

Prepare 2009

Public policy strategies for economic justice



Let Your Voice Be Heard



*Mobilizing Communities
Against Hunger and Poverty*

Florida Impact

Mobilizing Communities Against Hunger and Poverty

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To communicate directly with your legislators during the 2009 Florida legislative session, go to the **Let Your Voice Be Heard** page of the Florida Impact website:
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The Incredible Shrinking State Budget.

As the year began, the Florida Legislature was called into special session to address a \$2.3 billion hole in the state's FY2008-09 budget. The Florida Constitution mandates that the state operate with a balanced budget. Legislators made \$1.2 billion in spending cuts and made up the rest with raids on trust funds, tapping into reserves, shifting dollars within the budget, and increasing traffic fines.

Gov. Charlie Crist vetoed more than \$360 million of those cuts, promising to revisit them in regular session and banking on help from Washington in the form of aid to states from the Economic Recovery Stimulus. The Governor joined Arnold Schwarzenegger and 17 other governors in co-signing a letter to President Obama supporting the federal stimulus plan. Florida legislators had trimmed extra from the budget in order

to avoid coming back for another round of cuts before the state's fiscal year ended on June 30. And as was feared, tax revenue projections for December and January came in at \$224 million below earlier predictions, so additional emergency cuts are likely.



The treacherous road ahead.

In addition to the effects of the recession that are hitting all states, we are in store for a couple of developments unique to Florida.

- The counties' ad valorem property tax collections may drop by \$1 billion statewide because of the plummeting real estate values.¹ Statewide property values are forecast to plunge by a total of \$266 billion -- an 11 percent decrease. If property-tax rates hold the same next year, that could cost schools a total of \$780 million statewide.²
- The bill for the voter-approved class-size limits is coming due in 2010. The Florida Department of Education (DOE) has projected an additional cost of \$1 billion for new teachers and construction to meet the constitutional mandate.

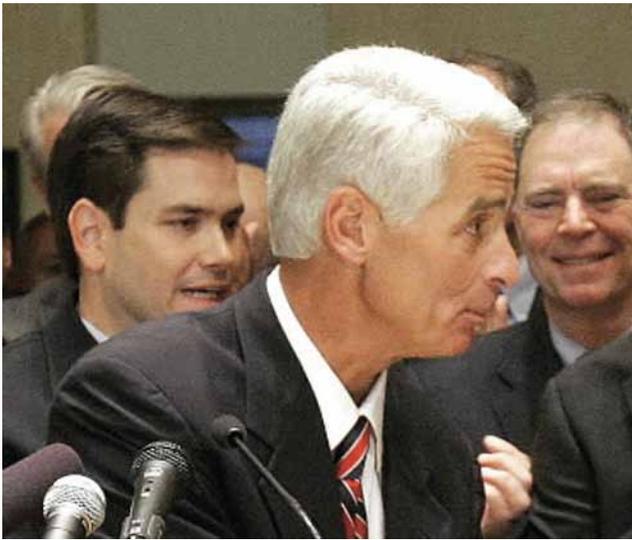
Lawmakers could face a \$5 billion shortfall for the upcoming 2009-10 budget, but the actual spending cuts this time could be closer to \$1 billion. In addition to his plan to expand

gambling at Seminole Tribe casinos, Gov. Crist supports tapping into reserves and state trust funds—a move not without controversy. The family of former Gov. Lawton Chiles has threatened to sue the Governor and legislative leaders if they continue to raid

the Lawton Chiles Endowment, started with a portion of the state's tobacco settlement to pay for health programs for children and the elderly. "This is not what my father stood

¹ Figures quoted in the *Lakeland Ledger* and attributed to Senate budget chairman J.D. Alexander.

² Marc Caputo and Steve Bousquet, *Herald/Times Tallahassee Bureau*.



for,” said Bud Chiles, “They need to show leadership and think of other revenue sources, not just raiding savings.”

Raids on the Sadowski Affordable Housing trust funds beg the question relative to how much of the housing in Florida available as a result of foreclosures is *affordable* to low- and lower-middle-income families.

As to spending cuts, Crist has said he is committed to protecting direct services: “We have to do it surgically. I think you can have some reductions in some areas that don’t provide *direct* services.” Several options have been raised for redirecting funds within a given category using this strategy, like including higher court fees to avoid deep cuts in the state court system and freeing up more school construction money to absorb cuts to school operations.



