

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM SPECIAL SESSION 'E'
FOR APRIL 23, 2002**

CABINET REORGANIZATION

The Senate Banking & Insurance Committee took up, yet again, the issue of reorganizing the Florida Cabinet by establishing the statutory duties and responsibilities of the newly created Chief Financial Officer.

Basically, the Senate committee, at the recommendation of Senator Jack Latvala (R-Palm Harbor) retrenched with its adoption of CS/SB 42E & 26E. SB 42E, by Senator Jack Latvala, was written to embrace the Senate's last position on the issue held at the conclusion of the Regular Session on March 22. Senator Steve Geller (D-Hallandale Beach), the sponsor of 26E, awkwardly requested that his bill, in name only, be grafted onto Senator Jack Latvala's bill, in an effort to stay, "in the loop" on negotiations with the House. Senator Steve Geller's bill was a more "hardcore" version of the Senate's position and did not reflect the negotiations that Senator Jack Latvala has been conducting with the House on the issue. As it is, Senator Jack Latvala's language is the substance of CS/SB 42E & 26E.

While Senator Steve Geller scolded Senator Jack Latvala in a friendly manner for compromising too much, Senator Tom Rossin (D-Royal Palm Beach) encouraged Senator Jack Latvala to go further in embracing the House position. Senator Latvala assured the committee that discussions would continue. Senator Jim King (R-Jacksonville) reminded the committee that time was short, given that the Constitutional amendment creating the Chief Financial Officer stipulate the office go into effect in January of 2003.

While the issue of restructuring Florida's Cabinet can be large and complex (the Senate bill is 876 pages) the issue between the House and Senate is this: the Senate has desired to give the Chief Financial Officer some direct oversight over the regulation of the banking, financial services and insurance industries. The House has believed that taking those regulatory responsibilities from the soon to be extinct offices of the Comptroller and Treasurer and transferring them to the CFO was simply too much power and responsibility for the office to rightly absorb. The negotiations have been ongoing between the two chambers on how to resolve these philosophical differences.

While the Senate committee did move along the bill reflecting the Senate's position at the conclusion of the Session, it appears that State Treasurer Tom Gallagher, State Comptroller, Bob Milligan, Governor Jeb Bush, the leadership of both the Florida House and Florida Senate are working on an agreement that could satisfy the concerns of all involved. We are encouraged by these reports and will keep you updated.

AIF has aggressively supported the House position, arguing that the voters in 1998 only sought to combine the Constitutional duties of the Treasurer and Comptroller into one office and that the regulatory duties of the two offices should be independent of the CFO. Simply put, it is not "good governance" to have the CFO, an elected official, regulate these industries. Such an arrangement is fraught with political considerations and complications that could damage the credibility of the office. In addition, all these powers concentrated into this one office could arguably create a public official with more political, regulatory and policy influence than that of the Governor. Surely, the voters didn't want that.

HEALTH CARE REFORM

As we reported at the end of the Regular Session on March 22nd, health care “reform” collapsed into a tangle of different issues creating a confusing bill that ran into the hundreds of pages, therefore it died. The Legislature has been keen to revisit these issues and the Governor reciprocated by adding “health care reform” to the call for the Special Session early today.

Confusion continues, however, with the varying health care bills still cobbled together into one huge document and rumors flying of “strike everything” amendments that are equally large and rewrite the bill on a committee vote in an instant.

That being said, tomorrow the House Healthy Communities Committee will be hearing an enormous bill with one of the key issues being kidney dialysis. As we reported frequently during the Regular Session and again last night, there is one health care provider who wishes to “break up” the market share of three major kidney dialysis providers in Florida by amending the Physician’s Self-Referral Act. The legislation being avidly pushed by this provider would declare that renal dialysis clinics cannot “self refer” by conducting their own in-house lab blood testing.

While what may happen tomorrow is in a flux, AIF will be working the committee tonight and tomorrow morning that this bad language is removed from any bill that is voted out of that committee. The Florida Legislature has more important things to do than going after successful companies who are performing an invaluable and necessary service.

If this were enacted it would place Florida at odds with the practice and policy of the rest of the United States and federal law. It would be a blatant move to enact perverse “anti trust” legislation by penalizing companies that are simply doing a good job. If enacted, the bill also would cost Florida hundreds of high paying jobs.

Stay tuned to our daily brief and to our web site at www.fbnnet.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.

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- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.