Florida’s 2016-2017 Budget increases some funding but will not maintain infrastructure or services needed to maintain quality of life

Introduction
The 2016-17 Florida budget increases spending by $3.8 billion. The $82.2 billion total budget represents a 4.8 percent increase over the current budget. While appropriations increase in some areas of the budget, Florida’s growing population and aging infrastructure suggest that these increases are not sufficient to maintain a quality of life that Floridians deserve. This analysis goes beyond our initial budget response and gives a more in-depth analysis of how the state 2016-2017 budget breaks down.

Although most segments of the state budget reflect modest increases for 2016-17, the budget has yet to adequately address recovery from the economic downturn, population growth, or increases commensurate with increases in the cost of living. Education funding increases over the current year but does not keep pace with inflation, and education capital outlay allocations are disproportionately distributed. Additionally, funding for crucial programs such as reimbursements for hospitals who treat the uninsured are significantly reduced.

Total Appropriations

The state budget for 2016-17 increases spending by $3.8 billion. The $82.2 billion total budget represents a 4.8 percent increase over the current budget. More than 63 percent of the budget is funded through state trust funds. General Revenue funds make up the remaining 37 percent.

The budget includes the elimination of 270 positions. 113,416 funded state positions remain. More than 8,800 state-funded positions¹ have been cut from the state workforce since the 2011-12 state budget, despite annual population increases.

Reducing the state workforce each year limits state agencies’ abilities to provide adequate and efficient services to Florida’s growing population. They also decrease the timeliness, efficiency, and effectiveness of services provided.
Total Appropriations by Program Area

More than 70 percent of the total budget is allocated for human services and education (see chart below). Natural resources, environment and transportation expenditures account for less than 20 percent of total budget while criminal justice and corrections account for more than 5 percent.
The 2016-17 budget increases spending across all service areas. While the increases are significant, they fail to fund state services at a level that keeps pace with population growth and inflation, and do not improve Florida’s national standing in the provision of these services. In natural resources, environmental protection, and transportation, appropriations increase by almost nine percent. Funding for health and human services, education and public safety increases by four percent.
Of the total budget, $30.2 billion is funded by General Revenue funds. Education receives more than half of General Revenue or $16 billion. Health and human services is allocated $9.5 billion. Together, education and health and human services account for 83 percent of General Revenue funds. Criminal justice and corrections receive 12 percent or $3.7 billion. Natural resources, environmental protection and transportation receive 1.3 percent or $384 million.

Revenues
Tax Expenditures and Their Impact on Revenues

The state budget for the 2016-17 fiscal year incorporates almost $130 million in tax reductions. Manufacturers, packinghouses and recyclers will no longer pay sales tax on the equipment purchased for business processes that take place in Florida. This elimination results in a recurring revenue loss of approximately $76 million. Over the last three fiscal years, almost $1 billion of recurring revenues have been lost because of tax law changes. Sales and corporate income taxes exemptions, reductions and credits represent more than half of all revenues lost.

The budget also replaced $428 million of property tax increase associated with Required Local Effort for public school funding with state funding, resulting in an almost six percent reduction of local property taxes supporting education for 2016-17.

The adopted budget includes a back-to-school sales tax holiday limited to three days. The holiday no longer exempts computer purchases from sales tax. Sales tax holidays, like other tax cut policies, are not effective at providing relief to families.
Health and Human Services

The 2016-17 budget includes $34.3 billion for health and human services to address the health and well-being of children and families, veterans, the elderly, and persons with disabilities. This funding exceeds the current budget by more than $1 billion (4.1 percent).

The state’s health care appropriations total $29 billion or 35.2 percent of the 2016-17 budget. Medicaid represents almost $26 billion or almost 90 percent of the healthcare budget. The state contributes 38.9 percent of Medicaid funding, while federal funds cover 61.1 percent.²

The table below details the level of funding appropriated among the six health and human service agencies in comparison with the current fiscal year.
Health Services: Medicaid and KidCare Program

The 2016-17 budget includes a $26.6 billion appropriation to the Agency for Health Care Administration (ACHA). This spending level is a more than $1 billion (4.3 percent) increase over the current fiscal year. ACHA is authorized to spend this budget for health care services, including:

- $395 million for children’s special health care services (KidCare program), reflecting a reduction of $23 million from the current fiscal year. The appropriation reflects the projected decline in KidCare program enrollments for 2016-17, according to Office of Economic and Demographic Research projections.³

- $20 billion for Medicaid services to individuals, almost $1 billion more than the current fiscal year. This appropriation reflects the projected increase in the portion of the state’s population who are eligible for Medicaid services, according to Office of Economic and Demographic Research projections.⁴

- $608 million for the Low Income Pool (LIP). Funding for this program is $392 million less than the current fiscal year. The state could offset this loss of funding by expanding Medicaid under the Affordable Care Act, which would bring in substantial amount of federal money to the state to provide healthcare coverage to all the newly eligible uninsured Floridians by covering 90 percent of their healthcare costs.

