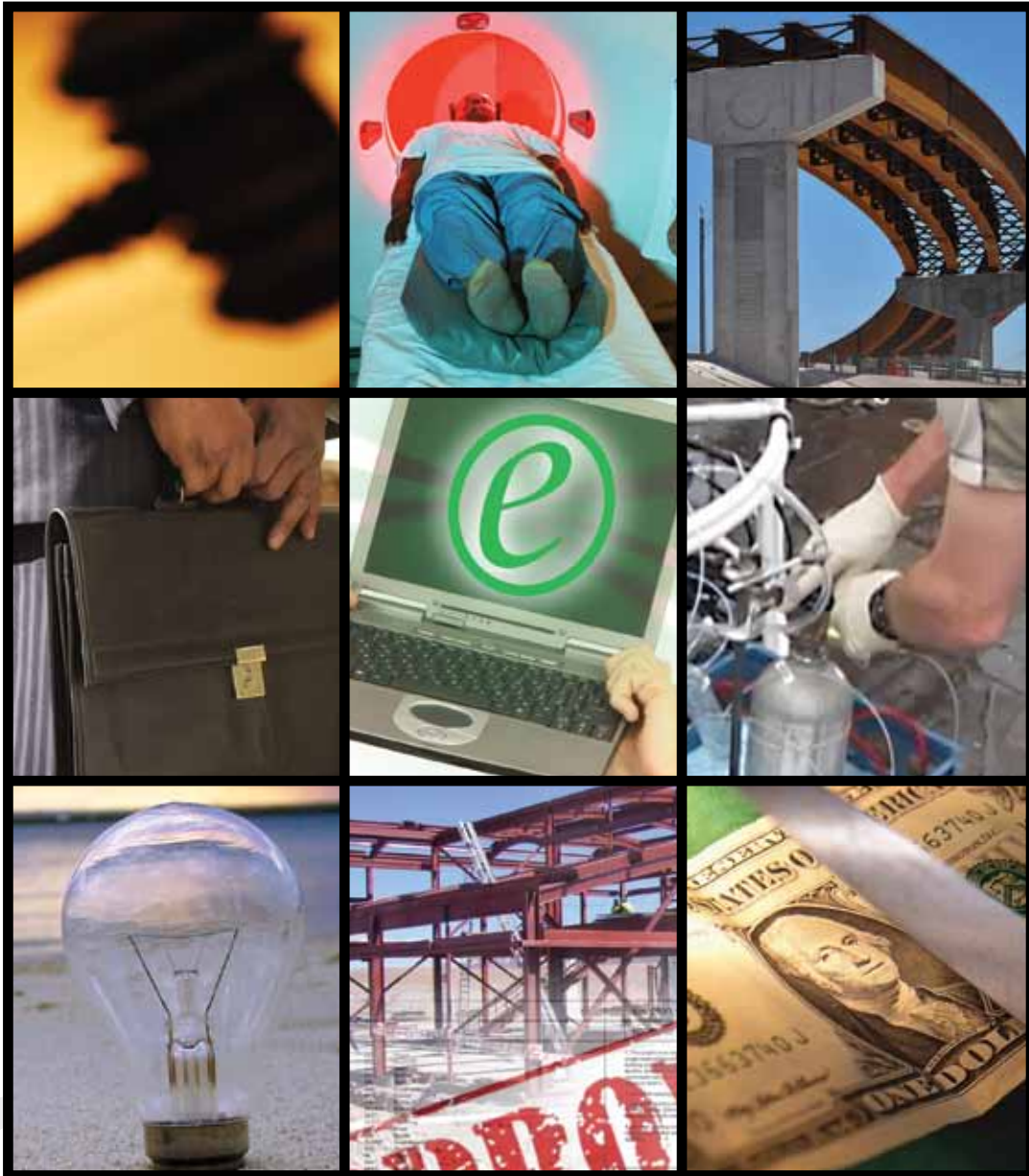




ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business Since 1920



2011 SESSION PRIORITIES



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The Voice of Florida Business Since 1920

Since our humble beginnings as the Duval County Employers' Association, Associated Industries of Florida (AIF) has walked the halls of the Florida capitol defending the principles of the free market. We have never been as passionate about protecting Florida's business climate as we are today. AIF is pleased to provide this publication that highlights our legislative priorities for this year. We make this publication available to all 160 members of the Florida Legislature, all agency heads of the executive branch, the Florida Cabinet and AIF members across the state of Florida so that everyone knows where we stand on the issues. This document also serves as the basis for determining how legislators vote. We are the only business association which tracks committee, council, and floor votes in our voting record.

So how does AIF determine what its priorities will be? Each year, the AIF Lobby Team advises on which issues will be of great interest or concern to our members. We then seek the input of our valued corporate and association members on those issues, and any other issues companies may have. Once that process is complete, we then present the issues to the AIF Board of Directors for approval. This process assures that our members' needs and concerns are addressed.

On each issue page we have listed the AIF Lobby Team member(s) assigned to cover that particular area. This will direct you as to which of the 21 AIF lobbyists to contact to get more information on a particular issue. Our team is often regarded as the best in the halls of the capitol. They are truly "experts" in their respective areas of interest.

With our Lobby Team working together with AIF staff and our Board, 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 also spend a great deal of time looking at new issues as they emerge during the session. As new issues arise, we work closely with our Executive Committee members to ensure we can derive a position and move quickly to act on it.

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

Barney T. Bishop III

President & Chief
Executive Officer



The annual AIF Welcome Back Reception traditionally marks the beginning of the legislative session.

