

# Legislative Link

A legislative update provided by the United Way of Florida, Inc.

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United Way of Florida

**United Way of Florida, Inc.**  
**307 E. Seventh Avenue**  
**Tallahassee, FL 32303**  
**850/488-8287**

## A NEW DAY

**“Our children need a voice. They need to be at the table because soon it will be their table. That is why I will support the creation of a “Children’s Cabinet” to coordinate state services and oversee child welfare issues.”** *Governor Charlie Crist, State of the State Address, March 6, 2007*

The November elections brought with them a new face for Tallahassee. A well respected Statesman leading the Senate, the first Cuban American leading the House of Representatives and, most of all, a Governor whose first months in office have generated a buzz in Tallahassee that has not been heard for years. It is a feeling of openness and true bipartisan partnership. It is welcome and refreshing. And who ever thought we would see a Chief Financial Officer who would have as one of her top priorities ensuring that Florida's KidCare program works and that all children in the state of Florida have health care coverage? Like the Governor, CFO Alex Sink has rocked recent notions of governmental policy and practice.

Although it is a new day for Florida politics, the 2007 session will be defined in large part by the theme of so many past legislative sessions: money.

The dominant theme of the 2007 Florida Legislative Session that began on Tuesday relates to money. The lack of it.

In each of the past five years the Legislature has come to Tallahassee with between \$5 billion and \$7 billion “new” dollars to appropriate, primarily attributable to Florida's housing boom and hurricane relief funds and rebuilding. This year, for the first time since 1992, the legislature has far fewer new dollars to appropriate; “only” \$3.6 billion dollars, which may decrease next week when the Revenue Estimating Conference meets.

This may sound like a lot of money, but with the constitutionally required class size amendment, Medicaid increases, and a host of other obligations, it will take that much money just to keep current programs and services up and running next year. The funding situation is so tight, House Speaker Marco Rubio has proclaimed that the House will consider no Community Budget Information Requests this year. This is the so-called “turkey” pot from which legislators annually appropriate hundreds of millions of dollars for pet projects - many of them worthy and many not - for their home towns. The funding situation has to be tight for legislators to be willing to forego their “turkey” pot. The Senate has not yet made such a proclamation, so CBIR funds may yet be allocated by this year's Legislature.

Throw into the mix potential property tax reform that could reduce county and other local spending by billions of dollars, and the funding situation gets even worse.

A host of issues will be considered by the Legislature this session that will be monitored and pursued by the United Way of Florida, including affordable housing, Healthy Families Florida, Healthy Start, KidCare, Voluntary Pre-Kindergarten, before and after school care, Senior Care, 211, and others. With few exceptions, additional money is needed to ensure the continuance of quality services to people throughout the state on these issues. In 56 days, we should know how they fared.

## ***Welcome to Your First 2007 Legislative Link!***

As always, your *Legislative Link* will keep you up to date on legislative activities relating to human service and other issues of interest to United Ways, United Way agencies, and United Way supporters. It will be published weekly during the 2007 Legislative Session; in your email each Friday afternoon, highlighting legislative activity during the week. During the course of the session, if you have any questions or comments regarding the *Legislative Link* or any issues it addresses - or should address - please don't hesitate to contact the United Way of Florida. Have a great session!

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## **IMPORTANT LEGISLATIVE DATES**

March 6, 2007

*Regular Session Convenes & Deadline for filing bills for introduction*

April 15, 2007

*40th day – last day for regularly scheduled committee meeting.*

May 3, 2007

*All bills are immediately certified*

May 4, 2007

*60th day – last day of Regular Session*

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## **Tight Budget Times Ahead**

Last month, Governor Charlie Crist proposed a 2007-2008 state budget of \$71.2 billion, about \$2.4 billion (3.3%) less than this year's budget. That's right, LESS than this year's budget. It's the first time in recent memory that such a proposal has come out of the Governor's office. Unfortunately, the austerity of the Governor's proposal is matched by the taughtness of the state's purse strings.

As rebuilding from two record-setting hurricane seasons has subsided and real estate sales have declined in recent months – partially as a result of skyrocketing property taxes – sales tax and documentary stamp taxes have plummeted. As a result, the 8%-

14% increases in the state budget we've seen for the last few years are now a thing of the past.

