



From January 28, 2007

Members of the legislature stayed in town all week following the conclusion of the Special Session on Property Insurance for the purpose of holding interim committee meetings. Two topics dominated the agenda this week: property tax reform and workforce development. Both of these issues are critical to the business community and make up a big part of AIF's priorities for the 2007 regular session. Healthcare was also on the minds of legislators as many of the healthcare committees held meetings earlier this week.

There are no interim committee meetings scheduled for next week; so we will resume our reporting the week of February the 5th.

Property Tax Reform

The Senate Finance and Tax Committee met on Thursday January, 25th to consider the issue of property tax reform in Florida. Chairman Mike Haridopolos (R-Melbourne) gave a slide presentation to the committee on the upcoming series of public meetings the committee will hold throughout the state.

The slides gave data that compared the increase in population and personal income in Florida with the increases in property taxes between 1996 and 2006. The data shows that taxes have increases at a much higher level than population and personal income.

Chairman Haridopolos then gave several options that have been mentioned as ways to solve the current property tax crises. Most of the options require a change in the constitution. It takes a 3/4th vote of both Senate and House to have a special election to amend the constitution and a 3/5th vote to add a proposed constitutional amendment to the next general election. Once on the ballot it takes a 60% vote of the people to pass an amendment to the constitution. Chairman Haridopolos further stated that there are some options that can be done by vote of the Legislature.

The Chairman then introduced Charles Sembler, Tax Collector from Martin County, who gave a very impassioned speech about tax payers that had come to him with their sad stories about property taxes. Many simply could not afford to pay the huge increases in their taxes. He said that property taxes are after insurance, the most talked about issue facing the people.

Mr. Sembler said the Legislature simply must come up with some way to assess property on its actual use rather than its highest and best use. He also mentioned that 70% of people who are selling their homes are doing so because of the tax burden. He suggested that all property have a cap on value and local governments should have a spending cap.

Next, the Property Appraiser from Volusia County spoke and said there is not one solution and there are interrelated problems. He presented what he sees as the problems and offered a number of recommendations.

Senator Ted Deutch (D-Delray Beach) asked for an explanation of the use of “highest and best use” in the appraisal process. Mr. Morgan Gilrith briefly explained that Florida is a just value state and it was one of eight factors you must use to arrive at just value. He said the law could be changed to use standard rather than highest and best use.

On Wednesday, January, 24th Mr. Don Langston, House Economist, gave an hour long presentation on the Property Tax Reform Committee (PTRC) Preliminary Report and Recommendations to the House State Affairs Committee. The PTRC was created by Gov. Bush in Executive Order 06-141, in June 2006. The Committee has been tasked to present an initial report no later than Dec. 15, 2006, a Mid-term report no later than March 1, 2007, and a Final Report by Dec. 1, 2007.

Mr. Langston went over the preliminary report from December 2006, which was included in the committee packet for the members to follow. He also used slides that had updated data which is significantly higher in most cases. Of particular note is that the “Save Our Homes” differential has gone from being close to zero when it first started in 1996 to almost four times the “Homestead Exemption” or \$404.6 Billion not subject to tax vs. \$108.6 Billion Homestead Exemption not subject to tax.

After the presentation several members had questions:

Representative Mike Davis (R-Naples) asked about whether the increases in local government spending were ever discussed in the report or meetings? Also before the House Committee on State Affairs makes any decision he wants to hear from some of the entities receiving the tax revenue. Mr. Langston said it was not in the preliminary report.

Representative Kelly Skidmore (D-Boca Raton) asked if the March 2007, report would include more specific recommendations or would they have to wait until the final report in December 2007? Mr. Langston could not predict what the PTRC would do.

Representative Geraldine Thompson (D-Orlando) asked if the PTRC had specified what alternative revenue sources may be used if property tax revenue is reduced via some of the recommendations? Mr. Langston said not specifically, but that it was discussed and that the alternatives had to be broad based such as sales tax or another transaction tax.

Representative Ed Hooper (R-Clearwater) asked if the rapid increase in property values was expected to continue in the future.

Mr. Langston said he felt sure it would not.

Representative Dorothy Bendross-Mindingall (D-Miami) asked how people who have to move due to eminent domain would be impacted by the Save Our Homes cap. Mr. Langston said currently they could not take their Save Our Homes assessment with them.

