



DAILY LEGISLATIVE BRIEF FROM MARCH 3, 2008

Today marked the first official day of the 2008 Legislative Session. As is customary both the Speaker of the House and President of the Senate addressed their respective chambers this morning welcoming legislators, their families, and staff back to Tallahassee for another 60 days of legislative work. Typically, the Governor delivers his State of the State address during a joint session of the House and Senate around the same time, but this year Governor Charlie Crist broke with tradition deciding to deliver his speech during primetime beginning at 6:00 pm. According to Governor Crist, this move was designed to reach Floridians at a time when they should be home with their families.

All three leaders presented their respective vision for Florida and emphasized the difficult economic time the State has been experiencing. Legislators are currently facing the daunting task of cutting an additional \$543 million dollars from the budget and will likely do so during the first week of session. Revenue estimators are expected to announce even more bad news this week with projections of an additional \$2.5 billion dollar hole in the state budget.

Speaker Marco Rubio (R-Miami) stressed the need for additional property tax reform by outlining his support of a grassroots proposal known as the 1.35% Tax Cap Amendment, which would limit property taxes to 1.35% of the just value of all properties (homestead and commercial). He also emphasized the need for a revenue cap in Florida that would limit government spending. Speaker Rubio also highlighted Florida's precarious reliance on post-hurricane assessments (hurricane taxes) to pay for damages resulting from storms. He stressed home-hardening, a position supported by AIF and the business community, as one the main ways to address the property insurance crisis.

Senate President Ken Pruitt (R-Port St. Lucie) spoke about the importance of investing in Florida's future and its infrastructure. Senator Pruitt hopes to surpass last year's level of investment in infrastructure and economic development by continuing to use non-recurring dollars on one-time initiatives as a way to stimulate Florida's economy. This stance by Senator Pruitt is much inline with AIF's Economic Stimulus Package which was unveiled earlier this year. Other priorities for Senator Pruitt include returning to an elected Education Commissioner, who would serve as a member of the cabinet, and changes to the existing jurisdiction of the Broad of Governors.

And finally, Governor Crist took the stage this evening to deliver his State of the State Speech. The Governor used a series of video vignettes featuring every day Floridians to drive home many of his points including property tax reform, restoring the civil rights of felons, health insurance, and energy policy. The Governor stressed the need for additional property tax relief and spent a good deal of time highlighting his health insurance priorities including a pilot program dealing with the uninsured and the de-regulation of the Certificate of Need (CON) process. On the energy front, Governor Crist continued his support for renewable energy supplies announcing a \$200 million dollar budget recommendation for development of alternative sources of energy including ethanol, solar, and wind.

Education and Workforce

The House Committee on Postsecondary Education met today to receive a presentation on Higher Education Enrollment Forecasting, delivered by Amy Baker, the Coordinator for the office of Economics and Demographic Research. The presentation expressed the need for a state level consensus process that operates across all delivery systems to ensure consistency in assumptions. Without this process, the system has been found to have instances of inadequacy or circumstances of inconsistent treatment of factors, such as demographics, economics and state policy changes. Baker also informed the committee that the best implementation of this lies in the integrated process model, which would take a top down and bottom up approach on enrollment forecasting. Baker stated that this approach would produce the most accurate forecast, with the most information, and little to no bias within the recordable findings.

The House Education K-12 committee unanimously approved to introduce a proposed council bill for enhanced curricular sunshine state standards, which is a priority bill of Speaker Rubio, the State Board of Education, and AIF. Representative Anitere Flores (R-Miami) presented the bill which requires DOE to upgrade our current standards by making them more rigorous and grade specific for the core subjects (math, language, science). Additionally, the bill adds standards in other important subjects such as civics and even physical education. The Enhanced Curricular Standards bill hopes to strengthen Florida's education accountability system by adding social studies to the FCAT, exploring some end of course exams, and pushing back the FCAT testing date to later in the school year.

AIF's President and CEO Barney Bishop attended the meeting and testified in support of the bill stating that "the business community depends on a solid K-12 education system that produces high school graduates that are ready to enter the world of work and pursue higher education. Our vision for Florida's K-12 education system is simple: every teenager who graduates from high school with a meaningful high school diploma will have that to serve as a public guarantee that the student is able to read, write, and compute at a level which will be useful to an employer. Just like with the products and services we produce and create, we depend on the high school diploma to consistently equate to a certain level of student achievement. In addition to reading, writing, and math, the high school diploma should mean to a potential employer that it's holder is able to locate information, manipulate it, and share it via technology; operate as a citizens in society (understand government and vote); and understand human relations in an ever shrinking world (be culturally literate in arts, language, etc.) The 21st century "innovation" economy depends on students who can compete not only in our state, but in a global workforce."

AIF Supports raising the rigor of high school education to better prepare students for transition into higher education and better align their skills with the needs of the 21st century workforce.

Health Care

The Senate Banking and Insurance Committee approved SB 164 Relating to Mental and Substance-Related Disorders by Senator Victor Crist (R-Tampa). The bill would require that the health insurance benefit limits for mental health conditions be the same as for medical conditions. Senator Crist told committee members that similar legislation implemented in other states had not resulted in higher premiums. However, insurers disagreed and said state to state comparison was difficult due to the wide disparity in other states' proposals and their demographics. The Committee's own interim project reported that the majority of studies reviewed for the project showed an expected increase in premiums between 1 to 3 percent, even if the benefits are allowed to be managed.

Even though the bill was approved by a 10-1 margin, with the dissenting vote from Senator Al Lawson (D-Tallahassee), there was considerable discussion among the committee members on the possible cost consequences. Senator JD Alexander (R-Winter Haven) and Senator Mike Bennett (R-Bradenton) asked insurers and the bill sponsor for information on how this mandate would affect premiums in Florida. Senator Bennett went on to say he wanted less mandates, not more.

The bill will now be heard by the Senate Health Policy Committee. Its final stop is in General Government Appropriations, chaired by Senator Alexander. Senators Bennett and Lawson also sit on this committee, which will take a much closer look at the fiscal impact of this bill.

AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the market and price health care insurance out of the reach of many employers and businesses.