Next week, the Revenue Estimating Conference is going to provide an updated projection of funds available for next year, and some Senators have reportedly noted that the dollars available may drop by more than \$500 million. We'll see.

This does not bode well for human services. The Senate health and Human services Appropriation Committee is reportedly preparing for cutting somewhere in the neighborhood of \$200 million from the budget.

**One Funding Crisis Averted** – While the 2007 Legislature is facing a number of budget crises, one was averted in December when Gov. Jeb Bush and legislative leaders agreed on a special \$16.6 million appropriation for the Department of Children and Families to fund beds for more than 300 mentally ill jail inmates requires to be cared for by DCF. The agency and its former secretary, Lucy Hadi, were facing several lawsuits and judges' orders regarding the situation.

***Below is the letter submitted by Governor Crist to the Senate and House together with his proposed 2007-2008 state budget. Click on the link in the letter to review the budget summaries and the budget itself.***

The Honorable Ken Pruitt, President  
Members of the Senate

The Honorable Marco Rubio, Speaker  
Members of the House of Representatives

Honored Members:

I respectfully present for your review and consideration my budget recommendations for Fiscal Year 2007-08. You may access the recommendations by clicking on the following Internet link: [www.thepeoplesbudget.state.fl.us](http://www.thepeoplesbudget.state.fl.us). As the people's Governor, I look forward to working with you to move Florida forward to do the people's work.

My budget recommendations reflect the concerns and dreams many Floridians have shared with me. As we work together, we must remember that Floridians are in charge, and it is government's responsibility to spend the people's money wisely.

Together, we will address the issues that focus on the people's priorities for the future. My recommendations ensure the public safety of Floridians, provide tax cuts for businesses and families, and increase teacher pay. They also relieve property taxes and strengthen Florida's vibrant economy, natural resources and education.

I know you share my primary concern of keeping government living within its means. In doing so, we will preserve the hope, optimism and promise of the people of Florida

Sincerely,



Charlie Crist

## VOTERS AMEND FLORIDA CONSTITUTION

Last November, voters resoundingly approved six amendments to the state constitution. They included:

**State Financial Plan** - Amendment 1 requires the Legislature to come up with a long-range financial plan each year, and caps the amount of one-time money flowing into the budget that can be spent for recurring bills at 3 percent of total revenue, or about \$800 million.

**Future Amendments** – Amendment 3 requires that future Constitutional amendments receive 60 percent approval for passage. Currently, it takes only 50 percent approval.

**Anti Smoking Funds** - Amendment 4 requires the government to spend at least 15 percent, or about \$58 million, of the money it receives annually from a tobacco settlement on anti-smoking programs. One-third of that would be required to fund youth-oriented commercials.

**Homestead Exemption** - Amendment 6 will allow local governments to double a current homestead tax exemption for low-income seniors from \$25,000 to \$50,000. Local governments will have the option of adopting the new exemption - they could pass it in full, in part or not at all.

**Veterans Property Taxes** - Amendment 7 will give approximately 25,000 wounded Florida veterans over age 65 a discount on their property tax equal to the percentage of their service-connected disability. For example, a veteran with a 40 percent disability would get a 40 percent discount.

**Eminent Domain** - Amendment 8 bans the use of eminent domain to transfer property to private developers unless an exemption is approved by three-fifths votes in both houses of the Legislature.

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*Advice for the day: If you have a lot of tension and you get a headache, do what it says on the aspirin bottle: "Take two aspirin" and "Keep away from children."*  
--Author Unknown

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### **Governor Crist's top campaign trail priorities:**

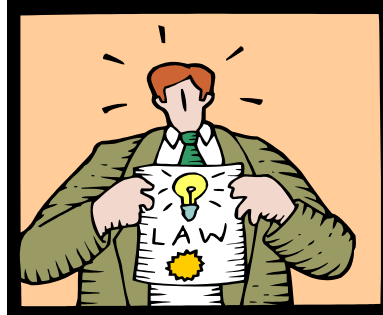
- Ten percent raises to the top 25 percent of teachers. Cost - \$150 million.
- Stiffer penalties for probation violators, which state analysts estimate would lead to an extra 1,400 prisoners. Cost - \$118 million a year by 2010.
- Reading coaches in every public school. Cost - \$100 million.
- Funding for the class-size amendment that mandates smaller classes across the state. Cost - \$3.8 billion for construction and operating costs.
- Two major property-tax cuts - doubling the homestead exemption and allowing homeowners to keep their Save Our Homes tax breaks even when they move. Cost – estimated they would drain billions from cities, counties and school boards over the next few years.

