

For Immediate Release

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Senate Passes Rural Renaissance Legislation

Bill creates opportunities for infrastructure improvements, education & health care enhancements in rural communities across the Sunshine State

Tallahassee—The Florida Senate today passed Senate Bill (SB) 110 by Senator Corey Simon (R-Tallahassee), a comprehensive package of legislative proposals designed to create a modern-day renaissance in rural communities across Florida. A priority of Senate President Ben Albritton (R-Wauchula), the bill creates opportunities for rural communities to expand education offerings, increase health care services, and modernize commerce, in addition to an investment in farm-to-market roads to support the agriculture supply chain that feeds communities across the state.

“Our rural communities are full of opportunity, and that doesn’t just mean development. Our Rural Renaissance package provides opportunities for rural communities to grow as they see fit, based on decisions made by local families and businesses who call rural Florida home,” said President Albritton. “We are focusing on infrastructure improvements that support existing businesses as they grow and transition based on the needs of our economy. This includes our legacy farm and citrus operations, who will be well-served by improvements to farm-to-market roads essential to keeping fresh food within reach of Florida families. These are critical enhancements and investments to support 31 of our 67 counties and hundreds of rural communities across Florida. We have seen tremendous economic growth in urban areas of Florida, its Rural Florida’s turn.”

“Modern Florida is the envy of the nation, and we won’t leave our rural communities behind. Our small communities are strong, proud, and resilient. When disaster strikes, as it has so often in recent years, they band together, neighbor helping neighbor,” said Senator Simon who represents 12 rural counties across Florida’s panhandle and big bend. “Quality of life in rural areas can be impacted by access to job opportunities, education and health care. We are combining enhancements to the traditional infrastructure for schools and hospitals with innovations that drastically expand opportunities for education, commerce, and health care in rural Florida. We know commerce and capital are attracted to strong transportation infrastructure and robust public services, which will provide the chance for rural communities to prosper and grow in a manner that maintains a highly sought after and time-honored way of life.”

SB 110 – FLORIDA’S RURAL RENAISSANCE**Increases Support and Partnerships with Rural Communities*****Modernizes Support for Fiscally-Constrained Counties to Account for Inflation***

Many communities are growing out of the current definitions used in Florida law for rural and fiscally constrained counties (FCC), either due to population increases or increases in the amount of property taxes raised. The bill modernizes these definitions. For example, the bill increases the FCC threshold (set in 2006) from a county that raises \$5 million in property tax revenue per 1 mil, to \$10 million per 1 mil.

Currently, a distribution from the tax collected on direct-to-home satellite service is provided to fiscally constrained counties that participate in the half-cent sales tax program. FCCs are estimated to receive a total distribution of \$10.4 million in FY 2024-2025. The allocation among the several FCCs is based on a formula that uses a county's millage rate, population, and school taxable value. FCCs may use these funds for any public purpose except for debt service.

The bill increases the total distribution to no less than \$50 million per fiscal year and changes the revenue source from the tax on direct-to-home satellite service to sales tax, which will align the distribution for FCCs with the overall state economy. The bill also changes the allocation formula to use sales tax collections, per capita personal income, and population. Finally, the bill adds spending requirements. Specifically, 50% of the distribution must be used for public safety, 30% for infrastructure, and 20% for any public purpose. Debt service is not allowed.

Due to the new distribution for FCCs from the state's General Revenue Fund, the entire portion of the tax collected on direct-to-home satellite service that is earmarked for deposit into the Local Government Half-Cent Sales Tax Trust Fund is made available to all participating counties. In addition to the new \$50 million General Revenue distribution created in the bill, FCCs will also benefit from a share of the estimated \$10 million now becoming available to all participating counties.

Creates the Office of Rural Prosperity

The bill creates the Office of Rural Prosperity at the Department of Commerce to provide technical assistance to rural communities. The Office will promote and facilitate statewide planning assistance for local governments, serving as a robust resource for rural local governments with dedicated regional staff. Personnel will be permanently assigned to regional rural community liaison centers across the state to engage with locals and facilitate access to resources. They will aid local governments in accessing state and federal resources and conduct routine trainings on requirements of the Community Planning Act and other relevant state and federal legislation.

