



ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920



2008 SESSION PRIORITIES



As we approach the 2008 Legislative Session, AIF is pleased to provide this publication that highlights our legislative priorities. We make this publication available to all 160 members of the Florida Legislature, to all agency heads of the executive branch, and to members of the Florida Cabinet so that all will know where we stand on a given issue.

So, how does AIF determine what its priorities will be? Each year, we begin with our 21-member Lobby Team, which lets us know which issues seem to be moving forward that would be of great interest or concern to our members. Then we seek the input of our members on those issues and any other issues they may have. Once that process is completed, we then present the issues for approval by the AIF Board of Directors. This process assures that our members' needs and concerns are addressed.

For the first time, we list on each issue page the lobbyists on our team responsible for that issue; so you know where to go to better understand our position on a given issue. Our team is often regarded as the best in the halls of the capitol. They are truly "experts" in their respective fields of expertise.

As a group, with our Lobby Team working in concert with AIF staff and our Board, we feel that we provide our members the best chance of success on the issues vital to them. Not only do we analyze issues before the session, we spend a great deal of time looking at new issues as they emerge during the session. As new issues do arise, we work closely with Board members to ensure that we can derive a position and move quickly to act on it.

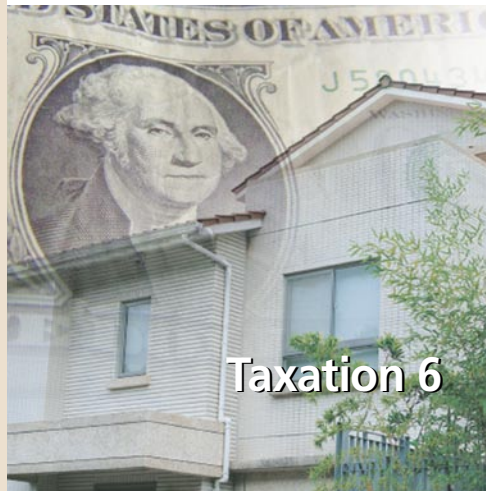
It's all about being flexible and knowledgeable about the issues and being prepared to continue our leading advocacy role as "The Voice of Florida Business Since 1920."

Barney T. Bishop III

President & Chief Executive Officer

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Insurance

Florida's \$2 trillion insured coastal properties and its ranking as the most hurricane prone state makes **property insurance** a perennial AIF priority. Ignoring the economic reality of Florida's hurricane risk, the state dramatically assumed greater responsibility for hurricane losses from private insurance companies in 2007. Legislation was adopted substantially increasing reinsurance coverage provided by Florida's Catastrophe Fund (Cat Fund) and authorizing the state's insurance company, Citizens, to unfairly compete with private insurance companies for homeowners and commercial property insurance coverage. The legislation retroactively rescinded Citizens' rate increases; thus, freezing its rates at the January 1, 2006, level until January 1, 2009. Also, the legislation allows homeowners to move more easily from a private insurance company policy to a Citizens policy with subsidized rates. The effect of this legislation is an additional subsidization of the cost of hurricane insurance for Citizens' policyholders at the expense of Florida business. The subsidy is provided by reducing Citizens' rates and expanding the policyholders subject to premium assessment in order for Citizens to have sufficient cash to reimburse its policyholders for hurricane losses. The legislation expanded Citizens' assessment base from residential policyholders to all commercial and personal property and liability policyholders except for workers' compensation.

The state's insistence on paying for hurricane losses *after* the fact requires that storm losses be paid back in the form of assessments (taxes) on virtually all lines of insurance. There are four government funding mechanisms created by the state for paying insurance losses. In a worst case scenario, each of these funds would be subject to post-hurricane assessments, totaling as much as 74% in additional taxes on an employer's insurance policy. Florida's residential and commercial policyholders will become responsible for paying off the state's enormous debt in the event a bad storm or series of storms hits our state. Florida has replaced the system of financing hurricane losses with premiums based on properties risks with a scheme to cover losses with post-storm policyholders' assessments and state taxes. Instead of the risk of hurricane losses being spread throughout the world's insurance and financial markets, the 2007 legislation further concentrates the risk within the financial resources of the state — primarily on the backs of businesses.

AIF will also continue to be involved with **workers' compensation** issues in 2008. AIF has always recognized that workers' compensation is one of the most important means of protection to employers and the men and women who work for them. Accordingly, AIF has always led the charge to create and maintain an effective, productive and affordable workers' compensation system in Florida. The most recent workers' compensation reforms of 2003 have worked to achieve remarkable savings for employers, decreased time away from work for employees, and improved enforcement of the laws governing the system. However, some self-serving groups continually seek to harm the system and wreak havoc in the workers' compensation market. The most notable of those efforts is the attention that claimant attorneys have placed on the elimination of hourly rate attorney fees and transition to a statutory contingency fee schedule for claimant's attorneys. Several cases have already been tried and appealed and the courts have ruled that the statute is proper. However, in October 2007, the Florida Supreme Court accepted jurisdiction of a case regarding the "reasonableness" of the statutory attorney fee schedule. AIF, along with other business and industry groups, has been granted status to file an amicus or "friend of the court" brief in the matter. The Florida Supreme Court is scheduled to hear oral arguments in the case on April 8, 2008. The outcome of that decision will likely be the ultimate determinative case on this issue and will dictate whether the current successful system will be able to continue. Because the outcome of this case is unknown and because of the serious import the decision will hold, no one should attempt any changes to Chapter 440 at this time. The judiciary needs the opportunity to interpret this portion of the law and allow the market to respond to that decision before any additional statutory changes are contemplated. New legislation at this time is ill-advised since the pendulum could swing in either direction on this issue, and the state of the market will not be fully and finally appreciated until the decision is rendered.

For the 2008 Session, AIF will be advancing legislation in the following areas of insurance:

Property & Casualty Insurance

AIF opposes the expansion of Citizens at the expense of businesses in Florida. Instead, AIF supports legislation:



The state's insistence on paying for hurricane losses after the fact requires that storm losses be paid back in the form of assessments (taxes) on virtually all lines of insurance.

defend against creation of a state fund or other state risk bearing entity and continue to support increased funding for state fraud investigations.

AIF opposes any efforts to make changes to Chapter 440 which could impact attorney fee challenges currently pending in the Florida Supreme Court. As mentioned above, the Florida Supreme Court has accepted a case that challenges the constitutionality and validity of the attorney fee provision in current law. If the Court strikes down that provision and the hourly rate fees are re-enacted, back to October 2003, the costs of existing litigated workers' comp claims will immediately skyrocket. The exposure will certainly be tens of millions of dollars that has not been considered in the premium rates. This could mean that an extraordinary rate increase will occur as well as a potential retroactive assessment on all employers to cover such unforeseen increased costs.

AIF opposes any efforts to statutorily establish procedures, guidelines or other provisions that can currently be implemented by administrative action and for which statutory authority already exists. Current law provides adequate express authority to the Division of Workers' Compensation, and in some instances to the Agency for Health Care Administration, to properly administer Florida's workers' compensation system in the self-executing manner that the Legislature expressly intends it to operate. In recent years, the agencies have been involved with various rule challenges and other litigation concerning their implementation and administration of certain aspects of the system due to disputes over their adherence to proper rulemaking procedures as established in the Administrative Procedures Act. AIF supports strengthening the administrative rulemaking process and requiring agencies to follow established procedures for administration of the system with which they are tasked.

- to establish a process to return Citizens to an insurer of last resort;
- to return Citizens' assessment base to only residential insurance; and,
- to lift the freeze on Citizens' rate increases needed to reduce the magnitude of assessments following a hurricane.

Also, AIF supports legislation reducing Cat Fund coverages thus reducing the potential for future Cat Fund deficit assessments on Florida's businesses.

Workers' Compensation

AIF opposes any attempt to expend or "sweep" the Workers' Compensation Administrative Trust Fund dollars. Currently, the Workers' Compensation Trust Fund (WCATF) has a significant balance. The Governor has proposed sweeping some of those dollars for other general revenue needs. This is inappropriate since those dollars were placed there by taxes on employers' workers' compensation policies. If there are excess dollars in the fund, they should be returned to the payers-Florida employers. CFO Alex Sink, in fact, has recently proposed returning some of those funds to employers; and AIF will join her in supporting this proposal before the Florida Legislature. Nevertheless, we can never support a raid on this trust fund.

AIF opposes any efforts to erode the savings experienced by all Florida employers as a result of the AIF supported 2003 Workers' Compensation Reform Act. Employer savings average more than 50% as a result of the passage of this legislation. Additionally, we must

AIF Lobby Team Members Assigned to the Area of Insurance Include:



Nick Iarossi

Tamela Perdue

Gerald Wester

Florida needs a predictable tax base and one that will make Florida competitive with other states. An unfair property tax system is causing businesses to pay more than their fair share of taxes.

Taxation

As the old saying goes, there are two certainties in life — death and taxes. Florida does not have a personal income tax, which is attractive to businesses wanting to relocate from outside our state. Even with this great advantage, there are still many flaws in our state’s tax system. For starters, **communication services taxes** are in the top tier in the country; and Florida is behind in getting involved with the **Streamlined Sales and Use Tax** project to collect taxes owed to the state for on-line out-of-state sales. In addition, passage of the “Save our Homes” amendment in 1992 has steadily contributed to higher **property taxes** for businesses in Florida, since annual assessments of homestead properties in Florida are capped at 3 percent. Business and commercial property owners have had to make up the difference in property tax revenue.

The property insurance crisis along with declining sales tax revenue due to a slumping real estate market has forced policy makers to review our state’s tax structure. Once every 20 years, the **Taxation and Budget Reform Commission (TBRC)** is appointed by the Governor, President of the Senate, and Speaker of the House with the sole purpose of looking at Florida’s tax structure. The commission looks at all aspects of Florida’s tax base and budget; and after careful review, it will make recommendations to the Legislature that may become proposed legislation. Another way the commission can make changes is through the constitutional amendment process. With 17 affirmative votes from the 21 commission members, they can place an amendment on the 2008 ballot to make a change to the current Constitution with regards to taxes. Currently, the TBRC is considering a number of proposals that would impact Florida’s tax structure. Of critical importance to the business community are proposals that have been filed which would mandate the repeal of sales tax exemptions and exclusions (services tax).

With our state’s revenue hitting all time lows, it will be virtually impossible for the Legislature to eliminate or lower any current taxes. Even with constitutional amendments to lower property taxes, statutory changes must be made as well. During the 2008 Session, the

Florida Senate Finance and Tax Committee will be reviewing sales tax exemptions to see if any should be removed from the books. Florida depends on sales tax to fund general revenue which is used to run the state. The 6% tax rate has not been changed since 1987. Florida needs a predictable tax base and one that will make Florida competitive with other states. An unfair property tax system is causing businesses to pay more than their fair share of taxes. Higher taxes lead to higher prices for consumers and the potential for businesses to relocate out of state.

Given the current economic climate, AIF will be concentrating on the following areas during this year’s legislative session:

Property Tax

AIF supports legislation to make changes to the definition of “highest and best use.” Currently, property appraisers are using this method of calculating the value of property over other methods, causing certain property values to soar. **We also support a change in the appraisal methods for working waterfronts which will bring fairness to businesses located on the coast.**

AIF supports legislation being sponsored by Rep. Peter Nehr (R-Tarpon Springs) that will incorporate the recommendations made by the Auditor General on how Value Adjustment Boards operate. Value Adjustment Boards, or VABs, serve as the official decision making authorities for resolving disputes between property owners and property appraisers. Currently, the membership on these boards is stacked in favor of local government officials. A citizen or business should not feel intimidated to go before the VAB and challenge their tax bill. In addition, the “presumption of correctness” needs to be scrapped since it is too high of a threshold for citizens to overcome.

Communications Services Tax

AIF supports legislation that will lower the amount of tax currently collected on communications. The CST, as it is known, is a relatively new tax that replaced a number of local and state taxes on telephone



service in October 2001. It includes land line telephone service, wireless or cellular telephone service, cable television service and Direct Broadcast Satellite (DBS) service. Florida's CST rate is among the highest in the country. In fact, on business and wireless telephone service, Florida is the third highest in the country at 16.2% when you include the 50-cent 911 fee on an average \$50 bill. The proposal being considered would be a 1.17% rate reduction in the state CST, and if passed, would benefit consumers by over \$187 million per year in lower taxes. Communications services are already taxed at a rate much higher than other products and services which are taxed at a rate of 6% versus the state CST rate of 9.17%.