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AIF Hires Two New Vice-Presidents and Creates New Political Team

Vice President of External Relations

Brewster Bevis is AIF's new Vice President of External Relations. Brewster comes to us from Washington, DC where he was the Senior Director of Legislative Affairs for the National Association for Builders & Contractors. In this position, he gained extensive experience lobbying business issues. He also served as a legislative aide to former Congresswoman Katherine Harris and was a Presidential appointee as Legislative Officer to the US Department of Labor.



Along with meeting companies all over Florida to promote the value of AIF, he will also help bolster our lobby efforts during session and will be part of our newly created political team.

Brewster will make an immediate impact on issues like immigration and unemployment compensation.

Brewster will also continue his efforts in Washington as he now provides AIF with an experienced lobbyist on many federal business issues. Over the years we have seen more and more federal issues that are a concern to the Florida business community such as Card-Check, Pay Roll Fairness Act, Immigration and various other labor issues. Brewster will give AIF a veteran lobbyist on the federal level to help with issues such as these. He has already been asked to serve on several policy committees of the National Association of Manufacturers (NAM). These include Employment and Labor Policy Sub-Committee, Labor Relations Issue Group, the Employment and Labor Steering Committee, and the OSHA Steering Committee.

Vice President of Political Operations

When we were looking at different possibilities for our Political Operations department, we knew that we wanted someone energetic, fearless and passionate about Florida politics. We feel certain that we have found that person in **Ryan Tyson**, the former Chief Legislative Aide for Senator Charlie Dean. Ryan will be our new Vice President of Political Operations. Along with being a key person in the Senator's office on policy matters and serving as his aide in the Florida Senate, Ryan also served as the Senator's Campaign Manager on his 2007 & 2008 campaigns. Ryan has worked with many of our members through the years and his political



acumen and prowess are known to many in corporate Florida.

The dawn of this decade has brought a new era of campaigning to Florida, and the opportunity for Associated Industries to make an even bigger impact in the 2012 election cycle and beyond. Ryan brings a wide-range of experience in all levels of House, Senate and even local campaigns. His resume includes soft and hard dollar fundraising and organization, polling, focus groups and subsequent messaging, as well as electioneering.

As we enter 2011, AIF is pleased to announce that we have added two highly skilled, energetic staff members to our team. These two individuals will ensure that AIF is prepared to handle the challenges of the upcoming legislative session as well as the unprecedented 2012 electoral cycle.

AIF Political Team

For years, the AIF lobby team has been second to none and is highly regarded as the best of the best in the State Capitol. We have decided to apply this "team approach" to the political side so that we can enhance our efforts, strategies and effectiveness for our members. The political team will be led by Ryan Tyson, the new VP of Political Operations. The other two members of the team will be **Stephen Shiver**, from The Advocacy Group at Cardenas Partners, and Brewster Bevis, our new VP of External Affairs.



We believe that these additions will position AIF in the best possible posture to be more effective in all facets of our organization — corporate, legislative and political. AIF members will get a chance to meet both Brewster and Ryan in the coming months at upcoming AIF events.



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Destination Resorts



by José L. Gonzalez

Florida's economy is dependent upon tourism, sales tax, and development revenues. As a result of the current recession, Florida has seen those state revenues drop sharply causing deep cuts in state-provided services such as health care and education. The future for increased state revenue, job creation, tourism, and economic development looks bleak; and Florida has to consider new ways to grow its economic base to provide new jobs and a more stable economy to weather bad economic times.

There is little doubt that the gaming industry can help provide the jobs, economic development, increased tourism, and revenue the state badly needs. No one is claiming that gaming can solve all of Florida's problems, but it can play a significant role in helping to create jobs and stimulate our tourism-reliant state. Right now, Florida has an opportunity to create a premier gaming environment that can rival destinations around the world. Because of the unique geographic location of Florida, coupled with the strong worldwide tourism industry, it is essential that Florida takes the necessary steps to attract Destination Resorts.

Destination Resorts are not modeled around, or solely dependent upon, gaming. These attractions create an overall experience for the guest and are designed to attract a wide variety of tourists, domestic and international. With hotel rooms, meeting and convention space, spas, restaurants, retail, theatres and gaming, Destination Resorts are the type of high-level, full experience properties that can flourish in Florida. The concept and design of a Destination Resort is to have a vast array of entertainment options for people to enjoy.

To attract the large integrated resort companies, such as The Las Vegas Sands Corporation, Wynn, Caesars and others, the regulatory environment and fee and tax structure has to justify the large capital investment. Too many states have tried to over-tax or over-regulate the market, leading to less competition in the bidding process and

a lower level of casino resort that will do little to attract new dollars to the state.

We believe that Destination Resorts in Florida will utilize gaming in the proper manner; as an economic engine that will create more than 100,000 jobs, significant international and domestic tourism, and bring world-class convention and trade shows to Florida.

Not only will this influx of capital bring construction jobs, but once built out, will bring additional ancillary benefits to our state such as an increase use of rental cars and hotel rooms in the area and surrounding the locations, restaurants and other retail establishments. Notwithstanding, the state will experience a significant increase in the outsourcing of key business functions to support these massive resorts, which will bring an economic influx that no other proposal has ever brought to Florida.

While some may look at this proposal as filling a budget gap, which the proposal will certainly help do, we need to look at this as a recurring economic generator that will continue to create jobs, generate revenue, and grow our state's economy for years to come.

Before any proposal is approved; however, AIF strongly encourages the Legislature to consider its effect on the state's pari-mutuel industry. This long standing member of the Florida business community provides over 30,000 jobs in 21 locales around the state. Pari-mutuels should be given the ability to compete and provide the best entertainment value to their customers.

AIF SUPPORTS any proposal that will allow for free market bidding, ensuring that premier development companies come to Florida to build world-class destinations and bring all of these direct and indirect economic benefits to Florida and Florida businesses.

