

DECEMBER 15, 2023 | PUBLICATION

Client Alert: Focus on Florida's Future: Governor Ron DeSantis Releases Budget Recommendations for FY 2024-2025

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This week, Florida Governor Ron DeSantis released his proposed budget for the 2024-2025 Fiscal Year (FY). The \$114.4 billion spending plan, titled "Focus on Florida's Future," centers on allocations to Education, Public Safety, Human Services, Transportation and Economic Development, and the Environment. The proposed plan comes in at \$4.6 billion less than the current budget, diverting from previous year-over-year increases. The recommendation allocates \$46 billion in General Revenue and funds the remainder through Trust Funds.

Notably, the budget proposal includes a surplus of \$16.3 billion, allowing for the allocation of \$455 million towards debt reduction. Aiming to realign state agency priorities and reduce excess vacancies, the Governor also proposed the reduction of 1,024 state full-time equivalent (FTE) positions.

Tax Relief

The "Focus on Florida's Future" spending plan includes \$1.1 billion in tax relief to mitigate the effects of inflation on Florida residents. Permanent cuts include reduction of sales tax collections on over-the-counter pet medication and flood insurance tax premiums, along with a tax credit for employees with unique abilities. The proposal maintains a number of sales tax holidays for Floridians, including holidays for back-to-school, outdoor recreation, disaster preparedness, and more. Altogether, the tax holidays are expected to provide nearly \$500 million in relief for Florida families.

Education

\$27.8 billion of the governor's spending plan is allocated to education. It would increase the base per-student allocation by \$175, creating a record high for the second consecutive year. In accordance with years-long

initiatives to expand school choice, the proposal adds 300,000 scholarships for K-12 students. Additionally, it proposes increased teacher salaries, incentives for recruiting veteran or first responder teachers, expanded apprenticeship programs, bonuses for civic training, and an additional \$603 million for the Bright Futures scholarship program.

The governor's recommendation continues the state's commitment to a highly rated higher education system by allocating \$1.7 billion for state colleges and \$3.7 billion for state universities. It also reserves \$150 million for faculty and staff retention and suggests a review of tenured teachers every five years. Another \$853 million is allocated to expand workforce education programs and operational career and technical education (CTE) programs throughout the state.

Infrastructure and Tourism

Infrastructure and transportation continue to be a priority with a sizeable \$14.5 billion allocation supporting 20 new projects, expanding broadband access, small business support, and the Live Local Act.

The budget proposal supports affordable housing initiatives by granting \$298.1 million towards affordable housing programs, \$14.5 billion for the Transportation Work Program, \$396 million for community development disaster relief, \$1.3 billion for Open Federally Declared Disasters, and \$630 million for the Moving Florida Forward Program.

To encourage economic development, the plan provides \$580.2 million to promote job growth, encourage tourism, and fund workforce education programs.

Environment

Remaining a key priority for Governor DeSantis, he allocates more than \$1.1 billion towards the environment through the protection and improvement of water systems, coastline resiliency, beach renourishment, and safeguarding Florida's valuable properties and agricultural lands. Of the total \$1.1 billion, \$745 million is provided for continued investment in the Florida Everglades, and another \$330 million is provided for targeted water quality initiatives throughout the state.

Health Care

The budget proposal invests significantly in the health of Floridians, proposing to provide \$363.6 million towards increased Medicaid rates, \$294.6 million for behavioral health services, and \$103.5 million for Child Welfare Incentives that will include an increased cost of living by 6.5 percent for foster families. For the state's ever-growing senior population, the spending plan offers \$119.7 million for senior support mechanisms.

Public Safety

The public safety silo of the budget, a consistent priority for the Governor, includes funds for recruitment and retention of employees in the Department of Corrections and for equipping and training the Florida National Guard. The plan would also allocate \$350 million to improving National Guard facilities and education incentives.

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Florida's 2024 Regular Legislative Session begins on January 9th, when lawmakers will be tasked with developing the official state spending plan for FY 2024-2025. Once developed and approved by the

legislature, the Appropriations Bill will be subject to the governor's line-item veto power.

Full details on the budget proposal can be viewed [here](#).