



TOUGH CHOICES

FACING FLORIDA'S GOVERNMENTS

Tougher Choices Facing Florida's Future

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TOUGH CHOICES



Shaping
Florida's
Future

A Report from the LeRoy Collins Institute

Tough Choices 2005

- As noted in the Zwick report (1987), in the 1980s Florida faced challenges and also opportunities
- Promise of the 1980s slipping away by the 2000s
 - Growing share of low-skill jobs
 - Lagging investment in education, Class Size Reduction Amendment (CSRA), accountability sans funding
 - Infrastructure: low on major urban roads, effective public transportation
 - Little willingness to raise taxes to alter these things

Here's What We Found This Time

- Growing share of low-skill jobs
- Lagging investment in education
- Roads not keeping apace with growth
- Little willingness to raise tax to alter these things

In addition,

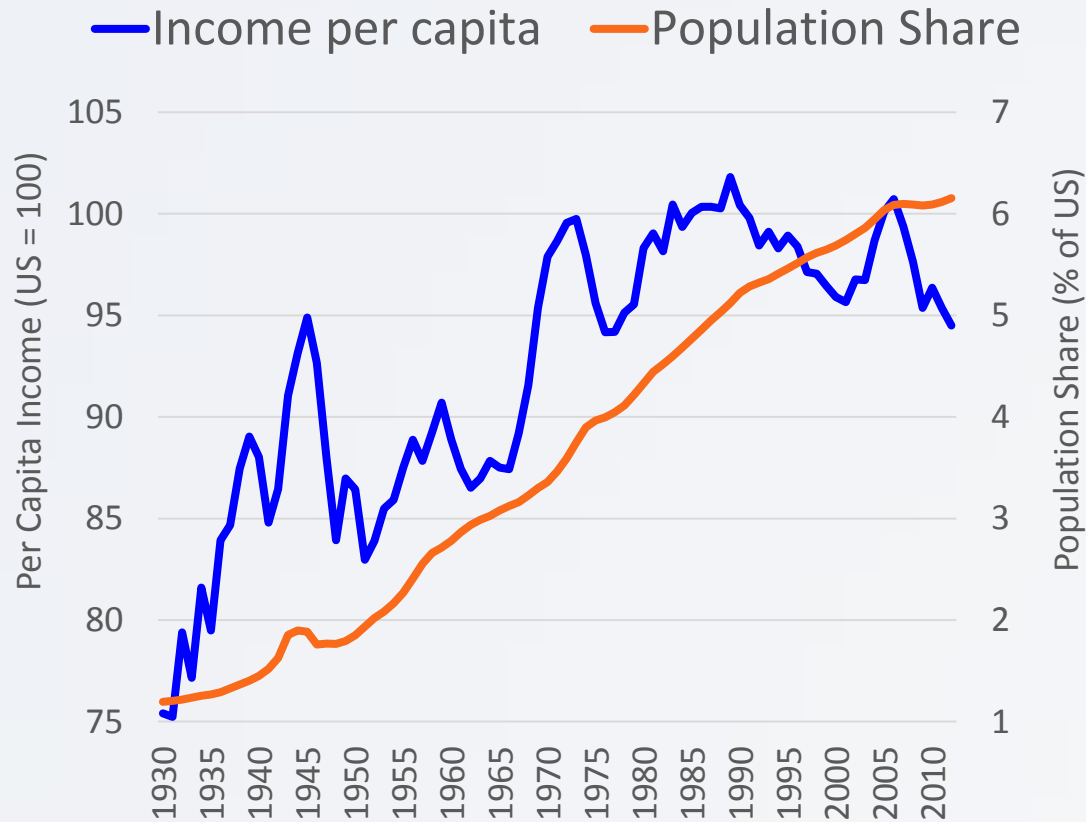
- Florida's reliance on retirees and tourists comes at a price
- Education comparisons of younger generation in Florida are problematic
- Florida's workforce is "hollowing out"
- State lags nation and South in K-12 education; higher education
- Congestion grows and roads aren't keeping up

- And then there's Medicaid....

