUCATION

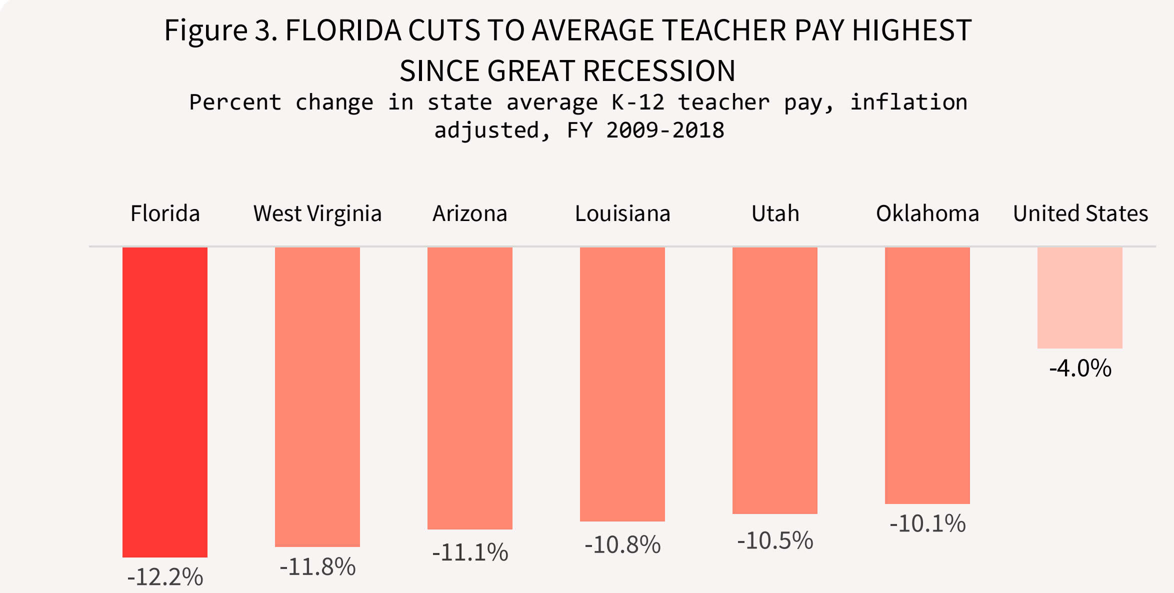
→ Current Landscape

Providing a quality education to all of Florida's students is a core constitutional responsibility of state government and critical to economic growth. Adequate state funding for education provides the foundation for students to compete in an ever-changing economy, and it helps to attract highly qualified teachers and maintain the equity and fairness of Florida's education system.

In the wake of the Great Recession, many states cut education funding dramatically after state and local revenues plummeted. While many states rebounded in the years that followed, Florida's investment per-pupil was cut to 22.7 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.[54] This funding shortage has significantly suppressed teacher salaries — Florida's average teacher pay ranked 47th in the nation in 2019.[55] Florida cut teacher pay more than any other state from 2009 to 2018. (See *Figure 3*.)

Now, as Florida and the nation battle a pandemic and economic crisis, state revenues have fluctuated and once again education budgets are threatened. Significant federal aid, both to the school districts and state, have profoundly buoyed the budgets for Florida's public schools.

During the 2020-21 school year, the state estimates that public school enrollment dropped by 58,103 full time equivalents year-over-year, indicating a drop in enrollment by 2 percent for Florida's public K-12 schools. This was the first drop since the 2008-09 school year. Because of the unprecedented nature of the crisis, during FY 2020-21, the state allowed district budgets to be "held harmless" for drops in enrollment, considering their funding is based on quarterly student counts.



Source: "Ranking of the States 2017 and Estimates of School Statistics 2018," NEA Research, National Education Association, April 2018.

