

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
INTERIM BRIEF**



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DAILY INTERIM LEGISLATIVE BRIEF FROM FEBRUARY 10, 2003
SOURCE: ASSOCIATED INDUSTRIES OF FLORIDA

Amendment 9: Class Sizes

The Senate Select Committee on Constitutional Amendment Implementation met today to hear testimony from the authors and supporters of Amendment 9, which limits the number of students in K-12 classrooms. The committee also heard testimony from the Florida Superintendents Association and from the Governor's Office of Planning and Budgeting.

Testifying for the amendment sponsors was Congressman Kendrick Meek (D-Miami), who began by recommending tax increases as a method for funding what he believes to be a \$6 billion to \$12 billion-dollar price tag for implementing the initiative. The congressman urged the committee to revisit the list of sales-tax exemptions at center of last year's debate over ridding the tax code of exemptions. When asked for a specific list of which exemptions he would recommend repealing, Congressman Meek demurred, saying he would encourage and participate in an exercise to consider all exemptions, although ostrich feed and adult entertainment were used as examples.

The representative from governor's office introduced Gov. Bush's well-publicized four-part plan calling for clarity, flexibility, equity, and accountability in the implementation of Amendment 9.

After each presentation a heavily partisan debate ensued with the Democratic senators arrayed against their Republican counterparts.

The most contentious issues surrounding the initiative's implementation will include

- The method for determining average class size
- The definition of core course, which are covered by the mandate
- Whether to include charter schools in measuring class size
- Equitable funding for all 67 school districts
- Measures to ensure accountability

Implementation of the class-size amendment, and other fiscal pressures, will likely result in a legislative battle between the House and Senate over the need for new taxes. The Senate seems more amenable to new revenue than the House. Look for a proposal to emerge from the Senate Appropriations Committee to raise taxes.

AIF supports the governor's approach to meeting the classroom-size mandate. More productive and cost-effective solutions to the problems posed by the amendment should be pursued before raising taxes.

Nursing Homes

The House Health Appropriations Subcommittee met to discuss the Office of Program Policy Analysis and Government Accountability (OPPAGA) report on Medicaid state and county cost sharing for nursing-home beds. OPPAGA's recommendations and alternatives to included

- modifying the county share of Medicaid costs to increase the county share by establishing an increased county share fixed rate of 1.5 percent of total Medicaid nursing home costs
- splitting next year's estimated cost increases equally between the state and counties
- establishing a fixed county-contribution rate of 10 percent of total Medicaid nursing-home costs.

OPAGGA staff expressed the opposition of the Florida Association of Counties to all three alternatives to addressing the cost sharing issue. Clearly, the question to be answered is: Where will Florida's counties come up with the money to pay for their cost-sharing increases?

The Joint Select Committee on Nursing Homes also met today. It took testimony from insurers, nursing-home representatives and trial lawyers on the liability and litigation facing the facilities since the passage of the 2001 Nursing Home Reform Act. A lobbyist for the nursing homes stated that the legislature should provide nursing homes with an arbitration process and caps on non-economic damages similar to the one found in the medical malpractice statute. An actuary from AON Worldwide testified that such legislation could reduce losses from personal injury claims by 50 percent. The committee plans to vote on recommendations on February 19.

Vulnerability to large jury awards is why insurers have not returned to the Florida market. Therefore, AIF supports caps on non-economic damages in nursing-home and medical-malpractice cases.

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