José Gonzalez is AIF's Vice President for Governmental Affairs (e-mail: jgonzalez@aif.com)

Business Regulation

Business regulation issues will once again take center stage during the 2011 Legislative Session. AIF will continue to be at the forefront of the effort to bring the state's existing "Non-Participating Cigarette Manufacturers" (NPMs) in line with other cigarette manufacturers upon whom a 40-cent surcharge was levied in 2009 to help defray smokers' health care costs.

Legislators and newly elected Gov. Scott will be focused on addressing **regulatory reform and streamlining of permits** as a way to create a business climate favorable for job creation. AIF members will work with elected officials to uncover regulations that impede economic activity and job growth.

One area of business regulation that is of great concern to AIF and its members is the potential mandate that all employers use the **E-Verify** system to check the job eligibility and citizenship status of potential new hires as a way to deal with undocumented workers.

Non-Participating Manufacturers

AIF SUPPORTS passage of legislation that imposes a 40-cent surcharge on cigarettes manufactured by "Non-Participating Manufacturers."

Florida's landmark Tobacco Settlement Agreement required smokers who purchased products made by the tobacco manufacturers that signed the agreement to pay an extra 40 cents per pack of cigarettes. That money goes to help defray the state's smoking-related health care costs for Medicaid recipients. Currently, more than 20 percent of the cigarettes sold in Florida are made by companies that didn't sign the settlement and whose customers do not contribute toward the state's health care costs. Legislation will be filed that imposes a 40-cent surcharge on cigarettes made by these NPMs to ensure their customers also pay their fair share for health care. When matched with federal Medicaid money, the revenues produced by the fee will generate more than \$175 million in critically-needed dollars for Florida's Medicaid program. Health care is expensive. It's time that every manufacturer pays their fair share — regardless of the brand they make — and most Floridians agree. This issue is not about equity between participating manufacturers and non-participating manufacturers based on litigation. It is about the projected Medicaid health care costs from citizens who smoke cigarettes from compa-



nies not currently paying their fair share of the anticipated health care costs.

Division of Corporations

AIF OPPOSES any efforts to transfer the Divisions of Corporations from the Department of State (DOS) to the Department of Revenue (DOR).

There is no compelling evidence that this type of move would save the state any revenue or increase efficiency. In fact, this is supported by a recent study conducted by the Office of Program Policy Analysis and Government Accountability (OPPAGA). To the contrary, DOS currently runs one of the most efficient and responsive DOCs in the entire country. Moving the DOC from a mainly ministerial state agency like the DOS to the state's revenue collecting agency causes our business members a great deal of angst. It would be analogous to moving sensitive corporate information filings into the state's version of the Internal Revenue Service. We believe the current system provides the "arms-length" transaction that is appropriate in this type of private sector versus government relationship.

Public Notice Laws

AIF SUPPORTS legislation that requires all public notices be printed in local newspapers and posted on the Internet.

The Internet alone does not provide sufficient public notice to all citizens and businesses of Florida, many of whom may not have access to a computer. Local newspapers offer citizens a single, convenient location to find all public notices as opposed to government entities publishing notices on their respective websites, which places this information in a myriad of different locations. In these difficult economic times, it is better to have

In business, time is money. When employers are asked about the major impediments to job growth, the issue of permitting is always cited as one of the major concerns.



Gov. Rick Scott addresses AIF members during the 2010 Annual Conference in Orlando. Gov. Scott will be a strong ally for the business community as we work together to create jobs in Florida.

more transparency than less, especially in light of the foreclosure crisis in Florida. To acknowledge the “digital divide” and ensure protection of due process, AIF recommends that no government entity required to provide notice of its actions to the public be the only entity that publishes that notice.

Permitting

AIF SUPPORTS efforts to streamline permitting across all state agencies.

In business, time is money. When employers are asked about the major impediments to job growth, the issue of permitting is always cited as one of the major concerns. Currently, there is a duplication of permits at the local, regional, and state level. Streamlining of permits and creating a predictable timeframe for businesses are the most important reforms legislators can undertake.

Immigration Reform

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

Currently, the E-Verify system is a voluntary program that employers can use to verify the citizenship status of potential new hires. Although the federal government has come a long way in improving the system, it is still prone to errors. Mandating E-Verify would have a negative effect for employers, especially those small business owners who don't have full-fledged human resource departments.

Legislators are also proposing Arizona-style immigration laws that could potentially tarnish Florida's reputation as a global trade hub. Fears of racial profiling could make it harder for businesses to recruit employees and could harm Florida's tourism industry. Florida legislators should focus on encouraging Congress to take up a comprehensive immigration reform effort, which would create a temporary guest worker program as a way to deal with the labor needs of our economy.

Fertilizer Ordinances

AIF SUPPORTS legislation that develops an overarching model for fertilizer regulation that applies statewide.

It is unreasonable and a logistical nightmare for retailers to be held responsible for keeping legal products on their shelves when the definition of what's legal and allowable can change from one town and county to their adjacent neighbors. A troublesome practice of local governments micro-managing state regulated industries has emerged across Florida. Almost 20 cities, counties, or municipalities have approved, or are in the midst of approving, an ordinance regulating the application of fertilizer. In the name of saving our water resources, local governments have decided, without scientific proof, that fertilizer is the enemy. It is disconcerting when a regulated industry is required to jump through increased regulatory hoops — different ones for each city, county and municipality. Legislators should look to correct this inefficiency during this legislative session. **Rep. Clay Ingram (R-Pensacola)** has filed **HB 457**, which would create the necessary statewide standard for fertilizer regulation.

