

Florida's Ongoing Budget Battle Over Shrinking Revenues Everglades or "Nevermoreglades?" Is That The Question?

For more than a decade, the Florida Preservation 2000 Program (P-2000) has financed the acquisition of conservation, recreation and water resource lands throughout the state of Florida. Each year Florida sets aside \$300 million for these purposes.

Today, Florida's conservation land acquisition programs are a model for the nation. The Florida Preservation 2000 Program (P-2000) has been so successful that, in 1999, the Florida Legislature approved a successor program, Florida Forever, with only one dissenting vote in both houses.

This year, there is debate brewing over using some of this P-2000 money to free up general revenue for non-environmental programs.

Last year, Florida committed to a ten year plan which draws most of the state's share of Everglades restoration funding from general revenues. The U.S. Congress responded by passing the historic Everglades Restoration Act.

However, this year, faced with slowing revenue growth, the Florida Senate has moved to use \$100 million of P-2000 funds for Everglades restoration in the FY 2002 budget. This in turn would free up the \$100 million in general revenue for education and social service programs.

This action has precipitated strong opposition from proponents of the P-2000 land acquisition program plus a spate of editorials expressing concern about the Trust Fund's ability henceforth to meet pressing needs for land acquisition. Whereas the questions being raised by the proponents and opponents to the drawing down of the Trust Fund are as varied as they are intense, there appears to be some merit on both sides of the issue.

The Nature Conservancy and others claim that any draw-down of the Trust Fund could jeopardizes billions of dollars in federal funding for the Everglades. There is the claim that many current and projected land acquisition projects will never be consummated if the transfer occurs. Some fear that the reallocation may result in the Florida Forever program being called upon to pick up the slack, thereby threatening other acquisitions that are pending. Some, including the Governor, say that using P-2000 funds in this way violates the law. Others see the situation quite differently, including the Senate which is

receiving encouragement from the House to draw down \$100 million of P-2000 funds for Everglades restoration to free up \$100 in general revenue for education and social service programs.

Some contend that using the P-2000 trust fund for purposes other than for which they originally were intended will lead to more rapid, ill-conceived land acquisitions by counties wanting to spend fund balances before future raids occur. Others who oppose the transfer accuse the Florida Senate of playing a shell game, simply looking for opportunities to fund other priorities, including member projects some which will be characterized as Budget Turkeys should they not be comprehensively reviewed in accordance with budgetary due process.

Still others are concerned that commitments to critical, environmental needs statewide will be broken or sacrificed for the Everglades. There is talk about cutting Florida's historic environmental investment of \$300 million per year and the additional \$100 million earmarked for South Florida and the Everglades by one-third, while increasing contributions to South Florida. This has prompted concerns of a territorial battle between North and South Florida that could irreparably damage the fragile, unprecedented agreement upon which the whole foundation of the Florida Everglades venture depends. Some say that the potential damages could far outweigh any advantages that education and social services might gain from the \$100 million transfer.

The Senate believes that this is about spending priorities, and that this would free up needed money for other services without harming the P-2000/Florida Forever program. It contends that there is plenty of money in the fund, and no land purchase would be affected by the transfer. Additionally, the Senate does not believe it would violate the law.

A review by Florida TaxWatch of the P-2000 Trust fund (as reported by the Department of Environmental Protection) shows, as of February 28, there to be a cash balance, less encumbrances and approved commitments, of \$274.9 million. If 20 % of that balance is reserved for projects not qualifying for the Florida Forever Program and \$100 million transferred, in accordance with Senate plans, to Everglades Restoration, the Trust Fund would have a remaining cash balance of \$119 million.

Looking ahead to 2002, it appears that the P-2000 Trust Fund, other things being equal, will have available a total of \$774.9 million for land acquisition over the next fifteen months. This assumes an infusion of \$300 million in May or June of 2001 from the sale of the first series of Florida Forever bonds. The Fund balance also is predicated upon another \$300 million being available (provided for in the Senate General Appropriations bill by the sale of the second series of bonds) and the discounting for projected reserve fund requirements and Everglades Restoration transfers. So, if future Trust Fund funding/disbursements are comparable to those occurring on-average over the past five years, ample funds should be available for land acquisitions in the foreseeable future.

However, this begs some very serious questions regarding the stability of the Trust Fund over the long-haul, as well as the future funding of the Everglades restoration. The dependence on nonrecurring revenues to fund the restoration is troublesome. This twenty-year project will be jeopardized by yearly squabbles over how to fund it.

During the current session, the Legislature must, at the very least, form a study commission that would seek solutions to assure the long-term funding of the Everglades restoration, as well as the financial stability of the P-2000 Trust Fund. If lawmakers do not take steps to address these very real concerns, "Everglades vs. 'Nevermoreglades'" is appropriate rhetoric and Floridians cannot be assured Florida's conservation, recreation and water resource lands are protected as they should be.

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