

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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FOR FEBRUARY 14, 2002

EXPANDED HEALTH CARE ACCESS

HB 111 by Representative Sandra Murman (R-Tampa) unanimously passed out of the House Council for Healthy Communities today. The bill provides a pilot project insurance program. The bill specifies three pilot service areas where the highest number of uninsured citizens live, as identified in Florida Health Insurance Studies conducted by the Agency for Health Care Administration. To qualify for the pilot program, an insured must make less than 200% of the poverty level income and must not be covered by private insurance or public assistance. Carriers will be allowed to market an insurance product to these uninsureds and hopefully will be providing affordable health care coverage. There are approximately 1.2 million uninsured in Florida that would qualify for this type of health plan. This pilot project will sunset July 1, 2004, unless specifically reenacted by the legislature.

The big ringer in is pilot project is that in these specified areas, insurance carriers will be able to market products free from the heavy hand of regulation. They will be able to limit or eliminate the mandates that drive up premium costs. Florida has dozens of mandates on Florida's insurance health insurance products, requiring certain types of coverage be offered as part of the product, whether or not the consumer wants it or not and whether or not anyone can actually afford it. This type of "Utopian" policy has driven millions of people and employers out of the health insurance market.

AIF supports this bill. It is a worthy experiment to see if the insurance carriers will market a health insurance product that is competitively priced for the currently uninsured based upon the regulatory relaxation, including the lifting of mandates, provided for in this bill.

COMMUNITY COLLEGE FUNDING

Besides overall funding which is always the predominant issue, two of the big issues for community colleges this year involves statutorily addressing the community college program funds (CCPF) distribution formula. Even though the state annually apportions the funds to the 28 community colleges, the lack of a statutory basis permits the legislature to adhere to or ignore the past practices of fund distribution as they see fit. All of the Community College Presidents have written letters endorsing the concept of putting into law this distribution formula. Senator Alex Villalobos (R-Miami) and Representative Ralph Arza (R-Hialeah) are the prime sponsors of this legislation in their respective chambers. There has been some concern about addressing the issue by placing it in statute because of the *Honore* class action lawsuit, which alleges that the state is not adequately funding education for K-12, and thus in violation of a recent constitutional amendment.

AIF in conjunction with the legislative liaisons (lobbyist) for each of the community colleges was able to address this concern. In consultation with the House Appropriations General Counsel and the House General Counsel, the community colleges have agreed upon some language, which will not be prejudicial to the state's defense in the *Honore* lawsuit, while maintaining the need for a statutory distribution formula.

AIF support this legislation. The budgetary funding process for Florida's community colleges has been inconsistent and at times inequitable. An already excellent system for higher learning would benefit immensely by the implementation of a funding formula that brought predictability, equity and reason to the process. Florida's community colleges are hamstrung by a current funding approach that compromises planning, asset allocation and operating revenue administration. Ultimately, it is Florida's students that suffer. Florida's employers can only benefit from a first class education system. Adopting a statutory distribution formula is a critical step in making both Florida's education system and its graduates first class.

COMMUNITY COLLEGES AND WORKFORCE DEVELOPMENT FUNDS

The other key issue is the division of the workforce development funds into two separate funds, one designated for community colleges and one for public school districts. Heretofore, these dollars have been lumped together in one pot of money. Thus, when the legislature was forced to cut dollars in the Special Session last fall; community colleges were hit both in their CCPF funding category and in their Workforce Development funding category. By separating the pot into two distinct funds, the future of those dollars will be predicated on performance by community colleges without being tied "at the hip" with school district funding.

AIF again was helpful in securing the support of both House and Senate Appropriations staff to agree to the segregation of these funds.

AIF supports the segregation of these funds between the school district funding and community colleges. Treating these entities separately in the budgetary process will provide for a more practical understanding of what each party needs and how the dollars are being expended.

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.