Other strategies include:

- Furloughing up to 147,000 state workers for two-weeks for a savings of up to \$300 million.
- Converting prison yards into tent cities at a dozen low-security prison work camps.
- Merging some agencies, like combining the Department of Health and the Medicaid program, currently run by the Agency for Health Care Administration.
- And cutting Medicaid – the program for poor children, the elderly and the catastrophically sick – which has grown by 100,000 new recipients and is costing the state \$146 million more than anticipated this budget year.

As to taxes, both the Governor and Senate and House leaders seem reluctant to raise them. There is resistance to even a tobacco tax, despite the higher costs to both Medicaid and the State Employee Group Health Insurance Program from treating smoking-related illnesses. A 2007 study by the Centers for Disease Control and Prevention (CDC) found that, if 25 percent of Medicaid recipients in Florida who smoke quit, there would be \$87 million in savings five years later. The CDC also found that increasing the price of cigarettes by 10 percent produces a 4 percent decline in adult smoking. Because youth and persons with low incomes are more sensitive to price increases, declines in smoking for those groups would be somewhat higher.³

³ Richard Polangin, Florida Public Interest Research Group (FPIRG).

Food Stamp Growth in the State of Florida

Over the last year, Florida added more than 408,835 new recipients to its food stamp roles—a 29 percent increase. Given the recession, that kind of growth is not unique to our state, but by the year’s end, Florida led the nation for its dramatic rate of growth in food stamp clients. It also represented the largest jump in the state’s history, surpassing even the aftermath of Hurricane Andrew.

As one would expect, there are other numbers on the rise, too. Call volume at Florida’s food stamp call centers was over 3 million for the month of October 2008—a 40 percent increase over the previous October. Many of these are first-time applicants who have lost their jobs due in part to the collapse of the state’s construction industry.

Service centers are also inundated, with lines of people spilling out around the corner of one Miami office and even one incident in Plantation in which officials felt compelled to call in police to control the crowd. Florida’s Department of Children and Families (DCF) Secretary George Sheldon says, “They’re plumbers, they’re electricians, they’re carpenters. They’re proud, and they resist applying for benefits as long as they can, but there’s a point where feeding your family takes precedent.” Even with economic recovery expected to begin in 2010, the Congressional Budget Office projected higher unemployment rates for the next few years, and Florida’s

unemployment rate is already higher than the national average.

During the 2009 Special Session that addressed the state’s FY2008-09 deficit, legislators searched in other parts of the state budget to shift funds to pay SNAP¹ eligibility staff overtime. Without it, extraordinary wait times for applicants would become more common. The most extreme example occurred in Osceola County with some applicants reporting a wait for application approvals of up to 75 days--well over the federal 30-day limit. In the end, the Florida Legislature cut the state’s budget by more than \$2.5 billion to avoid operating at a deficit—a scenario disallowed by the state’s constitution. Governor Charlie Crist vetoed about \$90 million, including \$23 million for food stamps, disability agencies, mental health and substance abuse treatment.

For FY2009-10, DCF--the state agency that administers SNAP—projects that 288 additional full time equivalent (FTE) positions are needed over the 4,109 positions currently in the food stamp eligibility division. This would equal \$11,065,087 (or \$6,569,588 from the state’s General Revenue fund). The rest comes from the federal government, which shares in the administrative costs for running the program.

See **Food Stamp Growth** on page 6

SNAP/Food Stamp Facts for Florida

- Average Monthly Participation (2008): over 1.45 million people
- Average Monthly Benefit per Person (Dec. 2008): \$101.87—that’s \$1.13 per meal
- Participation Rate of Eligible Persons (FY 2005): 59%
- Number of Households participating in SNAP (Nov. 2008): nearly 896,000
- Percentage of Florida food stamp benefits going to households with children (2006): 67%
- Federal Funding for SNAP/Food Stamps pumped over \$1.4 billion into the Florida economy last year.
- USDA studies show that every \$1 of federal SNAP/Food Stamp benefits coming into the economy generates nearly double that amount in local economic activity.

¹ The name of the Food Stamp Program was changed last year by Congress via the Farm Bill to the Supplemental Nutrition Assistance Program.

Breaking Faith and Bad Economics: The Raid on the Affordable Housing Trust Funds

(We have) . . . constructed \$125 million worth of housing, serving more than 4,000 Floridians, in just over a decade, targeting migrant and seasonal farm workers and the homeless — and making us among the most successful nonprofit developers in our state. Proposed cuts of \$6.9 million will stop housing to the poorest among us in places such as Homestead, LaBelle, and Florida City.