Streamlined Sales & Use Tax

AIF supports legislation on the Streamlined Sales & Use Tax Project. Florida is losing billions of dollars a year by not being able to collect sales tax from out-of-state internet transactions. By joining in with the other states, we can have a system to get our fair share of the revenue from these transactions. There is a common misconception that this proposal represents a "new" tax. This notion is false, since we would only be enforcing *existing* law. Both the Legislature and TBRC are

considering proposals to begin the process of collecting this much needed revenue.

Taxation and Budget Reform Commission

AIF does not oppose the review of existing sales tax exemptions; in fact, there are certainly some exemptions that should be looked at by the Legislature. AIF is opposed, however, to a constitutionally-mandated repeal or sunset of these exemptions. Additionally, AIF is opposed to any proposal by the TBRC that would bring back the tax on services. Small businesses in Florida rely on the use of CPA, graphic-design, delivery, and other services to do business. A tax on services would cripple our state's economy and place us in a competitive disadvantage with other states in our region.

AIF Lobby Team Members Assigned to the Area of Taxation Include:

Keyna Cory

José Gonzalez

Frank Meiners

Education & Workforce Development

By 2011, Florida will have spent over \$22 BILLION on operations and capital outlay to meet the **class size** reduction requirements passed as an amendment to the Florida Constitution by voters in 2002. The Amendment requires class sizes to be reduced to 18 for kindergarten through third grade, 20 for fourth through eighth grade, and 22 for ninth through twelfth grade. The law implementing the Class Size Reduction Amendment provided for a phased approach requiring the class size limit to be measured at the district level by 2005-06, the school level by 2007-08, and the individual classroom level by 2010. According to the Department of Education, non-compliance at the school level was less than 3% for K-3, and less than 1% for 4-12. Therefore we must advocate for flexibility in meeting the constitutionally required class size limit.

Several committees in the House and Senate have already begun holding meetings on the issue of class size. The House 21st Century Competitiveness Committee, chaired by Representative David Simmons (R-Altamonte Springs), has organized a group of education policy makers to propose an idea that would address the lack of flexibility in implementing the class size reduction constitutional amendment. The group presented their proposed draft legislation which would:

- Clarify that school boards would not be penalized for noncompliance of charter schools with the class size limits and, charter schools wouldn't be penalized for the noncompliance of district schools.
- Remove all penalties in the class size law and replace them with the enforcement authority of the State Board of Education provided in s. 1008.32.
- Provide a flexibility exception for unexpected student enrollment growth after the school year begins for the remainder of the school year. Class sizes under the flexibility exception would be limited to five students above the constitutional maximum.

As of this printing, no votes have been taken by the Committee on this proposal.

AIF supported legislation that was proposed by the House Education Council last year, which would have updated and improved the existing **curriculum standards** (with special interest in writing, reading, math, and

science). This issue will continue to be a priority for AIF in 2008. Another area of legislative interest is improving Florida's assessment and **accountability** system to add additional subjects and end-of-course tests to improve and refine Florida's nationally recognized system. Expanding access to rigorous courses such as Advanced Placement, International Baccalaureate, and Dual Enrollment is also important to ensure that all students have access to courses that prepare them for higher education and, in many cases, earn them college credit while they earn their high school diploma.

Developing our **workforce** to support the needs of business is critical to improving Florida's economy and overall quality of life. Employers need employees that can speak intelligently, write cogently, and think creatively. The private sector must work hand-in-hand with education leaders to develop a skilled workforce to support Florida business and to bridge the gap between **academic research** and marketable technologies, thereby increasing our state's competitiveness in attracting industry and diversifying Florida-based businesses.

As such, AIF will concentrate on the following issues related to education and workforce:

Class Size

AIF recognizes that **class size related construction is an economic stimulus, but supports a new approach to class size reduction implementation.** The House and Senate have different approaches, and the Taxation and Budget Reform Commission will also weigh in on the issue. AIF looks forward to working with all the partners reviewing this issue to find the most effective way to meet the intent of the amendment, address the escalating costs of compliance, and focus remaining capital outlay funds where they are most needed. This can be accomplished by allowing flexibility for unplanned student growth after beginning of the school year.

Curriculum Standards

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.** Florida's businesses need employees who can, at a minimum, do three things: write cogently, think critically, and speak



Florida’s businesses need employees who can, at a minimum, do three things: write cogently, think critically, and speak articulately.

Workforce Development

AIF continues to support a focus on career education that is linked to the same academic standards as traditional education (reading, writing, math) as well as to industry standards so that students are prepared for both higher education AND immediate employment in a high wage, high skill job that is in demand in today’s economy.

AIF supports the “Ready to Work” program for career choice training. More than 40% of Florida students will not go to post-secondary education, so we should create innovative programs that will transition them into very good paying jobs in industry and commerce.

AIF also supports of the Banner Centers for Workforce Development, which bring together education and industry stakeholders to design and create curriculum around industry standards and make it available to schools around the state.

University Research and Commercialization

AIF continues to believe that university research can be an economic driver for Florida’s future and supports efforts that will enhance the ability to bring products to market and keep companies that grow out of that research in the state. AIF supported legislation last session to improve the ability for universities to bring products developed as a result of their research to market through venture capital and commercialization legislation. Efforts are underway to build on last year’s legislation and continue to strengthen university research and commercialization.

AIF supports the “Center for Excellence” programs and their continued funding. Research results which might lead to product commercialization should be prioritized and the state should always have an equity interest because of our initial investment of state dollars.

articulately. Students must also be literate in technology and multiculturalism in order to compete in a global economy. We must produce a workforce that can compete with the likes of China, India and South Korea, not just with other states. Increasing the standards for core subjects like writing, reading, math, and science is one way to narrow the gap. But we must also stress the importance of creative courses such as art and music, which help nurture the entrepreneurial spirit and can help keep students in school.

Accountability

AIF believes it is important to continue to build on the K-12 accountability system with particular focus on improving the value of a high school diploma. Adding subjects to the FCAT, adding end-of-course exams, and focusing on industry standards are all ways to strengthen school accountability as well as improve the meaning of a high school diploma for future employers.

AIF Lobby Team Members Assigned to the Area of Education & Workforce Development Include:

Pete Buigas	Education
Peter Harris	Workforce Development
Stacey Webb	Education Workforce Development

Infrastructure

In January of this year, 16 other business associations joined Associated Industries of Florida in support of an “Economic Stimulus Package” designed to kick-start Florida’s economy. The package was unveiled at a meeting of the House Policy and Budget Council. The package, which contains eight different recommendations, is designed to help Florida position itself for success during these difficult economic times. The recommendations are anchored around one-time infrastructure investments in roads, water projects, schools, affordable housing, and ports.

Florida’s economy is at a crossroads. It has been hurt by the tremendous downturn in the housing and construction industries; and, as a consequence, the state’s treasury has taken a significant hit as well. The common perception is that Florida’s economy is based on three (3) industries: tourism, agriculture and services. AIF believes that there is a fourth industry which is just as important — GROWTH. With a current infrastructure backlog in excess of \$30 billion, there is no hope that current residents are going to be able to pay this tab. In order to meet the demands of those moving to Florida and those that are already here, policy makers must make the appropriate investments in infrastructure to ensure that Florida is in the best position possible to survive these difficult economic times.

AIF will focus on the following infrastructure recommendations for the 2008 Session:

Water

AIF supports full funding of alternative water supply programs and will continue to work with the Florida Water Alliance and the Legislature to ensure that these vital programs are continued. According to the Florida Department of Environmental Protection, Floridians used an estimated 6.5 billion gallons of fresh water per day in 2005. As Florida’s population continues to soar, it is estimated that Florida will require 29.5% more gallons of fresh water per day by the year 2025 — a 2 billion gallon increase. This staggering statistic is even more relevant at a time when Florida is experiencing one of the driest spells on record. Worsening drought conditions and a lack of adequate water reserves are causing concern among environmentalists, businesses and local governments who are urging legislators to continue funding alternative water supply projects.

In 2005, the Water Protection and Sustainability Trust

Fund (WPSTF) was established designating \$100 million to go towards developing alternative water supply projects. There is a 5 to 1 return on the state investment of dollars for alternative water supply projects. With an expected 21.8 million residents consuming 8.5 billion gallons of water per day in 2025, a water shortage presents an imminent threat to all Floridians. Not enough water resources means residential, school and commercial developments would stall, tourism would suffer and farming communities would face lost crops and jobs.

Transportation

AIF opposes any withdrawals from the State Transportation Trust Fund for non-transportation expenditures and believes the state budget should emphasize the advancement of all construction-ready road projects, to maximize the impact of transportation spending as an economic stimulus. According to the Department of Transportation (DOT), for every \$1 spent on road development, \$7 is returned to the economy. The 2008 Session should re-examine the commitment made in 2005, to fund growth management under Senate Bill 360. That commitment should be honored, and a workable definition of how to define the transportation backlog must be developed in order to determine the true cost and impact of new growth. Other options include private-public partnerships, or P3s, as a way to address the transportation backlog. These agreements allow the FDOT to contract with private companies willing to build projects in the current five-year plan.

Financing transportation improvements is another ongoing problem for local governments. Florida’s gas tax continues to be siphoned off by the federal government, and the tax is a shrinking revenue source. **The Legislature needs a comprehensive look at funding with an emphasis placed on the return on the dollar. Specific improvements would include SB 984, which would authorize counties to adopt an ordinance adjusting the rate of the ninth-cent fuel tax or the local option fuel tax based on the percentage change in the Consumer Price Index.**

Essential to road construction is the supply of limestone aggregate. **The Legislature should take action to develop new supplies and to do whatever possible to expedite the availability of aggregate from the Lake Belt region of Florida.** State assistance and resources should be dedicated to improving and expediting the permitting process for mining operations. Producing aggregate and constructing roads provides jobs and supports the development of a healthy and competitive construction industry. The competitive bidding process should be used to ensure Florida taxpayers are getting the most for

Policymakers must make the appropriate investments in infrastructure to ensure that Florida is in the best position possible to survive these difficult economic times.

their money. Local governments or other public entities should never be allowed to mine aggregate or undertake similar activities where the economic advantage over private enterprise is not clearly proven.

Affordable Housing

AIF supports full funding of the Sadowski Act by repealing the existing cap so that businesses can continue to attract a stable workforce capable of being housed in affordable dignity. In addition, AIF supports establishing incentives for local governments to establish truly “fast-track” permitting for workforce housing projects. AIF also supports the Department of Community Affairs’ efforts to streamline and fast-track local and state review of land use, subdivision, site plan and building permit applications for affordable housing projects, as well as the review of application denials by a state board where appropriate. The justification for the preceding actions is necessarily tied to an acknowledgment that affordable workforce housing has become a critical state interest, deserving of an overriding state interest status.

There are also many houses uninhabited and people ready to buy them if they could receive help with closing costs and down payment assistance. Local governments across the state have extensive lists of buyers-to-be that have been approved for down payment assistance, and the Sadowski Trust Fund can help them invest in the American dream of home ownership. The Sadowski funds will promote home ownership, stimulate economic growth with public-private partnerships, and provide a financial boost many times greater than the amount of state funds appropriated for housing. For every \$1 million of state funding, \$10.36 million of economic activity is generated. The bottom line is that affordable housing dollars leverage private and federal dollars and will put the construction industry back to work.

Forever Florida

AIF supports adding additional uses of public lands into a Florida Forever type of program that would include alternative water supply programs, expanded use for a mitigation program for imperiled species, allowing utility infrastructure access to public lands, and more emphasis on public access to water for outdoor recreational opportunities. AIF also supports measurable standards to make sure the lands are managed properly. Florida Forever was created by the Florida Legislature in 2001 and is an acquisition program designed to purchase lands for the preservation of the state’s natural resources.