The Office will create and maintain an interactive tool, the "Rural Resource Directory," designed for rural local governments to navigate state and federal grants and resources. OPPAGA will review the effectiveness of the Office of Rural Prosperity every three years, after an annual review for the initial three years. The bill also modernizes the existing Rural Economic Development Initiative (REDI) statute and rural local government strategy.

Establishes Renaissance Grants for Counties with Declining Population

A subset of our rural communities has lost population over the last decade (Gadsden, Hardee, Talyor, Jackson, Calhoun, Liberty, Madison, and Lafayette Counties), resulting in declining business activity. The bill creates a \$1 million block grant for each of the eight counties with declining population. Each county must develop a plan to use the funds with the goal of population growth. Use of these funds will be audited. The grant will be awarded annually until the county sees three consecutive years of population growth.

Funds for Rural Public Infrastructure Innovations

To facilitate the use of innovative, cost-saving technologies that will help rural governments save time and money, the bill creates a competitive application process for organizations with at least three years of experience in bringing innovations to local communities. Funds will help rural governments test and use new technologies.

Enhances Rural Economic Development Initiatives

Local or regional economic development community partners in rural communities can apply for grants to help cover the cost of site preparedness, and marketing and training opportunities to further economic development initiatives. Further, by working with the Office and updating REDI functions, the attention to rural areas will increase the likelihood that goals are maximized and successful.

Adds Small Business Development Center Circuit Riders

Growing small businesses fosters a sense of community and attracts people and commerce to the community as it grows. The Small Business Development Center currently funds staff in rural areas to "ride the circuit" of their region and work with local governments and communities to bring services, including access to capital, technical assistance, and other small business services.

SDBC is a federal program that utilizes federal funding and matching funds from local state college partners. The bill appropriates \$1 million to increase circuit riders and reach more communities through this program.

Maximizes Options for Rural Housing

Raises Minimum Allocations for SHIP to Jump Start Rural Housing Options

Currently allocations are population-based, with the minimum allocation for each county within the State Housing Initiatives Partnership (SHIP) Program set at \$350,000. The bill increases the minimum allocation for each county to \$1 million which will provide additional funding to rural communities.

Preserves Rental Housing in Rural Communities

The United States Department of Agriculture (USDA) currently offers more than 14,000 subsidized rental units at over 300 properties across the state, the vast majority of which are located in rural areas. USDA-financed properties are reaching the end of their use restrictions and are at risk of turning into market rate rental housing. To preserve these units as affordable rentals, the bill appropriates funds for rehabilitation or acquisition for owners who agree to maintain the properties as affordable housing.

Enhances Rural Transportation and Broadband Infrastructure

Expands Rural Infrastructure Fund

The Rural Infrastructure Fund (RIF) facilitates planning, preparing, and financing of infrastructure projects in rural communities to encourage job creation and capital investment in rural economies. RIF funds can be used by rural communities as a match for other infrastructure funding programs. Currently the program is appropriated \$5 million annually. The bill increases the recurring appropriation to \$10 million, with a onetime additional infusion of \$40 million.

Increases Rural Revolving Loan Program Funding

The Rural Revolving Loan Program was created by the Legislature in 1996 to facilitate the use of existing federal, state, and local financial resources by providing local governments with access to funds to promote the economic viability of rural communities. The program is intended to be highly flexible and the loan amounts vary depending on the need of applicants. Currently, the program receives \$420,000 annually. The bill increases the recurring funding to a total of \$1.4 million, with a one-time additional infusion of \$4 million. Because these are loans, these funds will be leveraged by rural communities many times.

