



From the Week of January 24 - 28, 2011

Last week (January 24th – 28th), legislators met for another round of committee meetings to discuss the issues and hear presentations from leading industry experts. Issues discussed last week ran the gamut, including proposals to reform Florida's Medicaid system, mandates that will toughen contamination notification requirements and proposals that will revisit the controversial teacher tenure legislation - **SB 6**.

In other news, **Governor Scott** received approval last week for a 3-day delay in the delivery of his 2011-12 state budget recommendation. Governor Scott has indicated that his budget proposal, which is now due on Monday, February 7th, will be about \$5 billion less than the current state budget. In the Senate, **Budget Chairman JD Alexander** advised his fellow Senators to prepare for a \$3.6 billion budget shortfall. It remains unclear how Governor Scott intends to trim such a tremendous portion of the state budget, especially as tenured political players claim it to be virtually impractical.

Additionally, be sure not to miss out on the upcoming events that AIF will be hosting in the coming weeks. These can't miss events will keep you apprised of the issues that are of greatest importance to the business community:

**Annual Florida Hurricane Tax Forum:**

Tuesday, February 1st, from 1:30 pm to 2:30 pm

Associated Industries of Florida

*Nonprofit organizations and business groups from throughout the state will meet at AIF to discuss the elimination of "hurricane taxes" and free up the much needed funds which can go to better support our organizations.*

**2011 Pre-Session Briefing:**

Monday, February 7th, from 11:30 am to 3:30 pm

Governor's Club, Tallahassee

*Leaders of the Executive and Legislative branch, along with AIF's legislative consultants, will be on hand to brief members on the top business issues for the 2011 Session and answer any questions on legislative issues being proposed for the upcoming session.*

## Immigration

At a special Senate meeting on immigration taking place on Monday, January 24th, legislators heard from those on nearly all sides of the increasingly contentious debate.

The more than three-hour meeting was the second in a series set up by Senate President Mike Haridopolos (R-Melbourne) designed to gather information about how immigration affects the state's demographics, economy, law enforcement, health care and corrections. Senator Anitere Flores (R-Miami) serves as chair. The legislature is currently considering several different bills designed to tighten the state's immigration laws and inch Florida toward a measure similar to that recently adopted in Arizona.

**Florida Department of Law Enforcement General Counsel Michael Ramage** educated members of the committee about a Florida Statute 448.09, on the books for 11 years that makes it a misdemeanor for any employer to knowingly employ an illegal alien. "There's an intrinsic message there that's being communicated, that it's on the books, but it's not real serious," Ramage said.

The meeting concluded with opposing presentations by the business community arguing for tougher laws and enforced use of the federal e-verify system for every employee hired. SB 518 by Senator Alan Hayes (R-Umatilla) would force all employers to use the government service.

Speakers representing the business community warned legislators that tougher regulations could cost the state as much as \$80 million in lost revenues.

On the House side, members of the Judiciary Committee met on Thursday, January 27th to discuss the details of how an Arizona-style immigration law might work in Florida.

Chairman William Snyder (R-Stuart), who has been fine-tuning an immigration proposal he made several months ago, said that he would be willing to look at changes to his original draft, which like an Arizona law allowed police officers to ask for immigration papers from any person during any lawful stop, such as pulling over a driver for a traffic violation. Snyder's initial draft legislation, released this past summer, would also require businesses to use the federal E-Verify database to check the status of new hires and subject illegal immigrants who commit crimes to harsher penalties than legal immigrants or U.S. citizens.

The House Judiciary Committee held a two-hour workshop Thursday to begin vetting ideas for comprehensive changes to state immigration law, the first meeting it has had on the subject since new lawmakers were sworn into office in November. During the hearing, Chairman Snyder indicated his continued support for E-Verify but said he may be willing to raise the threshold needed before law enforcement officers ask for proof of immigration status.

"There are several policy changes we can make depending on the direction the committee wants to go," he told reporters. "So I'm open to suggestions. I'm open to what we discussed today."

Among the ideas floated during Thursday's House committee meeting were the expanded use of E-Verify, immigration checks during a criminal investigation and enhanced sentencing for illegal immigrants.