It replaced the Preservation 2000 (P-2000), the largest conservation program of its kind in the nation. Florida Forever is scheduled to sunset (or end) in 2009; therefore, the Legislature will decide whether or not to continue the program as is or make changes. Leadership in the House and Senate is trying to address this issue during the 2008 Session before the sunset date so that the urgency of passing any re-enactment does not cloud good public policy.

The environmental community is seeking \$600 million per year for the next 10 years to purchase land. They want to increase that amount to \$900 million after the P2000 bonds are retired! AIF is asking the question. How much is enough land for this program, and do we need to spend this amount of money at this time? And no matter what amount of money is spent, we need to make sure the current lands are managed properly and accessible to the public for a variety of uses. For example, the marine industry contributes \$17 billion to Florida’s economy and employs 180,000 Floridians. Public boat ramps provide an economic impact of \$1.4 billion a year. Without access to these public waterways, our marine industry will dwindle.

Growth Management

AIF supports legislative proposals that would build on gains made last year in growth management legislation. Many of the issues considered would help both Developments of Regional Impact (DRIs) as well as smaller development projects by basing the mandated level of service to be complied with on the existing rather than adopted level of service. Proposals being considered would also clarify and possibly extend the 3-year extension of DRI orders in recognition of continued slow times for the development industry. In addition, the proposals would make sure that DRIs aren’t forced to account for existing transportation backlogs, while also getting credit for all transportation payments, and mandating that developers are not responsible for school backlogs.

AIF Lobby Team Members Assigned to the Area of Infrastructure Include:

Keyna Cory	Environmental Issues
Mark Flynn	Transportation
Richard Gentry	Growth Management
José Gonzalez	Affordable Housing
Peter Harris	Affordable Housing

Economic Development

For years, Florida has enjoyed one of the most vibrant and resilient economies in the nation. Blessed by having beautiful natural resources, a business-friendly regulatory structure, smart growth policies, and a tax base fueled by worldwide tourism, our state has enjoyed an economy fueled by growth and one that has produced record success in job growth and job creation.

However, nothing lasts forever, and Florida is beginning to feel the ill effects of hurricanes, rising property taxes and skyrocketing commercial and home insurance rates. In fact, Florida's growth rate for 2007 was lower than that of 2006, its slowest pace since 1997. In addition, 37% fewer people moved to Florida this past year than in the previous year, causing concern among economic forecasters.

So how does Florida's economy get itself back on track? First, it must continue to provide incentives to existing businesses to grow and create more jobs and to encourage new business interests to locate in Florida. Florida must also aggressively pursue venture capital opportunities that will lead to infusions of cash into existing businesses. In the past few sessions the Legislature has considered numerous pieces of legislation that are incentive-based efforts to utilize venture capital to stimulate the economy. Yet the "price tag" associated with these incentives is often difficult to overcome, leaving some legislative proposals enacted but not funded. The Legislature must give the market the proper tools to correct itself and use incentive laden programs to encourage businesses to grow.

In 2008, the state budget will face multiple reductions over its original estimates, but AIF will work closely with Enterprise Florida and other public-private partnerships to creatively spur economic development and take the position that funding economic development will, in fact, pay huge dividends in the future.

Specifically AIF will focus on the following industries to spur economic development:

Space

AIF supports full funding of Space Florida and other space-related programs. Additionally, AIF supports

Florida must also aggressively pursue venture capital opportunities that will lead to infusions of cash into existing businesses.

proposals such as the Commercial Space Launch Act and the Space & Aerospace Development Infrastructure Enhancement (SADIE) Act. Since the beginning of the Space Age, Florida has been the leader, the site where all manned space flight originates. We are in real danger of losing our leadership to Virginia, which is copying our model for Space Florida and is also developing a launch site to compete with Cape Canaveral. According to NASA, there will be a three-to five-year gap between the end of the Space Shuttle and the Constellation program. Florida must work quickly and smartly to shorten this time frame by committing the necessary funds to stimulate and encourage *commercial* space activity. This kind of investment will ensure that the high quality, highly trained workforce of engineers in Florida stays in Florida. In addition, we have the unique opportunity to refurbish an existing launch pad for private flight. Our competitors, on the other hand, face having to start from scratch, a costly proposition. Aerospace is a \$2 billion industry, and it is in 47 of the 67 counties of our state. So this is not just an east central Florida issue; it is an issue of significant importance to our state's economy and to our leadership in space flight.

Research Institutes

AIF strongly supports the Legislature's efforts to energize Florida's economy by way of tax incentives, business development credits and various other business incentives for existing Florida businesses and new research institutes looking to expand in Florida. Florida is now blessed with a number of research institutes that are conducting cutting-edge research in a number of key areas in our state. Florida must continue its support of these institutions and nurture them in a way so that synergistic growth can occur. As they grow, other complementary companies that feed off of their work will come to the Sunshine State. To the extent that we can continue to view these institutes as 21st Century economic development, this will be very important to Florida's future in biotechnology, biomedicine, etc. The high-skilled, high-paid jobs will put Florida on the international map for new technologies.

AIF also supports efforts to fund and perhaps expand the innovation incentive fund, as well as build on



the venture capital and university commercialization programs established by last year's Legislature as a way to encourage investment in bringing to market the products and ideas that grow out of our state's research institutes.

Areas of Economic Concern

AIF supports efforts to draw down federal dollars for economic development in low-income areas of the state through innovative proposals such as the New Markets Tax Credits Program. Focusing on these areas of the state is paramount to the success of Florida's economy. Rep. Will Weatherford (R-Zephyrhills) and Sen. Mike Fasano (R-New Port Richey) have filed legislation this year designed to implement the New Markets Tax Credits Program. This federal program uses tax credits to enlist investment by the private sector in businesses located in low-income communities, stimulating employment growth, increasing household incomes and improving living standards in areas where economic development is sorely needed. Many states are active in the New Markets program, attracting large amounts of investments; but Florida has not taken advantage of these federal dollars, which reached upwards of \$3.1 billion between 2003 and 2005.

Tourism

AIF supports funding for strategic marketing in key domestic and international markets. The U.S. dollar has become affordable for those living overseas, making travel to the U.S. financially attractive. VISIT FLORIDA has asked the Legislature to grant the organization an additional appropriation for use in foreign and domestic tourism development. Policymakers should support this request as a way to strengthen Florida's already strong tourism industry. In a time of financial need, this rela-

tively small investment could prove to be instrumental in helping to generate economic activity and jobs.

Economic Growth Incentive Funds and Strengthening Florida's Workforce

AIF supports continued state funds being made available for enhancing economic development, creating incentives for new business locations and innovative employers looking to relocate in Florida. Known as Florida's "Tool Kit," these funds are administered by Florida's Office of Tourism, Trade and Economic Development through programs such as Enterprise Florida, Inc. and Workforce Florida, Inc. They work towards increasing the state's economic engine through new business development and enhanced worker training. In the 2007-2008 budget the Legislature appropriated \$45 million for the "Quick Action Closing" program meant to incentivize new business to make their home in the state. This initiative helps Florida become competitive with aggressive states, especially in the Southeast, looking to bring commerce to their state. In addition, approximately \$250 million went to the Innovation Incentive fund to support Florida's efforts to attract and retain innovative research and development companies such as Torrey Pines and Scripps. Ultimately, when the economy begins to decline, we should always look towards helping the business community in order to find relief from economic stagnation.

AIF Lobby Team Members Assigned to the Area of Economic Development Include:



Chris Dudley

Stephen Shiver

Legal & Judicial

Last year, Sen. Jeremy Ring (D-Margate) and Rep. Mitch Needelman (R-Melbourne) filed legislation that they referred to as a “*Fabre* Fix.” Rather than fixing anything, the two bills would have broken what lawmakers repaired in the **2006 legal reforms**. Those reforms were designed to undo the costly mischief of the state’s trial lawyers, who spent years converting the civil justice system into something that was neither civil nor just. Those reforms have barely had time to work, but are already under attack. The Ring-Needelman proposal would have repealed the Florida Supreme Court’s decision in the *Fabre* case. Under their bills, defendants could not ask juries to attribute fault to anyone who was not part of the lawsuit. Since plaintiffs and their lawyers pick who to sue, they could leave out defendants who were broke or were exempt from liability, which would force businesses to pay more than their fair share of fault in a lawsuit. Fair distribution of fault cannot be achieved if a jury cannot consider the actions of all parties involved, not just those whom the plaintiffs and their lawyers want them to consider. Once again, we expect legislation or amendments to be filed this year that would challenge the business community’s successful repeal of joint and several liability.

Additionally, Florida’s **judicial system** must be adequately funded to serve the legal needs of Florida residents and businesses. The system’s funding must also be properly administered to guarantee that uniform performance and standards can be achieved statewide in each circuit, division, court or other department. The judicial branch plays an important role to the business community in resolving disputes and establishing legal frameworks that guide businesses in their planning and overall decision making.

In 2004, Florida’s Ninth Judicial Circuit Court, located in Orlando, established a business court division by order of the chief judge. Since that time, other circuits have also created similar programs, including the metropolitan areas of Miami, Tampa, and, just recently, Ft. Lauderdale. These divisions include designated judges who hear and decide cases involving complex business litigation such as antifraud, contract disputes, intellectual property and unfair competition disputes. Other states have established courts which handle only business cases.

In states, like Florida, where business courts have not been established by state law, chief judges have used their

administrative powers to establish such courts. However, in order to establish a uniform system, legislative action, along with cooperation from the judiciary, is needed to determine the best method for establishing and funding business courts in each circuit.

Considering the natural and economic assets of this state, Florida stands out for many companies as an attractive place to locate a business. However, when the legal climate is considered, some Florida counties are considered “judicial hellholes” and are a significant deterrent to our continued economic development. According to the American Tort Reform Association — which annually selects the ten worst venues — “judicial hellholes” are courtrooms throughout the United States where the law is not applied evenhandedly to all litigants and where “litigation tourists,” guided by their lawyers, file lawsuits because they know they will receive a large reward, a favorable precedent, or both. In 2007, South Florida was ranked as the #1 judicial hellhole in the U.S. Unfortunately, South Florida has a reputation for high awards and plaintiff-friendly rulings that make it a launching point for class actions, dubious claims and novel theories of recovery. This year, defendants felt the Miami heat with a \$521 million award against an accounting firm. In addition, an appellate court overturned a \$60 million award against an automobile manufacturer in a case in which the driver fell asleep at the wheel. Meanwhile, South Florida’s “King of Torts,” a lawyer whose lifestyle included a Key Biscayne waterfront mansion, leased apartments in New York and Los Angeles, a \$1.2 million condo in Colorado and a staff of servants, went to prison for stealing \$13.5 million from roughly 4,500 of his clients. And the liability climate has driven many doctors from the area, though this situation has steadily improved since the Legislature enacted **medical malpractice reforms** in 2003.

Associated Industries of Florida will focus on the following Legal and Judicial issues for 2008:

Protect Repeal of Joint & Several Liability

AIF opposes the weakening or repeal of any of the 2005-06 legal reform laws. AIF will be ready to defend any proposals by the trial bar to undo the repeal of Joint & Several liability. As passed, HB 145 repealed the remaining vestiges of joint and several liability in apportioning economic damages in negligence cases and replaced that

Florida's judicial system must be adequately funded to serve the legal needs of Florida residents and businesses.



system with a comparative fault approach. As a result, a party's degree of liability is limited to its degree of fault. In other words, a defendant who is found 10 percent at fault is only 10 percent liable for damages. This law completes a trend begun by the Legislature in 1986 and continued in further reforms in 1999. The bill took effect immediately upon the Governor's signing on April 29, 2006, and applies to those causes of action accruing on or after the effective date. Florida's business climate is facing tough challenges in the form of soaring property tax bills and property insurance rates. The repeal of joint and several liability has created a more stable legal climate that is fair and predictable. AIF will do whatever it takes to ensure that businesses in Florida only pay their "fair share" of damages.