Budget

K-12 EDUCATION BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
K-12 Total State Funding – FEFP	$12,859,590,069	$12,903,149,203	+ $43,559,134
K-12 Total State Funding – Non-FEFP	$404,894,757	$365,261,701	- $39,633,056
K-12 Total Local Funding	$9,663,594,905	$9,886,997,814	+ $223,402,909
K-12 Total Federal Funding	$1,874,629,022	$2,291,536,048	+ $416,907,026
K-12 Per-Pupil Spending	$7,787*	$8,019	+ $232
K-12 Base Student Allocation	$4,319	$4,452	+ $133

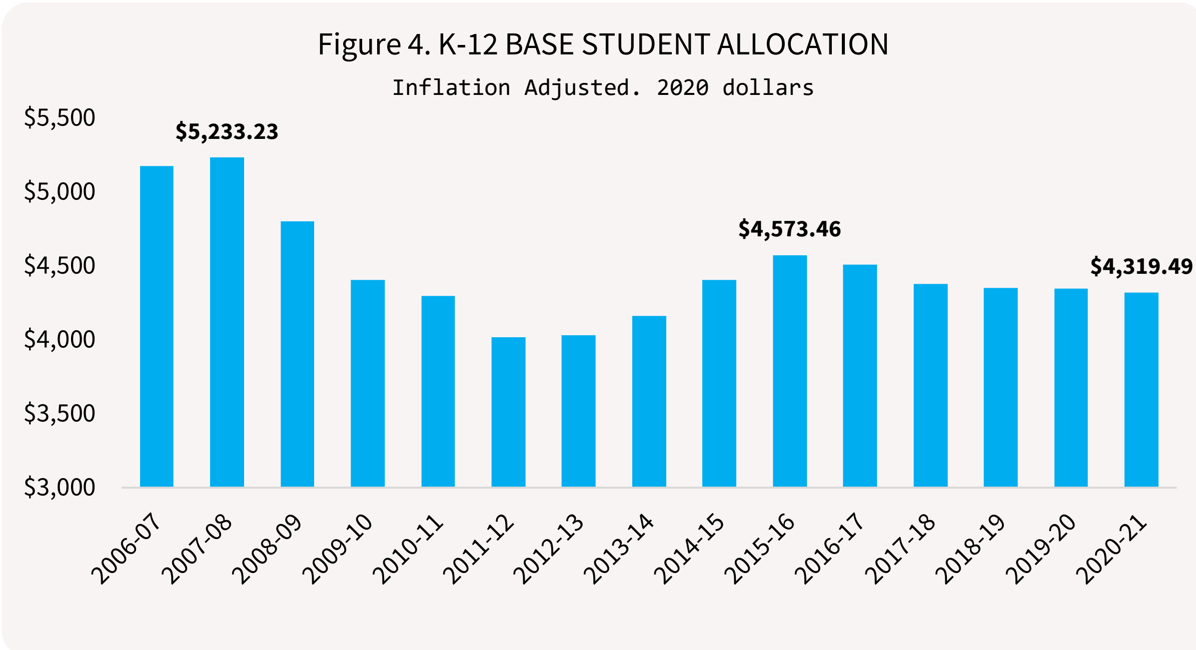
*2020-21 2nd calculation

K-12 SELECT PROGRAMS			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Florida Classroom Teacher Compensation Program	$500,000,000	$550,000,000	+ $50,000,000
K-12 Mental Health Assistance Allocation	$100,000,000	$110,000,000	+ $10,000,000
K-12 Title I Recognition Program	n/a	$43,510,318	+ $43,510,318
K-12 Gardiner Scholarships	$189,901,004	$210,901,004	+ $21,000,000

The governor's budget proposal:

- **Funds the state's portion of the Florida Education Finance Program (FEFP) at $12.9 billion for K-12 public education — an increase of less than 1 percent over current year funding.** Comparatively, the proposal includes an increase of $223 million for the local K-12 contribution and an increase of $417 million in federal funding. The increase in the local funding is due to rising property values. The governor's proposal keeps the millage rate for property taxes level, a departure from the past few years. The boost in federal money is due to an increase in Every Student Succeeds Act funding (such as Title I funds, which go to schools that serve a high portion of low-income students). Combining these three sources of funding, the governor's proposal is able to increase the base student allocation (BSA) by $133 (an increase of 3 percent). BSA is the most flexible spending bucket for schools and the best measure for comparing year-to-year K-12 funding.

  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, $4,452 in BSA funding would be the highest on record in Florida. However, when adjusted for inflation, the BSA for FY 2007-08 would equal $5,233 in today's dollars. (See *Figure 4*.) Florida's investment in K-12 education has yet to rebound to its level prior to the Great Recession and will continue to be under significant pressure from the current economic crisis, which state economists project will affect revenue collection for over two years. Still, the funding boost for BSA included in the governor's recommendations is the largest since FY 2015-16, and the proposal does not include funding from 2020's CARES or CRRSA, which provided a combined $3.5 billion to school districts to pay for COVID-related expenditures.