LIP funds healthcare providers that serve uninsured Floridians. Funding has declined from approximately $2 billion in 2014-15 to $1 billion in the current year, and $608 million in the 2016-17 budget. Next year, federal funding for LIP will no longer be available. While LIP is no substitute for the expanded Medicaid coverage available to Florida under the Affordable Care Act, it has provided reimbursement to the hospitals that provide uncompensated care to uninsured Floridians.

- Almost $6 billion for Medicaid long-term care services, an increase of $179 million over the current fiscal year. Of this funding, $8.1 million is earmarked to serve only

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approximately 502 elderly Floridians who are on the Medicaid Long-Term Care Waiver waitlist and have been categorized as a priority score of four or higher. However, this funding level is not adequate considering that approximately 42,958 elderly Floridians were on the waiting list as of February 25, 2016.\(^5\)

- The funds earmarked for elder care are $4.8 million greater than the current fiscal year. The agency is also authorized to spend almost $100 million for Medicaid prepaid health plan services.

### Health Services Coverage Gap

The state budget, failing to address Medicaid expansion as authorized by the Federal Affordable Care Act, leaves 567,000 Floridians who are currently in the coverage gap without health insurance. People in the coverage gap have incomes too low to qualify for financial help through the federal health insurance marketplace, but too high to qualify for Medicaid under Florida’s eligibility rules. Currently, adults with dependent children are eligible only if their income is below 34 percent of the federal poverty level, or $8,262 for a family of four. Adults without children are not eligible.

Florida could expand Medicaid eligibility to cover Floridians with incomes up to 138 percent of the federal poverty level, or $33,534 for a family of four. Federal Medicaid expansion funding would cover 90 percent of the cost for all newly-eligible Floridians. Currently, federal money covers approximately 60 percent of the costs of Medicaid in Florida. It is estimated that the federal Medicaid expansion funding would inject $16.7 billion into Florida’s economy between 2017-2023 and would help create 54,000 jobs in the health care industry.\(^6\) Thus, closing the coverage gap would support the physical and economic health of the state.

### Public Health

The 2016-17 budget includes $2.9 billion to improve public health, particularly to fight against infectious diseases and to address the needs of an increasingly aging population. While the budget increases funding for public health by $65 million, it does not adequately respond to the critical funding and staffing needs of the state’s public health system.

For example, the budget appropriates $936 million for county health departments. This spending, $17 million less than the current fiscal year, eliminates funding for 507 positions (five percent of the current workforce) in the county health workforce. This funding ignores Florida’s chronic public health issues such as infectious diseases including HIV/AIDS (third highest rate in the nation), Alzheimer’s cases (second highest in the nation), heart disease (sixth highest in the nation) and diabetes (eleventh highest in the nation).\(^7\)

The increase in Florida’s population aged 65 and older will also affect local health care needs and the corresponding need for a workforce trained in the specifics of elder care.
The state’s public health funding ranks 32nd in the nation, based on an average of $21.83 per resident. With this level of funding, the state is not able to provide adequate public health care services for its growing population. In particular, it may not effectively deal with the public health needs of Florida’s growing elderly population whose healthcare needs are more extensive and costly than those of the younger population.

The budget includes $347 million for children’s special care services, which is $4 million higher than the current year.

Human Services

The 2016-17 budget appropriates $4.8 billion for human services, including:

- $1.3 billion to provide services and benefits for persons with disabilities. This proposed spending plan is a $100 million increase over the current budget. Notably, the Agency for Person with Disabilities is authorized to spend:
  - $1.2 billion for home and community services for the disabled, which increases the current year budget by $112 million.
  - $79 million over the current year budget to build economic self-sufficiency and improve the health and well-being of children and families. Through the Department of Children and Families, the budget provides:
    - $581 million for economic self-sufficiency, a decrease of $1 million.
    - $352 million for the treatment of mental health, an increase of $15 million.
    - $706 million for community mental health and substance abuse services, an increase of $36 million.