*--Steven Kirk, President of Rural Neighborhoods
(a charitable housing group based in Homestead)*

Early this year in a special session to address the state's projected deficit, the Florida House and Senate reached agreement on a budget-reduction proposal that swept \$190 million from the Housing Trust Funds into General Revenue by the end of the state's fiscal year in June of 2009. Housing funds committed to new construction will be transferred first. This sweep is on top of the \$250 million taken from the Housing Trust Funds back in July with the onset of FY2008-09. Approximately \$303 million was appropriated for housing in FY 2008-09.

Documentary stamp proceeds for FY 2009-10 are projected to generate \$174 million in revenue for the housing trust funds. The Sadowski Workforce Housing Coalition is calling upon the Legislature to appropriate *all* of those dollars to Florida's housing programs. Housing is our greatest economic engine: when that engine is fueled our economy thrives, when that engine is starved our economy dies.

Florida has tens of thousands of homes--single family and condominiums--in foreclosure. To put these

homes back on the market, they need to be acquired, rehabilitated, and resold. Florida's economic recovery can be accelerated by putting the housing industry to work on recovering foreclosed properties.

Every \$1 million of state appropriations for housing produces:

- \$6.05 million of housing
- \$10.36 million of economic activity
- 106 jobs



The federal Housing and Economic Recovery Act of 2008 includes a supplemental Community Development Block Grant to assist local governments in stabilizing neighborhoods through foreclosure recovery efforts. Florida's State Housing Initiatives (SHIP) provides direct funds to local governments in 67 counties and 48 cities to increase affordable housing opportunities. SHIP administrators need down payment and closing cost assistance funds to ensure that those properties can be

sold to low- and moderate-income homebuyers. There is a tremendous opportunity for leveraging these federal resources. The Housing and Economic Recovery Act also includes \$571 million of additional bond authority for Florida.

This federal resource cannot be used without the State Apartment Incentive Loan Program (SAIL), which stimulates production of affordable, multi- and single-family rental housing for very low-income individuals and families. Hundreds of millions in federal resources will be lost without adequate state funding for down-payment assistance from state appropriations. Every \$16 of SAIL appropriations “buys” \$84 of federal bonds and tax credits.

Some legislators are already talking about *too much housing stock* as a reason for not developing new affordable housing. Single family home prices are down—apartment rates are not. The deficit of affordable rental housing continues to grow. Many families losing homeownership are in need of rentals. Florida’s workforce needs affordable rental housing. Land prices are down—it is an excellent time to acquire land or existing buildings to construct or preserve rental housing that will be affordable for fifty years to come. The downturn in the housing market will not last forever; the units built or preserved now will provide critically needed housing for Florida’s low income workforce long after the housing market recovers.

Information provided by the Sadowski Workforce Housing Coalition.



Food Stamp Growth continued from page 4

There’s also the matter of the \$5.4 million bonus awarded to Florida by the U.S. Department of Agriculture for the most improved food stamp error rate in the nation. Though the Legislature allowed DCF to spend \$1 million of it on overtime pay to address the immediate problem, the rest remains in General Revenue from which the Florida Legislature can allocate at its discretion. DCF has requested additional funds to upgrade its technology to create efficiencies and reduce staffing needs for the future. It also would like to provide its frontline workers with a 5 percent pay raise.

Organizing Around the Federal Child Nutrition Reauthorization

Federal entitlement programs guarantee and provide benefits to those who meet certain eligibility conditions, and they are periodically reauthorized by the U.S. Congress. This year it's the child nutrition programs' turn. Programs affected by the Child Nutrition Reauthorization include the Child and Adult Care Food Program, school meals, and summer nutrition programs. Though not an entitlement, the WIC Program falls within this reauthorization as well. This process provides a unique opportunity to improve access, meal quality, and nutrition for millions of American children—particularly those from low-income families—during their time spent in and out of school.

During his campaign, President Barack Obama set the goal of ending child hunger by 2015. A well-conceived, adequately funded child nutrition reauthorization bill can reduce hunger and food insecurity in America, help reduce childhood overweight and obesity, improve child nutrition and health, and enhance child development and school readiness. These extraordinarily successful, cost-effective programs play a

critical role in helping children, especially those in low-income families, achieve access to quality nutrition, child care, educational and enrichment activities while improving their overall health, development, and school achievement.