- **Dedicates $550 million to increasing teacher pay.** The governor's proposal includes significant funding for teacher salary increases: $550 million towards salary enhancements aimed at increasing the minimum base pay for teachers and other full-time instructional personnel, including certified prekindergarten teachers, to at least $47,500. Each district would be able to use 20 percent of their share of the appropriation for raising overall pay, to include veteran teachers. However, the governor's budget for the previous fiscal year proposed $602,282,686 for teacher pay increases and an additional $291 million for teacher bonuses. All told, recommendations for teacher pay and bonuses for FY 2021-22 is $343 million less than what was included in the governor's proposal for FY 2020-21. While Florida average teacher starting pay ranked 29th in the US for FY 2018-19, the average teacher pay overall ranked 47th in the same year.[56] These datapoints bolster the argument that a larger investment should be made in increasing pay for teachers at every point in their career to improve both recruitment and retention.

- **Funds Mental Health Assistance at $110 million, an increase of $10 million.** These funds would go toward mental health services provided at K-12 schools.

HIGHER EDUCATION

→ Current Landscape

Researchers have found that the more educated a state's populace is, the higher the median wage.[57] This makes sense on an individual level: in Florida, the median wage for someone with a bachelor's degree ($66,301) was roughly 2.4 times that of someone with a high school diploma alone ($27,522) in 2017.[58] 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.[59] Indeed, Florida's public higher education system charges relatively low tuition — the Sunshine State's four-year universities' tuition is the second lowest in the nation.[60] However, Florida higher education funding per student in 2018 was still 13.5 percent below what it was in 2008, when adjusted for inflation.[61]

As the pandemic took hold in early 2020, a tremendous amount of uncertainty clouded Florida's colleges and universities as they planned for the best path forward. In anticipation of drops in enrollment and state revenues, Florida's public colleges and universities "held back" 6 percent of their FY 2020-21 funding.[62] The Education Estimating Conference estimated that enrollment for Florida's public colleges dropped by 4.5 percent in FY 2020-21.

→ Budget

Florida College System

FLORIDA COLLEGE SYSTEM BUDGET

	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Total State Support	$1,277,942,716	$1,259,011,076	- $18,931,640

The governor's proposed budget decreases overall funding for the Florida College System (FCS) by $18.9 million, for a total of $1.26 billion. This represents a 1.5 percent decrease in state support for Florida's colleges from the FY 2020-21 funding level. 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 dollar spent on FCS.[63]

Not included in the governor's budget for state colleges is the $286 million in CARES Act COVID-response funds the state colleges received in 2020, of which half had to go to student-support grants. In addition, federal aid through December 2020's CRRSA includes $110 million in student aid and $355 million in institutional aid for the FCS, also not included in the governor's budget.

State University System

STATE UNIVERSITY SYSTEM BUDGET

	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
State University System (SUS) – State Funding Support	$3,214,366,610	$3,212,766,030	- $1,600,580
State University System – Funding from Tuition and Fees	$1,957,486,926	$1,962,726,665	$5,239,739

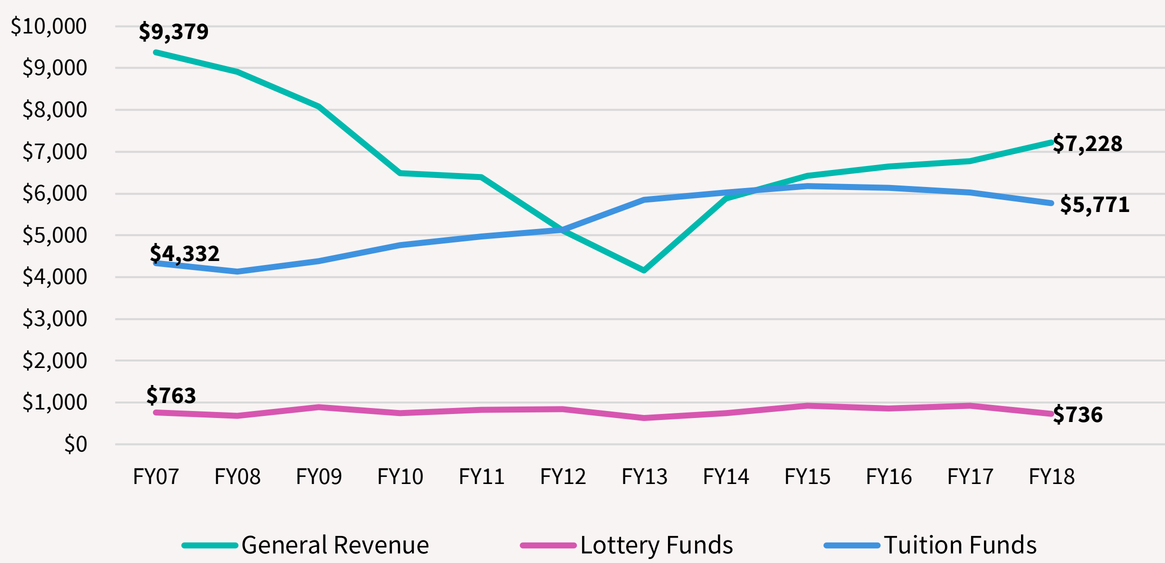
Total SUS Funding	$5,177,037,061	$5,175,403,695	- $1,633,366