The state’s mental health services, as measured by per capita spending, rank 49th of the 50 states. This level of funding does not address increasing numbers of people with chronic mental health and substance abuse problems in the community. The proportion of uninsured individuals with severe mental health problems in Florida is the second largest of all 50 states.

The state budget includes $311 million, a $15 million increase, for the Department of Elder Affairs. $66 million is allotted for community care services for the elderly, of which $3.7 million is earmarked to reduce the waitlist of elders for elder community care services.

The budget provides $105 million, a reduction of $3 million, for the Department of Veterans’ Affairs to support veterans’ transition to civilian life. The budget authorizes the Department to spend:

- $1.8 million, an increase of $1.5 million, for veterans’ employment and training services.
- $92 million, a decrease of $4 million, for veteran home operations and maintenance.
- $6.8 million for veterans’ benefits and assistance services, the same as the current year.
Criminal Justice and Corrections

The 2016-17 budget includes $4.4 billion to address the safety and security of Floridians and provide a criminal justice system which is fair, accessible and responsive to victims and all Floridians. The budget represents an increase of $192 million or 4.5 percent in this area.

The table below indicates the appropriations for each of the six criminal justice agencies compared with the current fiscal year.

<table>
<thead>
<tr>
<th>Department</th>
<th>General Appropriations 2016-17</th>
<th>General Appropriations 2015-16</th>
<th>Difference $</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT OF CORRECTIONS</td>
<td>$2,398,633,502</td>
<td>$2,363,223,008</td>
<td>$35,410,494</td>
<td>1.5%</td>
</tr>
<tr>
<td>FLORIDA COMMISSION ON OFFENDER REVIEW</td>
<td>$9,889,679</td>
<td>$10,011,239</td>
<td>($121,560)</td>
<td>-1.2%</td>
</tr>
<tr>
<td>JUSTICE ADMINISTRATIVE COMMISSION</td>
<td>$889,702,187</td>
<td>$859,974,828</td>
<td>$29,727,359</td>
<td>3.5%</td>
</tr>
<tr>
<td>DEPARTMENT OF JUVENILE JUSTICE</td>
<td>$540,845,687</td>
<td>$540,306,603</td>
<td>$539,084</td>
<td>0.1%</td>
</tr>
<tr>
<td>DEPARTMENT OF LAW ENFORCEMENT</td>
<td>$291,901,318</td>
<td>$270,023,085</td>
<td>$21,878,233</td>
<td>8.1%</td>
</tr>
<tr>
<td>DEPARTMENT OF LEGAL AFFAIRS</td>
<td>$308,599,318</td>
<td>$204,343,334</td>
<td>$104,255,984</td>
<td>51.0%</td>
</tr>
<tr>
<td>TOTAL AGENCIES</td>
<td>$4,439,571,691</td>
<td>$4,247,882,097</td>
<td>$191,689,594</td>
<td>4.5%</td>
</tr>
</tbody>
</table>


Corrections

The 2016-17 budget includes $2.4 billion to address the safety and security of inmates, corrections staff and the public. This spending plan reflects an increase of $35 million (1.5 percent) over the current year budget. In spite of this increase, the staffing and budgeting needs of the state’s prison system are not adequately addressed. The proposed spending plan offers funding for only 215 new correctional officers, compared with the 734 officers requested by the Department of Corrections. The budget does not address the significant reliance on overtime to offset staff shortages. In particular, it does not mitigate security weaknesses, rising inmate violence and abuse, and the presence of contraband in the state’s prison system.

Included in the appropriation to the Department of Corrections are:

- $359 million for inmate health care services, a $15 million increase over the current year
- $198 million for correctional facilities maintenance and repair services, an almost $4 million increase over the current year’s budget
- $22 million for adult substance abuse, prevention, evaluation and treatment services, which is the same as the current year’s allocation.
- $27 million for community substance abuse, prevention, evaluation and treatment services, the same as the current year’s budget.
The Department’s staffing and funding belies Florida’s high incarceration rate and the growth in incarcerations. In addition, the percentage of elderly inmates in Florida has grown by 93 percent\textsuperscript{10} since ten years ago, altering the medical and staffing needs of the prisons. Further, the physical infrastructure of the state’s prison system continues to age and deteriorate. The state prison system, the third largest in the nation, requires sustained and adequate funding. It requires sufficient correctional officers to respond to higher and increasingly diverse occupancy of prisons. The safety of inmates, staff and the public depend on the existence of an adequately resourced prison system.