## FRESHMAN LEGISLATORS

The Senate has seven new Senators in the 40 person chamber, and the House's 120 members will count 35 new faces in their midst. The new Legislators are:

### 2006 Freshman Senators

Deutch, Ted (D) – 030  
Gaetz, Don (R) - 004  
Joyner, Arthenia (D) - 018  
Justice, Charlie (D) - 016  
Oelrich, Steve (R) - 014  
Ring, Jeremy (D) - 032  
Storms, Rhonda (R) - 010



### 2006 Freshman Representatives

Aubuchon, Gary (R) - 074  
Boyd, Debbie (D) - 011  
Brise, Ronald (D) - 108  
Chestnut, Charles (D) - 023  
Fitzgerald, Keith (D) - 069  
Frishe, James (R) - 054  
Garcia, Luis (D) - 107  
Gibbons, Joe (D) - 105  
Gonzalez, Eddy (R) - 102  
Heller, Bill (D) - 052  
Hooper, Ed (R) – 050  
Jenne, Evan (D) - 100  
Kiar, Martin (D) - 097  
Kriseman, Rick (D) - 053  
Long, Janet (D) - 051  
McKeel, Seth (R) - 063  
Nehr, Peter (R) - 048  
Nelson, Bryan (R) – 038

Patronis, Jimmy T. (R) - 006  
Precourt, Steve (R) - 041  
Randolph, Scott (D) - 036  
Reed, Betty (D) - 059  
Richter, Garrett (R) - 076  
Sachs, Maria (D) - 086  
Saunders, Ron (D) - 120  
Schenck, Robert (R) - 044  
Schwartz, Elaine (D) - 099  
Scionti, Michael (D) - 058  
Skidmore, Kelly (D) - 090  
Snyder, William (R) - 082  
Thompson, Geraldine (D) - 039  
Thompson, Nick (R) - 073  
Thurston, Perry (D) - 093  
Waldman, Jim (D) - 095  
Weatherford, Will (R) - 061

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*These are real notes written by parents in a New York school district.*

>Spellings have been left intact.

>

>1. My son is under a doctor's care and should not take PE today.

>Please execute him.

>

>2. Please exkuce lisa for being absent she was sick and i had her shot.

>

>3. Dear school: please ecsc's john being absent on jan. 28, 29, 30,31, 32 and also 33.

## 211 BILL PASSES HOUSE COMMITTEE

On Tuesday, HB 283 passed the House Health Innovation Committee. The bill amends section 409.9 18, Florida Statutes, to expand the Florida 211 Network to provide information and referral services in each county. It includes new language to emphasize the benefit of the 211 Network, particularly during disasters and requires Florida 211 Network providers to coordinate with county emergency management agencies regarding using the 211 Network in the event of a disaster. The Network's objectives are minimally revised to require collaboration among information and referral systems, including those serving persons with disabilities and special health care needs.

The bill designates the Agency for Health Care Administration (AHCA) as the lead entity to receive and distribute any funds received from the federal government to the Florida Alliance of Information & Referral Services (FLAIRS) to support the Florida 211 Network. FLAIRS is to make the funds available to 211 providers on a matching basis, with each 211 provider required to match \$1 for \$1 the amount that it is provided.

The bill provides a \$5 million appropriation from non-recurring General Revenue to AHCA for Fiscal Year 2007-2008, to support statewide expansion of the Florida 211 Network to all counties and to enhance the operations of existing 211 providers. Unencumbered funds may be reappropriated for the 2008-2009 fiscal year in the General Appropriations Act for the same purposes. According to AHCA, it will require three full-time equivalent positions to implement the bill with recurring costs of \$212,495 in General Revenue funding.