The governor's budget provides $3.21 billion in state support for university operating expenses. This represents a less than 1 percent decrease compared to the FY 2020-21 budget signed by the governor. The governor also proposes keeping tuition and fees constant, while some leaders in the Legislature have left the door open to higher tuition this year. At the same time, general revenue support for the State University System (SUS) has yet to rebound to pre-recession levels. (See *Figure 5*.)

Not included in the governor's budget for universities is the $286 million in CARES Act COVID-response funds the state universities received in 2020, of which half had to go to student support grants. In addition, federal aid through December 2020's CRRSA includes $65 million in student aid and $149 million in institutional aid for the SUS, also not included in the governor's budget.

Figure 5. GENERAL REVENUE SPENDING ON FLORIDA'S UNIVERSITIES BELOW PRE-RECESSION LEVELS

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



Source: FPI analysis of State University System of Florida data. Does not include college system data.

Student Financial Aid

STUDENT FINANCIAL AID BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Bright Futures (Merit-based scholarships)	$651,776,770	$651,317,460	- $459,310
Student Financial Aid (Need-based aid)	$280,921,887	$283,449,550	$2,527,663
Other Aid (Specialty scholarships, matches, and loans)	$48,560,795	$55,896,186	$7,335,391
Total Student Financial Aid	$984,759,452	$ 994,163,196	$9,403,744

The governor's proposal increases the total student financial aid budget by $9 million, for a total of $994.2 million. Need-based financial aid funding is increased by $2.5 million dollars over the current year budget (a less than 1 percent increase), and the proposal includes a $7.3 million increase for the Benacquisto Scholarship (a 28 percent increase). This is due to a projected higher number of students qualifying for this merit-based scholarship, which was expanded in 2018 by the Legislature to include support for out-of-state National Merit Scholars. The governor's recommendations allocate a slightly smaller amount for the Bright Futures Scholarship Program, due to a projected slight decrease of students utilizing the program in FY 2021-22. Notably, the SAT score eligibility standard for Bright Futures was increased concurrent to this expected slight contraction in participation.

Research shows that students of color from households with low income are more likely to face barriers to academic success during their K-12 years, which can then cause them to miss out on merit-based scholarships[64] like Florida's Bright Futures. Indeed, in its 23-year history, the share of Bright Futures grants going to Black students has never exceeded 7 percent.[65] As such, the continued emphasis on merit-based scholarships could further marginalize students with low income from the higher education system, adding yet another barrier to their economic mobility and the shared prosperity of all Floridians.

EDUCATION FACILITY CONSTRUCTION

→ Current landscape

Funding for school capital expenses, like construction, repairs, and technology improvements, has not rebounded from the deep cuts after the Great Recession.[66] The lack of funds has come at a cost — the Florida Chapter of the American Society for Civil Engineers (ACSE) gives the infrastructure of the state's schools a D+ for quality.[67]

Education fixed-capital outlay funds are used to build, repair, and maintain public schools, colleges, and university buildings, and pay for debt service for bonds sold in the past to raise building funds. 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. From FY 1992-93 to FY 2010-11, the state used the PECO funds to issue bonds for education capital projects totaling $12.1 billion; however, only one PECO bonding project has been approved since then.