Criminal Justice System

Florida’s 2016-17 budget allocates $2 billion for the state’s criminal justice system. Notably, the budget includes:

- $9.8 million to support victims’ rights and address the post-incarceration issues of former inmates such as clemency, parole, conditional medical release and post-release supervisions. This funding reflects a slight reduction from the current year budget available for the Florida Commission on Offender Review.

- $889 million to provide services for indigent citizens and dependency proceedings for children with special needs. This appropriation reflects a $30 million increase. Notably, the Justice Administrative Commission is authorized to spend:
  - $240 million for public defender services, a $6 million increase, and
  - $442 million for state attorneys, a $3 million increase.

- $541 million to reduce juvenile delinquency through effective prevention, intervention and treatment services that aim to strengthen families and restore the physical and mental health of troubled youth. Specifically, the Department of Juvenile Justice is authorized to spend:
  - $94 million for community supervision services, an increase of almost $2 million from the current year’s allocation.
  - $44 million for community interventions and services, almost the same as the current year’s allocation.
  - $76 million for delinquency prevention and diversion services, a reduction of $5 million from the current year’s allocation.

- $308 million, a $104 million increase, to protect Florida families from business malpractice and deception, increase representation of Floridians in criminal and civil litigation, protect the rights of children and help victims of crimes. The Attorney General is authorized to spend:
• $185 million for Victim Services, which is $100 million more than the current fiscal year. This increased funding is intended to address some of the major trends impacting crime victim services in Florida, particularly the needs of older crime victims.\textsuperscript{11} The state has higher rate of crime affecting older adults. The continued rise of human trafficking and cybercrime also affects victim services in the state.\textsuperscript{12}

• $100 million for civil and criminal litigation, a $4.6 million increase.

• $291 million, an increase of $21 million, to provide for the safety of Floridians and visitors to the state.

Education

The 2016-17 budget contains $23.8 billion for prekindergarten through university education, vocational rehabilitation, and blind services. This funding represents an increase of almost $900 million (4 percent). The proportinate share of total education funding is shown in the chart below.

Funding for school readiness increases by $26 million (2.6 percent), public school funding increases by $340 million (2.6 percent), state college funding increases by $58 million (4.9
percent), and state university funding increases by $200 million (4.4 percent). The funding levels for 2016-17 and the previous year are shown in the table below.

<table>
<thead>
<tr>
<th>Division/Program</th>
<th>General Appropriations 2016-17</th>
<th>General Appropriations 2015-16</th>
<th>Difference $</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLIND SERVICES</td>
<td>$55,082,032</td>
<td>$54,084,332</td>
<td>$998,300</td>
<td>1.8%</td>
</tr>
<tr>
<td>EARLY LEARNING SERVICES</td>
<td>$1,047,333,314</td>
<td>$1,021,384,103</td>
<td>$26,149,211</td>
<td>2.6%</td>
</tr>
<tr>
<td>FIXED CAPITAL OUTLAY</td>
<td>$2,024,573,740</td>
<td>$1,794,794,909</td>
<td>$229,778,759</td>
<td>12.8%</td>
</tr>
<tr>
<td>FLORIDA COLLEGES</td>
<td>$1,239,057,210</td>
<td>$1,181,947,202</td>
<td>$58,000,008</td>
<td>4.9%</td>
</tr>
<tr>
<td>STUDENT FINANCIAL ASSISTANCE</td>
<td>$407,932,111</td>
<td>$425,013,772</td>
<td>($17,081,661)</td>
<td>-4.0%</td>
</tr>
<tr>
<td>PRIVATE COLLEGES AND UNIVERSITIES</td>
<td>$156,824,053</td>
<td>$142,424,553</td>
<td>$14,399,500</td>
<td>10.1%</td>
</tr>
<tr>
<td>PUBLIC SCHOOLS</td>
<td>$13,658,206,033</td>
<td>$13,317,886,288</td>
<td>$340,319,745</td>
<td>2.6%</td>
</tr>
<tr>
<td>STATE BOARD OF EDUCATION</td>
<td>$240,033,150</td>
<td>$228,607,345</td>
<td>$12,025,805</td>
<td>5.3%</td>
</tr>
<tr>
<td>STATE UNIVERSITIES</td>
<td>$4,740,844,087</td>
<td>$4,540,817,870</td>
<td>$200,026,211</td>
<td>4.4%</td>
</tr>
<tr>
<td>VOCATIONAL REHABILITATION</td>
<td>$216,525,948</td>
<td>$217,632,523</td>
<td>($1,106,575)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>TOTAL AGENCIES</td>
<td>$23,788,112,286</td>
<td>$22,924,592,983</td>
<td>$863,519,303</td>
<td>3.8%</td>
</tr>
</tbody>
</table>