Tough Choices: Shaping Florida's Future

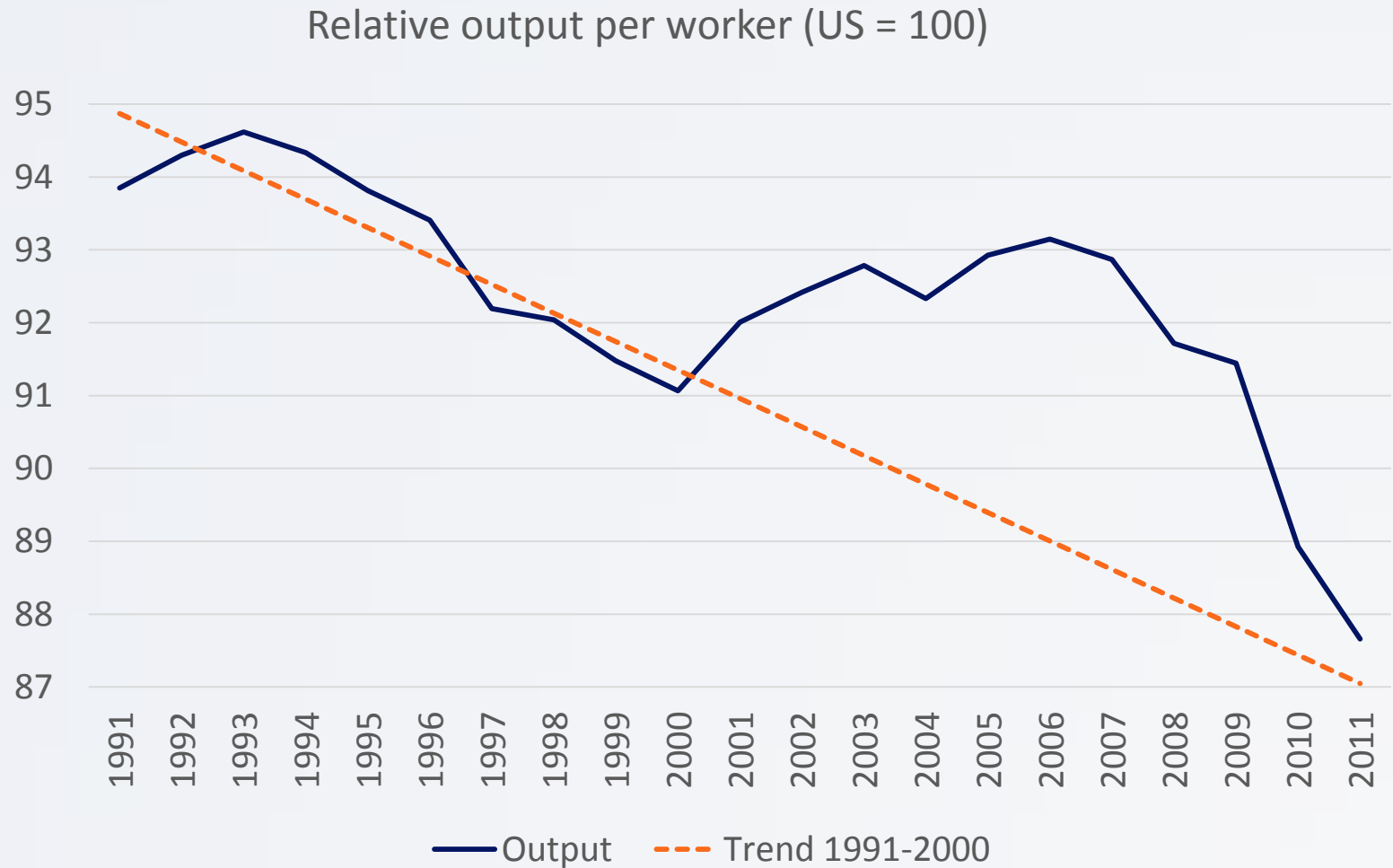
- Bureau of Business and Economic Research
 - Jim Dewey and Dave Denslow

