



Board of Directors Meeting

April 9, 2009

Session/Legislative Update

Item V.B.

Recommended Action:	Information Only
Issue:	State and Federal Legislative Update
Strategic Plan Goal:	Increase the efficiency of JWB's work

State Budget

House and Senate appropriations committees have put together their proposed budgets for 2009-10. The \$6.5-billion budget deficit is being balanced differently in each chamber, with varied combinations of options including the use of federal stimulus dollars, gambling revenues (\$500 million), cigarette taxes (\$850 million), a variety of new fees, and closing tax loopholes. Both the House and Senate are expected to use \$3 billion in federal stimulus dollars to address part of the budget deficit. However, they disagree on how to address the remaining \$ 3.5 billion shortfall:

- The House is unwilling to expand gambling on Seminole reservations or at Pari-mutual betting sites. The measure, which is supported by the Governor and under consideration by the Senate, is projected to raise between \$287.5 million - \$1 billion.
- While the House has taken a no new taxes stance, the Senate Finance and Tax Committee approved increasing taxes on cigarettes by \$1 per pack that could net the state an additional \$850 million. The Senate is also considering eliminating 20 sales tax exemptions that is estimated to raise \$100 million.
- The House leadership does not want to accept \$ 1 billion in federal unemployment compensation, due to the \$71 million in the state's share of cost requirement. The Senate does not want to leave federal dollars on the table during increasing unemployment.

A number of cost-saving proposals have been discussed in committee that include merging the Department of Health with the Agency for Health Care Administration (\$2 million), extending the life of auto license plates from six to ten years (\$3.7 million), recoup tuition from Bright Future scholars that drop classes (\$30 million), require students that damage textbooks to pay full cost of replacement (\$12 million). Both House and Senate budget leaders are expected to take up the budget in their respective appropriations committees in early April.

Legislation

Measures Limiting Property Taxes Continue Moving

Three measures that would restrict local property tax revenues moved through the House Economic Development & Community Affairs Policy Council:

- [HJR 385](#) by Rep. Rivera (R-Miami-Dade) proposes a constitutional amendment to limit ad valorem taxes levied by all jurisdictions (schools, cities, counties and districts) to 1.35 percent of the taxable value (the equivalent of 13.5 mills). The council voted 10 to 5 to advance the bill. House staff projects a \$6.3 billion reduction in local government revenues in the first year of implementation.
- [CS/HJR 97](#) by Rep. Domino (R-Palm Beach), another proposed constitutional amendment, would give an additional homestead exemption to first-time homebuyers of 50 percent of the just value up to \$250,000. That amount would be reduced 20% each year. The fiscal note projects a revenue loss to local government of \$200 million by 2013-14.
- [CS/HB 521](#) by Rep. Lopez Cantera (R-Miami-Dade) eliminates property appraisers' presumption of correctness in legal challenges to property tax assessments. It shifts the burden of proof from the taxpayer to the appraiser in legal challenges. The fiscal analysis projects a \$565 million reduction in revenues to local governments by 2012-13. The Senate version, [SB 1006](#) by Sen. Mike Fasano (R-Pasco) was approved by the Senate Judiciary Committee.

House Version of Tax Payer Bill of Rights (TABOR) Passes First Committee

[HB 1263](#) by Rep. Anitere Flores (R-Miami-Dade) passed the Military & Local Affairs Policy Committee by an 8 - 6 vote. As the companion to Sen. Mike Haridopolos's bill ([SJR 1906](#)), the House version also seeks to impose revenue caps on local governments. However, SJR 1906 has been temporarily postponed in committee three times in the last two weeks.

The House held their final week of committee meetings the week of March 23 – 27, 2009. Bills that have not been heard in at least one substantive committee will require a waiver of the rules in order to become an amendment onto another bill.

Economic Recovery Act Package

The Children's Policy Team is researching the overall stimulus impact to Pinellas County. The most immediate impact will be in the form of direct, individual assistance via Children's Health Insurance, Nutrition Assistance - \$100 per month increase for

family of four (Food Stamps), and Unemployment Compensation - \$25 per week increase, including a 65% COBRA premium subsidy for nine months. The following is a preliminary analysis of other dollars that will be available to Pinellas County, although not all local funding levels have been released.

Area	State Impact	Local Entity	Pinellas Impact	Program
Child Care Development	\$105 million	Coordinated Child Care	\$4.5 million	Child Care Slots
Community Development Block Grant	\$ 7.7 million	Pinellas County	\$809,000	Varied – Priority given to 120 day implementation
Community Services Block Grant	\$29.1 million	Pinellas Opportunity Council	TBD	Employment, food, housing, & healthcare
Emergency Food and Shelter Non-Profit capacity building grants	\$100 million	United Way of Tampa Bay	TBD	Local non-profit support agencies
Head Start	\$105.3 million	Various Non Profit organizations	TBD	Competitive grant award
Early Head Start	\$29.8 million	Pinellas Head Start	TBD	Expansion via the existing funding formula
Education Stabilization fund	\$1.1 billion	Pinellas Head Start	TBD	Competitive award 10% training and 3% monitoring
	\$2.2 billion	DOE	TBD	The state is seeking a waiver due to the decline in education funding

Florida Medicaid Assistance Program (FMAP)

Florida has received \$363 million, the first quarter installment of the \$4.2 billion expected due to the stimulus package Medicaid increase of federal share from 55.4 to 67.64 percent. Another request for \$412 million for the second quarter will be submitted by the state.