The Cap on Affordable Housing Fund

The number one priority for housing advocates during the 2007 legislative session was to prevent the cap on state and local housing trust funds from going into effect. Unfortunately, we never came close. Speaker of the House, Marco Rubio, could not be engaged to discuss repeal, repeatedly deferring to the analysis of his staff budget director to explain that Florida could not afford to repeal the cap. The primary argument proffered was this: Florida needs the housing trust fund revenues for general revenue expenses.

The cap, however, is on distributions into the housing trust funds—once in the trust funds, the legislature can appropriate them as needed. If they are indeed needed to balance the budget, they can be used accordingly. There is no need to cap distributions into the trust funds in order to respond to potential budget problems when and if they ever happen. In the 14 years that the Sadowski Act has been enacted, there has been only one year that the monies from the state and local housing trust funds were needed to balance the budget—FY03-04—and in that year, a portion of the funds were diverted to general revenue. This proves conclusively that if the Legislature needs the state or local housing trust funds for other purposes it is able to appropriate accordingly.

Florida’s affordable housing programs are an economic engine, supported by low income advocates as well as every major industry group and employer in Florida. Florida has developed an infrastructure of public private housing delivery that is the envy of the nation. By slashing the appropriation of housing funds to $243 million per year (a level lower than the monies generated in 2002), Florida will dismantle that infrastructure and find itself wholly incapable of meeting anything close to the demand for affordable workforce housing. We will be unable to house the elderly, the infirm, or our essential services personnel.

The diverse bipartisan coalition that spearheads this effort grew in 2007 to include the Florida Coalition for the Homeless, Associated Industries of Florida, the Florida Retail Federation, and the Florida Hospital Association. They added their memberships and lobbyists to the ranks of the unprecedented Coalition, known as the Sadowski Workforce Housing Coalition. Together we will mount a campaign with our champions in the legislature for reauthorization of the state and local housing trust funds without a cap in the 2008 legislative session.

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At this writing, the Florida Legislature is over at the Capitol meeting in a Special Session on Property Tax Reform. Despite the best efforts of advocates, Kidcare was not added to that agenda.

A bipartisan move to streamline the KidCare program failed to iron out differences before the regular 2007 legislative session adjourned. A letter from Democratic leaders implored the Governor to help representatives from the Legislature and the provider network to negotiate and “iron out the remaining few details” and then present the final product for a vote in the Special Session. Toward this goal, Kidcare supporters did generate a more limited bill that would at least keep currently enrolled children from being dropped. The current maze-like system is estimated to drop 15,000 children a month.

In Florida, there are over 700,000 uninsured children, and approximately half a million are eligible for either KidCare or Medicaid. Under former Gov. Jeb Bush, lawmakers threw up enrollment barriers that resulted in children falling off the program and, in turn, a loss of $20 million in federal matching funds. Since 1998, Florida has missed out on nearly $140 million in federal money by not boosting enrollment in the program. States have three years to use their federally allocated money or it must be returned and potentially reallocated to other states.

That allocation formula is one of several aspects of the State Children’s Health Insurance Program (SCHIP) currently under debate in the U.S. Congress, where the program is scheduled for reauthorization this year. Discussion will also revolve around incentives for states to simplify outreach, enrollment, and renewal policies and state flexibility with respect to eligibility levels. Most importantly, sufficient federal funding to cover uninsured children who are eligible for SCHIP is off to a good start with a budget resolution that includes $50 billion in new federal funding for SCHIP—all of which will be debated over the summer months.

Voluntary Pre-K Program

A bill to provide degreed teachers to the Voluntary Pre-K Program did not pass this Session. The final student allocation was $2,611 per student—a total appropriation that was $15.5 million less than the Governor’s proposal. It will allow 142,677 four-year-olds to enroll in the program.