Income peaks in 2005; Population Growth Continues



Data from the U.S. Bureau of Economic Analysis

Relative productivity down in the 1990s and 2000s



Data from the U.S. Bureau of Economic Analysis

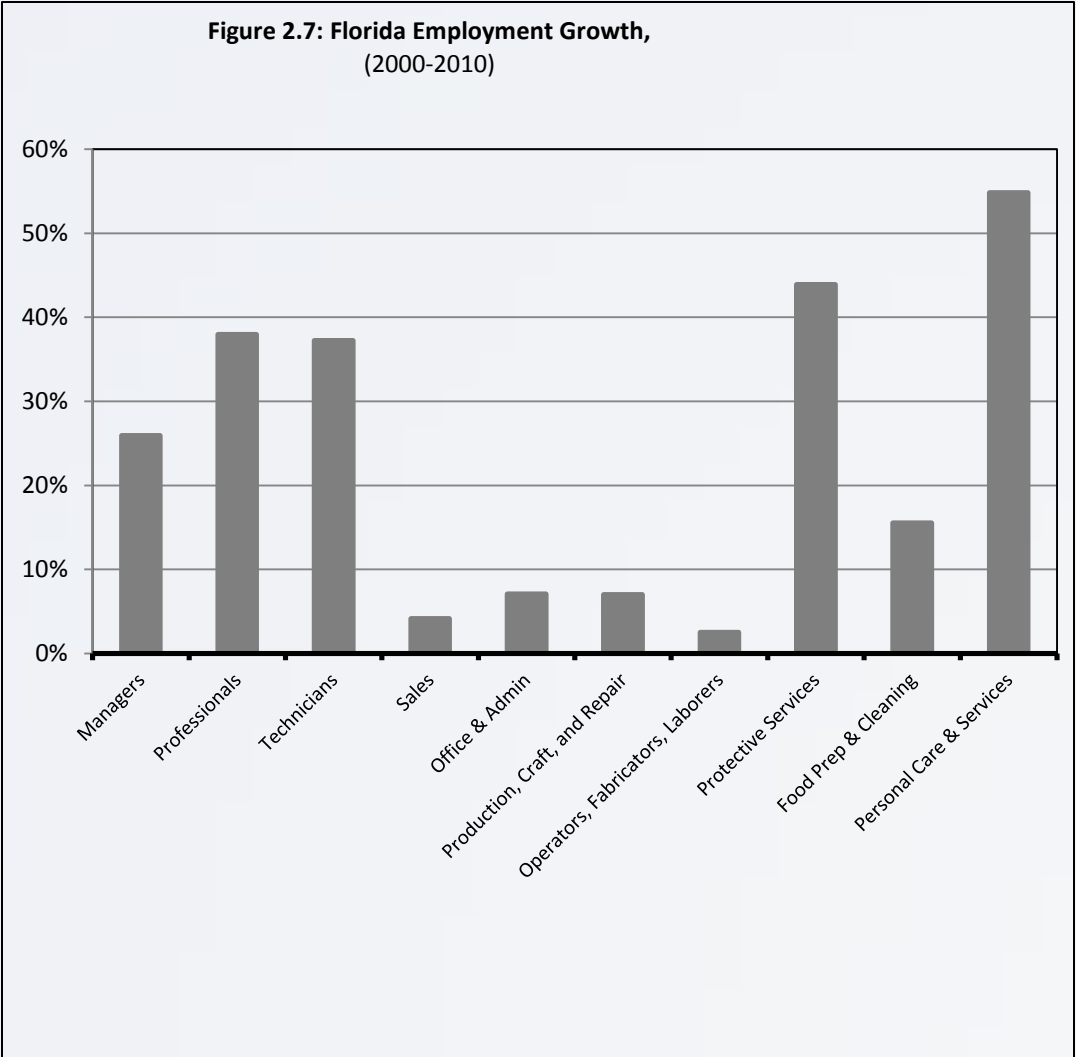
Florida is Old, Getting Older

- 18% Floridians 65+ (14% nation)
- By 2020 20% 65+
- By 2030 24% 65+

Implications of Retirees

- Demand different set of services
 - Housing patterns
 - Labor Market
 - Politics