→ Budget

EDUCATION FACILITY CONSTRUCTION BUDGET

	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Debt Service	$1,051,503,210	$1,035,793,614	-$15,709,596
Maintenance, Repair, Remodeling: Charter Schools	$169,600,000	$180,010,163	$10,410,163
Maintenance, Repair, Remodeling: Public schools, Colleges, Universities	$0	$0	$0
School Safety Grant Program	$0	$42,000,000	$42,000,000
Total Other Projects	$321,038,430	$208,809,426	-$112,229,004
Education Facility Construction Total	$1,542,141,640	$1,466,613,203	-$75,528,437

Governor DeSantis has continued the trend of opting not to leverage PECO funds to bond for education projects; no education bonded projects were proposed in the governor's budget. In December 2020, the PECO Estimating Conference estimated that the state could appropriate $3.09 billion for school construction in FY 2021-22 if the state were to issue bonds with PECO dollars.

The governor's budget:

- **Decreases the total fixed capital outlay budget by $75.5 million, for a total of $1.47 billion.** Of this total, $1.04 billion is earmarked to pay for debt service on bonding, $15.7 million less than current year funding.

- **Funds *only* charter schools for maintenance, repair, and remodeling**. The governor's budget includes $180 million for maintenance and repair of charter schools without specifying any such funding for public schools, colleges, or universities. The current year budget also only funds charter schools for maintenance, while the governor's proposal for FY 2020-21 included $136.5 million for public schools, colleges, and universities. The divergence is important to note given the extreme need for repair and maintenance of Florida's public schools, as noted above.[68]

Governor's FY 2021-22 Budget Proposal:

GENERAL GOVERNMENT

→ Current Landscape

Florida continues to fall behind when it comes to promoting economic security and self-sufficiency for residents who are struggling. 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.

COVID-19 highlighted the inadequacy of the state's Reemployment Assistance (RA) program, commonly referred to as Unemployment Insurance. Florida's RA program has been broken for years, focusing more on reducing program costs instead of providing an adequate benefit for unemployed workers. It was significantly scaled back in 2011, and since then the program ranks at or near the bottom on nearly every indicator of a robust program. In fact, Florida's recipiency rate, which looks at the proportion of jobless workers who actually receive benefits, is the worst in the entire country.[69] This particularly disadvantages Floridians of color, who have an unemployment rate roughly twice the average for all workers.[70]

Also putting a strain on residents is the lack of affordable housing in Florida. The state ranks 47th in the nation for its availability of affordable housing, with only 26 affordable and available housing units for every 100 extremely low-income households.[71] The continued sweep of the Sadowski Affordable Housing Trust Fund has contributed to this shortage. Between FY 2001-02 and FY 2019-20, more than $2.6 billion was taken from the fund and moved into the general revenue stream to support other appropriations.

→ Budget

GENERAL GOVERNMENT BUDGET	FY 2020-21 Budget	Governor's FY 2021-22 Proposal	Difference
Appropriation Amount	$6,113,580,103	$6,568,206,986	+ $454,626,883

Reemployment Assistance

Although Florida's RA program is inadequate to support hard-working Floridians who lose jobs through no fault of their own, the governor's proposal does not recommend a fix for pivotal underlying deficiencies that have plagued the program for years.

For example, the governor's recommendation do not address the inadequate RA benefit levels that keep the families of workers who lose jobs at or below the federal poverty level, nor does the proposal address the mandate that most households file their unemployment claims electronically, the limitation on the number of weeks that claimants can get assistance, the imposition of a wait week before eligible claimants are able to start getting assistance, excessive monetary eligibility requirements that make claimants ineligible for assistance, the lack of an alternative base period, or the need to increase the taxable wage base and tax rate to fully fund Florida's RA system.[72]

The proposal also does not include funding for a comprehensive solution to the state's outdated CONNECT system, which was inadequate to support the unemployment claims of Floridians even before the pandemic. Although the influx of unemployment assistance applications during COVID-19 has shone a light on its insufficiencies, CONNECT has been riddled with problems for over a decade.[73] While the governor recommends stopgap measures, such as an additional $5 million to hire temporary employees [74] to address increased call volume and staff increased appeals, conspicuously absent from the Governor's recommended budget is funding for a comprehensive plan to permanently fix CONNECT.

