

Florida's Budget

A projected budget shortfall of over \$3 billion will again set the backdrop for policy development during the 2010 Session. Balancing last year's budget relied heavily on a mix of federal stimulus dollars and increasing cigarette taxes and various fees. Continued reliance on tax increases represents political dynamite and stimulus dollars may not provide the necessary support to fill the budget gap. These conditions have forced the Executive and Legislative branches to consider additional revenue streams, including ratification of a gambling compact with the Seminole Indian Tribe and opening Florida's Gulf Coast to oil and gas drilling. The outcome of both these issues could play an integral role in the state's short- and long-term budget outlooks. Substantive progress on the compact has largely stalled, while political will to further evaluate energy exploration options has gained considerable ground. The House passed a drilling bill during the 2009 Session but it died in the Senate, indicating a likely area of focus for drilling proponents during the 2010 Session.

Reapportionment/Redistricting

An important factor which amplifies the volatility of Florida's short-term political landscape is the 2010 Census and subsequent redistricting of state Legislative boundaries, number of U.S. Congressional districts and their boundaries. The outcome of this process is extremely important for both Republican and Democratic parties at the state and national levels as it establishes decade-long boundaries and largely determines federal allocation of funds.

Initiatives are underway to impact the 2010 Census and the process by which redistricting occurs. The Executive Office of the Governor has devoted significant resources to maximizing the census count through its 2010 Sunshine Census efforts, which focus on ensuring a complete and accurate count. Florida is projected to gain one Congressional seat. Targeting the redistricting process itself, FairDistrictsFlorida.org is an organization seeking to improve the fairness of redrawing district lines through the adoption of constitutionally mandated fairness standards. Two amendments are expected to be on the 2010 ballot which focus on protecting minority voting rights by prohibiting districts favoring a political party or incumbent. Opponents argue such state-level mandates would conflict with federal districting statutes.

Given the nature and long-term implication of the Census and redistricting process, this issue will be highly contentious and largely divisive between Republican and Democratic parties. The House Select Policy Council on Strategic & Economic Planning, the Senate Reapportionment Committee, and several Caucuses will be addressing this issue.

Property Tax Reform

In 2008, Florida voters approved Amendment One to Florida’s Constitution which authorized nearly \$10 billion in property taxes relief, following a \$15 billion tax cut by the 2007 Legislature. Property tax issues remained an important issue during the 2008 November elections, as three Constitutional Amendments (Three, Four, Six) relating to property taxation were voted into law. Various issues surrounding implementation of the three Amendments remain unresolved from the 2009 Session; the 2010 Legislature will continue to focus on developing policies to advance this issue.

Stimulating Florida’s Economy

Restructuring the state’s economy will remain a core outcome of the 2010 Session. While trends indicate a modest stabilization of certain facets of the economy, the unemployment rate, housing values, and severe budget gaps paint a different picture. Florida remains in need of substantive economic policy to ensure an efficient and sustainable recovery. In response, both the House Select Policy Council on Strategic & Economic Planning and the Senate Select Committee on the Florida’s Economy were formed and charged with developing policy initiatives to stimulate private investment and job creation. Areas of legislative focus will likely include streamlining business and growth management regulations, developing a stronger venture capital framework, aligning workforce supply with private sector needs, and maximizing use of federal stimulus dollars.

Growth Management

The 2009 Session was marked with a landmark bill (SB 360) which, among other things, attempted to relax transportation concurrency and development of regional impact (DRI) requirements in response to stimulating private investment. The implementation of the bill remains a contentious issue and is coupled with a lawsuit from several local governments; the full impact of the bill on stimulating economic activity remains a question. Closely related, a working group has been convened over the past year to assess the option of implementing an alternative mobility fee approach, policy will be considered in light of the group’s recommendations.

An important issue outside of the Legislative process- but with potentially significant impact on Growth Management- is Hometown Democracy, which gained credibility in 2009 as Amendment 4 on the November 2010 ballot. If approved, all local land use decisions would be determined by referendum, significantly altering the current land development process. The prospect of Amendment 4- whether it passes or not- has raised the relevance of Growth Management and its role in shaping Florida’s long-term economic and growth models.