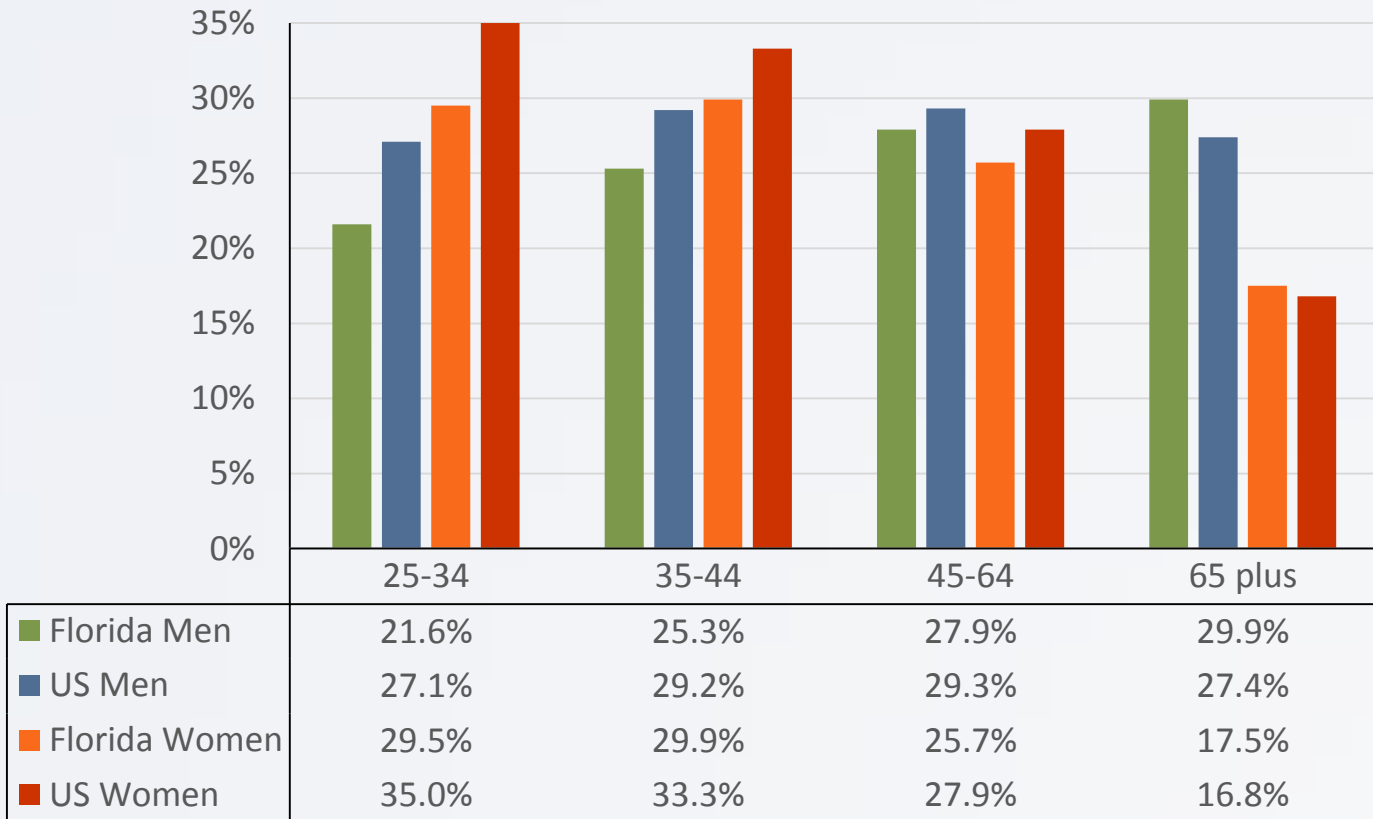
**Figure 2.7: Florida Employment Growth,
(2000-2010)**



Going into the Knowledge Economy...