Funding for school readiness programs in the 2016-17 budget increases by two percent to exceed $1 billion. Within this allocation, funding for the voluntary prekindergarten program increases by 1.5 percent to a total of $395 million. The increased funding supports 2,500 additional enrollments, but does not include an increase in per-student funding. The balance of funding for early learning school readiness represents support and resources for child care providers and parents who want to prepare their children for prekindergarten and kindergarten.

At $20.2 billion, public school funding increases by 2.3 percent overall, and per-student funding increases by one percent to $7,178.49. The noteworthy component of the public school budget is the appropriation of state funds to offset the increased cost of local property taxes attributable to rising property values. This offset is made possible by the appropriation of $428 million in state funds. Although this increase was touted as “historic funding,” in order to exceed the highest previous funding level, adjusted for inflation, the corresponding appropriation would be $8,147 per student.

The 2016-17 budget also includes $49 million for the controversial Best and Brightest Teacher Scholarship Program. Through this program, teachers who are rated as “highly effective” and who score in the top 20 percent of test-takers for their administration of the ACT or SAT receive a bonus of $10,000. There is no empirical evidence to support a correlation between an individual’s score on an examination designed to predict college success with the individual’s effectiveness as a teacher.
Funding for fixed capital outlay (building construction, maintenance, repair and renovation) totals $2 billion for 2016-17 for kindergarten through state universities. This total represents an increase of $230 million (11 percent). Funding for building maintenance, repair and renovation increases by 60 percent to almost $248 million, but the allocation of funds does not correspond to student enrollments. For example, public school students represent 65 percent of the total enrollment, but only 30 percent of the allocation. Conversely, charter school students represent 6 percent of the total enrollment, but receive 30 percent of the allocation for maintenance, repair and renovation.

Funding for postsecondary student financial aid programs decreases by $17 million (4 percent) from the 2015-16 budget. The programmatic decreases are based on the Legislature’s official projections of student eligibility for the programs.

• Funding for the Bright Futures Scholarship Program is held constant, as is the award value to individual students.

• Funding for the state’s predominant need-based financial aid, the student assistance grant, is also held constant, as is the maximum grant value.

• Similarly, the Florida Resident Access Grant, a grant for students that attend regionally-accredited private colleges and universities, is held constant at $3,000 per student, per year.

Funding for the Florida State College System, at $1.2 billion, increases by five percent overall.

Direct funding for the colleges increases by almost $54 million (4 percent). In part, this increase is offset by a mandatory holdback of $30 million from this increase for performance-based incentive funding. This holdback is matched by $30 million from the state. If a college fails to meet its performance benchmarks, it receives its holdback, but none of the state matching funds. The wisdom of withholding base funding, even temporarily, to encourage improved institutional performance is questionable.

Overall funding for the State University System increases by $200 million (4 percent).

Funding for undergraduate and graduate education in Florida’s state universities increases by $178 million to $4.1 billion (4 percent). Notably, student fees represent 44 percent of this funding.

If state universities are an integral component of Florida’s economic development efforts, university accessibility and affordability are central to these efforts. The state would be well-served to adopt policies through which student contributions to education are reduced and standardized.
As with the State College System, the university funding increase is more than offset by a mandatory holdback of $275 million, matched by a state contribution of $225 million for performance-based incentive funding. This holdback more than negates the increase appropriated for the 2016-17 budget year.

**Natural Resources / Environment / Growth Management and Transportation**

The 2016-17 budget increases funding by $1.2 billion, for a total $14.6 billion, in transportation, natural resources, and environmental protection. Of the $1.2 billion, almost $700 million is appropriated to the Department of Transportation.