Businesses are having a difficult time recruiting qualified employees to Florida when property taxes make the price of a home unaffordable. AIF will work with the Property Tax Reform Committee and the Florida Legislature to find a way to lower property taxes without jeopardizing essential services provided to us by local governments such as fire and police.

Workforce Development

On Tuesday, January 23rd, the House K-12 Committee discussed ways to improve education in Florida. There were several speakers at the committee meeting, with one basic message: Florida is lagging seriously behind not only the United States, but the international community as well in education standards and results.

Dr. Norman Thagard, Assoc. Dean for College Relations and Professor of Electrical and Computer Engineering at FSU spoke of his involvement with the Challenger Learning Center here in Tallahassee and the work that the center is doing to bring science and engineering to middle and high school students. Dr. Thagard stated that he believes that we are not producing enough engineers in the United States, and that countries like China and India are leading the world in the area.

Following Dr. Thagard was Dr. Frank Fuller, the director of Choice Institutes, a technical-based school in Okaloosa School District. He expressed a desire to see a technical class requirement in the Florida Sunshine Standards. He pointed out the ability to have students gain real-world certifications while completing traditional high school work, allowing them the opportunity to either go to college or get a job in an industry in which they are already now trained. This would drastically reduce the need for extra training after high school and allow these students to enter the workforce.

Deborah Leach-Scampavia, Education and Outreach Administrator for Scripps Florida spoke about the program at Scripps and what they offer to students. She, much like Dr. Thagard, spoke of the need to have more science and engineering students in Florida's schools.

By far the most interesting and informative speaker of the meeting was Dr. Cheri Pierson Yecke, Chancellor, K-12 Public Schools, Florida Department of Education. Dr. Yecke came armed with statistics that showed overwhelming evidence that ratcheting up the difficulty level in our schools would actually reduce the dropout rate, rather than raise it, and that students in schools with more challenging curricula are much more likely to succeed in college, the workforce, and more likely to enjoy school in general.

On the topic of global competitiveness, a study cited by Dr. Yecke showed that US students in 4th grade were slightly above the international average for math and science, but those same students were tested again in 9th grade, and were shown to be 20 and 37% below the international average in math and science, respectively. Dr. Yecke also cited a statistic from Singapore showing that the drop out rate in Singapore was 19% in 1980, and following a major increase in the difficulty of educational programs and requirements for students, the drop out rate fell to only 7%.

Members of the committee then discussed studies that showed Florida behind the nation in many areas. Recommendations included:

- specific benchmarks for students;
- simplify and specify standards, and,
- focus teaching on mastery and processing of information.

Representative Will Kendrick (R-12) cited a study done by the Fordham Foundation in which each state was given a grade in 2000, and then again in 2006 in areas such as English, Reading, Math, Science, and history. The specific subjects changed slightly and in the case of history became more specific in the 2006 study. Florida's grades went down in every single subject, and in 4 of the 6 categories, received an F. Florida's overall grade was a D.

On Thursday, January, 25, 2007, David Armstrong, Chancellor of Florida's Community Colleges gave an overview of the Community College System to the Senate Economic Expansion and Infrastructure Council. The system is comprised of

- 28 colleges
- 56 Campuses
- 175 sites
- \$4.9 billion capital assets
- 42687 Employees
- Over 800,000 students

He also provided demographic information on the student body and stated that the system is the primary entry point in the state for minority and low income students.

Community Colleges provide workforce education, technical assistance and adult and community education programs as well as certificate programs, apprenticeships and adult literacy programs. Florida system leads the region in retention and graduation rates.

He outlined challenges and opportunities facing the system and clarified the system's role in producing Baccalaureate Degrees as limited to specific areas where the need is greatest such as education, math and science secondary education, nursing applied health, applied sciences. They are enhancing their programs in career options and training, improving their internet based advice and planning tools; and through their Office of Workforce Education, building industry standards and competencies based on workforce needs developed in coordination with Florida business and industry.

On January 24th, The Senate Higher Education Appropriations Committee heard presentations on issues facing the state university system.