Federal support for these programs has not always kept pace with children's need for program benefits, food cost inflation, the costs of delivering services, or increased scientific knowledge. So in preparation for the 2009 reauthorization of the child nutrition and WIC programs, thousands of national, state, and local organizations representing anti-hunger, religious, education, medical, nutrition, direct service, school food, pre-school and child care, unions, children, after school, industry, agriculture and a host of others will join in support of a "Statement of Principles" to guide our reauthorization efforts. It calls on the Administration and Congress to enact a reauthorization bill that:

- **assures and strengthens** program access and supports participation by underserved children and communities;



- **enhances** nutrition quality and provides adequate meal reimbursements; and
- **modernizes** technology and simplifies program administration and operation.

A substantial investment of new funding must be included in the federal budget to achieve these goals. Without new program investments, it will be impossible for Congress to build upon the successes of the 2004 reauthorization.

To view the Statement of Principles in its entirety, go to: http://frac.org/Legislative/action_center/statement_principles.htm.

Afterschool Suppers for Florida's Children

By the time children arrive at their afterschool program, lunch is a distant memory. Their growing bodies need food in between lunch and dinner just to get through the afternoon. Without it, they feel run down, their attention span shortens, and they have difficulty fully participating in afterschool activities.



The federal Afterschool Supper Program (ASP) provides federal funding for suppers served to children up to age 18 at afterschool and youth development programs located in low-income communities. Currently, only eight states—Delaware, Illinois, Michigan, Missouri, New York, Oregon, Pennsylvania, and West Virginia—receive this federal reimbursement, leaving the rest of our states without the resources to provide the nutritious food that children and teens need in order to continue learning throughout the afternoon.

Leading the country for its rapid rate of growth in food stamp applications, Florida's families have clearly demonstrated a need for this program. During this time of economic uncertainty, the provision of afterschool suppers can augment a family's stretched food budget. And as administered by the United States Department of Agriculture (USDA), all meals served must comply with USDA nutrition guidelines.

Making this investment in the ASP will also create new jobs, boost local economies, and provide safe



environments that help improve student achievement for low-income children. This was acknowledged earlier in the year, when the U.S. House included funding for the expansion of the ASP in its version of the economic stimulus bill. The rationale: It would infuse federal funds directly into low-income rural, suburban, and urban communities and come at a time when public and private agencies are coping with strained resources at the state and local level. The funding stimulates local economies since programs purchase food from local stores and vendors and need to hire additional staff to operate programs.

The Afterschool Supper Program also . . .

- Supports programs that provide children with structured activities in a safe place with supportive adults, while their parents are still at work. This becomes crucial as more parents are working non-traditional

hours and more than one job to make ends meet.

- Provides children, especially teens, with enough food to get through the afternoon. Many afterschool programs are operating longer hours to better serve working families, which makes providing adequate nutrition on a snack budget even harder and good nutrition even more important.
- Provides an opportunity to introduce children to new and healthy foods, to model healthy eating, and to conduct nutrition education towards the goal of addressing childhood obesity and diabetes.
- Contributes to educational achievement during the after school hours since educational or enrichment activities are required for federal afterschool snacks and suppers.
- Helps to prevent juvenile crime and promote juvenile safety. Studies document that juvenile crime peaks between the hours of three and six. This is also the time when children are most likely to become victims of crimes and when teenage girls are at the highest risk of becoming pregnant.

In addition to Florida Impact, some of the organizations among the many supporting the expansion of ASP are Afterschool Alliance, Feeding America, Food Research and Action Center, National After School Association, National Council of Churches USA, National Council of Jewish Women, Share Our Strength, and the YMCA of the USA. All are united by a commitment to ensure that school lunch is *not* the last meal of the day for *any* of our children.



Celebrate Florida Impact *Over 30 Years!*

Over 30 years, Florida Impact has been dedicated to reducing hunger and poverty in Florida. Impact educates and enlists the people of Florida to secure justice for and with those whose economic rights have not been realized. We also work to increase access to food programs by conducting aggressive outreach strategies and public policy advocacy. Through your generous support we can continue to inspire the people of Florida to do justice.

YES! I will support Florida Impact's Annual Campaign

AMOUNT DONATED: \$- _____

Name: _____

Organization: _____

Address: _____

Telephone: _____ Email: _____



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