Improves Coordination for Federal Broadband Programs

Broadband access has become a critical quality of life issue, with high-speed internet serving as a gateway to commerce, education, and health care. Florida is set to receive \$1.2 billion in federal

funding through the Broadband Equity Access and Deployment (BEAD) Program, in addition to other federal funds allocated to broadband, including \$366 million from the federal Capital Project Fund and \$400 million pandemic funds appropriated by the Legislature to the Broadband Opportunity Program.

The bill improves coordination and technical assistance between the Office of Broadband at the Department of Commerce and rural or underserved communities in need of broadband services.

Historic Commitment to Farm to Market Roads

The bill creates the Florida Arterial Road Modernization (FARM) Program, amending the existing arterial rural highway projects statutes to incorporate funding for roads used primarily as farm-to-market connections between rural agricultural areas and market distribution centers.

The bill creates a new distribution specifically for arterial roads from existing documentary stamp revenues by redirecting \$30 million from unallocated funds collected through Documentary Stamps to the State Transportation Trust Fund (STTF). With existing funding of \$20 million annually, this results in a \$50 million annual investment in arterial roads.

The bill also expands the FDOT County Incentive Grant Program to include projects that enhance connectivity between rural agricultural areas and market distribution centers, and allows counties within the Everglades Agricultural Area to request additional funding for such projects.

Expands Small County Road Assistance Program

The Small County Road Assistance Program (SCRAP) assists small county governments in resurfacing and reconstructing county roads. The bill redirects a portion of vehicle title fees, which are currently directed to the state's general revenue fund, to the STTF to increase funding available for the program. The Department of Transportation (DOT) is currently required to expend \$25 million on the program, and this redirect more than doubles the state's investment in these counties.

Improves Education Opportunities in Rural Communities

Expands Regional Education Consortia

Current education regional consortium service organizations include the Northeast Florida Educational Consortium (NEFEC); Panhandle Area Educational Consortium (PAEC); and Heartland Educational Consortium (HEC), which serve small, rural school districts to reduce overhead administrative costs, minimize duplication of services, promote new programs, and provide personnel and programmatic support.

School districts with 20,000 or fewer students, lab schools, and the Florida School for the Deaf and the Blind may enter into cooperative agreements to form a regional consortium service organization. Each regional consortium receives a grant of \$50,000 per school district and eligible member to be used for the delivery of services within the participating school districts. The consortium board of directors, made up of the superintendents of the participating school districts, determines the services and use of funds. The bill increases from \$50,000 to \$150,000 the consortia funding per eligible member and appropriates recurring funding for this investment.

Creates Regional Consortium Service Organization Supplemental Services Program

The bill creates a grant program administered by the three regional consortium service organizations to supplement member needs related to transportation; district finance personnel services; cybersecurity

support; school safety; college, career, and workforce development; academic supports; and behavior support within exceptional student education services.

Updates Special Facility Construction Account

The Special Facility Construction Account (SFCA) provides construction funds to school districts that have urgent construction needs but lack sufficient resources and have no reasonable expectation of raising needed funds over the next three years through tax revenue. Typically, the projects that receive funds through the SFCA are located in rural areas that have an insufficient tax base to fund large construction projects.

A school district receiving funding must levy the maximum discretionary millage (1.5 mills) for three years before making a request and until project completion. Of that levy, the school district must pay the value of 1 mill per year to the project. This is collected by the Department of Education. This leaves participating districts with limited ability to pay for other fixed capital outlay needs. The bill authorizes a school district that receives funds through the SFCA to retain its entire 1.5 mill discretionary ad valorem levy.

Adds a Student Loan Repayment Program for Rural Educators

The bill creates the Rural Incentive for Professional Educators (RIPE) program to help small counties attract and retain instructional personnel and administrators. The program provides a yearly benefit for educators that reside in and work as instructional employees or administrators at public or private schools in a fiscally constrained county.

Participants receive up to \$15,000 in total student loan repayment assistance over five years, disbursed in annual payments not to exceed \$3,000 per year.