Court Funding

AIF strongly encourages the Florida Legislature to adequately fund Florida's judicial system so that staffing and technology deficiencies can be addressed. Overall judicial funding, of which business courts is a small portion, is also a critical need for Florida's business community. Even speedy resolution of family law cases helps employers because employees can resolve such matters as rapidly as possible with less interference in their work schedules. More specifically, though, a business court system is attractive to businesses because such courts have standardized procedures and consistency in rulings. Additionally, the establishment of business courts will often lead to

reduced workloads because such courts use alternative dispute resolution in order to facilitate settlement before trial. Furthermore, business courts help alleviate the burdens imposed on the court system because large, complex business cases frequently clog the dockets of circuit courts with extensive discovery and pretrial proceedings. Proper funding of the judicial branch will ensure that the court system can implement these types of efficiencies.

Medical Malpractice Reform

AIF continues its support for existing caps on non-economic damages arising from medical malpractice lawsuits as well as measures expanding immunity to health care providers providing medical attention in certain emergency situations. Litigation in the medical and health care arenas is a significant cost driver that affects the price of health insurance. The Legislature can impact the rising cost of care by enacting greater medical malpractice reforms. Even with the reforms enacted in 2003, Florida's legal climate continues to encourage defensive medicine, diverts money away from patients and into the legal system, and is

AIF Lobby Team Members Assigned to the Area of Legal & Judicial Include:

Tammy Perdue

John Thrasher

Energy

Florida's energy policy cannot "cap" Florida's businesses and "trade" our competitive advantage.

Increasing energy prices have refocused our nation's attention on energy policy, and the decisions the Florida Legislature and the U.S. Congress will make about the direction of our energy future will have an impact on the cost of operating businesses in our state and on the overall health of Florida's economy. Recently, we have watched oil vacillate around the \$100 per barrel milestone, and the federal Department of Energy is forecasting spring gasoline prices as high as \$3.50 per gallon. Over the last five years, wholesale natural gas prices have more than tripled; and we now have the highest natural gas prices of any industrialized country in the world. We have successfully faced high energy prices in the past; however, it is essential to differentiate the factors that have led to the current energy state from the factors that caused historical increases so the policy the Legislature develops will provide a firm foundation for the competitive growth of Florida businesses and a healthy economy and environment for Floridians.

Previously, energy price increases were predicated on supply disruptions, generally from state-owned nationalized petroleum companies that participated in or cooperated with OPEC. Energy price increases over the last five years, however, have been a result of pressure on the demand-side, particularly from emerging economies such as China and India. Despite continued increases on the supply-side, demand growth continues to diminish surplus capacity, which has led not only to the continued increases in the cost of energy but also to the volatility we have seen in the energy markets. These emerging economies will continue to grow and continue to increase their demand for energy. To meet future world demand for energy, we must explore **all** energy resources, including more nuclear power plants and alternatives such as ethanol, hydrogen, geothermal, solar, wind and other renewable sources of energy. We also have to re-examine domestic supplies of traditional energy resources, such as natural gas in the Eastern Gulf of Mexico and potential reserves in the Arctic National Wildlife Region (ANWR). All energy resources must be given full consideration.

This evolving energy picture has been complicated with the growing concern about climate change. Governor Crist unveiled a series of three, sweeping Executive Orders dealing with reductions in greenhouse gas emission at a Climate Change Summit held in Miami Beach this past July. The **Executive Orders**

include efforts to reduce the carbon footprint of Florida's state government, the adoption of maximum emission levels for electric utilities, the adoption of California's vehicle emission standards, and the creation of the Governor's Action Team on Energy and Climate Change. These policies have already resulted in the removal of clean-burning coal plants from Florida's options to meet future energy demand.

In 2007, two committees released their recommendations concerning the State's energy policy, beginning the dialog on what will undoubtedly be an arduous and lengthy task of setting Florida's future policies. The first was the Florida Energy Commission, which was appointed by the President of the Senate and the Speaker of the House, to recommend energy policies to be considered for the 2008 Legislative Session. The Commission arrived at eighty-five recommendations to the Legislature in areas such as: restructuring the **state governance** for developing Florida's energy policies and programs; responding to the challenges of global climate change; increasing Florida's energy and **conservation** efforts; maximizing Florida's development of **renewable energy resources**; strengthening Florida's energy supply and delivery infrastructure; and enhancing Florida's energy related education, research and development programs.

The second was the Governor's Action Team on Energy and Climate Change. This group was created and appointed by Governor Charlie Crist to come up with findings and recommendations related to two executive orders he signed in July of 2007 concerning Florida's Energy Policy. These Executive Orders were titled "*Leadership by Example: Immediate Actions to Reduce Greenhouse Gas Emissions from Florida State Government*" and "*Immediate Actions to Reduce Greenhouse Gas Emissions within Florida.*" The Action Team came up with eleven areas of findings and recommendations such as: consolidation and coordination of energy policy; greenhouse gas emission reduction strategies; energy efficiency and conservation; market-based regulatory mechanisms (cap and trade programs); strategies to diversify electric generation fuels; emission reporting and registry, reducing emissions from motor vehicles, renewable transportation fuels; reducing emissions in Florida in conjunction with, or independent of, regional, national, or international agreements; and other issues not addressed in the Executive Orders.



AIF has summarized key areas that the Legislature should consider when developing the legislation that will form our energy policy:

Governor's Executive Orders

AIF recommends that Florida's energy policy 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 that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers.

AIF is concerned, however, with efforts in the Governor's Executive Orders that would create unsustainable goals, such as the creation of draconian vehicle idling rules, the establishment of greenhouse gas emission targets, and the development of a "cap and trade" system for reducing emissions. AIF recommends that the Legislature encourage climate change policies at the national and international level and avoid handicapping Florida by prematurely implementing these policies. Florida's energy policy cannot "cap" Florida's businesses and "trade" our competitive advantage.

Energy Policy Governance

AIF opposes efforts to restructure Florida's energy policy governance. The Florida Energy Commission is proposing legislation this year that would make the Commission a permanent structure within state government (it would be located in the Department of Environmental Protection). The Commission would also be given enhanced responsibilities to oversee the implementation of energy policies across the state. In an era of shrinking state revenues, increasing the size and scope of government does not make sense. Florida already has a Public Service Commission as well as the Florida Energy Office. Creating yet another permanent government clearinghouse is ineffectual, costly, and duplicitous.

Funding for Renewable Energy R&D

AIF supports efforts to secure funding assistance for companies looking to commercialize renewable energy

technologies and for basic research at our universities. To help get today's technology off the drawing board, programs such as the "Farm to Fuel Initiative" and the "Farm to Fuel" Grant Program deserve funding and should be supported. In addition, AIF will be working on an "innovation fund" concept that would provide companies access to start-up funds or low interest loans so that they can bring their products to the market. Acceptance of these funds would, however, be tied to profit sharing plans so that the state can benefit to some degree from the development of these technologies. AIF recognizes the budget constraints confronting the Legislature this year and future years and respects the limits that will be faced in finding funds for full support.

Additionally, AIF recommends that definitions for renewable energy be broad, such as the definition provided by the U.S. EPA, rather than specific to particular products. Providing a broad definition for renewable energy will expand the interest in new energy technologies. Further, AIF feels the investment with best returns is to fund basic energy research at our universities. The second and third generation technologies developed through research at our universities will be necessary to meet future world energy demand; Florida should be the beneficiary for laying the foundation.

Energy Efficiency and Conservation

AIF supports efforts by the Legislature to increase incentives for energy efficiency and conservation. Last year, AIF supported many of the incentives for energy efficiency found in HB 7123, the omnibus energy policy bill passed by the House and Senate. AIF will continue to support legislation filed this year that encourages consumers to buy energy efficient appliances through sales tax holidays, establishes green building standards, and promotes energy conservation.

AIF Lobby Team Member Assigned to the Area of Energy & Utilities:

Jim Rathbun

Health Care

Expanding health care to more Floridians and reducing the cost of health insurance and services are two issues that legislators are seeking to address in the 2008 Session. Complicating the issue further is our current budget shortfall, due to the slowdown in the state's economy, which means there is little or no discretionary money to commit to this problem. However, this situation has prompted key policymakers to look for ways to use market force and greater efficiencies to expand services and decrease costs.

Last year, AIF created a *Health Care Task Force* to address ways to halt the growing lack of affordable and accessible health insurance for Florida's employers and their employees. Following a series of meetings, the *Task Force* established several principles and ideas the Legislature should consider in crafting solutions to alleviate this problem.

As the Legislature begins this process, we encourage the use of these principles and ideas predicated on the use of market-based solutions to improve the health care delivery system, reduce the cost of health insurance, and decrease the number of uninsured Floridians.

Guiding Principles:

1. Do not create additional regulations or costs in the current health care and health insurance delivery systems;
2. Facilitate access for employees and small business owners to health plans with varying types of benefit packages;
3. Encourage employers to provide health insurance to employees through tax credits or other incentives;
4. Identify the high risk individuals who generate a large amount of the health care costs, and develop programs to address their unique health care needs which would not drive up the cost of health insurance for others;
5. Decrease unnecessary government regulations that increase the cost of insurance and thus drive up the number of uninsured;
6. Increase consumer choice and input into the decision to purchase and utilize health care services; and
7. Decrease the litigious environment in Florida which promotes defensive medicine, shifts precious health care dollars for patients into the courts and thereby increases the cost of care.

Based on the guiding principles, AIF believes Florida can incrementally improve Floridians' access to health insurance by allowing market forces and consumer demand to help control health insurance costs.

The following are suggestions which AIF believes will facilitate improvements to the availability and affordability of health insurance:

Creation of Market-Based Solutions to Expand Health Care

AIF supports examining market-based and consumer-driven proposals as a starting point to explore methods to increase the affordability and availability of health insurance. Many states in the U.S. have begun bold efforts to increase health care coverage to their residents. Florida policymakers should carefully examine all the recent proposals to determine if there are market-based aspects which could be replicated to work within Florida's unique environment.

Health Insurance Mandates

AIF supports giving employers and individuals the power to build their health care coverage by choosing from plans with varying degrees of benefit packages. Consumers, not the government, should decide how much money they are able to allocate toward their health care and which services they need and desire. Florida law contains over 50 mandates on specific benefits and providers that health insurers must include in all the products they offer to Florida consumers. Even though current law calls for a cost study to be conducted on all proposed mandates, the provision has not been carried out when the Legislature considers new mandates. Further, the Legislature has not conducted a comprehensive analysis of the benefit of existing mandates. The Legislature should take a methodical approach to determining whether or not the benefit of current or proposed mandates outweigh the increased cost of health insurance and the increased number of uninsured. AIF believes it is not politically possible for the Legislature to individually address mandates since each one has its own vocal advocacy group. A mechanism similar to the Base Realignment and Closing Commission (BRAC) should be created and charged with investigating and allocating costs to each mandate as well as determining which mandates are beneficial, based upon the cost to consumers, and which are not.

Florida policymakers should carefully examine all the recent proposals to determine if there are market-based aspects which could be replicated to work within Florida's unique environment.

This commission should consist of actuaries, medical professionals and academicians who will evaluate the mandates based upon their professional expertise, rather than their advocacy of a certain mandate. The Commission should recommend to the Legislature whether each mandate should be retained, modified or repealed. The Legislature should vote yes or no on the entire recommendation, similar to the manner in which Congress handled the BRAC Commission recommendations.

Out-of-State Group Benefit Plans

AIF opposes imposing all state mandates on out-of-state group carriers. Out-of-state group plans are those plans which are issued outside the state of Florida and are subject to some, but not all, of Florida's mandated coverage requirements. As a result, out-of-state group plans are more affordable than many of the admitted Florida group and individual plans. These out-of-state group plans provide coverage to many self-employed Floridians who could not otherwise afford coverage.

There have been attempts over the last 20 years to impose more of Florida's statutorily mandated coverages on out-of-state group health plans. A better direction is to allow additional flexibility to Florida insurers to offer policies free of unwanted and costly mandates. Increasing regulation on these out-of-state group plans would inevitably increase the cost of these policies and take away the only manner in which some Floridians can afford coverage.