The bill establishes three reporting requirements related to the network as follows:

- By December 15, 2007, 211 providers receiving state funds are required to report to the alliance the expenditure of their funds;
- By January 1, 2008, the alliance is required to provide a statewide report to the agency; and
- No later than February 15, 2008, the agency is required to submit a statewide expenditure report to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

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*"If a woman has to choose between catching a fly ball and saving an infant's life, she will choose to save the infant's life without even considering if there is a man on base." - Dave Barry*

*"Remember in elementary school, you were told that in case of fire you have to line up quietly in a single file line from smallest to tallest. What is the logic in that? What, do tall people burn slower?" --Warren Hutcherson*

## VPK ISSUES DISCUSSED

On Tuesday, the House Committee on K-12 held a workshop on Florida's Voluntary Pre-kindergarten Program. Idea #5 of Speaker Rubio's 100 ideas sets as a goal: "Make Florida's Voluntary Pre-kindergarten Program a global model for school readiness."

The following ideas were vetted by the House K-12 Committee on Tuesday:

**A. *Develop a data system for the program that is comparable to the current data system for our K-12 education system and stimulate careful research on the best ways to measure the program's educational impact.***

1. Require the Agency for Workforce Innovation to replace its legacy Enhanced Field System (EFS) with a new data system for early learning programs which has strong interconnectivity with the child care provider and personnel databases maintained by the Department of Children and Family Services and the student databases maintained by the Department of Education.
2. Specify that the new early learning data system must include a longitudinal tracking system that charts the progress of students participating in early learning programs through the third grade (comparable design to the Florida Education and Training Placement Information Program or "FETPIP").
3. Require the new data system to include the results of developmental screenings and child assessments administered to a student while participating in early learning programs and establish a process for the transfer of the assessment data to the student's kindergarten teacher to help guide classroom instruction based on the student's individual needs.
4. Establish a system for measuring the educational impact and overall quality of early learning programs offered by child care providers, tracking this information through the new data system, and making the information available for parents.

**B. *Reevaluate the governance structure to ensure efficiency and accountability.***

5. Create a Chancellor of Early Learning within the Executive Office of the Governor, who would be appointed by and serve at the pleasure of the Governor, subject to confirmation by the Senate. The Chancellor of Early Learning would coordinate the state's child care and early learning programs administered by the Department of Children and Family Services, Department of Education, and Agency for Workforce Innovation.
6. Require the Agency for Workforce Innovation to coordinate the early learning coalitions in aligning their business processes to provide greater efficiency in supporting the coalitions through the new early learning data system. Establish procedures to ensure that early learning coalitions do not expend federal grant funds reserved for school readiness programs to implement the voluntary prekindergarten program.
7. Reevaluate the methodology for funding nondirect services for the voluntary prekindergarten program, including eligibility determinations, onsite monitoring of programs, and parent outreach and support.

*VPK Issues continued*

**C. Remove any participation obstacles for those students in most need of these services**

7. Prohibit a private provider from limiting its enrollment for the part-day voluntary prekindergarten program to students whose parents pay for full-day services.
  8. Reevaluate the processes used by the early learning coalitions to register students for the voluntary prekindergarten program to increase convenience for parents and increase efficiency, while minimizing the potential for fraud.
  9. Review transportation barriers in sparsely populated rural areas and heavily impoverished urban areas.
  10. Require the Agency for Workforce Innovation and the early learning coalitions to target advertising and other parent outreach efforts for the voluntary prekindergarten program to communities who predominately speak a language other than English.
  13. Consider the need for dual-language instruction in areas with high populations of migrant or other non-English-speaking families.
- 

***When Insults Had Class. . . .***



*"Thank you for sending me a copy of your book;  
I'll waste no time reading it."*

*-- Moses Hadas*

*"He can compress the most words  
into the smallest idea of any man I know."*

*-- Abraham Lincoln*

*"I've had a perfectly wonderful evening.  
But this wasn't it."*

*-- Groucho Marx*

**UNITED WAY OF FLORIDA**



## 2007 ISSUE PAPERS

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### FLORIDA STATE EMPLOYEES' CHARITABLE CAMPAIGN

*State government supporting its employees.*

#### **Background:**

In 1993, the Florida State Employees' Campaign was placed into section 110.181, Florida Statutes, and renamed the Florida State Employees' Charitable Campaign (FSECC). Pursuant to that law, the Florida Department of Management Services (DMS) provides staff support to the FSECC Steering Committee, which is comprised of state employees and charged with overseeing the Campaign. This support includes reviewing Campaign brochures and pledge cards, enforcing eligibility requirements, reviewing and recommending agencies for acceptance or rejection, ensuring participants are properly registered with appropriate state agencies, etc.

