

Florida House targets schools, roads and health care in proposed budget cuts
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TALLAHASSEE - House budget writers proposed \$1.4 billion in state cuts Wednesday, targeting health care, education and road projects to meet Speaker Richard Corcoran's call to trim \$2 billion from state spending.

Health care could get the deepest cut, up to \$573.8 million. That would be about half of the \$1.1 billion in cuts to health care that Gov. Rick Scott proposed in his budget.

The budget writers offered an additional \$485 million in possible education cuts and up to \$321.2 million in transportation spending. More proposed cuts are expected as legislators consider a budget for next year.

2017 Florida Legislative Session

Those possible cuts total the greatest amounts Corcoran asked the committees to consider in the weeks leading to this year's legislative session, which began Tuesday.

Corcoran said he thinks the state budget will need to shrink by \$2 billion to avoid a shortfall predicted in the next two years. Legislators will monitor revenue forecasts to determine an exact amount.

The Legislature is expected to have \$32.3 billion in state money to build next year's budget, which is estimated at more than \$80 billion when including federal and other money.

But the state money, a slight increase over the current year, would barely cover the most critical costs the state must cover, which are expected to grow.

Next year's Medicaid budget, which eats up about a third of all state spending, is expected to grow by \$500 million, and an increase in school enrollment will cost \$300 million.

The budget Scott asked lawmakers to consider for next year would be \$83.5 billion, \$1.2 billion more than this year's spending plan and the largest in state history.

During a Tuesday speech to start the session, Corcoran vowed the House budget proposal will be less.

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"Because, right now, there are some who are suggesting that we pass the largest budget in state history," Corcoran said. "We will not.

"Instead of spending more money, we will fight to eliminate waste from the budget," he said.

Scott's budget included \$1.1 billion in proposed cuts to health care, including \$581 million from a managed-care plan that takes up the majority of the state Medicaid budget. Hospitals would see \$348 million of those cuts.

House Healthcare Appropriations Subcommittee Chairman Jason Brodeur, R-Sanford, said the \$573.8 billion in cuts his committee will propose includes some of Scott's plan.

"The governor's budget is pretty much in line with us, but that's on that high amount," Brodeur said.

The high amount Brodeur will propose is more than the \$351.6 million proposed Thursday by the Senate health care appropriations subcommittee. In the Senate plan, hospitals would lose \$257.6 million of that amount, equaling a 32 percent decrease in funding they received from this year's budget.

Lee Memorial Health System has estimated its share of the Senate's proposed cuts to hospitals would be \$6.5 million. But with the House and Senate plans \$222 million apart, there's room for negotiation, said Mary Briggs, hospital spokeswoman.

Scott's budget slashed Lee Memorial's state funding by \$30 million.

"It's very early in the process," Briggs said. "There's probably going to be lots of different versions of budgets going forward. We never want any cuts, but this is definitely better than the governor's version of his budget."

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House PreK-12 Education Appropriations Subcommittee Chairman Manny Diaz, R-Hialeah Gardens, said the \$485 million in cuts in school funding he will propose would include the amount of money the state sends to schools, based on a per-pupil formula. Scott's budget includes \$7,421 per student. The current budget included \$7,204.

"If we go to that higher amount, it will eat into that amount," Diaz said.

The \$321.2 million in cuts proposed for transportation and tourism would eliminate parts of a five-year plan to improve the state's roadways.

Transportation and Tourism Appropriations Subcommittee Chairman Clay Ingram, R-Pensacola, said much of that cut would come out of the massive 5-year road improvement project by the state Department of Transportation.

Scott proposed in his budget \$8.2 billion in federal, state and local spending for next year's installment of the DOT road program.

Senate education leaders say the first part is not possible without the second, but efforts to restore the school districts' tax-rate cap might not have the votes to pass because it could be construed as a tax increase.

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While that debate lingers, it's not the only issue now. The ideal bill some senators want could also carry another consequence that Republican Senate leaders revealed this week but that lawmakers have not yet discussed in public committee hearings.