One discussion centered on community colleges and technical/vocational schools, and their graduates. They found that while more 4-year degrees are coming out of these types of schools, especially in the community colleges, they are mainly centered in the areas of teaching, nursing, and applied science. The presenter from the higher education estimating conference discussed the desire in the community college world to remain career and 4-year college preparatory institutions. While they are interested in providing 4-year degrees, they are only interested in as far as areas that are desperately needed by the state. They do not have any desire to become alternative 4-year institutions with ever-growing degree offerings.

There is an expected increase of 48,000- 138,000 new students in post-secondary education in Florida over the next ten years. Also, the community college's funding for workforce development went up \$8.9M last school year, in conjunction with a 4.75% increase in total workforce funding.

A presentation by Jay Pfeiffer, Deputy Commissioner for Accountability, Research & Measurement at the DOE detailed high school and workforce statistics for the state. Some of their projections are:

- By 2014, the highest number of jobs will be in areas requiring at the most a postsecondary adult vocational degree.
- There will be 10.1 million jobs in Florida by 2014.
- There will be close to 250,000 jobs for Masters Degree or higher.

- By 2030, there will be close to 10 million jobs for those people with a vocational certificate or less.

For the 2004-05 school year, 2.5 times more students dropped out of Florida high schools than got special diplomas, certificates, or GEDs. Also, nearly twice as many Florida high school students enrolled in community colleges than 4-year universities.

AIF supports innovative programs in education that help prepare students compete in a global economy. Florida must no longer compare its students with those in other states; instead we must compare our students with those in other countries if our goal is to compete in the global economy. We will also encourage all legislators to seek input from industry leaders in creating private-public ventures for the purpose of graduating and retaining students prepared to enter Florida's workforce.

Environment

Throughout 2006, Republican lawmakers in Florida met statewide with constituents at "Idearaisers," meetings in which citizens expressed their concerns and suggested solutions. Legislators took suggestions from the people and the ideas were transformed into clear policy solutions and legislative priorities. These "100 Innovative Ideas" are being considered by the Florida House of Representatives. The House Committee on Environmental Protection heard a presentation on number 74 from the list - "Gold Star Permitting." The idea is to create a performance-based permitting program that rewards top environmental performers with long-duration permits, automatic renewals, and shorter application.

Currently there is a federal program, National Environmental Performance Track (NEPT) program that is a voluntary program administered by the EPA. Requirements to participate in this program include a record of sustained compliance with environmental laws; a plan to identify, monitor and control environmental impact; a commitment to continuous improvement with measurable goals, and a commitment to public outreach. To be eligible for this program a corporate or employee must not have been convicted or plea or have an ongoing investigation for an environmental crime within the last 5 years. Also, the corporation or employee must not have 3 or more significant civil violations planned or ongoing judicial or administrative action, significant non-compliance, a pattern or non-compliance, or non-compliance that resulted in an order or decree schedule in the last three years. Benefits include reduced report requirements on air; extended storage times for hazardous waste and reduced self-reporting requirements for waste; and expedited permit review and preferential treatment in the Clean Water State Revolving Fund.

The Florida Legislature has considered both performance-based permitting and incentive-based permitting. The similarities between the two included incentives such as expedited permit review, longer-term permits, and fewer requests for additional information; required a permit history at the facility for 4 of the last 5 years, or a similar permitted activity elsewhere in Florida and had a two tiered system. However, the differences between the two proposals were eligibility requirements to participate in program; revocation of an existing permit; and denying issuance of a permit. The policy questions the committee will be considering will be eligibility; benefits and compliance records.

AIF supports any legislation that expedites or establishes procedures for

obtaining permits at a quicker pace so that companies who are good environmental stewards can save time and money when applying for a permit.

Jessica Lunsford Act

On Thursday, January 25th the Senate Criminal and Civil Justice Appropriations Committee received an updated on progress regarding the Jessica Lunsford Act. The Act mandates that all school contractors submit to criminal background checks. Initially all contractors were subject to multiple background checks if they performed services in multiple counties. To end the unnecessary duplication of multi-county screenings, the Florida Shared School Results Database (FSSR) was commissioned and has been fully implemented. The database allows district-to-district verification so that contractors who have been screened in one district will be verifiable to all other counties by cross-referencing the database. This has ended the need for re-screenings.