Before 1993, DMS funded this staff position. The 1993 statute, however, requires that if the Legislature does not fund the position, DMS must be reimbursed for it out of gross FSECC contributions, not to exceed one percent (about \$49,000) of the total campaign. From 1993-1997, DMS was reimbursed by FSECC fiscal agents about \$17,000 annually. Every year since 1993-1994 – except 2003-2004 – the Legislature has annually appropriated \$17,000 to fund the position, thereby negating the need to pay for it with state employee FSECC contributions. The 2003 Legislature failed to appropriate funding for the position, so state employees ended up footing the bill.

State employee contributions to the FSECC are intended to be used for charitable purposes, to help people in need. Instead, \$17,000 of those contributions could be used to offset the state's cost for conducting the Campaign - a cost that thousands of other large public and private employers absorb as a cost of supporting their employees and being good corporate citizens. This reduces the amount of money available to help people in need, and is contrary to the intent of state employees who contribute to the Campaign.

For this minimal investment of \$17,000, the state yields more than \$4 million through the FSECC, reducing the need for at least that amount of state funding for hundreds of individual and family support services.

Because of the critical need for experienced staff, and recognizing the positive message state funding for the DMS staff position would be to state employees, the FSECC Steering Committee has voted to support this request for funding.

*The United Way of Florida urges the 2007 Florida Legislature to appropriate funds to provide staff support through the Department of Management Services for the Florida State Employees' Charitable Campaign.*

*For additional information, contact the United Way of Florida offices at (850) 488-8287.*

# **VOLUNTARY PREKINDERGARTEN IMPLEMENTATION**

*Florida's new Voluntary Prekindergarten program must be a quality one.*

## **Background:**

In November 2002, Florida voters overwhelmingly approved an amendment to the Florida Constitution requiring implementation of a high quality Voluntary Prekindergarten program (VPK) by the 2005 school year for all four year olds whose parents want them to participate. During a special session in December 2004, the Legislature passed legislation requiring implementation of the new VPK program in August 2005. A month after the 2005 school year began, 96,804 four year olds were attending VPK classes being offered by 4,106 public and private providers across the state.

Following the referendum, the 2003 Legislature created the Universal Prekindergarten Council to make recommendations regarding VPK program implementation.

The Council's recommendations fully embrace the concept of a high quality UPK program, addressing accountability, assessment, community partnership, costs/resources, service delivery design and parental involvement, including curriculum, child and program outcomes, programmatic requirements, coordination with existing programs, best practices, and cost estimates.

Key among the Council's recommendations are that the new VPK program: (1) recognize the uniqueness of each child; (2) emphasize oral language skills; (3) include ongoing assessments used to inform instruction; (4) require each program/provider to establish referral processes for children who need support; (5) embrace strong parental involvement; (6) require age-appropriate, literacy-focused, individually-directed, and research-based curriculum that instills a love of learning in each child; (7) have maximum class size of 20 children, with a minimum of five per class; (8) include minimum staffing of one teacher per 10 children, with a second person required for 11-20 children; (9) require at least two staff for every 20 children (must have a minimum of a national CDA credential or Florida equivalent); (10) institute ongoing staff development combined with multi-level reimbursement and career ladder opportunities; (11) contain a five-year target of at least one staff member in each UPK class with an associates degree and, after eight years, at least one staff member in each class with a BA degree; (12) require a school year of 1080 hours with 720 contact hours; (13) place all School Readiness programs and VPK in the Department of Education under a Chancellor of Early Education; and (14) maintain modified local school readiness coalitions to administer the programs locally.

The new VPK program does not include the underlined recommendations of the Council, above.

The UPK Council recommendations are wholly consistent with the United Way of Florida's long-standing philosophy and approach to early care and education.