Additionally, the governor fails to recommend funding of a much-needed analysis of the disposition of claims for unemployment assistance during COVID-19 and the extent to which unemployment assistance is meeting the need of struggling Floridians.[75] Data suggests that the pandemic is having a disproportionate impact on Floridians' ability to access assistance, particularly workers of color, individuals of Latin American descent; younger workers, workers in poor health, people with less education, those in the service industry, and people who cannot telecommute.[76] According to the Florida Department of Economic Opportunity (DEO), less than half of all claims for unemployment assistance filed by Floridians during the pandemic have been approved: out of the 5 million claims— which were mostly unduplicated — processed by DEO, only 2.3 million have been determined eligible as of January 31, 2021. With the exception of 92,307 claims that remain in pending status awaiting verification of eligibility factors such as identity, wages, and employer, the rest have likely been denied.

Detailed data to inform state officials and the public about apparent inequities in Florida's UI program is critical to addressing unmet needs. To appropriately serve Floridians who have lost jobs during COVID-19, the state should be proactive about collecting, analyzing, and releasing detailed data. Having a better understanding of the program's impact is essential to increasing awareness among the public of common pitfalls in establishing eligibility and informing state officials, who should reform law or policies that are being wrongly applied or unnecessarily excluding eligible claimants.

Supplemental Nutrition Assistance Program – E&T Program

The governor's recommendations include a $2 million[77]allocation to implement a SNAP Employment & Training (E&T) third party partnerships project to provide job-driven training for SNAP participants who need additional skills, training, or work experience necessary for economic self-sufficiency. In third party partnerships, the United States Department of Agriculture reimburses 50 percent of the cost for services that partners provide to SNAP recipients, which maximizes federal funding of much needed skills-focused training for decent jobs that pay a living wage in today's labor market.

However, the governor's budget does not include additional funding for support services for SNAP recipients in the E&T program, particularly those needing help paying for transportation.

To receive SNAP in Florida, most recipients who do not have a disability or are not raising minor children are required to work or participate in the E&T program, which is intended to help recipients gain the skills they need to get and keep a job. If E&T participants need help with transportation, Florida provides up to $25 monthly. This amount is insufficient for many of the SNAP recipients who travel back and forth to work or training. Thousands of recipients lose their SNAP as a sanction when barriers such as lack of access to transportation prevent them from participating in E&T. In 2016, as many as 58 percent of SNAP recipients — 360,000 people — who were referred to E&T in Florida lost their assistance due to nonparticipation in SNAP E&T. Notably, transportation was their biggest barrier.[78]

Food Deserts

The governor's proposed budget does not include funding to help solve Florida's food desert problem. "Food deserts" are parts of the country without access to stores or farmers markets that sell healthy food.[79] These areas are more likely to be located in low-income neighborhoods. Dozens of areas in the Sunshine State qualify as food deserts.[80] According to a study commissioned by the State of Florida, people living in food deserts are more likely to die prematurely from certain cancers, diabetes, stroke, and liver disease than people who have ready access to healthy food.[81]

In FY 2019-20, Governor DeSantis vetoed a local pilot project that would have subsidized transportation to grocery stores for 1,000 people living in food deserts.[82] While details about the vetoed pilot are insufficient to gauge 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 $1.29 in Florida.[83] 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.

At a minimum, the governor's food desert veto in FY 2019-20 could have been a springboard to a comprehensive dialogue about collaborative strategies to solve the state's food desert dilemma. The governor's recommended budget for FY 2021-22 misses the opportunity to start that long-overdue conversation.

Economic Development

The state's economic development programs have been contested in recent years, with the governor, House, and Senate proposing widely varying funding levels — and in some cases, recommending that funding for certain programs be eliminated— during each of the past few legislative sessions. For FY 2021-22, the governor's proposed budget provides $50 million for the Jobs Growth Grant Fund, which received no funding in the current fiscal year budget after the governor had vetoed the $20 million appropriation in the GAA. The value of this program has been debated since it was established in a 2017 special session as a compromise — the House wanted to eliminate Enterprise Florida and other economic development incentives. Since then, funding has fluctuated significantly.

The governor's budget maintains $50 million for Visit Florida, the state's tourism and marketing agency. Funding for this agency has also varied significantly in the House and Senate proposed budgets over the past few fiscal years. Visit Florida was slated to "sunset" by July 1, 2020, but legislation passed in 2020 (SB 362) extended its authority until October 2, 2023.

The state's economic development public-private partnership, Enterprise Florida, has also been a source of contention, facing severe scrutiny over its use of public funds. Since FY 2018-19, funding for Enterprise Florida has been maintained at $16 million. The governor proposes a significantly reduced funding amount of $5 million for FY 2021-22.