AIF supports legislation to make the implementation of the Jessica Lunsford Act workable for those companies that have working relationships with school districts while upholding the integrity of the original law to protect our children from sexual predators.

Economic Development

Paul Simon, Florida Film Commissioner, gave a presentation to the Senate Commerce Committee on Tuesday, January 23, 2007. The commission seeks to preserve and grow infrastructure in Florida to support and promote Florida based filmmakers. There are 54 local film commissions supported by local government which interface with the commission. The commission transmits leads and supports 46 film festivals by purchasing marketing opportunities or participating directly on panels. Florida ranks third in the US in terms of film school graduates with Florida State University the #1 school. The University of Florida is currently expanding its program to include Spanish language broadcast journalism.

The commission also markets the state as production destination and with legislative support and administers incentives such as sales and use tax. This year's \$120 million investment will create over \$3.5 billion in jobs and revenues for the state. The filmmaking industry is diversified and produces high wage jobs. There is also a significant tourism boost due to visual impact of locales selected.

The commission uses its appropriations to refund film companies 15% of all cash spent for salaries to Florida Citizens or purchases of goods and services from Florida based companies. During fiscal year 06-07, the \$20m appropriated will yield over \$133m spent Florida and over 16,000 jobs. The commission desires to switch from direct appropriations to tax credits because allocations are not efficient due to fiscal year constraints. A tax credit can cover multiple years.

Communications and Public Utilities

Mr. Greg Shafer with the Public Service Commission (PSC) gave a presentation on the status of competition in the communications industry to the Senate Communications and Public Utilities committee on Wednesday, January 24th. This is a statutorily required report to be done annually by the PSC.

The numbers of wire-line phone lines are declining and in 2003 were surpassed by wireless phones. There are 12.5 million wireless phones in service in Florida as of the end of 2006.

The number of wire-line competitively provided phone lines stood at 17% in 2006 down 1% from 2005. About 10.4% of the landline customers are now substituting wireless phones for their wire-line phone. Also VoIP (voice over internet protocol) service is making headway into the market.

Also of note is that 70% of Florida's internet users are on a broadband connection. Also 98% of the broadband connections are by DSL or Cable modem. The rest is wireless broadband. Twenty-seven percent of Florida's population does not have internet service at all.

After the presentation Senator Arthenia Joyner (D-Tampa) asked, of the 27% that do not have internet, can you give me a breakdown by race, age and gender? Currently, that information is not provided by the study.

Chairman Mike Bennett (R-Bradenton) asked how long it took the PSC to complete this report. The answer was about 9 months. He followed up with asking whether it was necessary. Senator Gwen Margolis (D-Miami Beach) and Senator Frederica Wilson (D-Miami) both said it was important information for them to have.

Education

On Wednesday, January 24th Senator Bill Posey (R-Rockledge) presented SB148 Relating to Opening of Schools/Labor Day to the Senate Education Pre-K - 12 committee. This bill allows district school boards to adopt opening dates for the school year earlier than 14 days before Labor Day for schools that operate year-round or that offer an advanced placement or dual enrollment program. Several theme parks in Florida employ young adults during the summer months. Many students depend on this summer employment and enjoy the benefits both in salary and experience provided by these theme parks. After a lengthy debate, the bill failed to pass the committee. However, Senator Diaz de la Portilla (R-Miami) made a motion to reconsider the bill. The motion was adopted and the bill is scheduled to be placed on the agenda once again on the next scheduled committee meeting.

Insurance

Both the Senate and the House Insurance committees held extended meetings this week to outline their respective proposals for dealing with the current property and casualty insurance crisis. Floridians are feeling the stress of an affordability and accessibility problem and have demanded solutions from the Florida legislature. AIF and its Florida Hurricane Crisis Coalition (FHCC) have been meeting since early August of 2006 to come up with a set of recommendations and guidelines for addressing this problem.

Below you will find outlines of each of the proposals that will be considered during next week's Special Session.

