

Capitol e-Report - Governor Crist Releases Budget Recommendation for the 2009-2010 Fiscal Year

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Governor Charlie Crist has released a proposed \$66.5-billion budget and a number of legislative priorities for the upcoming 2009 Legislative Session. The Governor asserts his recommended budget will create or retain 314,590 jobs. The budget proposal includes recommendations for investing \$3.2 billion during the current fiscal year, and \$4.7 billion in 2009-10, of the federal stimulus package. Without the federal stimulus funds, says Crist, Florida's 2009-10 budget would have dropped to \$61.8 billion and required deeper cuts to more programs and projects. According to the White House, the stimulus dollars are projected to create and retain more than 206,000 jobs for Floridians over three years. Governor Crist also called on the Florida Legislature to quickly approve the 25-year compact between the State of Florida and the Seminole Tribe of Florida, emphasizing that its approval can provide billions of dollars to Florida's schools throughout the duration of the agreement. Since the compact was approved by the United States Department of the Interior in December 2007, the Seminole Tribe has paid \$75 million to the State of Florida, and will pay another \$62.5 million during the remainder of the current fiscal year. All of those funds are available to enhance and support Florida's education system in 2009-10, as well as the guaranteed \$150 million.

In addition, the approved compact is projected to provide at least \$129.17 million for education in 2010-11, and at least \$100 million in 2011-12. Policy highlights of Governor Crist's recommended 2009-10 budget and legislative priorities include the following: **Education**

\$31.2 billion in funding for all phases of education, including almost \$1.8 billion of federal stimulus funds. Per-Student Funding

A 2.67-percent increase in per-student funding over the current year. This increase provides a \$183 increase per student, for an average of \$7,044 per student for the 2.6 million K-12 students enrolled during the 2009-10 school year. Higher Education

The Governor's budget recommends nearly \$6 billion for higher education, including:

- \$3.6 billion for state universities and medical schools, an additional \$191.2 million, or a 5.6 percent increase.
- \$1.8 billion for community colleges and their baccalaureate degree programs, an additional \$146.8 million, or an 8.8 percent increase.
- \$564 million for post-secondary workforce education within school districts, an additional \$2.5 million, or a 4.6 percent increase.

The Governor also proposes a five-percent base undergraduate tuition increase, in addition to measures that will give the 11 state universities flexibility to charge a differential tuition that will generate revenue to enhance undergraduate education and need-based aid. Currently, five state universities already have this flexibility. *Truth in Classroom Spending*

Governor Crist wants to require school districts to spend a minimum of 70 percent of operating dollars directly in the classroom. Under the proposed legislation:

- School districts must spend a minimum of 70 percent of operating funds on direct classroom expenditures.
- The Florida Department of Education (DOE) will develop a uniform calculation for determining expenditures and a common format for reporting.
- School districts will report the district-wide and school-by-school expenditure information to the DOE and post the information on the school board Web site. Schools must provide parents with expenditure information via school report cards.

Economic Development

Governor Crist has recommended \$8.9 billion for economic development projects that he says will create or retain 314,590 jobs. These jobs are in addition to the 206,000 Florida jobs expected to be created by the \$12.2 billion pumped into Florida's economy by the Federal package over three state fiscal years. **Workforce Initiatives**

Governor Crist is recommending \$2 billion in workforce initiatives, including the following:

- Career education and employment services that will provide Florida's workforce with a pathway to increased productivity, career advancement and economic prosperity – \$800.8 million, expected to create or retain 3,000 jobs.
- Ready to Work, a program that allows Floridians to improve job skills and help employers match the skills required of a job with those of job candidates – \$6.6 million.
- Vocational rehabilitative service to assist Floridians with disabilities to obtain independence and/or employment– \$113.4 million.

- Early childhood education for the Voluntary Pre-Kindergarten (VPK) Program, which allows the program to serve 154,521 children – \$367.3 million, which will create or retain 12,877 jobs.
- School readiness program funding that allows families to remain in the workforce – \$621.2 million.

Transportation

Governor Crist's budget recommendations include \$5.1 billion to build and maintain roads, bridges and public transportation facilities, creating or retaining a presumed 142,800 jobs throughout the state. An additional \$1.4 billion provided by the Federal package will go toward “shovel-ready” projects that can be initiated within 180 days, creating or retaining an additional 24,200 jobs.