Members of the House Judiciary Committee largely focused on the potential of expanding E-Verify to employees throughout the state as part of any new legislation. A 2010 Government Accountability Office report said that the system effectively confirmed just more than 97 percent of about 8.2 million new hires during the 2009/10 fiscal year.

Chairman Snyder has been actively courting members of the state's Hispanic community to get their support for any legislation that the committee produces. He has promised the Legislature's Hispanic Caucus Chair, Esteban Bovo (R-Miami), that all potential bill language will be shared with him.

**Representative Bovo**, who is not a member of the Judiciary Committee but attended at Snyder's invitation, told his colleagues that he questions whether the state needs an immigration law and would hate to see a law passed "for the sake of politics."

Snyder said he hopes to continue to take input and suggestions from lawmakers and the public before filing a proposal. He has not said when a bill would be forthcoming.

"If we're moderate and thoughtful, we can produce good policy that I think the business community and the immigrant advocate community will be satisfied with," he said.

**AIF recognizes that immigration reform is an important issue for our state, but that it should be dealt with at the federal level. AIF OPPOSES efforts to mandate the use of the E-Verify system for all employers.**

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## Health Care

The House and Senate continued their work last week to determine the best manner to bring down the rising cost of the state's Medicaid Program. On the afternoon of Tuesday, January 25th the House Health and Human Services Committee held its first workshop to hear ideas from various members of the health care industry about how to lower the cost of this program. During the previous committee meeting, Chairman Rob Schenck (R-Springhill) noted that the House would begin their deliberations where they left off last session. He charged committee members and the public to make specific comments about how last year's proposal should be changed.

**Jose Gonzalez, AIF's Vice President of Governmental Affairs & Chief Lobbyist**, made a brief presentation to the committee on how Florida's employers have been hurt by their growing subsidization of the Medicaid program. Mr. Gonzalez asked committee members, as they pondered proposals to reform the Medicaid system, to stay true to the principles outlined in a Senate Memorial to Congress. This Memorial was agreed upon by both Chambers during the November Special Session. (**click here to view the Memorial**). Further, Mr. Gonzalez told the committee that AIF's members supported transforming the system into one that is accountable and more affordable.



On Wednesday, January 26th the Senate Health and Human Services Appropriations Subcommittee held another workshop on Medicaid funding, focusing on funding Medicaid eligible incarcerated inmates, the Florida Kidcare Program, Mail-order pharmacy and mental health and substance abuse services. In past workshops, members discussed concepts and details that would appear in the bill that is expected to be released before the end of January. Like the House, the Senate plan is expected to increase the use of Managed Care plans as a way of bringing down the overall cost of the program. Chairman Joe Negrón (R-Palm City) has put members on notice that if they wish to maintain funding for a certain program, they must be prepared to offer up a cut to another program to fill the gap. During last week's meeting, **Chair Negrón** explained that he is more concerned about getting services to children than adults and signaled that he may be willing to cut programs that provide mental health and substance abuse services to persons who are not on Medicaid.

**AIF SUPPORTS the Legislature's plan to make bold changes to the Medicaid Program by streamlining this highly fragmented delivery and payment system. AIF specifically supports expanding coordinated care systems statewide and making the state a more prudent purchaser of health care services, much like today's employers.**

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## **Taxation**

On Thursday, January 27th the House Finance and Tax Committee commenced with a presentation by **Mr. Ben Wilkins**, who provided a detailed overview of the state debt finance. Mr. Wilkins illustrated the accumulation of Florida's outstanding debt, and emphasized how adequate reserves are critical in providing financial flexibility to respond to changes. Additionally, **Mr. Vince Aldridge** of the committee staff presented an overview of the state corporate income tax. Mr. Aldridge's presentation provided an overview of Florida's corporate income tax structure detailing the types of corporations that pay it, how Florida compares to other state's collection of corporate income tax and how Florida tax calculations start with Federal Taxable Income.

After the presentations, Chairman Steve Precourt (R-Orlando) made some important comments regarding his guiding principles for the committee. Chairman Precourt offered the following:

1. Avoid raising taxes or fees
2. Pursue broad-based tax relief for Florida's families
3. Encourage businesses to locate and expand in Florida
4. Simplify the current tax system

In addition, the Chair explained that he had been tasked with having the committee look at the "Special Taxing" districts with consideration of over taxing and layers of taxation. Some of the possible actions may include consolidation of districts, "sun setting" and/or elimination.

