



## **The Challenges For 2005**

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Florida faces two huge challenges in 2005: Medicaid and Education. Unfortunately, central Florida is at the very epicenter of these issues.

Medicaid is the federal/state program that funds healthcare for poor and indigents, as compared to Medicare, which is the federal healthcare program for seniors. Medicaid is the fastest growing component of Florida's budget, consuming 15 percent of general fund revenues and ranking second only to education in total spending. Without reform, Medicaid will overwhelm state and local budgets, because its costs are driven by Florida's large elderly population needing nursing home care, and our huge numbers of families without health insurance. The Medicaid problem is particularly virulent here in central Florida because of the large number of lower paid workers lacking health insurance and because of central Florida's large and growing number of elderly retirees.

Although Medicaid is primarily funded by the state and federal governments, the local consequences of inadequate care are very apparent in our overcrowded emergency rooms, the recent crisis in provision of trauma care, and the relative deterioration in public health metrics. These trends hurt our workers and compromise our economy as well.

The education challenges are even more daunting. Florida voters have mandated smaller classrooms, with the cost to be borne by the state government and not by local school districts. But instead of focusing on how to fund what the voters demand, the governor and legislative leadership are attempting to lead a repeal effort. If they fail, the delay will exacerbate overcrowding and the lack of school facilities to handle smaller class sizes.

This problem is particularly difficult in central Florida, especially in Orange County. Despite voter approval of a half-cent sales tax for school construction, there is no noticeable improvement in school capacity. Worse yet, the school

board is putting pressure on county and city governments to stop growth in areas with crowded schools. While this may seem sensible on its face, such actions throttle economic growth and allow the board to continue failing to meet community needs. Furthermore, educational performance in Orange County is also falling, as reflected in the county's deteriorating FCAT scores – particularly for the high schools. Orange County's poor school system has become a significant impediment to the entire region's economic development efforts.

Hopefully, 2005 will be the year when local political leaders take substantive action to improve the situation. Clearly, the school board needs to take dramatic action this year to show some demonstrable progress. Otherwise it may be necessary for the county to exert more control over the local school system by petitioning to become a charter school district or through other political actions.

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