[Draft Bill on Hurricane Preparedness and Property Insurance \(24-557B-07\)](#)

Senate Banking and Insurance Committee Workshop (1/9/07)

[Insurance Industry Accountability and Consumer Protection Act](#)

[Homeowners Rate Reduction Act](#)

[Home Enhancement and Loss Prevention \(HELP\) Act](#)

[Uniform Building Code Act](#)

[Citizens Reform and Private Market Restoration Act](#)

[Memorial on National Issues](#)

[Crist/Kottkamp Agenda for Affordable Property Insurance](#)

We will be providing an extensive analysis and positions on each of these proposals in our daily Special Session reports which beginning Tuesday, January 17th.

Affordable Housing

The House Interim Workgroup on Affordable Housing met on Wednesday, January 10th to hear testimony from various groups concerned with the problem of workforce housing in Florida. The Workgroup also heard a presentation by Mike Hansen, staff director for the House Policy and Budget Council, on the condition of the state budget and the effect of repealing the cap on Sadowski Act funds. These funds are generated by revenues from documentary stamp transactions and are earmarked for affordable housing projects.

Gene Adams testified on behalf of the Sadowski Coalition, a group of over 20 business and non-profit associations including AIF. Mr. Adams laid out the case for an outright repeal of the cap by stating that if the cap is not repealed Florida will be faced with attempting to fulfill \$500-600 million dollars of need with \$243 million as a result of the cap.

Property Tax Reform

Both the Senate and House will be focusing on property tax reform during the 2007 session. On Friday, January 12th the House Policy and Budget Council heard a presentation from Don Langston, staff director for the Governor's Property Tax Reform Committee. Mr. Langston outlined some of the recommendations presented by the public to members of the reform committee. Basically, there are three main areas of concern from taxpayers and business owners:

- Affordability – property taxes are no longer affordable for many taxpayers
- The “Lock-In” Effect – long time permanent resident homeowners are finding it difficult or cost prohibitive to move to another home within Florida
- Equity – Florida’s property tax system creates and sustains significant inequities among taxpayers (business owners for example have seen their property tax bills double and triple as a result of the unintended consequences of the homestead exemption and the “Save Our Homes” constitutional amendment)

The Governor’s Property Tax Reform Committee will continue to meet throughout the state and will most likely come up with some recommendations for reform in the near future. Several members of the Policy and Budget Council voiced their displeasure in this delay and announced that they will be filing bills this session to deal with this issue.

On the Senate side, Senator Mike Haridopolos (R-Melbourne) announced on Friday that his committee (Finance & Tax) will be traveling around the state conducting public hearings on the issue of property tax reform beginning in two weeks. The first meeting will be in Panama City on Thursday January 25 from 6:00 – 9:00 pm. Subsequent meetings will be held in conjunction with committee meeting weeks and should fall on Thursdays evenings. Other locations for public hearings will include Jacksonville, Gainesville, St. Pete/Tampa area and South Florida. The last meeting for public hearings will be February 22.

Transportation

Regional coordination in transportation development was the subject of a Florida Senate Interim Report discussed this week by the Senate Transportation Committee. It shows that the trend of large scale urbanization in Florida generates economic activity that is largely indifferent to municipal and county jurisdictions. Many areas of the state are beginning to realize that addressing infrastructure development on a regional basis is a practical necessity now and for the foreseeable future.

Encouraging and facilitating more sophisticated regional coordination was recommended to the committee. A variety of suggestions included making metropolitan planning organizations more independent by having staff funding at the state level, separating them from local government control.

Funding mechanisms to encourage the regional approach and exclusions from program eligibility for sub-regional partnerships were also discussed. The committee agreed that these and other recommendations in the report should be incorporated into a proposed committee bill and filed for consideration during the 2007 Regular Session.

Taxation

The House Utilities & Telecommunication Committee held a workshop on the Communications Services Tax (CST) in their first meeting of the 2007 session on Thursday, January 11th. Associated Industries of Florida is pursuing a reduction in the CST rate and has asked Representative Ron Reagan (R-Sarasota) and Senator Mike Haridopolos (R-Melbourne) to file the bill this year.

The Department of Revenue (DOR) testified first, giving a history of the CST and the amount of revenue it brings in to the state and local governments. Chairman Dave Murzin (R-Pensacola) asked Lisa Echeverri, Deputy Secretary of DOR, about the local governments’ emergency rate provision, which he had filed a bill to repeal last session. She said there were about 36 local governments with an emergency rate which is above their maximum rate today.