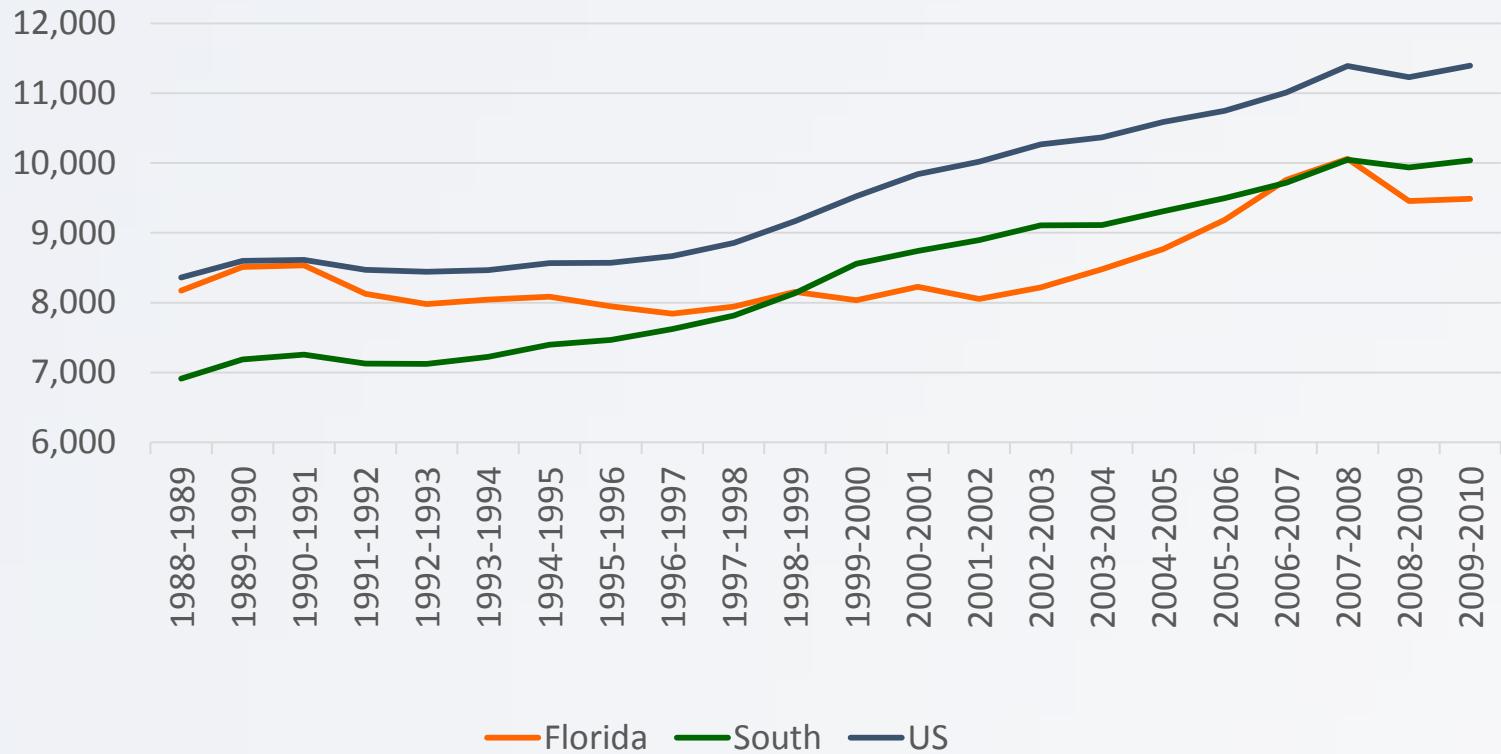
Florida's young workers are less educated!

