



## Budget Surplus? ... Won't Go Far

The only bill the Florida Legislature is constitutionally required to pass each session is a state budget. Unlike the federal budget, it must be balanced; we can't spend more than we bring in.

This year, for the first time since 2008, the Legislature anticipates a budget surplus that, hopefully, will reverse a five year trend in cutting programs and services. The picture could change radically if Congress allows the full [Sequester](#) to be implemented.

According to the most recent estimates released in December, general revenue will increase by \$1.2 billion next fiscal year, giving the state a \$400+ million surplus. In addition, close to \$2 billion of money unspent this year will "roll over" to next. While advocates across the state have their sites on those funds, they could be mostly used up already on must-fund items.

While the apparent surplus provides a much-welcomed cushion for the Legislature, numerous big-ticket items litter the way to that money finding its way to increased health and human services, including:

- **State Pension Fund** – Reducing its unfunded liability, an estimated cost of \$300 million to \$500 million.
- **Medicaid Caseloads** – Growth is projected to cost the state \$300 million next year.
- **K-12 Education** – Nearly 30,000 new students are expected to enroll in public schools next Fall at a cost of \$184 million.
- **Higher Ed** – Universities have asked for \$118 million in return for forgoing any new tuition hikes, and they would like the state to restore the \$300 million cut from their budgets this year.
- **Reserves** – If Florida is going to maintain its AAA bond rating - and thereby pay millions less in debt service next year - it needs to maintain reserves for emergencies equal to 10 percent of the state's tax base. This will require \$400 million, increasing current reserves of \$2.1 billion to \$2.6 billion.