Certificate of Need

AIF opposes deregulation of Florida's Certificate of Need (CON) process. Proposals are currently being considered that would deregulate the CON process in Florida. Florida established its CON program in 1973 as a regulatory program designed to promote cost containment, ensure access to health care services and facilities, and to prevent the unnecessary duplication of health care services and facilities by requiring providers to obtain state approval prior to incurring significant capital expenditures or initiating new services. Florida's CON program was enacted as a response to the increasing costs of state and federal health programs and the concern that the supply of inpatient beds and health care services would exceed demand in many areas of the state, which would result in excess capacity and in-

creased health care costs. The program also has worked to ensure that Floridians — regardless of race, ethnic origin, or socioeconomic status — have access to high quality health care facilities and services. Many certificate of need approvals are conditioned on the provision of an appropriate level of Medicaid and charity care services.

Arguments Against CON Deregulation Include:

Health care is not a commodity or a retail business.

Unlike restaurants and car dealers, hospitals are required to *GIVE AWAY* their product (service) to people who can't afford to pay. Hospitals are required by federal laws and Florida's Emergency Access law to provide care in all urgent and emergent circumstances without regard to the patient's ability to pay for services.

It will make the nursing shortage crisis worse.

For the past decade, Florida has been experiencing a serious shortage of doctors and nurses as well as other allied health professionals. Who will staff these new facilities, and at what cost to the state's existing hospitals?

Unnecessary hospitals will destroy the safety-net system.

In states which have deregulated CON, the proliferation of hospitals has siphoned away the better paying patients from community and safety net hospitals and has left these facilities with the burden of providing low revenue services for the medically underserved, which has strained their ability to sustain their operations. The CON process in Florida ensures the survival of the community and safety net hospitals that play a vital role in ensuring access to medically and financially underserved patient populations.

AIF Lobby Team Members Assigned to the Area of Health Care Include:

Bob Asztalos

Leslie Foy

Business Regulation

The Florida Legislature approves hundreds of bills each year, and it is up to the individual agencies and departments to implement the laws made through rules.

Businesses in Florida are constantly subject to regulation by state agencies and other state government bureaucracies. A number of proposals will be considered during the 2008 session dealing with business regulation.

The Florida Legislature approves hundreds of bills each year, and it is up to the individual agencies and departments to implement the laws made through rules. There is a system in place for an agency to go through a rule-making process to keep the agency from going beyond the intent of the law. Chapter 120 of the *Florida Statutes*, which is known as the **Administrative Procedures Act** (APA), specifically delineates what an agency can consider in a rule and what is prohibited. Last session, legislation was filed to revise provisions in the APA regarding un-adopted agency rules by creating incentives for agencies to adopt rules and for affected persons to challenge un-adopted rules. One specific change was to bolster the ability of the Legislature to examine un-adopted agency rules and modify provisions relating to the award of costs and fees in rule challenges, which are both important to the business community. Unfortunately, the Governor vetoed the legislation even though it passed the House and the Senate without a negative vote. AIF and other business organizations will be working on similar legislation for this upcoming session.

Another important business regulation issue is **identity theft and privacy concerns**, which continue to plague Florida citizens and its businesses. As a result, the Florida Legislature will continue to search for new ways to protect those who are vulnerable. However, many proposed solutions would hinder Florida businesses who rely on the sharing of information as part of everyday commerce. One potentially harmful solution being considered by the Legislature would make Florida an “opt-in” state instead of an “opt-out” state. Essentially, if passed by the Legislature, this idea would require the express written consent of an individual before any of their personal information could be shared with affiliated companies or with any other person or entity.

After AIF lobbyists raised concerns with the proposal during the 2007 Legislative Session, the legislation was stopped. However, after last session Speaker Marco Rubio (R-Miami) appointed a Select Committee to Protect Personal Information. The charge from Speaker Rubio to the committee is to examine the various state and federal

laws governing the dissemination of private information held by state and local governments, for-profit businesses and not-for-profit charitable organizations. Furthermore, the Speaker asked the Select Committee to develop, vet and recommend legislation to protect Floridians from the inappropriate distribution of private information to third parties.

The Chairman of the Select Committee, Rep. Bill Proctor (R-St. Augustine), has requested the testimony of various industry groups and government agencies to educate the committee on how personal information is collected and utilized. We expect the Select Committee will make recommendations to the Legislature before the 2008 Legislative Session that could dramatically impact Florida businesses.

Unfortunately, the business community will once again have to take on the issue of “**guns in the workplace.**” The same battle lines have been set for the 2008 Session as legislation has been filed by Rep. Greg Evers (R-Milton) and Sen. Durell Peaden (R-Crestview). HB 503 and SB 1130 would make it illegal for public or private entities to prohibit customers, employees, or invitees onto their property from possessing any legally owned firearm that is lawfully possessed and locked inside a motor vehicle. AIF has opposed this bill for the past two years, primarily because of the limitations it places on the “employment at will” doctrine that Florida employers depend on for doing business. The business community was successful in stopping this legislation last session, and AIF will continue to oppose this proposal.

On a more positive note, AIF is supporting legislation that addresses the terrible and costly problem of **secondary metal theft**. All across Florida and the rest of the nation, residents and businesses are being targeted by a growing group of criminals — metal thieves and resellers. Due to the increasing worldwide demand for metals, more and more criminals are stealing copper wiring from construction sites, digging up underground telecommunication wires, cutting utility wires and even stealing beer kegs.

Theft is just part of the problem. Unscrupulous metals dealers who are willing to resell the stolen property are adding to the demand and supporting criminal activity. Not only does this crime cost individuals and businesses money, stealing wire from utility sites can cause power outages and surges or even worse. If phone wires are



ripped from the ground, a person with an emergency may be unable to reach help. Additionally, an innocent person may come in contact with equipment that has been damaged by metal thieves, potentially causing injury or death.

AIF is coordinating the efforts of the *Floridians for Copper and Metal Crime Prevention Coalition* — a broad-based coalition of over 30 businesses and associations who have been affected by this crime. The *Coalition* is supporting legislation filed by Rep. Baxter Troutman (HB 105), Rep. Scott Randolph (HB 113), Sen. Lee Constantine (SB 556) and Sen. Victor Crist (SB 748) that will help to deter this growing and costly problem.

For 2008, AIF will seek passage of legislation relating to the following business regulation issues:

Administrative Procedures Act

AIF supports SB 704 by Senator Mike Bennett (R-Bradenton), which is similar to legislation that was vetoed last year. This proposal provides additional incentives to agencies to adopt their policies using the required rulemaking process (which provides opportunities for public participation) by prohibiting an agency from relying on un-adopted rules, and increases the attorneys' fees from \$15,000 to \$50,000 available to a business that successfully challenges unauthorized agency rules, thus providing additional disincentives for such rules.

Privacy and Identity Theft

AIF will continue to oppose any effort to convert Florida to an "opt-in" state for purposes of personal information sharing. Current federal and state law provides adequate protection of personal information for Florida's citizens. Over the past several years, AIF supported many identity theft protection measures in the Legislature such as: data security breach notification requirements; the

ability for citizens to freeze their credit; and limitation of access to social security numbers contained in public records. However, AIF will support increased penalties for identity thieves and efforts to enhance the prosecution of these crimes that often go unpunished. A very large part of Florida's economy is dependent upon accessing personal information. In the digital age important information is a click of the mouse away that can provide information on underwriting criteria, verification of identity, important public records information and other information that businesses use to make important decisions. If the Legislature restricts Florida business' access to such information or makes it difficult by making Florida an "opt-in" state, then it could increase the cost of doing business here and require significant changes in operations.

Guns in the Workplace

AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintaining a safe work environment is paramount for the longevity of any employer in Florida.

Secondary Metal Theft

AIF will continue to work with the *Floridians for Copper and Metal Crime Prevention Coalition* to pass legislation to help law enforcement find these thieves and make it harder for them to unload their stolen goods. If they cannot easily sell the goods, they will stop. The thieves may get a few hundred dollars for the metal they steal, but a business may have to spend 100 times that amount to repair the damage. These thieves are causing delays in construction projects and threatening the health of our agricultural crops. If phone lines are cut, your business may come to a halt until it is repaired — no sales calls, credit card authorizations cannot be completed, and even access to the internet is cut off. The same goes for electricity outages — you may have to close your business for hours!

AIF Lobby Team Members Assigned to the Area of Business Regulation Include:

Keyna Cory	Secondary Metal Theft Guns in the Workplace
Nick Iarossi	Privacy Issues
Tamela Perdue	APA Guns in the Workplace

Elections Reform

In recent elections, voters have had to confront a barrage of Constitutional amendments that have made it to the ballot through the citizen initiative process. This troubling trend has led members of the Legislature to examine ways of reforming the process, so that our state's top document is protected from provisions that don't belong there, while also protecting citizens' fundamental right to change their system of governance.

Last session, AIF was actively involved in legislation that implemented a **"revocation process"** for citizen initiative petitions. This signature-revocation process allows voters who have changed their mind about supporting a proposed amendment, or who signed by mistake, to revoke their signature. Under this new law, voters have 150 days from the date they signed a petition to have their signature revoked. The revocation process mirrors that of the traditional initiative petition process, meaning that all revocations must be verified and entered into the statewide voter registration system by February 1st, and each revocation form must be accompanied with a 10-cent fee for the cost of verification.

The signature revocation process has been instrumental in efforts to thwart the dangerous "Hometown Democracy" (HTD) amendment. This amendment, if passed, would dramatically alter the way all future growth in the state occurs. Here is how the process works now: All local governments have a comprehensive plan, and any changes to the comp plan must go through local planning and zoning boards and then on to the local government's city council or county commission for final approval. Most of the time this is a perfunctory procedure, unless the development is considered controversial, substantial in size, or there is opposition from community members.

Hometown Democracy would unnecessarily complicate and severely crimp future growth by adding a major hurdle. Once a project has gone through the above-cited process, it would then require a local election. All voter referenda on comp plan changes would be on one ballot each year. That is why AIF helped create "Save Our Constitution," (a political committee organized to help run revocation of HTD petition signatures in Florida). AIF's signature revocation process is poised to make history this year as the first successful, large-scale revocation campaign in Florida (the state of Utah does have a signature revocation process as well).

The signature revocation process has been instrumental in efforts to thwart the dangerous "Hometown Democracy" (HTD) amendment.



For this upcoming session, AIF will focus on the following election reform proposals:

Revocation Process

AIF supports amending the signature revocation law so that the 150-day period begins upon a petition signature being verified by a Supervisor of Elections, instead of from the time a petition is signed by the voter. This small, but important change will ensure that all Floridians are given sufficient time to revoke their signature.

Circulation Period

AIF supports changes to Florida law that would limit the time period petition signatures are valid from 4 years to 2 years. Currently, Florida has the longest shelf life for petition signatures in the country. Having signatures remain valid for 4 years can lead to complications with voter rolls and allows for the petition signatures of voters who are no longer living in Florida to count towards the thresholds established in law.

AIF Lobby Team Member Assigned to the Area of Ethics & Elections:

José Gonzalez



ASSOCIATED INDUSTRIES OF FLORIDA

COUNCILS



The Councils of Associated Industries bring together unique sectors of the business community in order to develop and promote issues vital to those respective industries. The following pages represent the 2008 Legislative Agendas for each of the eight councils within AIF.

Government Outsourcing

Associated Industries of Florida's Governmental Outsourcing Council (GOC) has worked since last session with various executive branch agencies as well as the Department of Financial Services and interested parties as a part

of the working group convened by House Juvenile Justice Chairman, Mitch Needelman (R-Melbourne). The group met several times in an attempt to resolve issues related to procurement and contracting raised by AIF last session. In 2007, AIF filed HB 495 and SB 1166 on behalf of the GOC to create a more stable business environment for businesses providing health and human services to the state. AIF's stated goal was to create a more stable environment for business in this area and improve the efficiency of the process, thereby maximizing the use of state dollars. As a result of our initiatives, the affected agencies reviewed their procurement, contracting, and monitoring practices and developed solutions which fostered our goals.

Although the interim meetings were fruitful, GOC notes that there are a few items which must be included in each contract, and the best way to ensure that future contracts contain these provisions is to legislate that they be incorporated. These items include contract provisions that:

- **Require agencies to negotiate a contract amendment with the service provider to increase the maximum obligation amount or unit price to offset any material adverse financial impact of changes requested by the agency.**
- **Ensure that payment will be made on all items not under dispute and that in no event will payment be withheld on undisputed issues pending the resolution of disputed issues.**
- **Provide that any dispersed funds remaining unexpended during the contract term be authorized revenue for the purposes of cash flow, program expansion and development, or administrative costs.**
- **Provide for cost of living increases subject to legislative appropriation**

AIF Position

AIF supports the GOC in its efforts to create a more efficient and sustainable business climate for business entities providing essential services to the state. Clarifying the requirements of procurement, contracting, expected outcomes, and payment mechanisms will create a more stable environment for business and a more efficient use of tax dollars.

