



**FROM SPECIAL SESSION 'D'
FOR APRIL 3, 2002**

Florida School Code Rewrite Goes Backward, Then Forward

The Florida Senate and House of Representatives ended up appointing select members to a conference committee to negotiate their differences – again – over the Florida school code rewrite. As Yogi Berra would observe, this is *deja' vu* all over again.

The Florida Legislature went through this same exact exercise two weeks ago when they failed to agree on the school code rewrite. Conference committee members were appointed and the committee hammered out a compromise bill or what they refer to as a “report.” The House passed it and the Senate failed to do the same on the last night of the Regular Session. When they returned yesterday, the House figured that it was painfully obvious that the next simple step was to take up the conference report language again, pass it and go home. The Senate had different ideas.

Yesterday, the House did send down, to the Senate, a bill identical to the compromise conference report of the last week of session. However, the Senate took their copy of the conference report and sent it back to the Senate Education Committee. It received over 40 amendments. Then, the full Senate took up their bill today and amended it further on the floor. They took up the House bill, substituted their bill and sent it back. House Speaker Tom Feeney (R-Oviedo) advised puzzled House members that there were over 70 changes by the Senate to the original conference report. The House voted not to concur with the changes and now select House and Senate members are meeting in conference committee to go through the eerily similar exercise of hammering out their differences.

Speaker Tom Feeney advised the House members that it is unlikely that they will convene again on the floor until after Noon tomorrow. However, it does appear likely that they will be able to wrap up the adoption of the Florida school code rewrite late tomorrow. If not, it will be early Friday when their work is completed.

Florida Budget & Chief Financial Officer

Two other remaining issues were left unresolved by the Legislature at the conclusion of the 2002 Regular Session. One is the Florida budget – which was the only constitutionally mandated responsibility they have to complete this year, in addition to redistricting of the House, Senate and Congressional seats. Second, is the statutory implementation of the 1998 voter-approved amendment to the Florida Constitution collapsing the Cabinet offices of State Treasurer and State Comptroller into one Chief Financial Officer.

Of primary interest to the business community in the budget negotiations is the Senate's unwillingness to go along with a bill they actually passed during the Regular Session, linking up the state corporate income tax code with the federal income tax code. On March 9th, President Bush signed into law an economic stimulus package that, among other things, gave corporations tax relief by accelerating their depreciation schedule. The Senate passed their bill, SB 2028 by Senator Ken Pruitt (R-Port St. Lucie) on February 27, an annual rite and typically non-controversial, on February 27. Now, certain budget staffers are bleating that the federal tax relief will "cost" Florida \$200 million in tax revenue. Senate leadership is now claiming that when they passed the bill they had no intention of "linking" the state corporate income tax code up with the federal relief package adopted on March 9. So, now, there is a budget impasse between the Governor and House, which support the tax relief, and the Senate, which wishes to spend the \$200 million.

It's horrifying that a "Republican" Senate would contemplate withholding the full benefits of President Bush's tax relief package from Florida corporations. Let's not forget that this is an "economic stimulus" bill, designed to encourage capital spending, investment and to create jobs. People with jobs buy houses, pay taxes and spend money on all sorts of services. This cult-like adherence that certain legislative budget staff give to the notion of "static scoring," which means that if a tax is cut, the state never, ever sees that money again in any form and that the tax break has absolutely no effect on positive economic activity, is absurd. The Governor should demand that the Senate send him the bill (they haven't released the bill yet – nice trick), quickly sign the bill into law when it reaches his desk and the Senate should be glad for it.

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.

- 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://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.