AIF lobbyist Frank Meiners testified next. He explained how the CST rate got so high. It goes back to when the telecommunications industry was a monopoly and served as a good collector of taxes. The CST includes the state sales tax of 6.8%, the Gross Receipts Tax at 2.37% and then the local tax which has a cap of 5.1%, unless the local government has enacted an emergency rate to exceed the cap. He also mentioned that the rate reduction is number 96 on the Speaker's 100 ideas and that Governor Crist (R) had campaigned on reducing the rate as well. Representative Anitere Flores (R-Miami) asked if the bill would lower the Gross Receipts Tax (GRT) which is used for Capital Outlay to build schools. Mr. Meiners replied that it would not impact the GRT at all; the bill only reduces the sales tax rate from 6.8% to 5.63%, which makes the total state CST rate go from 9.17% to 8%, a reduction of 1.17%.

Mr. Scott Mackey, an economist followed with a detailed presentation giving strong economic support for reducing the CST rate. Representative Kevin Ambler (R-Tampa), also an Economist, asked several questions about some of the econometric models Mr. Mackey used in his presentation. Representative Ambler agreed that the reduction in the tax rate would stimulate more spending by the customers both in communications services and other taxable products and services.

Both the Florida League of Cities and The Florida Association of Counties testified about how the CST affects them. When asked about whether they supported the bill to reduce the state sales tax portion of the CST, they both said they did.

Health Care

The new health committees of the House and Senate met this week to discuss their organization and legislative objectives. The committees took reports from Administration representatives on home and community based programs, the nursing home diversion program and on the Medicaid managed care pilot programs including Senior Care, which creates an integrated system for Medicaid long term care recipients. Tom Arnold, the state Medicaid Director stated that the Agency for Health Care Administration (AHCA) is moving forward with plans to expand the Medicaid Managed Care Pilot Program currently in Broward and Duval counties to Clay, Baker and Nassau counties. He also stated AHCA is still making plans to implement the Senior Long Term Care pilot program in the Panhandle and Orlando areas, but that the program is now in the hands of the Legislature because implementation can not take place without additional legislation.

Bill Bell from the Florida Hospital Association (FHA) presented on the overcrowding in ER rooms across the state. He stated that demand for services is increasing while the supply of hospitals, doctors (especially specialists and hospital based doctors) and nurses are decreasing. The FHA provided the Legislature with a report on the current situation. It carries extensive discussion about the shortage of physician specialists.

The House Healthcare Council met on Tuesday, January 9th. Chairman Aaron Bean (R-Fernandina Beach) opened the meeting by introducing staff and some of the new committee members. His excitement and enthusiasm was felt by all as he explained how the council would operate this year. There are 14 ideas that they will be tackling in this committee. He pointed out that this would be a tough year and that he was ready to get things done before his term limit. He also told everyone that there will be a lot of appropriations that will NOT be funded this year and that all stakeholders should be prepared for that.

Economic Development

The first meeting of the year for the Senate Commerce Committee met on Tuesday, January 9th. Chairman Alex Diaz de la Portilla (R-Miami) welcomed the three new freshman Senators to the nine member committee – Senator Jeremy Ring (D-Margate), Senator Charlie Justice (D-St. Petersburg), and Senator Steve Oelrich (R-Gainesville).

David Cooper, the Committee Staff Director, outlined the committee jurisdiction, focusing on the key economic development agencies in Florida: Visit Florida, Black Business Investment Board, Office of Tourism, Trade and Economic Development, and Enterprise Florida, as well as state agency issues such as the Agency for Workforce Innovation and Department of Business and Professional Regulation.

The committee featured presentations by Bud Nocera, CEO of Visit Florida and John Adams, President and CEO of Enterprise Florida. Both of these entities share many of the same issues as AIF.

Bud Nocera gave a significant overview of Visit Florida. Started in 1996 by the Florida Legislature, Visit Florida is a public private partnership with the state of Florida and private entities to promote tourism. Visit Florida has over 3400 business partners, including attractions, parks, hotels, restaurants, airlines, retail establishments and others who focus their efforts on marketing and promoting tourism in Florida. With the continuing decline in tourism overall, Mr. Nocera discussed how the current \$62 billion tourism industry in Florida is handling extreme competition from not only other states but other countries such as Canada and Mexico. One recommendation that Mr. Nocera shared with the committee was their legislative budget proposal to increase the state's contribution to Visit Florida from \$24.7 million to \$59 million.