***The United Way of Florida urges the 2007 Florida Legislature to adopt the recommendations of the Universal Prekindergarten Council.***

*For additional information, please contact the United Way of Florida at (850) 488-8287.*

## **FLORIDA 211 NETWORK**

*The state should play its indispensable role in this public/private partnership.*

### **Background:**

On July 21, 2000, the Federal Communications Commission (FCC) designated the telephone number “211” as the abbreviated dialing code for access to community Information and Referral (I&R) services nationwide. 211 is an easy-to-remember and universally recognized number that makes a critical connection between individuals and families in need and community-based organizations and governmental agencies that can help them. “211” is the 911 telephone number for non-emergency human services and for crisis response information.

The 2002 Florida Legislature passed visionary legislation creating the Health and Human Service Access Act, recognizing 211 as an invaluable “front door” for simplifying and streamlining access to human service information, and charging the Agency for Health Care Administration with certifying 211 providers to assure quality and uniformity.

211 is available in 49 counties, representing 83% of Florida’s population (15.1 million people).

### **2007 Legislative Issue:**

Florida Information and Referral (I&R) providers – who answer more than three million telephone inquiries about human services annually – have compiled information on thousands of human service programs across the state. Along with the 211 providers that link them together, they are making it easier for all Floridians to get the information they need to keep them out of emergency rooms, off of government assistance, out of “deep end” social service programs, safe from abuse, and in stable housing. They also help callers find job training and assistance, elder care and child care, and before-and-after-school care that will allow them to stay employed. During the 2004 and 2005 hurricanes, 211s provided critically needed support to many Emergency Operation Centers, and provided information to more than 100,000 Floridians in the days following the storms; a role that will be just as important during and following disasters in future years.

Based on a study by the Office of Program Policy Analysis and Government Accountability, Florida’s state agencies annually spend more than \$20 million, and state employees expend more than 1,000,000 hours providing I&R services. Yet, there is no I&R “system”; virtually all of these autonomous I&Rs act in isolation from one another, with no way to share information or act in a coordinated manner that will result in more efficient and effective expenditure of state resources. Implementation of a Florida 211 Network will ensure that a comprehensive, quality, efficient, and effective 211 “system” will be created in Florida. The alternative is a fragmented, inefficient “non-system” that fails to maximize use of tax dollars, and does not effectively help people to help themselves and help others.

In this era of government accountability, public-private partnerships, maximizing use of technology to reduce governmental costs, and reliance on individuals to be self-sufficient, state funding for implementation of the Florida 211 Network is a true winner.

***The United Way of Florida urges the 2007 Florida Legislature to appropriate \$5 million to fund the Florida 2-1-1 Network.***

*For additional information, please contact the United Way of Florida at (850) 488-8287.*

# **GUIDING PRINCIPLES FOR FLORIDA MEDICAID REFORM**

*Coalition for Responsible Health Care Reform.*

Medicaid is a key health care safety net program for Florida's families. It provides vital health care services to nearly 2.2 million children, pregnant woman, seniors, and people with severe disabilities. The Florida Medicaid program also helps strengthen our state's economy. State Medicaid matching dollars support 174,000 jobs, \$6.5 billion in wages and \$16.8 billion in business activity for FY 2005.

The 2005 Florida Legislature authorized the Agency for Health Care Administration to seek a federal waiver authorizing the State to conduct two Medicaid reform pilot projects, one in Duval County and one in Broward County. Implementation of these pilot projects has begun. As implementation proceeds and the Legislature evaluates them, it is imperative that the following principles be followed:

## **Medicaid reform should be done in the sunshine.**

Changes to the Medicaid program affect the life and health of millions of Medicaid consumers and their families. A meaningful public process allowing for public review and comment on Medicaid reform proposals is essential to laying the groundwork for successful reform.

## **Maintain the guarantee of Medicaid coverage for consumers.**

Today, Floridians who qualify for Medicaid and who need health care coverage receive it, regardless of where they live or when they apply for coverage. They can rely on the program to provide medically necessary services when they need them. Medicaid reform should maintain this important commitment.

