



DAILY BRIEF

From April 26, 2011

Working feverishly behind the scenes, leadership in the House and Senate has finally agreed upon initial allocations for budget discussions to move forward. As such, Joint Conference Committees will begin their work tomorrow (Wednesday, April 26th) and are expected to move hastily in effort to adjourn from Session on schedule. A number of AIF's top priorities are wrapped up in budget conforming legislation and will be considered in upcoming Conference Committees, including:

- HB 7203 – The bill creates an optional mechanism for eligible corporations to use single sales factor apportionment (SSFA) to calculate Florida income for Florida income tax purposes.
- SB 2100 – A major reform to Florida's Retirement System (FRS), this legislation will bring Florida's pension system more in line with that of the private sector. Dependent upon negotiations between the two chambers, the final product could save the state as much as \$1 billion.
- SB 2132 - Current law has a loophole which allows physicians who dispense repackaged drugs to receive reimbursement amounts at exponentially higher rates than any other pharmacy. By leveling the playing field and regulating repackaged drugs that are not dispensed by pharmacies, this measure will save Florida's private sector employers \$62 million in workers compensation costs.

There is no question that these cost cutting measures will generate savings that can be used to create jobs for Florida's citizens. The House & Senate have released their respective conferee appointments.

Legal & Judicial

Today, the Senate Budget Committee passed SB 1610 Relating to Minimum Wage by Senator Nancy Detert (R-Venice) largely along party lines. Each year, the Agency for Workforce Innovation (AWI) calculates the state's minimum wage based on the formula provided in the Florida Constitution. The law requires that the minimum wage be increased based on increases in inflation and can never be lower than the federal minimum wage. Unfortunately, in the past few years, Florida's economy has experienced a period of deflation and the law is silent as to how periods of deflation are to be considered in the calculation. During these times, AWI has completed its calculation using the deflation but has established Florida's minimum wage equal to the federal level. Not surprisingly, labor groups have sued the state over this calculation.

Fortunately, SB 1610 will clarify the calculation of the minimum wage for economic conditions that are not already expressed in the state constitution. The bill does not lower the minimum wage or conflict with the Constitution. It simply brings clarity for the AWI in its calculations when economic conditions occur that the constitution did not address.

SB 1610 will now advance to the Senate floor for consideration by all members. The House proposal, HB 1425 by Representative John Tobia (R-Melbourne), has yet to move in the House Economic Affairs Committee.

AIF SUPPORTS legislation to bring clarity and predictability to this process that will avoid litigation and create a fair and balanced approach to the calculation of minimum wage in Florida.

Today, the Senate Rules Committee unanimously passed SB 450 Relating to Emergency Management by Senator Mike Bennett (R-Sarasota). This legislation provides civil immunity to any person who gratuitously provides housing, shelter, food or certain other provisions in the wake of a declared disaster to first responders. SB 450 is important to community recovery and business continuity following catastrophic events. When communities are able to provide for their own first responder communities they are able to restore services and return to a state of normalcy much more quickly.

SB 450 will now proceed to the floor for final consideration. The House proposal, HB 215 by Representative Joe Abruzzo (D-Wellington), is currently on the House Calendar awaiting second reading.

AIF SUPPORTS legislation that offers basic protection from unnecessary litigation to business owners who offer their services to first responders during natural disasters. Furthermore, AIF commends Senator Bennett for his vision and leadership in bringing forward this proposal.

Education

This afternoon, the Senate Rules Committee took up legislation concerning digital learning in Florida - SB 1620 by Senator Anitere Flores (R-Miami). Currently, the bill is very similar to its House companion and puts into law the 10 elements of a high quality digital learning program. The bill also requires that students entering the ninth grade in 2011-2012 and thereafter must enroll in at least one online course in order to graduate from high school and requires districts to make multiple paths of virtual education available to students. It allows for the creation of virtual charter schools, and requires the online administration of all statewide assessments. Additionally, the bill directs the Department of Education (DOE) to develop a method for evaluating part-time virtual instruction programs, similar to how schools receive performance grades. Questions surrounding quantifiable fiscal implications remained the focus of debate, which was led by Senator Gwen Margolis (R-Miami).

Ultimately, Senate Bill 1620 was passed unanimously out of the Rules Committee and is ready for a vote on the Senate floor.

AIF supports the increased use of digital learning so that students are prepared for a globally competitive workplace.