Expands Access to Health Care in Rural Florida

Growing Doctors and Nurses in Rural Areas

Rural communities in Florida have limited access to medical care. As a result, these communities are home to more people with medically-complex needs, which if addressed through preventative and primary care, could significantly improve quality of life and reduce costs for families. Physicians, physician assistants and autonomous APRNs might be more willing to locate to rural areas with grant funding to establish primary care practices in rural areas.

Existing financial incentive programs (e.g. Florida Reimbursement Assistance for Medical Education, FRAME) do not fund facility construction, acquisition, renovation, or lease; medical equipment and furnishings; or information technology. All of these are needed in order for a practice to be established. The bill creates a new grant program to help start-up physician, physician assistants, and autonomous APRN offices and practices in rural areas.

The bill also expands the existing FRAME program to include medical doctors or osteopathic doctors who are board certified or board eligible in emergency medicine and who are employed by or under contract with a rural hospital or rural emergency hospital.

Training Rural Paramedics and EMTs in Advanced Stroke, Cardiac, and Obstetrics Response

Stroke, Cardiac and Obstetrics patients in rural Florida face challenges including limited access to hospitals, fewer resources, and a lack of advanced treatments. These challenges can lead to worse health outcomes and higher mortality rates.

The bill creates the Stroke, Cardiac, and Obstetric Response and Education (SCORE) Grant Program within the Department of Health to increase access to high-quality stroke, cardiac, and obstetric care through the application of technology and innovative training for medical professionals who provide emergency care, including EMTs and other first responders.

Expands Rural Hospital Grant Program To Cover Mobile Units and Telemedicine Kiosks

The Rural Hospital Capital Improvement Program provides critical funding to rural hospitals to acquire, repair, improve, and upgrade systems, facilities, or equipment. The state budget currently includes \$10 million in recurring funding for these grants.

The bill adds \$25 million in nonrecurring funding to meet the growing needs of rural hospitals. Funds will cover mobile units to provide primary care services, behavioral health services, or obstetric and gynecological services in rural areas, and telemedicine kiosks to provide urgent care services remotely in rural areas.

Increases Existing Medicaid Payments for Rural Hospitals

In Florida, five rural hospitals have closed, primarily due to financial challenges. A "critical access hospital" (CAH) is one that meets federal standards, including location in a rural area and distance from other hospitals. Federal Medicare recognizes this distinction and provides higher payments for Medicare services provided at these hospitals. However, Florida Medicaid reimbursement does not recognize CAH status.

The bill appropriates additional dollars to enhance Medicaid payments to reimburse rural hospitals that provide care for the current Medicaid population, similar to Medicare reimbursement.

Rural Renaissance Appropriations – \$200.8 million

- Renaissance Grants – \$8 million
- Office of Rural Prosperity – \$2.5 million
- Preserving Rental Housing in Rural Communities – \$30 million
- Rural Strategy Grants – \$250,000
- Rural Infrastructure Fund – \$45 million
- Rural Revolving Loan Program – \$5 million
- Innovations for Rural Counties – \$500,000
- Small Business Development Center Network – \$1 million
- Student Loan Repayment for Rural Educators – \$7 million
- Regional Education Consortia – Increase from \$50K to \$150K per district – \$3.6 million
- Regional Education Consortia Grants – \$25 million
- Rural Hospital Medicaid Enhancement – \$7.7 million state, \$10.3 million federal (updated based on most recent estimate)
- Rural Hospital Improvement Grants – \$25 million
- Stroke, Cardiac, and Obstetric Response and Education – \$5 million
- Doctor/PA/APRN Start Up Program – \$25 million

General Revenue Redirects in the Bill

- Fiscally Constrained Counties – approximately \$50.7 million (updated based on most recent estimate)
- Direct-to-Home Satellite Tax – approximately \$10.2 million
- Farm-to-Market Roads – \$30 million State Transportation Trust Fund
- Small County Road Assistance Program – approximately \$35.6 million State Transportation Trust Fund (updated based on most recent estimate)

Additional Funding for General Appropriations Act

- State Housing Initiatives Partnership (SHIP) Program – \$18.8 million

For more information, please visit www.FLSeante.gov.

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