John Adams of Enterprise Florida also gave an overview of their agency. Mr. Adams highlighted their issues of focus as IT, Aerospace, Energy, Financial Services, Bio-Sciences, Homeland Defense and Marine (boats, ports, marine sciences, etc). Mr. Adams also discussed their international focus - having a presence in 11 foreign markets and supporting over \$100 billion in exports from Florida alone. Mr. Adams highlighted the four main challenges facing Enterprise Florida and the future of Florida's economy: Affordable and Attainable Housing, Insurance, Workforce Education, and Infrastructure (to include issues such as transportation and IT connectivity). Mr. Adams indicated their primary focus will continue to be remaining competitive and creating new jobs in Florida. He further highlighted their continued focus on attracting direct foreign investment in Florida – including the use of Florida's air and sea ports as hubs to a growing connection with Latin America.

The meeting ended with a presentation by the Florida Department of Agriculture. Led by newly re-elected Commissioner Charles Bronson, the Department of Agriculture and Consumer Services is a state agency with 13 primary divisions and over 3,800 employees. These divisions and employees help support the key mission of the agency: ensuring the safety and wholesomeness of food and other consumer products, protecting consumers from unfair and deceptive trade practices, assisting Florida's farmers and agriculture industry, and conserving the state's agricultural and natural resources through wildfire reduction, prevention of animal disease, promoting environmentally safe agriculture policies, and managing public lands.

Energy

One of the newly created committees by Speaker Marco Rubio (R-Miami) is the House Committee on Energy. It met for the first time on Wednesday, January 10th in conjunction with another newly created committee, the House Agribusiness Committee and featured presentations by Allen Guyet on the implementation of last year's landmark energy policy (SB 888), Tommy Boroughs, Chairman of the Florida Energy Commission, and newly re-elected Agriculture Commissioner Charles Bronson.

Commissioner Bronson gave an excellent update on Florida's "Farm to Fuel Initiative". According to Commissioner Bronson, Florida has the capability of producing more alternative fuels than anywhere else in the country. Florida's abundant sunshine, ample rainfall and year-round growing season puts Florida ahead of every state in the country in its potential to produce ethanol and bio-diesel crops.

Commissioner Bronson highlighted the need for tax incentives or some form of financial assistance that the state can provide to encourage growers to produce alternative energy crops and processors to locate facilities in Florida to convert the crops to fuel, Bronson said.

Bronson is a member of the steering committee of "25x25" -- a national bipartisan organization whose goal is to see U.S. agriculture produce 25 percent of the nation's energy needs by the year 2025. In his presentation, he pointed out that if the "Farm to Fuel" initiative is successful in Florida, it would not only lessen the state and nation's dependency on foreign oil but would keep green space in Florida by giving farmers yet another crop to produce and a way to make a profit.

Environment

The House Committee on Conservation & State Lands and the House Committee on Environmental Protection met jointly on Wednesday, January 10th to hear presentations regarding water management districts, the Department of Environmental Protection, the Florida Fish and Wildlife Conservation, and the Florida Natural Areas Inventory. Mike Sole, the newly appointed Secretary for the Department of Environmental Protection gave an overview to the committee on what the department does; its staff and budget. DEP has the following priorities for this year:

- Restoring the Everglades and Lake Okeechobee
- Energy
- Restoring and protecting water quality and quantity
- Maintaining public lands

Secretary Sole stated that the 2006 Energy Act (SB 888) passed last Session is a four year plan and that the Florida Energy Office will continue to look at incentives and technology. With regards to energy, DEP will be requesting the same funding as last year - \$15 million for grants and \$25 million for incentives.

Carol Wehle, Executive Director of the South Florida Water Management District (SFWMD), gave a presentation about the Everglades restoration project. Vast improvements have been made to the Everglades and Lake Okeechobee and part of the comprehensive restoration plan included an economic stimulus. According to state economic models every dollar invested in rural water infrastructure equates to \$14 in economic impact. They created a small business enterprise program where local businesses and labor benefited.