



Board of Directors Meeting

December 10, 2009

Legislative Recommendation

Item IV.

Recommended Action: Approve the Pinellas Legislative Federal Guidance

Issue: Pinellas Legislative Delegation Federal Guidance

Strategic Plan Goal: Increase the efficiency of JWB's work

Background:

In FY 2009-10 Florida's School Readiness programs were funded with \$2.5 million of temporary, non-recurring stimulus dollars. Preliminary analysis of the FY 2010-11 budget reveals a shortfall in Early Learning funding, that if not restored with general revenue, the state may not be eligible to receive the \$105 million allocation in stimulus funding. Under the 10% state agency budget reduction exercise, 13,367 children statewide would lose school readiness services, 644 children would be affected in Pinellas. A similar situation may occur in the Voluntary Pre-K Program, where \$37 million in recurring trust fund dollars were replaced with stimulus money. The 10% state agency budget reduction exercise is reducing the per child rate from \$2,575 to \$1,942. This may result in a significant number of providers dropping out of the program and reducing the availability of VPK slots.

Legislative Guidance:

Attached is the 2010 Pinellas Legislative Delegation Federal Revenue Maximization Guidance for FY 2010-11. The guidance was developed to assist Pinellas Legislators in the 2010 Session with the extreme budget challenges. Upon approval, the document will be presented to the Pinellas Delegation at their public hearing to be held on December 14, 2009 from 9:00 AM to 12:00 PM at St. Petersburg City Hall in the City Council Chambers, located at 175 Fifth Street North. The focus of the document includes JWB's priority areas of Early Childhood/School Readiness and Child Welfare. The JWB Office of Resource Development has analyzed existing and proposed federal legislation that may assist Florida in maximizing federal funding while enhancing state programs that includes evidenced-based outcomes. JWB recommends the State explore all means possible to maximize federal funding available for the children of Florida. Summary information on the legislation is included from nationally recognized public policy organizations.

The Children's Policy department has identified a recent study from the Pew Center on the States entitled *Beyond California: States to Watch*. This study identifies nine states, including Florida, that are experiencing fiscal hardships. The report focuses the following six indicators that played a significant role in creating California's fiscal crisis:

1. Change in revenue
2. Budget gap as a percentage of general funds
3. Change in unemployment
4. Foreclosure rate
5. A supermajority requirement to raise revenue and ratify budgets
6. The "money" grade from the Pew Center on the State's Government Performance Project, which assesses how well states are managing their fiscal affairs

While Florida's "money grade" of a B- is the best of the nine profiled states (Tab 1 Pew Appendix excerpt pp. 64-65), the report identifies that our state is experiencing a double jeopardy with a declining housing market that is further complicated by the mortgage crisis and unprecedented foreclosures. Other housing-related industries have been impacted such as real estate and construction. This coupled with double-digit unemployment, currently at 11.2%, and reductions in population, some economic experts predict a delay in Florida's recovery.

The report identifies how the state balanced the budget by raising \$2 billion in new revenues which included non-recurring sources, such as sweeping trust funds, or increasing population-dependent user fees, like auto registration, and federal stimulus funds. Absent from the report is the state's property tax reform measures such as Amendment 1 and doubling the homestead exemption that have reduced revenues for local governments across the state. The report aptly points out that Florida is "not out of the woods" with increasing expenses that will lead to budget shortfalls in the next three years.