**AIF SUPPORTS Governor Rick Scott's proposal to phase out the corporate income tax. Furthermore, AIF SUPPORTS legislative efforts to codify the federal bonus depreciation incentives passed by Congress in 2010.**

## **Growth Management**

On Tuesday, January 25th the Senate Community Affairs Committee considered several bills, including a piece of legislation sponsored by the Committee Chair, Senator Mike Bennett (R-Bradenton). SB 232 Relating to the Century Commission for a Sustainable Florida involves redirecting the focus of the Commission toward creating a state plan for growth – clearly a function of the current Department of Community Affairs (DCA), and anticipating a vacuum to be filled if the Legislature and Governor have their way in abolishing DCA as we know it. While the final form of the entity dealing with future growth has yet to be finalized, this bill is just one more example of the widespread dissatisfaction with how Florida’s growth management system, and its agency, has fallen from grace.

SB 232 passed the committee with unanimous approval and is headed to the Senate Governmental Oversight and Accountability Committee.

**AIF SUPPORTS legislation that seeks to revise the role of the DCA so that its function is less of an impediment to job creating growth and less of a burden to local governments who desire to expand growth under the terms of their own comprehensive plans.**

On Wednesday, January 26th the House Community and Military Affairs Committee met and took up several bills, including three that together, comprise the sum of the “Community Renewal Act” – the 2009 legislation that was recently declared unconstitutional by a Circuit Court last year. The bill on security cameras, HB 93 by **Senator Bennett** and proposed committee bill (PCB) on Affordable Housing, **CMA 2** by the Community & Military Affairs Subcommittee passed almost without comment. HB 93 will proceed to the House Economic Affairs Committee while **CMA 2** must await the assignment of a bill number and further committee assignment before reaching the House floor.

The Growth Management committee bill, **CMA 1**, ran into criticism from Democratic members of the committee. The bill passed by a vote of 9-5; however, the votes were not completely along party lines, and likely due to local government concerns by some, rather than unified Democratic opposition to the bill. **CMA 1** must also wait for further assignment before proceeding to its next committee.

**AIF SUPPORTS efforts to re-enact the Community Renewal Act so as to guarantee that those developments that relied on the legislation, as well as those needing to avail themselves of its benefits, can proceed with certainty.**

## Education

On Wednesday, January 26 the Senate Education Pre-K – 12 Committee convened to hear two panels regarding teacher performance evaluations. Panelists included **Heather Fiorentino, Pasco County Schools Superintendent; Ed Pratt-Dannals, Duval County Schools Superintendent; Mike Millikin, Columbia County Schools Superintendent; Bill Husfelt, Bay County Schools Superintendent; Terri Brady, Duval Teachers United; Joe Williams, Democrats for Education Reform; MaryEllen Elia, Hillsborough County Schools Superintendent; and Andy Ford, President of the Florida Education Association.** The Senate faced the issue of evaluating Florida's teachers last year with SB 6, which was vetoed by former Governor Charlie Christ. As the committee works to draft a new bill, it is aiming for a more moderate tone than last year's SB 6 and plans to closely mirror "Race to the Top." Superintendents from five counties, along with others, made suggestions to the committee that included evaluating teachers primarily on student performance and end-of-course assessments, and creating statewide sharing of best practices and most effective end-of-course assessments. Senators asked questions regarding evaluating teachers of non-core classes, the effects of differentiated pay, and implementing statewide sharing of best practices. A very similar panel discussion took place in the House K-20 Competitiveness Subcommittee the same day.

**AIF will continue to SUPPORT reforms that will keep the best teachers in our classrooms and urges the Legislature to use the Race to the Top application as a basis for these reforms. Specifically, AIF supports reforms in teacher evaluation, pay, and tenure that bring the focus on student learning as the most important factor in these decisions.**

On Friday, January 28th the Senate Education Pre-K-12 Committee met again in an informal workshop to take public testimony on the potential teacher quality legislation. The workshop lasted over three hours and Senators heard from numerous teachers and other interested groups about their concerns with the concepts in the bill. Concerns fell within the four broad categories that are expected to be in the bill: evaluation of teachers, the assessments upon which some of the teacher evaluations will be based, teacher compensation, and teacher tenure. Most of those who testified were generally opposed to the changes being considered. There were a few who spoke more supportively of tenure reform, and compensation reform.