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

Keyna Cory
Richard Gentry
José L. Gonzalez



Economic Development & Space

AIF has a longstanding commitment to finding solutions to fix many of the state's inhibiting policies that encumber business growth and economic development. There is a strong appetite for policymakers to review Florida's current package of incentives and tools for attracting new capital investment to our state, as well as the current mechanism for interacting with potential investors.

With the national economy continuing to sputter, unemployment is still high, and the precise future of the United States' space program is still in doubt. Perhaps the best word to describe the situation in Florida's aerospace industry is "uncertain." While that uncertainty can often lead to paralysis, legislators and leaders in the space arena are looking to take aggressive action that will solidify Florida's position as the industry leader and enhance our ability to compete with other states and nations looking to trespass on our turf.

Consolidation of Economic Development Efforts

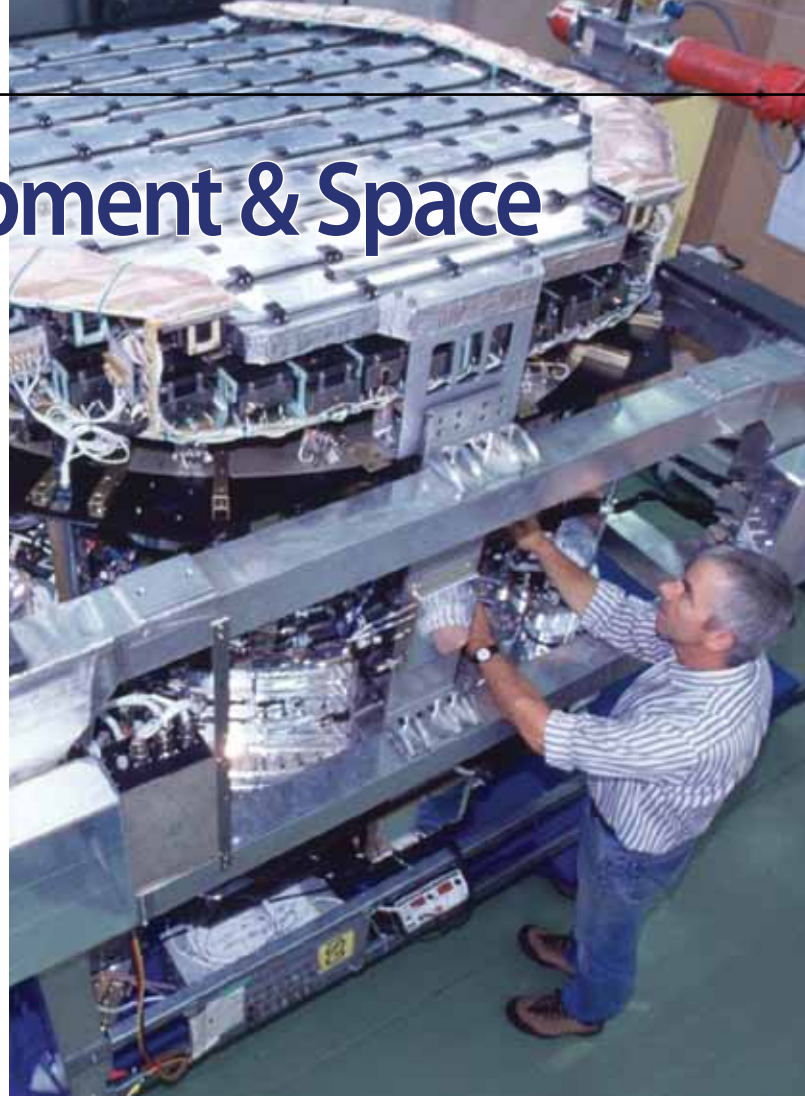
AIF SUPPORTS efforts to find a delivery system with goals and accountability measures in place to effectively promote economic policies that will recruit new industries from out of state and protect and assist existing businesses.

This should include, among other things, streamlining government agencies and public/private partnerships to reduce time consuming and confusing applications for businesses. Many businesses looking to Florida for development incentives oftentimes find that our neighboring and competing states can offer more streamlined and timely processes to packaging deals that are needed for a business to relocate or expand. Florida must find a timely delivery system for our state's recruitment and expansion efforts that works for businesses — not bureaucrats.

Incentive Funds

AIF SUPPORTS funding for the Quick Response Training (QRT) and the Incumbent Worker Training Programs.

The availability of a qualified workforce is essential to the economic prosperity of our state. These programs allow companies looking to make investments in Florida to access the skilled workforce they need or quickly re-train employees in order to begin operations as soon as possible. Viewed as one of the most valuable economic development tools for Florida, the QRT program is the



only state-funded tool for assisting new or expanding businesses with costs related to new job training. This program is key to encouraging job growth in high-wage industries. Since the year 2000, almost 82,000 Florida workers have been aided by this grant.

AIF SUPPORTS the passage of the Research & Development Tax Credit.

AIF will also ask the state to pursue traditional economic development tools such as the Research and Development (R&D) tax credit. This program would assist dynamic companies looking to provide the foundation of information that could create new sectors of business or expand the sophistication of existing sectors.

AIF SUPPORTS the re-tooling of the state's economic development incentives for manufacturers from a jobs-based incentives system to an investment-based incentives system.

The state's current jobs-based incentives scheme is too narrow and looks only at the direct jobs created by one employer at one facility. It does not consider the capital investment per employee. An investment-based economic development incentives system is the more viable and productive approach to creating manufacturing jobs throughout the industry because it would create jobs, not only within the existing employer, but also

Legislators and leaders in the space arena are looking to take aggressive action that will solidify Florida's position as the industry leader.



AIF President and CEO Barney Bishop presents Rep. Will Weatherford (R-Wesley Chapel) with his first *Champion for Business Award* at the AIF Annual Conference in Orlando.

facilitate an environment that would foster a plethora of indirect jobs and thereby increase the potential to expand and grow Florida's exports.