College Graduates in Florida and the US in 2010
by Age and Gender



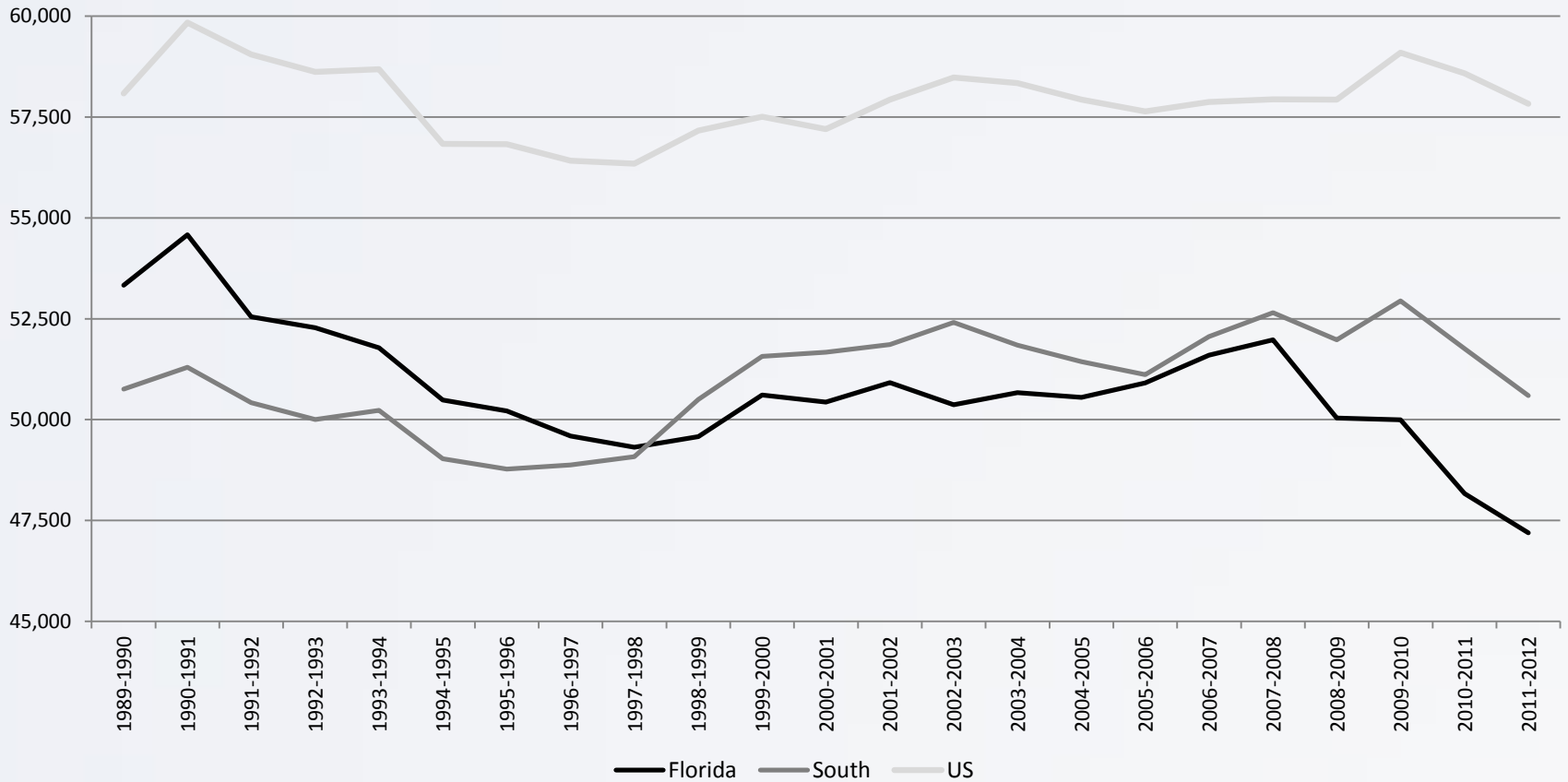
Education Spending

Current Expenditure per Student (\$2012)