Affordable Housing

The governor's FY 2021-22 proposal reflects his commitment to fully funding the Sadowski Affordable Housing Trust Fund. The budget recommends $423.3 million to address the state's affordable housing crisis.

SADOWSKI AFFORDABLE HOUSING TRUST FUND			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Local Government Housing Trust Fund	$0	$296,600,000	+ $296,600,000
State Housing Trust Fund	$115,000,000	$126,700,000	+ $11,700,000
Total Housing Support	$115,000,000	$423,300,000	+ $308,300,000

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 governor's budget allocates $296.6 million for this program and recommends that at least 20 percent of the housing units developed through this funding be set aside for people with special needs, people with developmental disabilities, and the elderly.

- **The State Apartment Incentive Loan (SAIL) Program**, which is also administered by FHFC and provides low-interest loans to developers for affordable housing development. The governor's budget allocates $126.7 million for this program, of which $20 million is provided to build housing that primarily serves people with moderate income.

In the current year budget, the governor had vetoed $225 million from the Local Government Housing Trust Fund but as a substitute had allocated funds from the CARES Act to the tune of $250 million. However, the two funds are not equivalent: while SAIL funds are usually used and distributed in various ways, CARES Act dollars can only be used for COVID-19 related issues.

More than $2 billion has been swept from the Sadowski trust fund since FY 2002, resulting in 94,000 foregone affordable housing units.[84] The Sadowski Coalition estimates that full funding in FY 2020-21 would have resulted in more than 30,000 jobs and $4.4 billion in positive economic impact.[85]

Governor's FY 2021-22 Budget Proposal:

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 gentrification are growing issues of concern.[86] 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.[87]

A study by the EDR 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."[88] Not only do natural disasters impact tourism — they also cause economic and physical devastation within impacted communities.

The ASCE gave Florida 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.[89] Moreover, while the governor has claimed that "Florida has one of the best transportation systems in the country,"[90] the reality is that the state is in dire need of increased funding and long-term planning, especially with regard to public transportation. According to the ASCE scorecard, a nominal 2 percent of commutes to work in Florida were made via public transit, which points to low quality and availability.

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. Other ongoing issues in the state include toxic algae blooms like red tide and beach erosion, as well as lagging progress on Everglades restoration. Another recent concern is the state's insistence on moving forward with the Multi-Use Corridors of Regional Economic Significance (M-CORES) toll roads project, which is enormously costly and will have devastating consequences for Florida's already-endangered species and conservation sites.[91]

→ Budget

NATURAL RESOURCES/ENVIRONMENT/GROWTH MANAGEMENT/TRANSPORTATION BUDGET			
	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Appropriation Amount	$14,674,865,566	$14,615,469,674	- $59,395,892

Transportation

The proposed budget includes $10.4 billion for the Department of Transportation (DOT), funded through the State Transportation Trust Fund. The governor's recommendations include $9.2 billion for the Transportation Work Program, which would fund construction and maintenance of Florida's roads, bridges, rails, seaports and other public transportation systems. It specifically includes:

- $2.5 billion for highway construction to include 210 new lane miles.
- $1 billion in resurfacing to include 2,689 lane miles.
- $122.6 million in seaport infrastructure improvements.
- $331 million for aviation improvements, of which $199.6 million is for spaceports.
- $516 million in scheduled repairs for eight bridges and replacement of 18 bridges.
- $717 million investment in rail/transit projects.
- $172.2 million for safety initiatives.

Multi-Use Corridors of Regional Economic Significance (M-CORES) Program

M-CORES is an aggressive plan to expand the highway system in rural areas of the state by creating three new toll roads and other transportation and economic initiatives. 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, and the Transportation Disadvantaged Program, which provides services for individuals with low income who are living with disabilities, especially seniors.

The current 2020-21 fiscal year budget allocated $90 million in initial funds for this program. For FY 2021-22, the Governor does not quantify how much additional funding would be allocated to the controversial and costly toll roads project. Instead, his implementing bill states that *any* unused funding from select areas of the DOT budget each fiscal year can be used to fund M-CORES projects.

M-CORES has been critiqued by environmental and community advocates, as the more than 330 miles of proposed toll roads would endanger over 52,800 acres of undeveloped land,[92] which includes sensitive animal habitats and critical ecosystems such as wetlands, springs, and aquifer recharge areas. The economic benefit to rural communities is also in question, as the new roads would encourage more unsustainable sprawl development. With the impact of COVID-19 on the state's economy, advocates have been urging lawmakers to abandon M-CORES and divert the funds into other critical programs that have been severely impacted by the pandemic.