Ports

AIF SUPPORTS efforts to include port incentives in any economic development package that is considered during the 2011 Session.

The state must also find a way to utilize one of our greatest assets, Florida's 14 deep water ports. For the past several years, AIF has worked with our partners in the business community to reduce red tape and regulatory burdens, such as duplicative security credentialing, that port-based businesses encumber in their daily work. **HB 283 by Rep. Dana Young (R-Tampa) and SB 524 by Sen. Jack Latvala (R-St. Petersburg)** have been filed to deal with the security issue. Furthermore, by utilizing tax incentives or bonding mechanisms to allow ports to receive new capital and investments, Florida's ports can continue to compete with others along the Eastern Seaboard and allow the Gulf ports the ability to capitalize on the expansion of the Panama Canal. **Rep. Lake Ray (R-Jacksonville) and Sen. Jeremy Ring (D-Margate)** have filed several bills to help economic development efforts at our ports.

Space Agenda

For 2011, AIF will continue to be a strong advocate of the space agenda and will work with Space Florida and other partners in the aerospace industry to continue to make space issues a priority for our state. **Specifically, AIF will SUPPORT:**

Space Business Incentive Act – this proposal creates a corporate income tax credit and a fully transferable net-operating loss tax credit.

Aerospace Jobs Retention Tax Credit – this proposal creates a tax incentive for job creation in the aerospace sector and provides for a tax credit for tuition reimbursement in order to stimulate the creation of high-wage jobs.

Spaceflight Informed Consent – this proposal removes the 2018 Sunset provision currently in state law.

Telecommunications Modernization Reform

AIF SUPPORTS legislation that modernizes Florida's communications laws and empowers consumers, not state regulation, to pick winners and losers. Further, AIF supports these much-needed reforms to keep and create jobs, and to spur investment, as Florida competes with states that have already created an attractive investment environment.

Consumers continue to embrace fast-paced advances in communications technology, and competition is providing them with choices. Floridians have benefited most from communications providers' innovation and investment in markets that are customer-focused and customer-driven; however, the full benefits of competition are being constrained by antiquated and burdensome state regulation on only one kind of communications provider – the incumbent landline telephone provider. Consumers are choosing other types of technology and services, such as wireless and broadband, while only the incumbent landline telephone providers are strapped with state regulation that hampers their ability to compete.



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

Towson Fraser – Space

Stephen Shiver – Economic Development

Tamela Perdue, Esq. – Ports

Education & Workforce Development

Florida's economic success, future growth and overall quality of life will depend heavily on developing and retaining skilled workers. Gov. Rick Scott pledges to create 700,000 jobs in seven years. In order to create jobs, Florida must have a world-class workforce ready for those jobs; and that begins with educating our students. AIF has been at the forefront of education reform efforts for several years. Accomplishments include stronger curriculum standards, increased high school graduation requirements, and funding changes that allow for more technology in public schools. AIF was pleased to support Florida's Race to the Top application, which resulted in a grant of over \$700 million to continue Florida's education reforms.

Teacher Quality

AIF will continue to SUPPORT reforms that will keep our best teachers in our classrooms and urges the Legislature to use the Race to the Top application as a basis for these reforms.

In order to build on the success of winning Race to the Top funding, Florida will need to enact legislation around improving teacher quality. AIF supported Senate Bill 6 in the 2010 session, a controversial package of teacher quality reforms. The Race to the Top agreement has broad support from districts and teachers around the issues of evaluation, pay, and tenure. This year, **Sen. Steve Wise (R-Jacksonville)** has filed **SB 736**, which will be the main vehicle for these reforms. **Specifically, AIF supports reforms in teacher evaluation, pay, and tenure that bring the focus on student learning as the most important factor in these decisions.**

E-Learning

AIF will continue to SUPPORT legislative changes that will increase digital learning.

AIF was instrumental in the move last session to open instructional materials funding for digital learning opportunities. At the December meeting of the State Board of Education, Department of Education (DOE) Commissioner Eric Smith announced an initiative for



Florida to go "all digital," in terms of learning materials, within three years. This bold move toward e-Learning is important for Florida's future economic competitiveness. Many of the 700,000 jobs that Gov. Scott wants to create in Florida will be in fields that have been revolutionized by technology. We can no longer afford to teach students the same way we did in 1950 if we want to compete in the global digital economy of today, not to mention the economy of the future.

In order to accomplish the move to e-Learning, many policy changes must occur. Specifics will include:

- Changing the funding policies to allow students to move at their own pace and generate funding when competencies are reached.
- Changes in funding for instructional materials may also be needed to give districts the greatest flexibility in moving to e-Learning.
- Additionally, the availability of K-12 virtual education, with both full-time and part-time options, must be expanded. This expansion of digital learning should occur in both in the traditional public school setting and as a school choice option for parents.

We can no longer afford to teach students the same way we did in 1950 if we want to compete in the global digital economy of today, instead of; not to mention the economy of the future.



Sen. John Thrasher (R-Jacksonville) addresses AIF members during the annual Pre-Session Briefing in Tallahassee.

College and Career Readiness

AIF will continue to SUPPORT efforts to upgrade foundational skills and readiness for college and careers.