Comparative Trends in Teacher Salaries

Figure 6.5: Teacher Salary (2012\$)

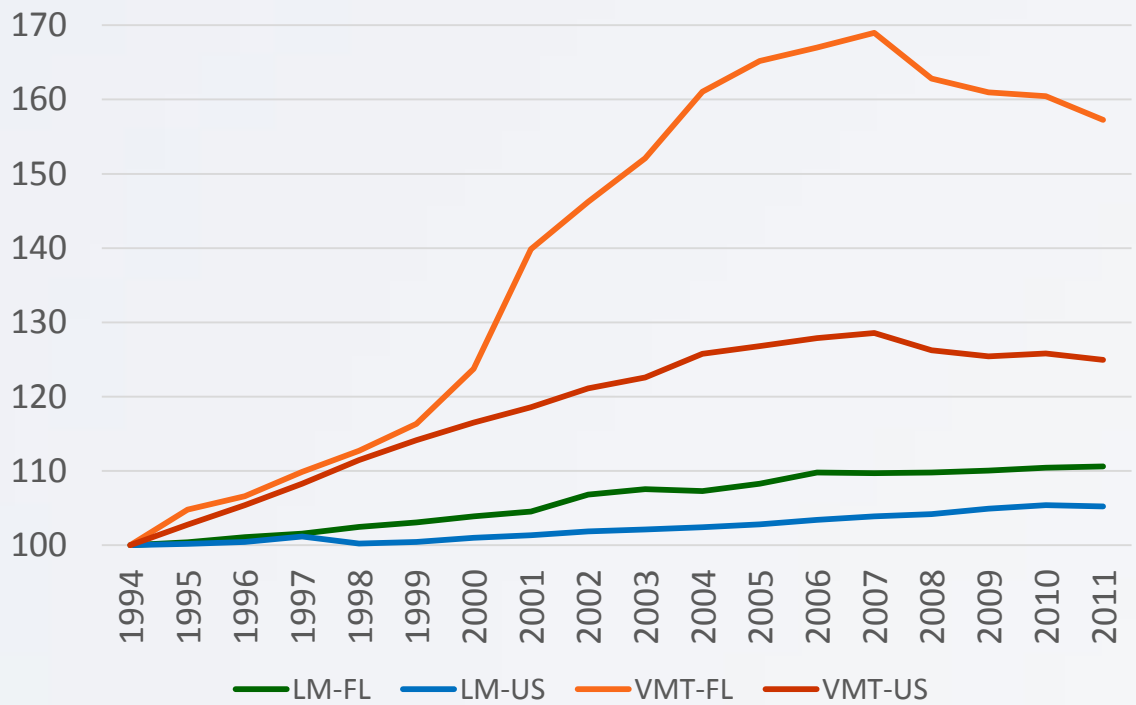


Lagging Higher Ed Human Capital Investment

Per FTE	State Appropriations per FTE		Net Tuition Revenue per FTE		Appropriations plus Net Tuition per FTE	
	2006-2007	2011-2012	2006-2007	2011-2012	2006-2007	2011-2012
US	7,667	5,905	4,395	5,189	12,026	11,094
Florida	8,147	4,832	2,301	2,905	10,448	7,737
FL/US	106%	82%	53%	56%	87%	70%
FL Rank	15	37	46	47	43	50
FL Percentile	58	22	16	13	8	0

State appropriation recovered some in FY 2013, 2014

Indices of Lane Miles and VMT, Florida and the US
(1994 = 100)



Medicaid and Education Spending by Fiscal Year (Billions)