Appropriations for transportation account for 74 percent or $10.7 billion of total appropriations in this area. More than $3.6 billion of these funds will support highway construction.13

![TOTAL NATURAL RESOURCES, ENVIRONMENT, GROWTH MANAGEMENT AND TRANSPORTATION APPROPRIATION, FISCAL YEARS 2016-17](image)

Support for environmental protection increases by $271 million to a total of $1.7 billion and agriculture increases by $212 million to a total of $1.7 billion. Of the total agriculture budget, $1.3 billion is appropriated for agricultural development, as well as $22 million14 for food safety and quality oversight and $37 million15 for consumer protection.
The budget also increases appropriations for protecting the state environment by $272 million to a total of $1.7 billion. More than 50 percent of this total, $903 million, is dedicated to managing state water resources, including $282 million for the protecting the Everglades.

More than $400 million allocated to the state water management program in the current year budget is reallocated to the water restoration assistance program. Whether this reallocation of funds between programs will affect water management districts’ access to funds for specific projects across programs remains unclear.

In comparison, $304 million\(^{16}\) is dedicated to management and protection of state land resources.

The appropriation of $149 million for state parks represents an increase of six percent from the current year but remains below the 2012-13 level of $224 million. The budget includes $15.4 million for improving state parks facilities and $10.4 million to local government and other entities for recreational development.

This level of funding for state parks is a missed opportunity to stimulate local economies. In fiscal year 2014-15, Florida’s parks welcomed a record 31.1 million visitors\(^{17}\) and generated more than $2.8 billion in local economic activity.\(^{18}\) This activity represents a return of $22 for every $1 spent on state park operations.

**General Government**

General government appropriations increase by $158 million to a total of $4.5 billion. The budget includes an additional $13 million for the Department of Highway Safety and Motor Vehicles and $11 million for the Department of State. The allocation for the Department of Military Affairs decreases by $24 million. In spite of the increased funding for general
government, 127 state-funded positions are eliminated. Funding levels for agencies contained with the general government appropriation are shown below.

<table>
<thead>
<tr>
<th>Programs</th>
<th>General Appropriations 2016-17</th>
<th>Current Appropriations 2015-16</th>
<th>Difference $</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC OPPORTUNITY</td>
<td>$1,101,132,209</td>
<td>$1,059,738,348</td>
<td>$41,393,861</td>
<td>3.9%</td>
</tr>
<tr>
<td>HIGHWAY SAFETY AND MOTOR VEHICLES</td>
<td>$467,042,455</td>
<td>$453,933,000</td>
<td>$13,109,455</td>
<td>2.9%</td>
</tr>
<tr>
<td>MILITARY AFFAIRS</td>
<td>$71,856,127</td>
<td>$96,345,069</td>
<td>($24,486,942)</td>
<td>-25.4%</td>
</tr>
<tr>
<td>MANAGEMENT SERVICES</td>
<td>$700,308,945</td>
<td>$702,897,846</td>
<td>($2,588,901)</td>
<td>-0.4%</td>
</tr>
<tr>
<td>OTHERS</td>
<td>$2,202,085,560</td>
<td>$2,071,881,671</td>
<td>$130,203,889</td>
<td>6.3%</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAMS</strong></td>
<td><strong>$4,542,507,296</strong></td>
<td><strong>$4,384,795,934</strong></td>
<td><strong>$157,711,362</strong></td>
<td><strong>3.6%</strong></td>
</tr>
</tbody>
</table>


Economic Development

The 2016-17 budget increases funding for economic development by $44 million to a total of $1.1 billion. Under the current administration, economic development efforts have focused on the recruitment of business and industry from other states, with inadequate accountability for the cost effectiveness of these efforts. The 2016-17 budget does not include the $250 million in subsidies requested by the Governor to attract or retain profitable businesses.

Funding for state workforce development (excluding public school and state college funding) increases by less than one percent in the adopted budget. Florida is one of eight states that provide less than six months of unemployment insurance, providing the least of any state at three months (12 weeks) of coverage. The state CareerSource program provides critical support for persons who are unemployed or underemployed such as job search training and counseling, job fairs, and providing connections with local employers.

Funding for affordable housing increased to $200 million from $175 million. Despite the increase noted above, almost $117 million was swept from affordable housing trust funds to use elsewhere in the state budget.