This effort becomes more important based on Florida's Race to the Top goals to increase the number of high school graduates attending some postsecondary education over the next four years. Career academies have been an important part of the changing landscape toward college and career readiness in Florida. **AIF will continue to SUPPORT the expansion of career academies in Florida.** An extension of the career academy model for college readiness is also happening in Florida and around the country. **AIF will also SUPPORT early college and college readiness academy models that help the state reach the Race to the Top goals.**

Another way that high school students prepare for college is through acceleration mechanisms such as AP,

IB, AICE, and Dual Enrollment. **AIF SUPPORTS the continued expansion of these programs that allow students to begin college work while finishing high school.**

Lastly, as requirements and standards for high schools continue to increase, it will remain important to have programs that help students assess and improve the foundational skills that are necessary for both college and career readiness. One example of a program to increase foundational skills is the Florida *Ready to Work* program that has been in law for several years in Florida. **AIF SUPPORTS the Ready to Work program and other programs that focus on getting students prepared for more rigorous courses in high school and thus prepared for college and the workplace.**

School Accountability and Funding

AIF SUPPORTS Gov. Scott's bold proposal to make funding for education more competency-based.

An important component of this proposal will be the continued improvements in school accountability. End-of-course exams will be an important way to demonstrate competency completion, as will acceleration programs such as AP, IB, AICE, and Dual Enrollment.

Higher Education

The K-20 pipeline for a highly qualified workforce for Florida culminates with the higher education system.

AIF will continue to SUPPORT performance-based budgets for higher education sectors such as the Florida College System, the Florida Resident Access Grant, and the ABLÉ scholarships for students in the for-profit higher education sector. Additionally, AIF will continue to SUPPORT funding for the expansion of research and commercialization in our State University System.



AIF Lobby Team Member Assigned to the Area of Education & Workforce:

Stacey Webb – Education

Energy

Reasonably priced and reliable energy is essential to the long-term health of Florida's economy, the prosperity of our employees and the creation of jobs. AIF was the first business group to engage in the energy debate, supporting the development of supply options that lead to diverse, reliable and reasonably priced energy resources, with a minimum of government intervention, and promoting an economically-balanced and varied mix of energy sources consistent with prudent environmental policies. Furthermore, we fully endorse cost-effective energy **conservation** efforts. During these recessionary times, we must ensure that employers in Florida do not incur unwarranted future increases in the production and delivery costs of energy. As the global recession continues its hold on markets, we are beginning to see some reluctance to participate in these types of climate change reduction programs by governments and the private sector because of the higher costs associated with them.

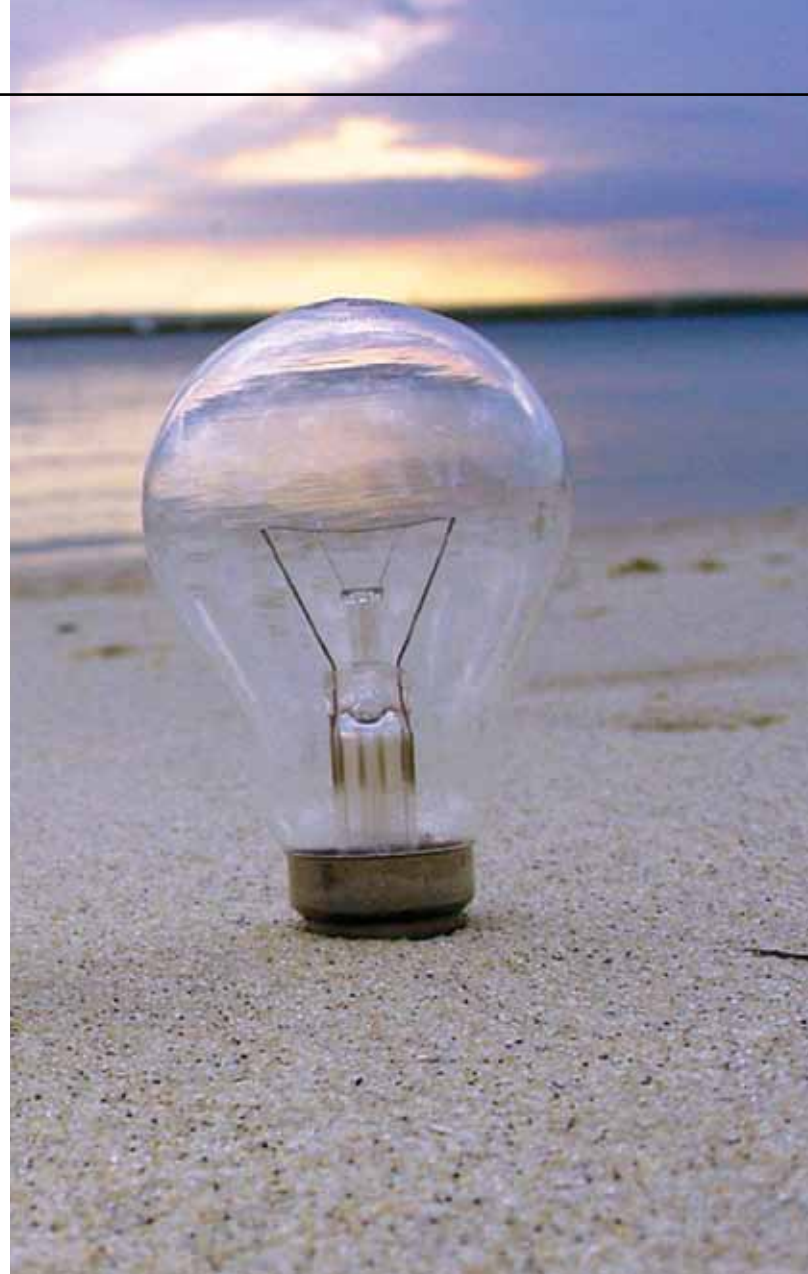
While the demand for electricity will continue to grow over the next few years, a sustainable and common-sense energy mix will be critical for the success of Florida's business community. All sources of energy — nuclear, clean coal, natural gas, oil and renewable varieties — should be supported and encouraged. The one guiding principle for evaluating these sources must continue to be affordability and reliability.

