



From January 16, 2009

The 2009 Special Session “A” officially came to a close Wednesday, January 14 after the House of Representatives voted to pass a package of budget cuts totaling nearly \$2.8 billion. Although a great majority of House members went home following the passage of the budget, state senators remained in town for committee meetings on Thursday. Some of the highlights of this budget cut session include:

- **A new system of higher traffic fines and court fees designed to raise revenue for Florida’s court system.** This proposal was supported by AIF.
- **The approval of a nursing home matching fund program designed to help these facilities draw down additional federal dollars.** This was also supported by AIF.
- **The approval of the Governor’s “Economic Gardening” proposal. This program provides \$10 million worth of state-backed loans for small businesses looking to expand.** AIF supported this proposal.
- **Raids on a number of state trust funds including a devastating \$190 million sweep of the Sadowski Affordable Housing Trust Fund.** This move was universally opposed by members of the business community and AIF.
- **\$400 million borrowed from the budget stabilization fund bringing the state reserves to \$250 million.**
- **\$700 million borrowed from the Lawton Chiles Endowment Fund.**

Legislators will be off for the next two weeks and will return the first week of February for additional interim committee meetings.

Affordable Housing

The Florida Senate Commerce Committee met Tuesday, January 13th to get an overview of the Florida Housing Finance Corporation (FHFC) and its programs. **Florida Housing Finance Corporation Executive Director, Steve Auger**, discussed with the members of the committee an overview of the FHFC and its roles and responsibilities in administering its two main programs – State Housing Initiatives Partnership Program (SHIP) and State Apartment Incentive Loan Program (SAIL). In the wake of a \$213 million budget reduction adopted during the current special session, many members had significant concerns about the future of current projects and the plan for moving forward.

Mr. Auger was clear in his response that the budget reduction will have significant negative ramifications for current projects, as well as cast a negative shadow over a program which has been successful for the past 20 years. Chairman Mike Bennett (R-Bradenton) expressed an interest in creating a sub-committee to the Senate Commerce Committee, specifically for the purpose of focusing attention on affordable housing in Florida.

AIF opposes any effort to spend Sadowski affordable housing dollars on anything but housing projects. Spending dollars in housing is a direct stimulus to the economy with a proven return on investment.

Energy

On Tuesday, January 13th the House Energy & Utilities Policy Committee held its organizational meeting. The Committee heard presentations from the **Secretary of the Department of Environmental Protection, Mike Sole; Jeremy Susac, Executive Director of the Florida Energy & Climate Commission; and Ryder Rudd, from the Office of Strategic Analysis and Governmental Affairs with the Public Service Commission.**

Secretary Sole's presentation focused on two very controversial issues: the California Motor Vehicle Emissions Standards set to go before the Legislature this session and the of cap and trade issue. Committee members asked many pertinent questions, including what the ultimate increase in cost to the consumer will be if these regulations are adopted, as well as the potential of these regulations putting Florida's businesses at an economic disadvantage to out of state competitors.

Also on Tuesday, January 13th, the Senate Committee on Communications, Energy and Public Utilities was given presentations by **Tim Devlin, Director of the Economic Regulation Division of the Florida Public Service Commission** and by **Jeffrey Lyash, President and CEO of Progress Energy Florida.**

Mr. Devlin spent most of his time discussing the ratemaking process for electric utilities and the complex and lengthy process for determining rates and adjustments for utilities.

On the other hand, Mr. Lyash focused on Progress Energy's Nuclear Power Projects and deftly answered the committee member's questions concerning the timing, the costs and the need for reliable and sustainable energy for the future.

AIF recognizes the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations, rules or legislation should allow for reasonable implementation, should support efficiencies and should ensure that undue mandates and costs are not placed on Florida's businesses and consumers, thereby creating a unilateral economic disparity. Florida should insure the every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers, while planning for the State's future energy needs.

Ports

On Thursday, January 15th the Senate Military Affairs and Domestic Security Committee heard presentations by committee staff on a number of proposed committee bills and interim projects that will be considered by the Committee this year. Of particular importance to AIF members and to AIF's Florida Maritime Council (FMC) members was a presentation on **Interim Project 2009-122** relating to Seaport Security. This interim project will most likely be the impetus for legislation dealing with the seaport security issue in Florida. Currently, Florida is the only state that most adhere to two levels of security credentialing (federal and state). Members of AIF's FMC have been advocating for a resolution of the security credentialing issue for two years now because of the cost associated with maintaining these two levels of background screening. Many of the ports that compete directly with ports in Florida do not have to deal with two security credentials.

Members of the Committee expressed strong interest in working on legislation to resolve this issue and we look forward to working with them on developing one level of security screening that is accountable, efficient, and cost effective for port administrators and port tenants.

AIF supports efforts to streamline security requirements to eliminate duplication in credentialing at Florida's deep water ports.