Regulatory Streamlining

Beginning with the Department of Business and Professional Regulation, Governor Crist is proposing legislation that will streamline and reduce burdensome licensing requirements across all state agencies. Legislation he is proposing in this area will presumably:

- Make it easier for contractors and others to reactivate and reinstate their licenses through continuing education and other measures.
- Remove license prequalification requirements for applicable professions.
- Expand the license renewal cycle from two years to four years.
- Allow professionals in good standing from other states to meet Florida's licensure requirements.

Office of Tourism, Trade and Economic Development

The Office of Tourism, Trade and Economic Development (OTTED) facilitates the productivity and growth of key Florida businesses, thereby enhancing the private sectors' ability to expand and create high-tech, high-wage jobs. Key business sectors include information technology, aviation and aerospace, defense, biotechnology, tourism, sports, and film and entertainment. The Governor's economic development strategies include supporting significant infrastructure projects that can improve the competitiveness of both Florida's urban and rural communities. Governor Crist is recommending \$157.1 million for the Office of Tourism, Trade and Economic Development, which will create or retain 43,291 jobs. *Economic Gardening*

Governor Crist recommended, and Legislature approved during January's Special Session A, \$10 million for his economic stimulus plan targeting small Florida-based companies with high growth potential through small loans and business support services. The plan gives small businesses with between 10 and 50 employees the resources and incentives they need to expand and create new jobs now, even amidst the economic downturn affecting Florida and the nation. Known as "economic gardening," the loans would not exceed \$250,000 per business and would be used for capital purchases, employee training and salaries for new jobs. *SunRail*

Governor Crist is encouraging the Legislature to support SunRail, the proposed 61-mile commuter rail system that would serve the City of Orlando as well as Orange, Seminole, Volusia and Osceola counties. A recently released economic impact study found construction and operation of the

commuter rail project will infuse more than \$1 billion over the next 30 years into Florida's economy and create more than 13,000 construction and operations jobs, most of them created almost immediately, generating more than \$350 million in household earnings. The study also examined the commuter rail's impact on the surrounding area, concluding that SunRail will generate an additional 113,000 construction jobs within one-half mile of rail station stops and the surrounding area, and \$4.6 billion dollars in earnings for the construction sector over the next 20 years. **Compact Education Dollars**

The Governor is urging lawmakers to approve the 25-year compact between the State of Florida and the Seminole Tribe of Florida, asserting the additional revenues for Florida will create 45,000 new jobs, according to the Seminole Tribe. **Property Tax Relief**

Governor Crist is proposing a set of reforms aimed at reducing the tax burden on Florida homeowners and business property, including:

- A proposed Constitutional amendment to place a 10 percent cap on the assessed value of non-homesteaded residential and commercial properties.
- A proposed Constitutional amendment to protect homeowners from having to pay more in taxes during times when market values are declining. The legislation replaces the automatic three-percent increase, with no increase on the assessed value of a homestead when its market value decreases.
- A proposal to assist property owners who challenge the property appraiser's assessment of their property value. Current law presumes the appraiser's assessment is correct, and leaves the burden of proving otherwise to the taxpayer. The legislation would remove the presumption that the property appraiser is correct and requires the party bringing suit to provide evidence for their assessment.
- A proposed Constitutional amendment to limit increases in local revenues.

Health and Human Services

The federal stimulus package includes an influx of federal funds to address individuals most critically impacted by the recent downturn in the economy. The Governor is recommending:

- An increase of \$45 million for cash assistance program and food stamps, which provides temporary assistance to families and their children.
- \$294 million for the Meds AD (Medicaid for the Aged and Disabled) Program to restore 12 months of Medicaid health care coverage for 13,000 elderly and disabled individuals.
- \$470 million for the Medically Needy Program to restore 12 months of Medicaid health care coverage for 21,000 individuals who have extremely high medical bills in relation to their annual income.

- \$52 million for increased enrollment in the KidCare program to support an additional 46,000 children.

Public Safety

Governor Crist is recommending \$4.9 billion to maintain support for Florida's increasing prison population and continue programs to reduce recidivism, prevent juvenile crime and curtail violent crime:

- \$81.1 million for prison operation and to bond.
- \$579,000 savings to administratively house the Parole Commission under the Department of Corrections (DOC).
- \$700,000 savings by providing full time positions for the delivery of health services to inmates in Region IV and Taylor Correctional Institutes.
- \$2.3 million cost avoidance by providing food services in-house within the DOC and the Department of Juvenile Justice (DJJ).
- \$11 million for projected department operating deficits.
- \$23.3 million from Byrne/Justice Assistance Grant as part of the federal stimulus package. These funds will also enhance DOC's substance abuse and inmate transition services, enhance the Courts Judicial inquiry System, and expand DJJ's alternatives to detention program.

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