The following are AIF's official positions on the most vital energy issues to be considered by the 2011 Legislature:

Offshore Exploration and Production of Oil and Natural Gas

AIF SUPPORTS the passage of legislation that establishes a process by which the state of Florida can begin considering proposals for safe offshore drilling in federal and state waters.

As global economies begin the recovery process from the recent world-wide recession, the Energy



Information Administration's (U.S. Department of Energy) short-term energy outlook is projecting continued tightening of world oil markets over the next two years that will exert upward pressure on crude prices. Florida's economic recovery is heavily dependent on reasonably priced and reliable sources of petroleum; Florida typically consumes over 25 million gallons of gasoline and diesel each day for transportation and generates over half of its electricity from clean burning natural gas. According to federal statistics, the U.S. federal offshore areas hold the equivalent of three times the oil resources of Canada and Mexico combined and almost six times the natural gas resources of these two countries. In Florida waters (3-10 miles offshore) experts believe there to be 3 billion barrels of oil. Allowing safe and environmentally-sensitive access to these resources in state and federal waters is not only in our national interest as a means of improving energy security, diversifying supply and enhancing economic

While the demand for electricity will continue to grow over the next few years, a sustainable and common-sense energy mix will be critical for the success of Florida's business community.

development, it also can serve as an important and much-needed method for generating new revenues and jobs for the state of Florida.

Clean-Coal Technology

AIF SUPPORTS efforts to bring back clean-coal technology as a source for reliable and reasonably priced energy by repealing Executive Order 07-127

Clean coal technology should not be abandoned as a readily available, reliable, and reasonably priced source of energy. According to the U.S. Department of Energy, "Clean Coal Technologies — the products of research and development conducted over the past 20 years — have resulted in more than 20 new, lower-cost, more efficient and environmentally compatible technologies for electric utilities, steel mills, cement plants and other industries." Despite the near-term economic advantages of natural gas, the state and nation should not pass up opportunities to contribute to advancing the knowledge and science of using America's more abundant energy source in an environmentally acceptable way. At a minimum, legislators should look at ways to accelerate and streamline permitting for coal plants and other reliable, low-cost sources of electricity.

Proposed Energy and Climate Change Rules

AIF OPPOSES the establishment of a "cap-and-trade" program for the reduction of greenhouse gas emissions.

AIF's concern with the development of any "cap-and-trade" program in Florida is its effect on the ability for companies and manufacturers to compete with their regional counterparts. Furthermore, enactment of such emission reduction programs has the potential to cost consumers across Florida more money in the form of increased energy costs and increased consumer goods prices. In fact, according to a recent study by the Heritage Foundation, the typical household would pay a total of \$8,000 more for energy between 2012 and 2030 under these types of emission reduction programs. During this critical time in Florida's economic history, government must do everything in its power to keep the costs for businesses down, thereby fostering a

favorable climate for rebuilding our job market.

Renewable Energy

AIF SUPPORTS energy policy that allows for the development and expansion of the renewable energy sector while maintaining reliability of services without any mandates by government or unreasonable prices. Such a policy would make Florida attractive to significant investment and job growth in manufacturing, distribution, and cutting edge R&D in the renewable technologies and renewable fuel sector. The policy should allow willing partners to make business decisions that will develop a market that would avoid unintended consequences of a system of government mandates.

AIF SUPPORTS legislation that will enable those investor-owned utilities (that so desire) to develop renewable energy supply sources using the technology (solar, wind, biomass, other) and scale (large, medium, small) that makes the most sense for those investor-owned utilities and their customers. This would allow both the investor-owned utilities and the other suppliers in the renewable sector to make market-based decisions to deploy renewable sources to meet customer needs in a cost-effective manner.

Conservation and Energy Efficiency

AIF SUPPORTS any efforts by the Legislature to increase incentives for energy efficiency and conservation.

Continued support of the existing incentive programs, such as the solar energy rebate program, the renewable energy grant, the Farm-to-Fuel program, and tax credits for renewable fuels, are an essential component of Florida's energy policy mix. AIF will also continue to support any legislation aimed at encouraging consumers to buy energy-efficient appliances through sales tax holidays or other incentives.



AIF Lobby Team Member Assigned to the Area of Energy:

Jim Rathbun

Environmental Sustainability

Environmental issues have always been very important to AIF members. Florida's natural resources are a draw not only for tourists, but for businesses that want to grow or locate in our state. We must be good stewards of our land and water, and AIF and its members lead the way in protecting those resources. Water and waste management will continue to be priority issues in the coming legislative session.

Florida has experienced drought conditions for several years. To make matters worse, total water use is expected to grow to 9.3 billion gallons per day by 2025 — an increase of nearly 2 billion gallons per day. AIF will closely follow legislation dealing with **water resources** this session. For example, the House Select Committee on Water Policy will be addressing water quantity as well as water quality issues over the next two years. AIF has also created a Numeric Nutrient Criteria Task Force to address the new, federally imposed water standards being forced upon Florida.

Shifting gears to other sustainability issues, AIF has championed recycling efforts during the 2010 legislative session by supporting a plan to increase the recycling rates in Florida to 75% by 2020, without any mandates to the business community. Many AIF members have already implemented innovative and effective programs to manage waste.

AIF will focus on the following areas relating to environmental sustainability issues:

Numeric Nutrient Criteria

AIF encourages the Florida Legislature to engage and support our Congressional delegation in their efforts to stop the U.S. Environmental Protection Agency's (EPA) imposition of unreasonably restrictive water quality standards only on the State of Florida. These proposed federal standards are unscientific and costly (some estimates show a price tag of \$50 billion) for businesses and consumers.