Disaster Planning & Recovery

The governor's budget includes $2 billion for Emergency Management (EM) in federal and state funding for disaster relief and recovery, up from $1.5 billion in current year funding.

The recommendations include a $7.5 million appropriation in general revenue and $17 million in federal funds to manage COVID-19 grants to counties under the CARES Act and the Consolidated Appropriations Act. Additionally, it recommends $74.8 million in general revenue and $292 million in federal funds for continuing coronavirus aid to state and local governments, although details about provision of that aid is lacking.

Additionally, the budget includes a 10-day tax-free holiday for disaster preparedness supplies, which would cover purchases such as modestly priced self-powered radios and lights, tarps, tie-down kits, batteries, generators, coolers, and reusable ice.

Environment

Overall, the governor's proposal reflects an uneven approach to environmental spending, increasing funding in some areas while cutting significant funding overall. This approach to environmental support has been called a "poison pill" by state advocates.[93] Despite major increases in funding for water and Everglades projects, the two departments that oversee the majority of environmental programs throughout the state — the Department of Environmental Protection (DEP) and Fish and Wildlife Conservation Commission (FWC) — face a collective funding cut of over $80 million under the governor's proposed budget. Investing fully in all of these areas is key to protecting the state's natural resources and unique ecosystem, mitigating the effects of climate change, and keeping the state's drinking water safe and plentiful for the growing number of Florida residents and visitors. This is especially crucial for the tourism industry's recovery in the wake of COVID-19.

The governor's budget:

- **Increases Everglades funding by 27 percent, proposing nearly $500 million to monitor, restore, and protect the rich biodiversity of the region that makes it so unique.** This is an important step forward, as the Everglades remains one of the most endangered natural resources, despite nearly 1 in 3 Floridians relying on it for their water supply.[94] Governor DeSantis has made supporting vital areas a key priority, which will be crucial to addressing the significant lack of progress made on longstanding plans to restore the Everglades.[95]

- **Adds $191 million and 15 new positions to DEP to create the Resilient Florida project to address the effects of climate change**. Governor DeSantis has pledged to allocate $1 billion over four years with this new project, which will "provide grants to state and local government entities to fund projects to adapt regionally significant assets to address the impacts of sea level rise, intensified storms and localized flooding."[96] Most recently, advocates have expressed concerns about climate change's destruction of Florida's major waterways[97] and the lack of a top state official[98] to assess the deleterious effects it will continue to have on the state if swift action is not taken.

- **Cuts Florida Forever funding by half, from $100 million to $50 million.** This funding reduction would move Florida much farther away from the $100 million minimum annual goal that advocates set. Florida Forever is a critical program that allows the state to acquire and preserve ecologically important land and prevent future environmental problems. The Florida Forever Act was passed in 1999, authorizing $300 million in bonds for 10 years to support conservation efforts. Funding was appropriated in full until 2008, when it was then significantly reduced or eliminated. The FY 2018-19 funding level of $100.8 million was the largest amount of funding in a decade.

FLORIDA FOREVER BUDGET

	FY 2020-21 Budget	**Governor's FY 2021-22 Proposal**	**Difference**
Appropriation Amount	$100,000,000	$50,000,000	- $50,000,000

- **Cuts the State Lands program by $51 million (a 22 percent decrease) and the Waste Management Program by $88 million (a 40 percent decrease).** These State Lands cuts include a drastic reduction to Florida Forever's land buying program. Coupled with the governor's demonstrated support for water and climate concerns, this sends a confusing signal on where the state truly stands on environmental protection. Keeping the environment clean and safe is nearly impossible to do with unaddressed pollution and conservation half-measures.

- **Cuts Fish and Wildlife Conservation Commission (FWC) funds by $26 million (a 6 percent reduction).** For the past 20 years, the FWC has coordinated the state's fish and wildlife research, enforced hunting and fishing laws, and addressed nuisance species and loss of animal habitat. The FWC is central to managing the rich array of Florida's natural species, including nearly 600 land animals and 700 native marine and freshwater fish.[99] The largest cut to the FWC budget is a $17 million reduction in Marine Fisheries Management funding, a 30 percent decrease from the current year). Many of these funds supported disaster recovery efforts from the destruction caused by Hurricanes Irma and Michael.

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