



The 2005 Legislative Session and Central Florida's Needs

March 8, 2005

Today the 2005 legislative session begins, with important implications for central Florida.

First, the only action the legislature must take is to pass a budget. It should be relatively easy this year since revenues have grown much faster than normal because of the boom in real estate and, ironically because of the hurricanes, which caused spending on reconstruction to soar. However, much of the \$4 billion in available money is due to one-time impacts, so the legislature will be very conservative in spending it. About \$300 million will be earmarked for hurricane relief. Most of this will go for insurance relief to homeowners and the rest to rural counties that were the hardest hit. So – little direct aid for us.

Second, education spending will rise by about \$1 billion, which is a lot of money, but it won't go very far this year. Half of the money will go for class-size reduction and most of the rest funds the 60,000 new students in the system. This leaves little for increasing teacher salaries, rising insurance costs, or new programs. Since the state habitually underestimates school enrollment, central Florida will be particularly pinched for school funds, given our burgeoning student growth.

Third, the Governor has proposed profound reform of our growth management system, which is critically important to central Florida. One of the major failings of our growth management system is its lack of funding for infrastructure. The reform program includes letting counties levy an additional one cent of local option sales tax for infrastructure. This would make a big difference across the state, and it would be particularly important to central Florida, with our large volume of tourist-driven spending.

Finally, Medicaid reform is at the top of the Governor's agenda. Florida's Medicaid program consumes 25 percent of the budget, and it is growing twice as fast as overall state spending. The program insures 2.3 million Floridians, including one million poor children, who have nowhere else to turn for healthcare. The Governor proposes to privatize much of the system, converting to an HMO delivery system with state spending caps.

There is no doubt that the Medicaid program in Florida, and throughout the country, must be reformed and expenditures brought under control. However, by limiting spending on Medicaid, reforms are likely to push some of the funding requirements down to local governments. Central Florida's economy, dependent as it is on tourism, trade, and retirement, generates large volumes of jobs, many of which do not provide healthcare. As a result, reforms will ultimately require central Florida's taxpayers to chip in, at least in the short run.

We all have a lot riding on this legislative session.

This is Hank Fishkind for 90.7 FM, WMFE News.

<http://www.fishkind.com>