*Governmental Outsourcing
Council Lobbyist:
Peter Harris*

Why Does it Matter?

The State of Florida currently spends over \$17 billion per year on outsourced health and human services contracts, with both for-profit and not-for-profit companies throughout the state. This is a significant portion of the state's economy, and outsourcing allows the state to provide essential services to citizens in need. Florida businesses pay substantial taxes to fund state government, and AIF believes that the state can more efficiently and accountably provide these services. Therefore, we must demand that the state function in an efficient and forthright manner with the health and human services providers so that the services being provided are performed without sacrificing consistent levels of care and that the procurement and contracting mechanisms foster more beneficial partnerships.



Florida Energy

Given the breadth and scope of Florida's energy needs, and the necessity for AIF to continue its leadership in this key arena, the Florida Energy Council (FEC) was created to help drive energy policy initiatives for the executive and legislative branches in both Tallahassee and Washington, DC.



2007 was an incredibly active year for energy initiatives; in fact, two committees released their recommendations concerning the State's energy policy, beginning the dialog on what will undoubtedly be the arduous and lengthy task of setting Florida's future policies. The first was the Florida Energy Commission, which was appointed by the President of the Senate and the Speaker of the House, to recommend energy policies to be considered for the 2008 Legislative Session. The Commission arrived at eighty-five recommendations to the Legislature in areas such as: restructuring the state governance for developing Florida's energy policies and programs, responding to the challenges of global climate change, increasing Florida's energy and conservation efforts, maximizing Florida's development of renewable energy resources, strengthening Florida's energy supply and delivery infrastructure and enhancing Florida's energy related research and development programs.

The second was the Governor's Action Team on Energy and Climate Change. This group was created and appointed by Governor Charlie Crist to come up with findings and recommendations related to two executive orders he signed in July of 2007 concerning Florida's Energy Policy. These Executive Orders were titled "Leadership by Example: Immediate Actions to Reduce Greenhouse Gas Emissions from Florida State Government" and "Immediate Actions to Reduce Greenhouse Gas Emissions within Florida." The Action Team came up with eleven areas of findings and recommendations such as: consolidation and coordination of energy policy; greenhouse gas emission reduction strategies; energy efficiency and conservation; market-based regulatory mechanisms (cap and trade programs); strategies to diversify electric generation fuels, emission reporting and registry; reducing emissions from motor vehicles; renewable transportation fuels; reducing emissions in Florida in conjunction with, or independent of, regional, national, or international agreements; and other issues not addressed in the Executive Orders.

Other efforts being reviewed by the FEC include Commissioner of Agriculture and Consumer Affairs Charles Bronson's "Farm to Fuel" initiative. He is taking the national lead in helping Florida's agricultural industry provide the necessary stock for creating energy in the form of ethanol and biomass.

AIF Position

AIF and the FEC recognize the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations considered in the formation of Florida's energy policy 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 that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers.

*Florida Energy Council
Lobbyist: Jim Rathbun*

Why Does it Matter?

Florida's employers depend on reliable, clean energy to run their businesses. Every business in the State is affected by higher energy costs, which increases their prices while also reducing customers' purchasing power.

Although laudable, the goals and targets outlined in the Governor's Executive Orders have the potential to drive up the cost of energy for Florida's businesses and consumers. This is further complicated if Florida undergoes these efforts unilaterally and without the buy-in of our neighboring states.

Information Technology



In 2006, AIF created the Information Technology Council (ITC) — a group of some of the most prominent IT corporations and service providers in Florida — to help address Florida’s growing issues with technology projects and to help educate the State about the positive impact of the technology industry. For the 2008 Session, the Council will focus on leveraging the knowledge and expertise of its members to assist state government in findings ways to increase efficiencies, raise productivity, and address the growing challenge of an aging workforce. An example of how the ITC has already acted as a resource to government is our members’ participation in a workgroup organized to address some of the Department of Children and Families’ IT challenges. This successful private industry participation led to positive recommendations about how to implement significant changes to improve DCF’s technology and current systems. AIF and the ITC will continue to make their services and resources available to other agencies and departments as a way to reach a common goal — making sure that Florida’s taxpayers get the best level of service from state government. More specifically, the ITC will recommend funding for the following IT systems:

- **ABC system, Agency for Persons with Disabilities:** replacement of the current Allocation Budget Control (ABC) system. The outdated system cannot accommodate the needed changes in how the Agency delivers services to persons with developmental disabilities.
- **ELIS system, Agency for Workforce Innovation:** the Agency must have a new computer system for the Early Learning Services program to more efficiently and effectively track and report on more than 15,000 service providers and more than 400,000 children participating in the School Readiness and Voluntary Prekindergarten programs.
- **Davis Center, Department of State:** options for modernization of Corporations Data Systems. The Department of State is requesting funds to perform a study for the Division of Corporations to generate a higher level of design for future implementation.

Information Technology is one of the few areas where government can actually spend money to save money. Investing in the above systems can lead to significant cost savings, which is especially relevant at a time when Florida’s revenues are shrinking.

In addition, the Council will continue its involvement and close monitoring of the new Agency for Enterprise Information Technology (AEIT) — the state of Florida’s clearinghouse for enterprise wide IT projects and technology services. Currently, legislation (SB 7034) has been filed by the Senate Governmental Operations Committee, which seeks to revise some of the duties of the AEIT. AIF and the ITC will ensure that any changes to current law reflect the original intent of the bill, and the Council will work toward a governance structure that will best enable this agency to be effective.

AIF Position

AIF and the ITC will continue to encourage the enhancement of government spending on IT in order to provide better service to citizens and businesses. In addition, the Council will continue its support of the AEIT and will work towards ensuring that its structure is conducive to achieving sound IT policies for all state agencies.

*Information Technology
Council Lobbyist:
Frank Meiners*

Why Does it Matter?

Florida’s state government has aging IT equipment and a shrinking number of professionals that are able to maintain them. The time is past due to address the state’s IT needs. In a time of shrinking state budgets and economic uncertainty, technology has the potential to turn government around and save money at the same time. Success stories, like the Department of Revenue, must serve as the example to follow. Increasing Florida’s IT capacity is vital to economic development. Business activity is often dependent on how quickly government can act. When government operates inefficiently, it weighs down the ability of a business owner to move forward on economically productive activities.

Florida Maritime

Last summer, Associated Industries of Florida conducted a tour of Florida port cities to talk with maritime businesses about economic development. The Legislature had just created the Seaport Strategic Planning and Financing Task Force and charged it with determining if more extensive strategic planning and a long-term financial plan could help stimulate the expansion of maritime related businesses. The meetings soon uncovered that while strategic planning is interesting, seaport security is the most critical port issue in Florida. While more than 80 participants from Jacksonville to Tampa to Miami agreed that security is the top issue, other serious problems were also identified, like encroachment from competing land uses and property taxes. Addressing these priorities were considered most essential to port businesses, which may not survive to benefit from strategic and long-term financial planning.

The Florida Maritime Council (FMC) was formed in response to these threats to the industry. Participants from Cape Canaveral, Fort Lauderdale, Jacksonville, Miami, Riviera Beach, St. Petersburg, Tampa and West Palm Beach have helped in documenting the issues and formulating our positions.

During the last special session on property taxes in 2007, the FMC took its first position, which was to oppose language that would have constitutionally prohibited maritime businesses not providing water access to the public from special tax consideration. The Council and AIF are now working with members of the Taxation and Budget Reform Commission (TBRC) on alternative language to have tax collectors assess port properties based on their existing use and preventing them from using highest and best use.

For 2008, the focus will again be seaport security. Duplication in credentialing, inconsistency with minimum standards and in the waiver process, and the arbitrary application of security requirements are the primary issues identified as economically onerous and operationally disruptive to maritime enterprises. The encroachment on port property of alternative land uses and the taxation of port properties will also be a focus of this year's agenda. Specifically, the Council will support:

- **SB 470:** adds a port tenant and a tenant employee to the Florida Seaport Security Advisory Council (FSSAC)
- **HB 161 & SB 674, 812:** removes requirements for property appraisers to consider "highest and best use" in determining just valuation
- **SB 808:** requires Florida Department of Law Enforcement to brief port authority board members and local security taskforce co-chairs concerning results of unannounced seaport inspections.

AIF Position

AIF and the FMC support efforts to establish better lines of communication between regulators and port tenants primarily focused through the Florida Seaport Security Advisory Council (FSSAC). The maritime industry has been unduly burdened with the expense and inconsistencies of seaport security regulations. A course correction is warranted if Florida is going to protect the profitability, and ensure the survival, of its ports.



*Florida Maritime Council
Lobbyist: Mark Flynn*

Why Does it Matter?

Maritime businesses in Florida have built the economic prowess of the state's ports into a major economic engine and a critical component of the state's economy. The role of government should be to support the development of our ports and prevent impediments to commerce, so that maritime industries can reach their true potential and effectively compete in a global marketplace.

Financial Securities

Ignoring the economic reality of Florida's hurricane risk, the state has dramatically placed greater responsibility for hurricane losses previously covered by private insurance companies on the backs of

taxpayers. In response to this risky proposition, Associated Industries of Florida formed the Financial Securities Council (FSC) to address property insurance concerns on behalf of the business community. The Council's top priority will be developing public policy recommendations on property insurance and providing an opportunity for business leaders across the state to focus on key financial service issues facing Florida consumers and businesses. Council members include representatives from the property casualty, life and health insurance industries, as well as representatives from other major business associations. The FSC was modeled after the success of AIF's Florida Hurricane Crisis Coalition (FHCC), which provided market-based recommendations to the Legislature as a way to deal with the property insurance crisis stemming from the historic '04 & '05 hurricane seasons.

In 2007, Florida increased the probability and magnitude of a potential tax by: expanding the Cat Fund; expanding Citizens' tax base to include most business insurance premiums; rolling back Citizens' rates; moving Citizens from a market of last resort to a market competitor; and investing Citizens' cash in securities backed by sub-prime mortgages. Commercial insurance premiums account for approximately 41% of the total premiums subject to the Hurricane Tax.

Floridians now face \$28 billion in risk exposure through the Cat Fund. Exposure to loss in Citizens more than doubled in 2007 (\$434.3 billion) relative to year end 2005. In the long run, the expansion of these programs is not sustainable and has placed the state of Florida in great financial peril.

In 2008, the Council will mainly focus on advocating for reforms in the property insurance arena so as to bring back a healthy private property insurance market in Florida. The Council is also looking at playing a major role in policy discussions revolving around the use of personal identification information, since both the House and Senate are currently in the process of reviewing Florida's laws regarding the use of this data. Specifically, the FSC will support legislation that:

- Expands hurricane damage mitigation efforts
- Provides for avenues to depopulate Citizens Insurance Company
- Phases out optional Cat Fund coverage
- Reduces the hurricane tax on homeowners and businesses

AIF Position

AIF and the FSC oppose the expansion of Citizens Property Insurance Corporation at the expense of businesses in Florida. Instead, the Council supports legislation that establishes a process to return Citizens to an insurer of last resort and returns Citizens' assessment base to only residential insurance.



*Financial Securities Council
Lobbyist: Gerald Wester*

Why Does it Matter?

The state's insistence on paying for hurricane losses after the fact requires that storm losses be paid back in the form of assessments (taxes) on virtually all lines of insurance. This includes auto, personal and professional liability, etc. Florida's property owners (residential and commercial) will become responsible for paying off the state's enormous exposure in the event a bad storm or a series of storms hit Florida.

Florida Hospital

Health care is consistently polled as one of the top concerns of Floridians.

