

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM SPECIAL SESSION 'C'
FOR NOVEMBER 27, 2001**

SPECIAL SESSION

The second special session is upon us. At the call of Governor Bush, the Florida Legislature returned to Tallahassee in a second attempt to reconcile the state's budget for the 2002-02 fiscal year. The legislature must cut roughly \$1.3 billion from the state's budget in order to reconcile the budget with actual state revenues.

WHERE THE BUDGET IS NOW

As you may recall, the House bill from the last special session cut the necessary \$1.3 billion from the budget. With the outside possibility for minor amendments on the House floor, they basically have their proposed budget already done. The Senate, during the last special session, only cut \$800 million in their proposal, which was the basis for some of the tension felt during that session between the two chambers. The House is basically waiting on the Senate to craft their cuts.

It is expected the House will vote out their budget bill on Thursday. Based on remarks made by Senate President John McKay (R-Bradenton) made today, the Senate will vote on their proposed budget bill on Friday.

Once the two chambers have approved their two proposed budgets, conference committees, representing members of both chambers, will be announced and they will meet through the weekend to pound out the differences between their two proposals.

The goal for the leadership in both chambers is that the compromise bill or "conference committee report" will be available to the legislators on Tuesday of next week. They will then have the required 72 hours to review the budget before a final vote on Thursday or Friday of next week.

COMMUNITY COLLEGE FUNDING

The budget numbers for education funding are fluid right now. But based on the numbers AIF has seen, it appears that the community colleges are again getting the, “short end of the stick.” Based on percentage, the community colleges are suffering far more egregious cuts than the K-12 system or the university system. Worse yet, our community college friends are getting cut in both directions. In addition to their direct funding, workforce development, which is a separate funding allocation, is also getting cut. Both the public schools and community colleges share workforce development funding. However, as a percentage, the cuts to this program are miniscule to the public schools and they rarely put up a fuss over cuts to this line item. For the community colleges, cutting the workforce development funding is an enormous hit.

AIF believes that, at the minimum, the cuts to the community colleges should at least be equal to that of the K-12 and university system, not greater.

Oddly, unlike the public schools and university system, the community colleges are not “forward funded.” In other words, they are funded retrospectively, based on last year’s needs. As a result, the community colleges are getting funding cut, based on last year’s numbers, even though they are experiencing an *increase of 80,000 students*. This is ludicrous.

In addition, community colleges, when it comes to economic performance, operate in a “counter cyclical” environment. When the economy goes down, *their enrollment goes up*. Fired, forcibly retired or simply out of work employees gravitate to the community colleges for additional training and education to build their competitive skills. In the midst of a recession, we are cutting the one segment of our education system that is in greater demand than ever.

Finally, workforce development is just that, programs that develop our workforce, giving real people the skills they need to provide for themselves and their families. During a recession, there is no greater economic stimulus than getting people trained and equipped to compete in the marketplace. Not only can they increase their market value; such training generates entrepreneurial activity, creating jobs. There is no greater investment than workforce development in the days ahead.

We hope that as the legislators move into their conference committee meetings, they will be mindful that the community colleges are getting hit disproportionately. At the least, make these cuts equitable. However, AIF believes that their funding should be increased.

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state’s economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF) and Jere Moore, AIF Reporter. Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our “members only” Florida Business Network web site at <http://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.