**AIF SUPPORTS the concepts of using student learning gains in a system of evaluation for teachers, as well as changing the current compensation and tenure policies for teachers so that they are more focused on student achievement. AIF will be supporting the legislation as it moves through the legislative process and we expect bills to be heard in committee in February.**

## Environmental

On Wednesday, January 26th the Senate Environmental Preservation and Conservation Committee heard and considered SB 132 by Senator Arthenia Joyner (D-Tampa). This proposed legislation would change the notice process for contaminated sites. Currently, if you find contamination on your property, notice will be given to the property owners adjacent to the contaminate site. Senator Joyner's bill would extend that notification requirement to properties that are within 250 feet of the site. Additional requirements include notifying:

- The mayor, the chair of the county commission or the comparable senior elected official representing the affected area;
- The city manager, the county administrator, or the comparable senior administrative official representing the affected area;
- The school district superintendent representing the affected area;
- The state senator, state representative, and the United States Representative representing the affected area and both United State Senators;
- All real property owners, presidents of any condominium associations, or sole owners of condominiums, lessees, and the tenants of record for the property within 250 feet

**Keyna Cory, Senior Lobbyist for AIF** testified against the bill. Ms. Cory stated that, "AIF believes the expanded notification goes too far. There is no need to cause concern to a property owner if the contamination is never going to reach their property. This action could result in lawsuits and cause property values to decrease for no reason."



Cory told the committee that she and other stakeholders had met with Senator Joyner before the meeting and that Senator Joyner had agreed to work on this legislation to solve any unintended consequences.

AIF worked on the original legislation in 2005 that sets up the current notification process and believes is still sufficient. If there is a glitch in the current law that needs to be addressed, we are willing to consider it but do not want to have contamination notification that would be harmful to all property owners.

SB 132 passed the committee without any dissenting votes. The bill will now proceed to the Senate Education Pre-K – 12 Committee for consideration by its members.

**AIF OPPOSES changes to the current contamination notification laws. Such actions could result in egregious lawsuits and cause an unnecessary decrease in property values.**

The House Select Committee on Water Policy met on Thursday, January 27th to continue its discussion on water policy for the state of Florida. Chair Trudi Williams (R-Ft. Myers) used this meeting as a way to educate the members on water quantity and supply issues. There was a panel discussion that included **Rich Budell from the Florida Department of Agriculture & Consumer Services; Keyna Cory representing AIF; Eric Draper from Aubudon; and Pat Lehman representing the American Water Works Association (AWWA)**, with Chair Williams serving as the moderator.



During **Ms. Cory's** statement on behalf of AIF, she explained the importance of water quantity on the development and growth of Florida, emphasizing that funding for alternative water supply programs have been a long-time priority for AIF. Further, Ms. Cory explained that "such projects will help jumpstart Florida's economy and create infrastructure-intensive capital investments that will produce jobs for construction workers, engineers, and others throughout the state".

The next meeting of the Select Committee will focus on the water quality issues facing Florida.

**AIF SUPPORTS state funding for alternative water supply programs, creating infrastructure-intensive capital investments that will produce jobs.**

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## **Transportation**

On Tuesday, January 25th the Department of Highway Safety and Motor Vehicles (DHSMV) presented an agency overview and 2011 session priority recommendations to the Senate Transportation Committee. **Agency Director, Julie Jones**, highlighted the department's service to over 16 million licensed drivers and 18 million vehicle and vessel registrations within the department.

The American Automobile Association (AAA) also presented to the Senate Transportation Committee on safety issues. The AAA recommended the Legislature pass a booster seat law, a ban on texting while driving and strengthening the education requirements for new teen drivers.

The deadline to apply as head of the Florida Department of Transportation (FDOT) ended on Friday, January 21st. On Friday, January 28th, the Florida Transportation Commission will meet and select a handful to interview from a list of 46 applicants. Those interviews are currently scheduled for Friday, February 11th in Orlando.

**AIF OPPOSES sweeping any funds from the State Transportation Trust Fund for non-transportation expenditures.**