AIF's newest council, the Florida Hospital Council (FHC), was organized in late 2007 for the purpose of bringing attention to those concerns and the special issues

hospitals face as major providers of health care in the state. As stated earlier in this document, healthcare is not a commodity or a retail business; but to survive, hospitals must follow various business models nonetheless. Hospitals strive to provide the best health care possible despite the burdensome regulations under which they operate. And with the growing number of uninsured persons in Florida, providing health care is more than challenging.

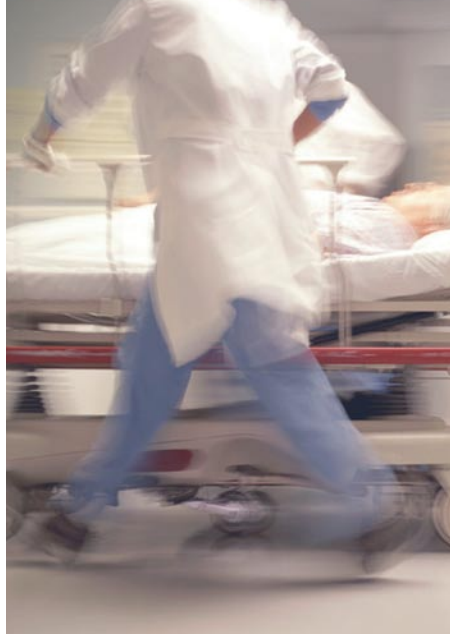
The FHC had its first meeting in January 2008. The group is made up of representatives from hospitals across the state and is chaired by Robert Broadway, Vice President of Bethesda Healthcare System. With AIF as the backbone of the Council, this group feels the Florida Legislature and Executive Branch will hear its collective voice.

The Council's priorities for 2008 include, but are not limited to, Medicaid funding, fair Low Income Pool disbursement, and Certificate of Need.

- **Low Income Pool (LIP):** Florida ranks third in the nation in the number of uninsured persons. LIP is a pool of money that reimburses hospitals for a small percentage of the indigent care they provide. The purpose of the fund is to spread dollars on a "broad and fair" basis so that they follow the indigent patient wherever care is provided. In the last budget, hospitals were united in requesting non-recurring general revenue to take advantage of the full federal match.
- **Certificate of Need (CON):** Florida established a CON program in 1973 to promote cost containment, ensure access to health care services and facilities, and to prevent the unnecessary duplication of health care services. The FHC is opposed to the deregulation of CON because doing so will result in excess capacity and increased health care costs. It will worsen the shortage of doctors and nurses and encourage the building of potentially unnecessary hospitals, which only offer limited services.
- **Medicaid Funding:** Medicaid, the payer of last resort, currently reimburses hospitals for care of Medicaid patients at the rate of 60 percent. In the 2007-2008 budget, 18 percent of Medicaid funding was provided by the state of Florida through General Revenue. With the shortfalls the state is experiencing, maintaining or expanding this level for the 2008-2009 budget will be a challenge.

AIF Position

AIF and the Florida Hospital Council support full funding of Medicaid and LIP to take full advantage of federal matching dollars. We support CON in its current form and will oppose efforts to deregulate the program.



Florida Hospital Council

*Lobbyist: **Bill Rubin***

Why Does it Matter?

Health care is the largest consumer of Florida's budget, but the Legislature has not been able to meet existing needs in light of state budget deficits. Emergency rooms and trauma centers are becoming the source of health care for the poor. Florida's number of uninsured is growing and with ever-shrinking sources of revenue, hospitals must work together to ensure the quality of care is not compromised. Floridians believe there is a crisis in the future, and we as industry leaders must address these issues.

Florida Council on Education & Workforce Development



Ultimately, no issue impacts the ability of Florida's economy to grow more than education at all levels, from pre-kindergarten through college. A continuum of education, employment and economic development depends on ever-strengthening linkages between business and education. A strong supply of well-educated workers provides businesses with human capital that is critical to success. Employees want good schools for their children to attend. Increasing the number of prepared students moving from K-12 into higher education increases the supply of high-skilled workers. Citing a need to improve the communication between business leaders and thought leaders at all levels of education in Florida, AIF created the Florida Council on Education and Workforce Development (FCEWD) to advise the AIF board on matters of critical importance that will continue to improve Florida's K-20 education system.

The FCEWD adopted the following guiding statements as a way to measure topics to address as well as specific legislative proposals:

- Student success is defined as: "students finish what they start."
- It is imperative to help students get to class in the best condition to learn.
- Access changes student self perception. Degrees and certificates change lives.

In the K-12 arena, the Council will support legislation that will increase standards for high school graduation, improve Florida's nationally recognized system of school accountability, expand access to rigorous courses, and strengthen the linkages between industry and career education. The Council will also support legislation aimed at improving students continuing from K-12 into higher education by better aligning standards, courses, and tests so students are prepared for success in continued higher education. The Council will support efforts to strengthen accountability in higher education across all sectors receiving state funds. The group agrees that it is critical to have an accountability system that takes into consideration differentiated missions of a wide variety of colleges and universities both public and private.

And finally, in the area of Workforce Development, the Council will support legislation that improves the linkage of Career Education to industry standards and certifications; and it will support innovative programs that will increase the supply of high-skilled workers for Florida's economy.

AIF Position

AIF supports efforts to establish linkages between business and the education sector as a way to develop programs and accountability measures across the entire education continuum that will foster the development of an educated workforce.

*Florida Council on Education & Workforce Development
Lobbyist: Stacey Webb*

Why Does it Matter?

Florida's economy will depend heavily on developing and retaining skilled workers to ensure economic success and future growth. There are critical areas of need facing the state relative to nursing, teaching, construction trades, high tech, and other knowledge-based professions where specialized skills and experience are indispensable. Without an educated workforce, Florida will be unable to compete with other states and countries to attract qualified individuals to fill these jobs and recruit new industries.

International Affairs

AIF and its International Affairs Council (IAC) recognize the tremendous value international trade represents for Florida's economy. With merchandise trade valued at over \$95 billion flowing through Florida's 14 seaports and 20 major airports, Florida's continued competitive edge in the global economy depends on maintaining our international trade dominance in the western hemisphere. Florida leads the nation in serving as the regional corporate headquarters for over 300 companies from Latin America and the Caribbean. Florida also continues to emerge as a leader in the country on foreign investment. In 2004, Florida ranked 5th nationally for employment by foreign firms with over 256,000 Florida-based jobs. A key ingredient to maintaining a balance of trade that is friendly to Florida businesses is a continued and aggressive marketing strategy abroad. In 2007, the Governor led two overseas trade missions, one to Israel and the other to Brazil.

Florida exporters need global opportunities to showcase Florida merchandise and talent. Florida companies are key suppliers to buyers across the Americas. Critical access to foreign investment and markets is gained through regular trade missions. Since 1999, over 1,270 Florida executives have participated in trade missions, resulting in more than \$700 million dollars in actual and expected sales for Florida companies.

Trade missions target key markets of specific opportunities to Florida. High level meetings are held to promote Florida's economic advantages, generate trade and reverse investment and develop linkages in the target markets. Specific networking opportunities are also created for businesses that participate in the mission.

Despite the growing importance of international trade to Florida's dynamic economy, state funding for Florida Trade Missions has been steady over the past years at just over \$5 million annually. Emphasis should be placed on establishing diverse economic development programs that cater to the global economy. Preparing our workforce for this multicultural environment is vital to achieving this goal.

AIF Position

AIF applauds Governor Crist's support of international trade and his commitment to maintain Florida's prominence in the global market. AIF and the IAC are currently working on efforts to enhance funding for international trade activities.



*International Affairs Council
Lobbyists: Al Cardenas,
Stephen Shiver*

Why Does it Matter?

Businesses, small and large, all across Florida benefit from Florida's position as a hemispheric hub for international trade. Banking, telecommunications, education, transportation and manufacturing are just a few of the economic sectors in which Florida is recognized as an international leader. Florida businesses get the opportunity to act as a key supplier to buyers around the globe and sell goods made locally in Florida to global markets. Increased funding for trade missions equals increased opportunity for Florida exporters to access tailor made programs of business-to-business appointments and prearranged meetings with prospects. For public policymakers, the sales generated represent a return on the investment of public funds in the form of an enhanced tax revenue base and more than half a million jobs for Floridians.



2008 LEGISLATIVE ISSUES

The following is a listing of all the issues that AIF will be involved in (as of March 1, 2008) for the upcoming 2008 Session. These issues and our positions can change based on amendments. When our position does change, it will be noted in both the *Daily Brief* and *Weekly Update* Reports that AIF provides to members and legislators throughout the session.

Contracting

- Support legislation to ensure consistent and fair contract elements for entities providing health and human services to the State of Florida.

Economic Development

- Support continued funding of Enterprise Florida's economic development "Tool Kit," including the Innovation Incentive program designed to entice world class research centers like Scripps, Torrey Pines, Burnham, SRI and Marx Planck Society as well as hi-tech companies to the state
- Support efforts to draw down federal economic development dollars through the New Markets Tax Credits Program
- Support efforts to expand the film and entertainment tax credit program
- Support the Ships-to-Reef program as a way to stimulate local economies

Education

- Advocate flexibility in plans to fulfill the mandates of the class-size constitutional amendment
- Support increasing curriculum standards, particularly in the core subject areas (grammar, science, math, etc.), so our students can compete globally in the 21st century
- Support continued improvements to Florida's school accountability system, including diagnostic or end-of-course examinations and a continued refining of the school grading process.
- Support efforts to increase education in the arts, multilingualism, multiculturalism, and technology literacy to assure the work force is prepared for the creative economy

Elections

- Support reforms to the process for amending the state constitution by citizen initiative
- Support efforts to change the life span of petition signatures for citizen initiatives from the current 4 years to 2 years

Energy

- Encourage the exploration, production and storage of petroleum & natural gas in an environmentally safe manner while ensuring a continuous supply and reasonable cost of fuel for all of Florida's needs
- Support incentives for the use of hydrogen fuel and the future expansion of alternative fuels and clean coal technologies
- Support environmental and economic regulatory policies that create a stable investment climate so that electric utilities can build more fuel diverse generation systems to meet Florida's growing energy needs, and continue to maintain and enhance where possible the resiliency of the transmission and distribution system to hurricanes
- Oppose government mandates that will unnecessarily drive up the cost of essential energy services for businesses in order to reduce greenhouse gas emissions

- Support the expansion and building of future nuclear facilities in Florida
- Oppose efforts to make changes to Florida's energy policy governance structure

Environmental

- Support "Incentive Based Permitting" for those companies who are good stewards of Florida's natural resources
- Support environmental self-audit privilege
- Fight any increase by the Department of Environmental Protection in permit fees charged to the regulated community

General Business

- Oppose "Guns in the Workplace" legislation
- Support legislation providing for personal identity-theft protection and for protection of personal and business data held by state and local governments while at the same time balancing the needs of commercial entities to have access to such information to service their customers and promote commerce
- Oppose legislation that requires businesses to rely on flawed federal verification systems for immigration status of employees
- Support efforts to create statewide regulation of fertilizer sales

Growth Management

- Support legislation that would create incentives to develop new supplies of water, such as desalinization plants, as an alternative to water concurrency requirements
- Monitor growth management reforms, particularly those relating to proposals that would make water supplies part of the development's concurrency requirements
- Encourage increased density and intensity within urban development areas, including infill, redevelopment and the development of affordable workforce housing
- Support requiring local governments to recognize that impact fees should be reduced by the amount of "similar" tax revenue generated by home that will be spent on same infrastructure needs

Health Care

- Oppose de-regulation of Florida's Certificate of Need (CON) process
- Oppose legislation that would mandate any percentage of payroll for health care benefits no matter the size of the company
- Continue to support Medicaid reform proposals that inject market-based solutions to reform and control the growth of Medicaid while protecting elderly, poor and disabled Floridians' access to services

Insurance

- Continue efforts to bring about affordability and availability of commercial and residential property insurance utilizing sound-business principles
- Oppose burdensome restrictions on health insurers, such as

“any willing provider” and provider contract restraints, that drive up the cost of health care

- Support proposals to expand access to uninsured Floridians using market-based solutions which allow health plans to offer benefits tailored to consumers’ needs and allow them to reduce the number of mandates they must provide
- Oppose legislation that would place additional mandates on health insurance policies