## **Ensure Medicaid consumers' access to quality health care services and choice of providers.**

People who rely on Medicaid have very low incomes and many have intensive needs for services due to special needs (developmental, physical, medical, mental, emotional, and behavioral). Therefore, the coverage consumers get through Medicaid must ensure that their wide-ranging vital health care needs are met. Further, inadequate access to and choice of Medicaid providers is a significant problem in many parts of the state. Medicaid reform must include initiatives such as rate adjustments to attract more Medicaid providers, particularly in rural communities. Moreover, Medicaid reform initiatives must focus on improving the quality of health care services provided to Medicaid consumers. This should include data compilation and publication to document improved outcomes, particularly for historically under served populations such as racial and ethnic minorities.

## **Maintain the open-ended federal commitment to sharing the cost of Medicaid.**

Every dollar (\$1) that the state of Florida spends on Medicaid services draws down \$1.43 in federal funding. This federal match system gives Florida the flexibility to respond to downturns in the economy, increases in the number of uninsured, or public health or other emergencies that occur, knowing we will not shoulder those expenses on our own. Florida should not agree to any plan that weakens this federal-state partnership.

***The United Way of Florida urges the 2007 Florida Legislature to support the Guiding Principles for Florida Medicaid Reform developed by the Coalition for Responsible Health Care Reform.***

*For additional information, please contact the United Way of Florida at (850) 488-8287.*

# AFFORDABLE HOUSING

## **Background:**

The average cost of a home in Florida has risen almost 90 percent since 2001 while average wages have risen only about 10 percent. As a result, many Florida families cannot afford safe, decent, and affordable rental and single family housing. In addition to the long-standing needs of very low and low income families, steep increases in real estate prices have also effectively priced moderate income families out of the homeownership market in many communities. The result is a widening of the “gap” in the ability of many working families to access affordable rental and owner housing.

The Florida Legislature has taken definitive steps over the years to address the ever-present and quickly growing affordable housing problem. In 1992, the Legislature adopted the William E. Sadowski Affordable Housing Act, establishing a dedicated revenue source for affordable housing by phasing in two 10 cent increases in the documentary stamp tax paid on the transfer of real estate, the first in August 1992 and the second in July 1995.

Sadowski Act monies are statutorily dedicated to state and local housing trust funds, with 70 percent of the revenue dedicated to local governments through the State Housing Initiatives Partnership program (SHIP) and 30 percent dedicated to the state to fund programs such as the State Apartment Incentives Loan Program (SAIL). Annual revenues to the Sadowski Trust Fund has increased significantly in recent years as Florida’s real estate market has experienced steady growth. Like last year, this year the Trust Fund will total more than \$900 million, with about \$500 million attributable to annual intangibles tax revenues and about \$400 million carried-over from the previous year.

The 2006 Legislature passed far-reaching affordable housing legislation designed to stimulate the construction of home ownership and rental housing in high cost and high growth areas to meet the needs of extremely-low, very-low, low, moderate and middle-income families along this continuum and in particular, essential services personnel who are facing tremendous difficulties living in the communities in which they work. Approximately \$520 million was appropriated to support the bill.

## **2007 Legislative Issue**

Last session, the Legislature appropriated only \$520 million of the \$900+ million in the Affordable Housing Trust Fund, leaving about \$400 million remaining unspent. Yet in many parts of Florida affordable housing shortages are reaching crisis proportions. While the 2006 legislation may have an impact, the bottom line is that more funding is needed. The SAIL and SHIP programs, already in place in statute, offer a reliable, quick and accountable vehicle for targeting the funds to areas of the state that need them and can best use them.

In addition, the 2005 Legislature placed a cap of \$243 million on the amount of funds that can be appropriated out of the Affordable Housing Trust Fund, effective July 1, 2007. This is less than half the \$500 million to \$600 million available. The extent of the crisis facing the state dictates that the cap be removed so the Legislature can maximize appropriations for affordable housing.

***The United Way of Florida urges the 2007 Florida Legislature to remove the Sadowski Affordable Housing Trust Fund cap and to appropriate all monies from the Trust Fund to support affordable Housing.***

*For additional information, please contact the United Way of Florida at (850) 488-8287.*



**United Way of Florida**

**UNITED WAY OF FLORIDA, INC.**

**307 East Seventh Avenue  
Tallahassee, FL 32303  
Phone - (850) 488-8287  
Fax – (850) 681-9137**

**Theodore G. Granger**  
*President & Editor*

**Beth Meredith**  
*Chief Operating Officer*

**Kay Racine**  
*Office Manager*

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