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HB 5403E, Engrossed 1

2026E Legislature

1
2 An act relating to correctional facilities financing
3 and capital improvements; creating s. 944.751, F.S.;
4 providing legislative intent; providing an
5 appropriation to the Department of Corrections;
6 requiring appropriated funds to be used in a certain
7 manner; requiring the department to begin the planning
8 and design phase for the construction of certain
9 facilities; requiring the department to make certain
10 recommendations to the Legislature; requiring the
11 department to contract with a construction management
12 entity in certain circumstances; authorizing the
13 Division of Bond Finance of the State Board of
14 Administration to issue bonds for certain purposes;
15 creating a financing oversight committee; providing
16 membership and duties of the committee; requiring the
17 Chief Financial Officer to transfer specified funds to
18 the State Board of Administration for the Debt
19 Reduction Program; providing an effective date.
20

21 WHEREAS, the State of Florida is facing a looming crisis
22 related to its correctional facility infrastructure, and

23 WHEREAS, many correctional facilities are more than 40
24 years old, lack air conditioning, and have become too costly to
25 maintain or modernize, and

ENROLLED

HB 5403E, Engrossed 1

2026E Legislature

26 WHEREAS, the age and design of the correctional facilities
27 have become a safety concern for correctional officers and staff
28 who work at such facilities, and

29 WHEREAS, the State of Florida lacks state-of-the-art
30 medical and mental health facilities to adequately care for
31 inmates, causing the Department of Corrections to serve inmates
32 in more costly private facilities, and

33 WHEREAS, the Legislature appropriated \$850 million in the
34 2022-2023 fiscal year for the planning, design, and construction
35 of a new correctional institution and a new prison hospital unit
36 which was subsequently vetoed by the Governor, and

37 WHEREAS, the failure to construct new correctional
38 facilities could create systemwide capacity concerns which may
39 result in the premature release of dangerous criminals and put
40 the people of Florida at risk, and

41 WHEREAS, the Legislature has allocated \$1.7 billion for the
42 Debt Reduction Program over the past 3 fiscal years and driven a
43 50 percent reduction in Florida's tax-supported debt, and

44 WHEREAS, it is incumbent upon the State of Florida to
45 prioritize limited resources to maintain the safe operation and
46 security of the state's correctional facilities to ensure public
47 safety and the safety of correctional officers, staff, and
48 inmates, and

49 WHEREAS, the immediate needs of the correctional facilities
50 demand the reprioritization of funding previously used to retire

ENROLLED

HB 5403E, Engrossed 1

2026E Legislature

51 debt that was financed at historically low rates to instead be
 52 invested in Florida's correctional employees and system, NOW,
 53 THEREFORE,

54
 55 Be It Enacted by the Legislature of the State of Florida:

56
 57 Section 1. Section 944.751, Florida Statutes, is created
 58 to read:

59 944.751 Correctional facilities capital improvement.—

60 (1) LEGISLATIVE INTENT.—The Legislature recognizes the
 61 critical fixed capital outlay needs of the department.

62 Therefore, it is the intent of the Legislature to provide
 63 funding through cash payments or proceeds of bonds distributed
 64 under this section to address these needs.

65 (2) CAPITAL IMPROVEMENT FUNDING.—Beginning in the 2026-
 66 2027 fiscal year and each fiscal year through 2066-2067, the
 67 Legislature shall appropriate \$50 million in recurring funds
 68 from the General Revenue Fund to the department to develop and
 69 implement a capital improvement plan for new and existing
 70 correctional facilities.

71 (3) USE OF FUNDS.—From the specific amount appropriated
 72 for capital improvement projects each fiscal year, the
 73 department must use the funds in the following order of
 74 priority:

75 (a) First, for the payment of debt service or funding of

ENROLLED

HB 5403E, Engrossed 1

2026E Legislature

76 debt service reserve funds, rebate obligations, or other amounts
 77 payable with respect to bonds issued pursuant to this section.

78 (b) Second, to address the department's critical facility
 79 needs, including, but not limited to, the construction of new
 80 facilities or the maintenance and repair of existing facilities
 81 of the department as appropriated in the General Appropriations
 82 Act.

83 (4) NEW CORRECTIONAL HOSPITAL UNIT.—Beginning on July 1,
 84 2026, the department shall begin the planning and design phase
 85 for the construction of one new 600-bed correctional hospital
 86 unit that will include mental health services. The department
 87 shall provide preference to the use or purchase of existing
 88 state or locally owned land prior to the consideration of
 89 privately owned land for site acquisition. The site must be
 90 capable of colocation with any prospective major correctional
 91 institution construction. The site must be located where the
 92 labor market, potential labor pool, and other factors such as
 93 commute distance and cost of living are favorable to provide a
 94 sufficient workforce for staffing the facility. If state or
 95 locally owned land is not available, funds may be used for
 96 purchase of land.

97 (5) CAPITAL IMPROVEMENTS.—

98 (a) The department shall include recommendations for the
 99 use of funds in its annual legislative budget request.

100 (b) For any project costing more than \$5 million, the

ENROLLED

HB 5403E, Engrossed 1

2026E Legislature

101 department shall contract with a construction management entity
 102 that will be responsible for scheduling and coordinating both
 103 the design and construction phases of the project.

104 (c) Upon the completion of construction of any new
 105 correctional institutions, the department shall submit a
 106 recommendation to the Legislature to provide options for the
 107 closure of existing facilities that are perpetually understaffed
 108 or continue to present excessive repair and renovation costs.

109 (6) BONDING AUTHORITY.—

110 (a) The Division of Bond Finance of the State Board of
 111 Administration is authorized to issue bonds to finance the cost
 112 of constructing a new correctional facility. Bonds shall not be
 113 issued for maintenance or repair of existing facilities.

114 (b) Bonds issued pursuant to this subsection are payable
 115 from the funds appropriated and transferred pursuant to this
 116 section.

117 (c) The department shall request that the Division of Bond
 118 Finance issue bonds authorized by this section in accordance
 119 with the General Appropriations Act. The Division of Bond
 120 Finance shall issue such bonds pursuant to the State Bond Act.

121 (d) Except for bonds issued to refund previously issued
 122 bonds, a series of bonds may not be issued pursuant to this
 123 section unless such bonds are approved and the debt service for
 124 the remainder of the fiscal year in which the bonds are issued
 125 is specifically appropriated in the General Appropriations Act.

ENROLLED

HB 5403E, Engrossed 1

2026E Legislature

126 (7) FINANCING OVERSIGHT COMMITTEE.—To ensure that the
127 funds, including any bond proceeds, are spent in an efficient
128 and responsible manner, a financing oversight committee is
129 created.

130 (a) The committee must include a representative from the
131 Senate, the House of Representatives, the Office of Policy and
132 Budget in the Executive Office of the Governor, the department,
133 and the Division of Bond Finance.

134 (b) The committee shall recommend the most cost-beneficial
135 and effective financing methods to meet the needs of the
136 department for any new capital facility construction.

137 Section 2. Notwithstanding s. 2, chapter 2025-207, Laws of
138 Florida, beginning in the 2026-2027 fiscal year, the Chief
139 Financial Officer shall transfer \$150 million from the General
140 Revenue Fund on July 1 each fiscal year to the State Board of
141 Administration for the Debt Reduction Program pursuant to s.
142 215.98, Florida Statutes. Any unexpended funds shall revert on
143 June 30 of each fiscal year to the General Revenue Fund.

144 Section 3. This act shall take effect July 1, 2026.