In addition to providing safe, affordable housing for homeless and low-income families, the creation of affordable housing in a community is itself a form of economic development. In Home Matters: Report from the Florida Housing Coalition, 2016, the Coalition estimates that every dollar the state invests in affordable housing leverages at least $4 in other funds. Further, this investment creates jobs, local income, and increased economic activity. Investing in affordable housing is increasingly crucial according to a March 24, 2014, article in the Miami Herald, “South Florida housing market barrels toward unaffordability,” which states that house values in Miami-Dade County have increased by nine percent over the past year while wages have only increased by four percent. The situation is worse in Broward County where home values have increased by 11 percent, but wages have only increased by three percent.
The time has arrived for the state to reexamine its economic development priorities in light of recent research that analyzes the source of economic growth in states.\textsuperscript{20} About 90 percent of the new jobs in Florida are created through start-up businesses and expansions of businesses already in Florida. The policy and funding necessary to support such growth must focus on entrepreneurship, new business survival supports, small business incubation, and a focus on the expansion of successful small businesses.

<table>
<thead>
<tr>
<th>Programs</th>
<th>General Appropriations 2016-17</th>
<th>Current Appropriations 2015-16</th>
<th>Difference $</th>
<th>Difference %</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMUNITY DEVELOPMENT</td>
<td>$392,626,039</td>
<td>$353,237,639</td>
<td>$39,388,400</td>
<td>11.2%</td>
</tr>
<tr>
<td>EXECUTIVE DIRECTIONS AND SUPPORT SERVICES</td>
<td>$27,173,200</td>
<td>$26,163,339</td>
<td>$1,009,861</td>
<td>3.9%</td>
</tr>
<tr>
<td>STRATEGIC BUSINESS DEVELOPMENT</td>
<td>$179,621,444</td>
<td>$181,341,044</td>
<td>($1,719,600)</td>
<td>-0.9%</td>
</tr>
<tr>
<td>WORKFORCE SERVICES</td>
<td>$501,711,526</td>
<td>$498,996,326</td>
<td>$2,715,200</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>TOTAL PROGRAMS</strong></td>
<td><strong>$1,101,132,209</strong></td>
<td><strong>$1,059,738,348</strong></td>
<td><strong>$41,393,861</strong></td>
<td><strong>3.9%</strong></td>
</tr>
</tbody>
</table>

Judicial Branch

The 2016-17 budget includes an additional $4.7 million for the state court system, for a total of $524 million.\(^1\) In spite of the increase, the total appropriation is $37 million below the judiciary’s request for funding to address its many challenges. Further, Florida’s courts system accounts for less than 1 percent of the state’s total budget but has declined by almost 11 percent since fiscal year 2007-08.\(^2\)

Florida courts generate approximately $1 billion in revenues each year which is almost double what is needed to support courts operations. Legislators and the courts agreed a few years ago to dedicate revenues from court filing fees to the State Court Trust Funds. However, in fiscal year 2013-14 some filing fees were directed away from the state’s courts trust fund to the state’s General Revenue fund.\(^3\)

In the Florida State Courts Annual Report, the courts identify several areas in which additional funding is required. The state court’s highest priority is additional recurring funds for the recruitment and retention of highly-qualified court personnel and judges. This branch is also seeking additional funding to address statewide technology needs related to case processing and due process, none of which were funded in the 2016-17 budget.

Notes

\(^1\) Laws of Florida Chapters 2100-69 and 2016-66. Total state-funded positions in fiscal year 2011-2012 were 122,235.75 compared to 113,416.32 in 2016-2017.


\(^8\) Ibid


14 Ibid

15 Ibid

16 Ibid Sum of $295 million land administration and management for $8.5 million for land and recreation operation services.

17 Florida Department of Environmental protection: [FLORIDA FIRST BUDGET WILL MAKE FLORIDA FIRST FOR ENVIRONMENTAL PROTECTION BY INVESTING MORE THAN $1.5 BILLION.](http://www.flgov.com/wp-content/uploads/pdfs/Final_FY_2014-15_Annual_Report_and_Update_on_the_Status_of_Elderly_Offenders.pdf)


19 Center on Budget and Policy Priorities, Policy Basics: How Many Weeks of Unemployment Compensation Are Available?

20 Center on Budget and Policy Priorities, State Job Creation Strategies Often Off Base

