



The Condition of Florida, Summer 2011

The Sunshine State is in critical condition after the conclusion of the 2011 legislative session.

Already suffering from low rankings among the states on many assessments of well-being,¹ Floridians now face harsh impacts from what is broadly considered the most radical legislative session in modern state history. Generations of hard-won progressive policies were overturned, leading former Governor and Senator Bob Graham to lament legislative actions that “erase decades of investment and progress”.²

The assault left almost no progressive cause unscathed. The damage included but was not limited to:

- cutting \$1.35 billion in K-12 classroom spending, or \$542 per student;
- reducing Medicaid payments to hospitals, HMOs, and nursing homes by \$1.3 billion;
- handing over most of the state's Medicaid patients to for-profit managed care plans (largely health maintenance organizations) while seeking federal approval to allow the plans to reduce benefits, charge premiums and high co-pays, and place limits on non-economic damages available to Medicaid recipients that do not apply to non-Medicaid recipients;
- eliminating about 4,500 state positions previously funded in the budget, 1,300 of which are filled (not including additional agency jobs reductions from budget cuts or school district cuts – i.e., teacher layoffs);
- taking more than \$1 billion from the 650,000 active public employees in the Florida Retirement System by making them, instead of the state, pay three percent of their salaries for retirement;
- enacting a merit pay plan for teachers that requires educators’ continued employment and future pay raises to be determined in part on their students’ test scores, under a “value-added” measurement system still being devised;
- reducing the state’s already low unemployment benefits by tying the number of benefit weeks to the state unemployment rate; the current maximum of 26 weeks, now paid irrespective of the unemployment rate, will be reduced to a low of 12 weeks if the state unemployment rate

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is below five percent and a high of 23 weeks if unemployment rises above 10.5 percent;

- repealing Florida’s 1985 growth management law that required developers to consider environmental and other impacts of their projects, shifting oversight of development from the state to local governments;
- reducing the revenue from the state Corporate Income Tax by \$30 million annually through increasing the tax exemption from \$5,000 in profits to \$25,000;
- raiding \$150 million from the state’s road-building trust fund, costing more than 8,000 construction jobs (after the Governor turned down \$2.4 billion in federal dollars for high-speed rail earlier in the year);

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- raising state university tuition for the sixth straight year while also reducing the state appropriation for higher education by more than four percent;
- privatizing prisons housing about 16,000 prisoners in 18 South Florida counties, threatening continued employment of public correctional officers and accountability of tax dollars;
- providing only \$30 million for Everglades restoration – down from a high of \$200 million in past years – and no money for state purchases of land for conservation;
- restricting consumers’ lawsuits by making it more difficult to file personal injury cases and capping the amount of damages a court can award (which may result in injured consumers bringing claims cases to the legislature and asking for taxpayers to foot the bill);
- restricting early voting and voter registration – in effect criminalizing some registration efforts traditionally undertaken by groups such as the League of Women Voters;³
- passing three bills that restrict women’s right to choose;⁴
- placing seven proposed constitutional amendments on the November 2012 election ballot:
 - adopting a TABOR amendment (Taxpayer Bill of Rights) that would lock state revenue into a rigid formula based on population growth and inflation;
 - attempting to thwart implementation of the Affordable Care Act health care reform law by placing in the state constitution a ban on forcing Floridians to buy health insurance;
 - repealing a prohibition against state aid to religious groups, currently an obstacle to adoption of a universal school voucher system;
 - imposing restrictions on the Florida Supreme Court by giving the legislature power to set court rules and requiring Senate confirmation of justices, who currently are appointed by the Governor after being vetted and nominated by a judicial nominating commission;
 - exempting abortion from Florida’s right to privacy and prohibiting public funding of abortions (which is already prohibited by federal law);

- increasing the homestead exemption for some first-time homebuyers and capping the annual change in assessed value for non-homestead property to five percent annually;
- expanding a property tax break for injured veterans to veterans who did not live in Florida when they entered military service.

Legislature Reduced Revenue While Cutting Spending on Services

While cutting spending on vital services, the legislature nevertheless reduced revenue with these tax reductions:

- \$210 million in property tax cuts from the water management districts, lowering the tax for average homeowners by a couple of dollars per month, while some large corporations see reductions of \$1 million a year;⁵
- \$29.1 million by raising the Corporate Income Tax exemption from \$5,000 to \$25,000;
- \$25.5 million for a three-day sales tax holiday in August;
- about \$5 million by allowing corporations spending \$250 million or more on capital expenditures to use the “single sales factor” in apportioning income for the state Corporate Income Tax;
- \$12 million total in future years by increasing the entertainment/film tax credit by \$4 million a year in 2012-13, 2013-14, and 2014-15;
- \$10 million in Corporate Income Tax credits for spaceflight businesses;
- \$9 million a year for Corporate Income Tax credits for research and development expenses;
- \$5 million annually (up from \$2 million) in Corporate Income Tax credits for building and employing workers in a brownfield/contaminated site.

These actions of the 2011 legislature will reverberate throughout Florida for many years. More of the same is on the way in the 2012 session, legislative leaders and the Governor say.

Endnotes

¹ “The State of the State of Florida,” Florida Center for Fiscal and Economic Policy, March 2011.

<http://www.fcfe.org/attachments/The%20State%20of%20the%20State%20of%20Florida.pdf>

² “Florida – the sad state of our state,” Bob Graham, St. Petersburg Times, April 3, 2011.

<http://www.tampabay.com/news/politics/stateroundup/article1161109.ece>

³ “Elections bill prompts League of Women Voters to stop registration,” Orlando Sentinel, May 9, 2011.

http://blogs.orlandosentinel.com/news_politics/2011/05/elections-bill-prompts-league-of-women-voters-to-stop-registration.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+news%2Fpolitics%2Fpoliticalpulse+%28Central+Florida+Political+Pulse%29

⁴ “Two more abortion bills headed to Gov. Rick Scott,” St. Petersburg Times, May 6, 2011.

<http://www.tampabay.com/news/health/two-more-abortion-bills-headed-to-gov-rick-scott/1167939>

⁵ “Political payback? GOP donors enjoy huge tax breaks,” Palm Beach Post, June 6, 2011.

<http://www.palmbeachpost.com/news/state/political-payback-gop-donors-enjoy-huge-tax-breaks-1519374.html>