International Affairs

- Support additional funding for Enterprise Florida in the trade mission area so that Florida can continue to be a leader in international trade and expand our economy internationally
- Promote Florida’s economic diversity by investing in projects that attract global investments and partnerships

Legal & Judicial

- Oppose the weakening or repeal of any of the 2005-06 legal reform laws
- Support adequate funding of judicial branch and establishment of business court programs in metropolitan areas of the state
- Preserve the rights of parties to settle cases independently without interference from their attorneys
- Continue support for existing caps on non-economic damages arising from medical malpractice lawsuits
- Support measures expanding immunity to health care providers providing medical attention in certain emergency situations

Taxation

- Support legislative ideas that would help to lower the rising cost of property tax for both homeowners and businesses across the state
- Support legislation to reduce the communications services tax currently on all communications devices (except residential lines)
- Support legislation that would place Florida alongside with other states in implementing the Streamlined Sales and Use Tax Agreement
- Fight the efforts to divert money from trust-fund revenue streams to general revenue
- Support sales tax holidays, such as exemptions from sales tax on items to be used for hurricanes and school readiness
- Support legislation to adopt the 2007 version of the IRS code so that Florida businesses do not have to keep two sets of records
- Monitor activities of the Taxation and Budget Reform Commission
- Support statutory efforts to review Florida’s sales tax exemption, but oppose any mandated review or sunset provision associated with this review

Technology

- Encourage the enhanced government spending on IT in order to provide better services to citizens and businesses and to ensure that Florida’s state government remains at the cutting-edge of IT
- Support increasing compensation and competency requirements for state CIOs
- Support the creation of an “Innovation Fund” in order to incentivize state agencies to be more novel in their service delivery
- Monitor and influence any bill filed on the Agency for Enterprise Information Technology (AEIT).
- Codify IT definitions in statute pursuant to AEIT direction
- Support funding for redesign of outdated agency IT systems

Transportation

- Encourage changes in growth management policies that timely and fairly apportion the cost of transportation infrastructure

- Support legislation that would allow regional transportation authorities to operate
- Support legislation that allows for the installation of automated enforcement systems, such as red light cameras, at busy intersections
- Strongly support legislation that allows for aggregate rock materials to be mined without obstruction from irresponsible interest groups or ill intended county/municipal moratoriums.
- Oppose efforts that would allow local governments to increase the rental car surcharge

Unemployment Compensation

- Oppose extending number of weeks unemployment benefits are paid with no additional funding or other incentives to employers to cover such expenses
- Oppose any uniform or arbitrary benefit amount increases
- Oppose enactment of permanent benefit expansion provisions
- Oppose funding ancillary programs unrelated to unemployment compensation programs, since this increases the cost of doing business while undermining the purpose for which the unemployment benefits program was created
- Oppose any increases to costs, including but not limited to defining additional beneficiaries
- Support strengthening program restrictions prohibiting benefits receipts by individuals voluntarily abandoning available employment
- Oppose expansion of mandatory leave benefits for non-work related activities
- Oppose any new reporting requirements that employers provide certain data or information to employees or governmental agencies regarding use of or eligibility for accrued leave time

Workers’ Compensation

- Oppose any efforts to erode the savings experienced by all Florida employers as a result of the AIF-supported 2003 Workers Compensation Reform Act which resulted in savings now of over 50%
- Oppose the creation of a state fund or other state risk bearing entity
- Continue support for increased funding for state fraud investigations
- Oppose any efforts to statutorily establish procedures, guidelines or other provisions that are currently available through administrative action for which statutory authority already exists
- Oppose any raid on the Workers’ Compensation Trust Fund without first giving back money to employers

Workforce Development

- Support the establishment of career academies in Florida’s schools that will prepare Florida’s students with industry certifications to compete with students from around the world, not just other states
- Continue support for Florida’s Banner Centers for Workforce Development.
- Support the “Ready to Work” program

Workforce Housing

- Support legislation that would repeal the cap placed on the Sadowski Affordable Housing Act Trust Fund and other proposals that will allow Florida’s workforce to have affordable housing
- Encourage local governments to establish “Fast-track permit” systems and reward those jurisdictions with proven systems with greater access to affordable housing funds

ASSOCIATED INDUSTRIES OF FLORIDA

AIF lobbyists, representing centuries of accumulated experience in politics and government, spent more than 10,000

OFFICERS



Barney T. Bishop III

President & CEO of Associated Industries of Florida ... former aide to state Treasurer Bill Gunter ... former Executive Director of the Florida Democratic Party ... more than 29 years experience in legislative and political affairs ... areas of expertise include appropriations, criminal justice, and behavioral health care issues ... B.S. in Political & Judicial Communication from Emerson College in Boston.



Jose L. Gonzalez

Vice President – Governmental Affairs of Associated Industries of Florida ... coordinates AIF's lobbying team and all research and advocacy efforts for the association ... five years legislative experience ... Master's degree in Public Administration with a specialization in Public Policy and a Bachelor's degree in Political Science from the University of Florida.



Tamela Ivey Perdue, Esq.

General Counsel and Shareholder with the law firm of Stiles, Taylor & Grace, P.A., managing the firm's Tallahassee office ... more than 16 years legislative and legal experience, representing insurers and the business community on tort, workers' compensation, insurance and other legal issues before the legislative and executive branches of government ... established legal practice specializing in insurance defense and administrative law ... formerly worked in The Florida Senate ... B.S. from Lee University and J.D. from Stetson University.



Chris Verlander

Senior Vice President – Corporate Development of Associated Industries of Florida ... more than 28 years expertise in insurance lobbying activities ... former President (1994-1997) and Vice Chairman (1997-1999) of American Heritage Life Insurance Company ... B.S. from Georgia Tech and M.B.A. from the University of Florida.



CONSULTANTS

Keyna Cory (Chief Lobbyist)

President, Public Affairs Consultants, a public affairs and governmental relations consulting firm ... more than 23 years experience representing a variety of clients, from small entrepreneurs to Fortune 500 companies, before the Florida Legislature ... majored in Political Science at the University of Florida.



Robert P. Asztalos

Partner with Buigas, Asztalos & Associates and the Director of Governmental Affairs for Delta Health Group ... directed the nursing home profession's litigation reform campaign in 2000-01 and served as the Director of the Heal Healthcare in Florida Coalition ... over 22 years legislative experience ... Master's degree in Legislative Affairs and a Bachelor's degree in Political Science from George Washington University.



Pete J. Buigas

Partner in Buigas, Asztalos & Associates ... has represented various associations and corporations and developed strategies to direct legislative action on health care and education issues for more than 10 years ... formerly served as Deputy Director for AHCA and managed the division responsible for statewide regulation of all health care facilities, managed care industry, Certificate of Need (CON) program, and provider/facility complaints.



Al Cardenas, Esq.

Partner with the law firm of Tew Cardenas LLP, chairs the Advocacy and Governmental Affairs group in Miami, Tallahassee and Washington, DC ... over 30 years legislative experience ... served two terms as Chairman of the Republican Party of Florida ... twice-named one of Washington, DC's top lobbyists ... currently represents some of Florida's largest corporate and governmental entities before the Florida Legislature ... graduate of Florida Atlantic University and the Seton Hall University School of Law.



Chris Dudley

Joined Southern Strategy Group in 2000 ... over 15 years legislative experience ... formerly served as Assistant to the Chief of Staff and Acting Deputy Chief of Staff to Governor Jeb Bush and as Deputy Chief of Staff, Deputy Legislative Director, and Special Assistant to former Lt. Governor Frank T. Brogan ... Bachelor's degree in Political Science from the University of South Florida.



Mark Flynn

Vice President of J. Keith Arnold & Associates ... over 21 years legislative experience ... former economic development executive with extensive experience representing business on a broad range of issues, including growth management and transportation ... has also worked for both a member of Congress and a member of the Florida House of Representatives ... graduate from the University of South Dakota with a B.S. in Mass Communications.

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**Leslie Foy**

Assistant Director of Greenberg Traurig's Tallahassee Governmental Affairs practice ... state legislative practice spans over 20 years representing health and life insurers, investor-owned health care facilities, and assisted living facilities ... formerly served as the Director of Government Affairs for the Florida Chamber of Commerce ... well-versed in grassroots and campaign development techniques having previously served as AIF's Chief Political Officer.

**Richard Gentry**

Head of Gentry & Associates, a government consulting firm in Tallahassee ... prior General and Legislative Counsel for the Florida Home Builders Association ... in his 24 years with the association, Mr. Gentry was actively involved in legislation which included growth management, affordable housing and environmental laws.

**Peter Harris, Esq.**

President and CEO of ADG Business & Governmental Consultants ... more than 17 years experience successfully designing and implementing substantive legislative, governmental and management programs for business and government ... effectively worked with key policy makers in all branches of government ... graduate of the University of Miami and Florida State University College of Law.

**Nick Iarossi, Esq.**

Founding Partner of Capital City Consulting, LLC ... with more than seven years legislative experience ... formerly worked in The Florida Senate, The Florida House of Representatives and the Office of Insurance Regulation ... expertise in banking and insurance, privacy and public records, health care, procurement, parimutuels, technology, and education ... graduate from Florida State University College of Law.

**H. Frank Meiners**

President, Frank Meiners Governmental Consultants, LLC ... formerly with BellSouth as their Executive Director in Tallahassee where he lobbied communications issues ... more than 30 years legislative experience ... graduate of the University of South Florida in Mathematics and of the Fuqua School of Business at Duke University.

**David Rancourt**

Founding Partner of Southern Strategy Group with more than 21 years legislative experience ... formerly served as Director of the Florida Division of Elections, as Deputy Secretary of State, and Deputy Chief of Staff under Governor Jeb Bush ... serves a strong client base with varied interests in both executive and legislative branches of government ... holds a B.S. in Economics from Florida State University and a Master's degree in Political Science from the University of Florida.

**Jim Rathbun**

President of Rathbun & Associates ... more than 19 years experience representing individuals and entities before the legislature, state agencies, Governor, and Cabinet ... formerly worked with the Florida House of Representatives and served as Staff Director of the House Republican Office ... B.S. from Florida State University.

**Stephen W. Shiver**

Director of Governmental Affairs for the Advocacy Group at Tew Cardenas ... over 10 years legislative and campaign experience ... former aide to House Speaker Tom Feeney and Majority Office Liaison to House Majority Leader Mike Fasano ... former Executive Director for the Republican Party of Florida ... has represented some of Florida's largest corporate and governmental agencies before the Florida Legislature ... graduate of Florida State University.

**John Thrasher, Esq.**

Florida's Speaker of the House from 1999-2000 ... while leading the House, helped to pass some of the landmark reforms advanced by Gov. Bush, including an overhaul of the state's entire system of education ... the new medical school at FSU, John's alma mater, honors his name ... more than 25 years of legislative and government affairs experience.

**Stacey Webb**

Joined Southern Strategy Group after serving as Assistant Chancellor for Community Colleges at the Florida Department of Education leading the division's legislative efforts on issues relating to economic and workforce development ... also served as Staff Director and Majority Office Senior Analyst with the House of Representatives ... 13 years legislative experience ... received a B.A. from Stetson University and a M.P.A. from the University of Central Florida.

**Gerald Wester**

Managing Partner, Capital City Consulting, LLC ... former Chief Deputy over Florida Department of Insurance's regulatory staff ... more than 32 years lobbying experience ... expertise in insurance, banking, and health care issues ... Bachelor's and Master's degrees from Florida State University.

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Candidate Interviews

Each election year, members of the Council will meet in several cities around the state to sit face-to-face with candidates to discuss their stand on business issues.

Election Watch: Outline of Races

This publication has become the “can’t miss” tool for everyone following state legislative races. It provides information on all House and Senate candidates, including, personal & professional information, fundraising totals, political history, and current campaign news.

Email Information Services

Members of the Political Council receive frequent updates via email to ensure they are kept up-to-date. *Political Insight* is a monthly report on all the current political news and campaign updates. *Information Express* is designed to provide rapid delivery of hot political happenings as they occur.

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A one-of-a-kind website available only to members of the Council. This site provides the most in-depth information available anywhere on candidates for the Florida Legislature — includes, profiles, expansive contribution reporting, in-depth questionnaires, district demographics, etc.

