

Budget 'Gunfight' Expected In Legislative Session

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TALLAHASSEE - Starting Tuesday, Florida lawmakers will have 60 days to stave off a deficit that could exceed \$700 million this fiscal year - and that's just the beginning.

They also will have to figure out how to close a gaping \$5 billion hole in the 2009-10 budget.

With state tax collections in free-fall, Florida's budget woes will dominate the spring legislative session. Philosophical divides over spending and taxes are bound to spark some epic battles.

Gov. Charlie Crist sees salvation in an emergency handout from the federal government - up to \$12.2 billion over three years. Last month, the governor proposed using \$8 billion from Washington to shore up state spending.

But many conservative lawmakers are grumbling about funding permanent programs with so much temporary money. Many argue that Floridians will be left holding the bag - or rather, the tax bill - when the federal money is gone.

The debate over how - and whether - to spend the federal money will make budget deliberations tougher.

"I feel like I'm walking into the O.K. Corral," said Rep. Will Weatherford, chairman of Hillsborough County's legislative delegation. "You know there's about to be a gunfight."

Education

Next fiscal year is the deadline for Florida to comply fully with the class-size restrictions that voters approved in 2002. Total cost of the additional teachers and classrooms: about \$1.4 billion over the next two years.

This spring, lawmakers may push back full implementation one more year, to 2010-11. They may also try to loosen the criteria in the mandate permanently. That proposal, which would appear on the 2010 ballot, would ask voters to use schoolwide class-size averages as the standard for compliance, rather than capping student-teacher ratios in every class.

Florida's voters have already spoken on class size, said Mark Pudlow, spokesman for the state teachers union, which is gearing up for battle. "It's time they just follow the rules that voters put in the Constitution."

Weatherford, sponsor of the plan in the House, thinks voters will side with him. "This allows us to invest money in the classroom - not just building classrooms."

Weatherford, R-Wesley Chapel, is also sponsoring a bill to let state universities reach more deeply into families' pockets. His bill would permit all state universities to raise tuition for new and future students 15 percent a year, up to the national average.

Caring For The Vulnerable

Rep. Bill Galvano, R-Bradenton, said he worries most about the impact of budget cuts on the developmentally disabled and other vulnerable residents who rely heavily on the state for health services.

If Florida wants the extra Medicaid money available from Washington, it cannot tighten any eligibility requirements for Medicaid programs. That would require lawmakers to continue the Medically Needy program for the chronically ill, which lawmakers shored up last year with a temporary source of cash.

But that leaves plenty of room for other cuts - such as eliminating eyeglasses and dentures for poor elderly residents or slashing reimbursement rates for doctors and other providers who already lose money by serving patients on Medicaid.

Crist wants to use federal money to increase spending on health and human services by \$101 million in 2009-10; he would also boost funding for K-12 public education by \$183 per student.

Democrats applaud that, but House Speaker Larry Cretul, a Republican, said he fears that leaning so heavily on Washington is a recipe for disaster after the federal money dries up.

Galvano was likewise cautious - about the federal stimulus as well as the \$300 million that Crist is relying on the state to claim from the Seminole tribe. Crist continues to call on lawmakers to ratify a compact he forged with the tribe in late 2007 giving the Seminoles exclusive rights to offer banked card games at their casinos, and giving the state a hefty cut of the proceeds.

The state Supreme Court voided the compact last summer, finding that Crist overstepped his authority in executing it. But the Seminoles continue to offer the games and have paid more than \$70 million into escrow for the privilege. The state cannot touch the money until lawmakers ratify a compact.

Galvano, who is chairman of a committee reviewing the issue, said it's premature to budget yields from the compact because lawmakers might rewrite the terms. He is hopeful that a compact advances this session, he said, but it's not guaranteed.

Either way, the odds of getting any money this year for local projects and initiatives are "slim to none," said Rep. Rich Glorioso, R-Plant City. "We don't even have a process in place this year; there's normally a form we fill out and submit by December."

No local pork - it's a threat that GOP leaders have made during the past two years. Yet somehow, it always appears in the budget. This year, Cretul said, he will watch to make sure it doesn't happen.

Taxes

There is increasing talk around the Capitol about taxes - raising them as well as cutting them.

Crist wants lawmakers to ask voters in 2010 to stop tax assessments on primary homes from rising when their market values fall; increase the homestead exemption for first-time buyers; and further restrict annual increases in tax assessments for commercial and vacation properties. He also wants to restrict how much tax money local governments can collect.

Lawmakers fear that the property tax receipts may plummet by \$1 billion next year, jeopardizing, among other things, local services and the K-12 schools budget. But Crist insists that property owners need more relief and is urging lawmakers to use federal stimulus money to make up the difference for schools.

Whether they will have that option remains to be seen because the schools portion of the federal stimulus package leaves out states that have cut their support of public education. That includes Florida, which has Crist and Florida's congressional delegation begging Washington to make an exception.

Meanwhile, state lawmakers are considering options such as raising the cigarette tax, repealing sales tax exemptions and closing a loophole in the real estate transfer tax.

Charlie Justice, a St. Petersburg Democrat who is vice chairman of the Senate Finance and Tax Committee, said lawmakers primarily want to introduce more "equity and fairness" into the tax code.

Weatherford was skeptical. "If you're raising one tax and reducing another, that's one thing," he said. "But I'm not in favor of raising taxes to generate revenue - I think that's a bad thing. We should be reducing our expenditures, not creating more."