Also playing a factor in the Growth Management discussion is the continued implementation of HB 697 (2008), which requires that various energy efficiency measures be incorporated into local government Comprehensive Plans. During the 2009 Session, the Energy Economic Zone Pilot Program was created to implement the bill’s provisions; a committee charged with developing the pilot program is required to develop a set of recommendations for the 2010 Legislature’s consideration.

Energy

Landmark alternative energy policy passed the Senate but died in the House during the 2009 Session. The bill, among other things, proposed to establish statewide emission goals by the year 2020. A similar bill will likely be reintroduced again in 2010. Energy policy for the 2010 Session will largely be overshadowed by the prospect of lifting the state’s long time moratorium on oil and gas exploration in the Gulf of Mexico. Proponents of alternative energy will fight hard to include it in the discussion. Leadership in both chambers have been clear that it must remain focused on determining whether oil and gas could benefit the state’s long-term economic outlook.

Mortgage Lending & Foreclosure Reform

Florida remains a leader in residential foreclosures and mortgage fraud incidents. In 2008, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E) was adopted. Subsequently, Governor Crist signed into law SB 2226 (2009) which allows the state’s Financial Services Commission to adopt regulations in accordance with S.A.F.E., strengthening and clarifying various regulations surrounding loan originators and mortgage brokers and lenders. As part of efforts to restore the state’s economy, the 2010 Legislature will continue to develop policies towards increasing mortgage accountability and strengthening lending practices.

K-12 Education

Governor Crist’s FY 09-10 education budget focused on continued funding for the Voluntary Prekindergarten Education Program and efforts to reduce constitutionally-mandated class size. Bills passed during the 2009 Legislative Session focused on reforming fiscal administration policies for charter schools, encouraging service learning opportunities, and increasing reporting requirements of supplemental service providers. Education proponents will be closely monitoring the ratification of the proposed Seminole Indian compact as a significant amount of the revenue generated from the agreement is projected to be allocated for educational purposes. Areas of focus for the 2010 Legislature will be determining whether to reverse an important sunset provision relating to public records within the Voluntary Prekindergarten Education Program, continuing to develop an education system founded on STEM principles, and improving teacher quality standards.

Workforce Development and Education

Effective workforce education will play an integral role as short- and long- term economic development strategies remain a statewide priority. The 2009 Legislature passed little in the area of workforce development policy, the 2010 Legislature will be primarily guided by WorkForce Florida’s *Five Year Strategic Plan* and Enterprise Florida’s *Roadmap to Florida’s Future*, both to be finalized in December 2010. Preliminary findings from these documents focus on developing STEM capacity, better aligning workforce skills with business needs, developing a market oriented framework, and creating an integrated education-workforce continuum. A workforce program of particular interest will be the Employ Florida Healthcare Workforce Initiative, which has evolved from a pilot project into statewide implementation. The program focuses on sufficiently training, assessing, and monitoring a pool of qualified professionals to serve a consistently growing healthcare sector.

Healthcare

The implications of access to affordable healthcare extend beyond the immediate health, safety, and welfare of Florida citizens. Florida’s capacity to attract and retain its desired workforce and ultimately, industries, is severely diminished without providing affordable healthcare options. In 2008, the state contracted with six insurance providers to initiate “Cover Florida”, which provides low-cost health insurance to citizens. Since its inception, a fractional percent of eligible Floridians have enrolled in the program. Legislation during the 2010 Session will focus on considering how the program could be modified to increase citizen participation. Additionally, House and Senate leaders are committed to ensuring that Florida receives a fair share of federal Medicaid funds through the Federal Medical Assistance Percentage (FMAP) calculation.

Sunset Reviews of Affected Florida Agencies

The Departments of Children and Family Services, Community Affairs, Management Services, and State, are statutorily required to undergo a Sunset Review to determine whether to maintain, reorganize, or abolish the respective agency by 2010. The Sunset Review process can substantially alter each agency’s organizational structure and core competencies. The 2009 Session was used to evaluate each agency; the Legislature will give its final recommendations on these specific agencies during the 2010 Session.

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