Sen. David Simmons, an Altamonte Springs Republican who chairs the chamber's Pre-K-12 education budget committee, told reporters if SB 376 is implemented with both crucial parts, "there won't be a need" for the state to provide its current share of capital outlay funding — an annual moving target that has dwindled over the years but nonetheless still accounted for \$150 million this year for charter and traditional public schools.

“We can free up that,” Simmons said. He added that allowing school districts to raise their own tax rates “supplants the need” for general revenue capital dollars from the state, although lawmakers could still allocate dollars for school capital projects if they wanted.



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Senate President Joe Negron, R-Stuart, told reporters Tuesday he envisions that outcome, too. “My personal goal going into session was that we would get out of the business of, at the end of session, deciding that we’re going to give \$50 million in [capital outlay] for charter schools, or \$75 million,” he said.

“There’s complete uncertainty about it,” Negron said of that process, adding that the state capital dollars for K-12 schools are “competing with other dollars that, to me, should be for universities and community colleges.”

But attempts to further reduce or outright eliminate state capital dollars for K-12 schools would put another wrinkle in an already complicated perennial debate.

WE, AS A LEGISLATIVE BODY, HAVE TO HAVE THE COURAGE TO GIVE OUR LOCAL DISTRICTS WHAT THEY NEED.

Sen. Gary Farmer, D-Lighthouse Point

Forcing districts to rely solely on their own local tax revenue for capital projects — even with the ability to collect more dollars under a higher cap — might cost them money and still won’t meet districts’ needs, some district officials said.

Broward County Democratic Sen. Gary Farmer, of Lighthouse Point, has worked closely with Simmons to craft SB 376 and he strongly supports allowing school districts to restore their higher tax rates. But he told the Herald/Times on

Wednesday he was unaware Negron and Simmons were contemplating doing away with the state capital dollars if the bill went through.

“I’d have to look into that,” Farmer said. “I do think that if we’re going to give the charters a guaranteed portion of the millage dollars, than we ought to look at whether they’re going to continue to get the [state capital outlay] dollars, because I think those have been dolled out in a disproportionate way in their favor.”

Of state capital aid this year to K-12 public schools, \$75 million went to the state’s 650 charter schools and the other \$75 million was divided among about 3,600 traditional public schools. Charter schools are publicly funded but privately managed.

Farmer said he wouldn’t support doing away with state dollars for traditional schools’ capital needs because, even if districts raised their tax rates, “it would be insufficient.”

Representatives from at least 10 school districts — including Broward and Pinellas counties — urged senators Wednesday to support letting districts restore their tax rates. Many districts, like Miami-Dade County, also don’t want to be forced to share their limited local dollars with charter schools, citing budget concerns.

Lawmakers first let districts collect the local capital revenue in 1980, when the rate was capped at \$2 per \$1,000 in taxable property value. During the economic recession in 2008 and 2009 — when property values plummeted around the state — the Legislature gradually reduced that cap to the current rate of \$1.50 per \$1,000 in taxable property value.

Farmer, with Simmons’ support, wants the rate restored to the original level, and he filed amendments during the first two committee hearings for SB 376 to do that. But he withdrew it both times, most recently Wednesday, because he didn’t have the votes.

“This concept that increasing — or giving schools the option of increasing — their millage is somehow a mandate by us or a tax increase, I don’t believe that’s true,” Farmer said. “We, as a legislative body, have to have the courage to give our local districts what they need.”

While charter school advocates have long sought to get a piece of the local tax pie — it’s optional for districts to do now, but not required — Simmons said doing

that simply isn't possible unless lawmakers also grant districts the freedom to raise local taxes.

If districts were required to share their revenue with charter schools without having the flexibility to raise taxes, "there are school districts that this would immediately put them in default under their bonding obligations," Simmons said, citing Lake County as an example.

"We can't do that. We have got to come up with a solution that will work, that will not put some of our school districts in default," Simmons said. "I'm not prepared to do that. I'm prepared to find a way that will solve two significant problems that exist right now."

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