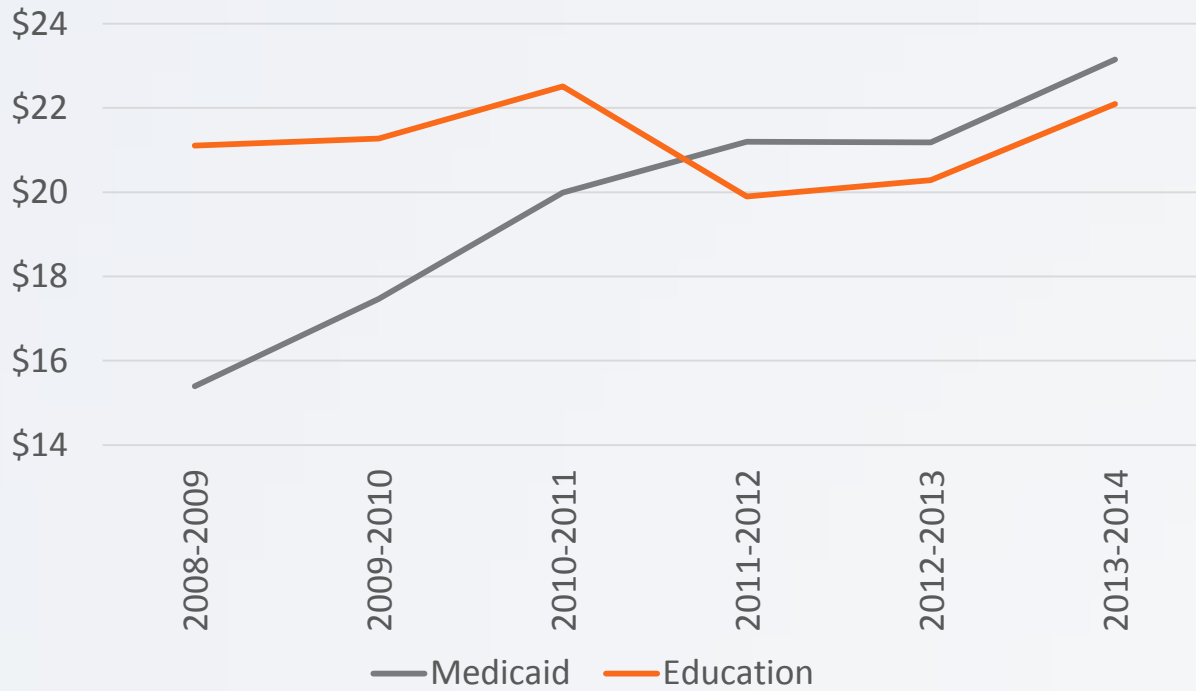


Table 5.2: Spending per Enrollee and Resident, Including Federal Support, FFY 2010

Location	Aged	Disabled	Adult	Children	All	Resident
Florida	\$8,532	\$12,136	\$2,882	\$1,717	\$4,436	\$960
New York	\$21,938	\$30,296	\$4,466	\$2,580	\$8,913	\$2,768
Texas	\$9,759	\$15,385	\$3,278	\$3,036	\$5,310	\$1,113
California	\$9,858	\$15,940	\$1,141	\$1,592	\$3,451	\$1,457
United States	\$12,995	\$16,292	\$3,039	\$2,378	\$5,592	\$1,328

Source: Kaiser Foundation and Census Population Estimates

Medicaid Reform?

- Medicaid spending per enrollee less in Reform population than non-reform population.
- Reform counties had lower Per Member Per Month costs than non-reform counties.

Here's What We Found

- Growing share of low-skill jobs
- Lagging investment in education
- Infrastructure needs growing
- Some troubling demographic trends
- Reliance on tourists and retirees

Record \$100 Million in Funding for Florida Tourism



- “No longer can Florida be a state that is cheap and proud of it. This seems unfortunate, if not silly, in a competitive, global economy that feeds on high-skilled jobs. Tougher choices remain ahead.”

What is the Solution?

What is the Solution?

- Floridians need to have open minds to guide some tough choices. They have the right to expect their elected officials—like the Floridians of earlier years—to lead the way. Failing to do so is simply choosing to accept a future far less bright than it could be.



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