Florida is currently facing the possibility of having to meet strict water quality standards regarding numeric nutrient criteria (for nitrogen and phosphorous) in all water bodies as a result of a lawsuit by radical environmental organizations. The proposed criteria are technically and scientifically flawed, as well as economi-



cally unattainable by the business and public sectors. Although a federal action, state legislators have already held hearings on the issue and AIF will continue to vocally oppose the establishment of these flawed water quality standards. **Rep. Trudi Williams (R-Ft. Myers)** has filed **HB 239** this year, which will prohibit the implementation of certain federal water criteria in Florida.

Alternative Water Supply

AIF SUPPORTS state funding for alternative water supply programs.

Without an adequate water supply, there will be significantly less economic development, jobs and natural resources in the future. Unless we begin to fund and build adequate water systems now, Florida will have problems meeting future demands. The Water Protection and Sustainability Trust Fund (WPSTF) must be fully funded so alternative water supply projects, such as reclaimed water projects, desalination efforts, and the collection and storage of rainwater, can be built to produce additional and sustainable future water supplies.

Recycling

AIF OPPOSES any attempts by the Legislature to enact or increase fees on tire or landfill disposals and water severance taxes in order to pay for recycling programs. The same goes for proposals that would enact a bottle bill so that portions of unredeemed deposits can be used as a funding source.

These ideas have been included in a report by DEP

Without adequate water supply, there will be significantly less economic development, jobs and natural resources in the future.



Commissioner of Agriculture Adam Putnam was a guest speaker at the annual Florida Water Forum hosted by AIF and the American Water Works Association.

on achieving Florida's 75 percent recycling goal. While they would increase revenue, there is no guarantee — given the state's current fiscal challenges — that these funds would be used to create a fund for recycling programs. Additionally, proposals like the passage of a bottle bill run contrary to comprehensive solid waste programs currently in place in Florida.

Springs Protection

AIF SUPPORTS efforts to protect Florida's springs with reasonable regulations that do not unfairly target or place undue burdens on citizens and businesses.

Legislation was passed in 2010 dealing with the protection of more than 700 springs in Florida, several of which are located in the most popular state parks. AIF recognizes the importance of Florida's springs to our state's natural beauty and wildlife, recreation, water quality and our overall quality of life and economic well-being. Reducing nitrogen released into our springs and aquifers is a noble goal. In Florida, nearly one-third of all homes and businesses utilize conventional on-site septic systems as the method of sewage treatment. The potential economic impact of springs protection mea-

asures on citizens and businesses that use septic tanks as a legitimate form of waste disposal could be significant. **AIF SUPPORTS** revising the legislation dealing with the septic tank inspection program passed last session (SB 550) by changing the statewide program to a pilot program in counties with a first magnitude spring or an impaired watershed basin.

Additionally, AIF encourages the 2011 Florida Legislature to appropriate \$2 million to implement Phase 2 of the Florida Onsite Sewage Nitrogen Reduction Strategies Project, which will protect Floridians from unjustified and costly mandates.

Contamination Notification

AIF OPPOSES changes to the current contamination notification laws.

Currently, Florida has a system to notify property owners when contamination is found on an adjacent property. In recent years, legislation has been filed to expand this notification process. The current law is working to protect property owners without causing undue alarm which may result in property values to be lower.

Brownfields

AIF SUPPORTS a one-time increased appropriation of \$8 million to be used to assist in cleaning the multi-year backlog of tax credit payments. **AIF also supports increasing the current \$2 million general revenue appropriation to \$5 million for applicable tax credits for Brownfield site cleanup.**

Florida's Brownfield Program provides a variety of financial and regulatory incentives encouraging parties to voluntarily clean up and redevelop Brownfield sites. Since the Brownfield Program's inception in 1997, local governments in Florida have designated more than 250 Brownfield areas representing over 185,000 acres, and more than 145 voluntary Brownfield site clean up agreements have been executed. By restoring Brownfield sites, the properties get back on the tax rolls quicker and become useful to the community.

AIF Lobby Team Members Assigned to the Area of Environmental Sustainability:

Keyna Cory
Rheb Harbison

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Ethics & Elections

The elections arena will be dominated for the next two years by issues associated with the reapportionment process. Every ten years and following the census, the Florida Legislature is tasked with re-drawing legislative districts. This already complex process will be even more complicated during this iteration due to the passage of Amendments 5 and 6, which established supposed fairness standards for use in creating legislative and congressional district boundaries. AIF was strongly opposed to Amendments 5 and 6 because of their potential to disenfranchise minority voters and their contradictory nature. The process in place before the passage of 5 and 6, while not perfect, provided for a process that worked fairly and efficiently and had been upheld by the judicial branch.

Reapportionment

AIF will closely monitor the reapportionment process and will SUPPORT legislation that provides meaningful guidance to a fair and rational process.

Even though the formal redistricting process will not occur until this time next year, the Legislature will begin the groundwork in terms of approaches and parameters for the process. This will inevitably include legislation that attempts to add clarity and functionality to the application of the Fair Districts Amendments that were adopted in November 2010. Anything the Legislature can do to resolve the apparent contradictions within the bodies of the Amendments themselves will improve the reapportionment process and hopefully reduce the volume of litigation that is bound to follow.

Campaign Finance

AIF will closely monitor any legislative proposals relating to campaign spending to ensure that the rights of the business community to freely participate in the elections process in a transparent manner are preserved.

The electioneering communications statute that was reenacted in 2010 is already being challenged on constitutional grounds. AIF will monitor the litigation as well and will oppose any legislation that weakens the statute as an effective tool for business participation in the electoral process. In addition, bills will undoubtedly be considered that provide restrictions or limits



on corporate participation in elections or that otherwise impose unreasonable restrictions on participation in the process.

Ethics in Government

AIF will closely monitor any legislative proposals concerning ethics in government and may potentially support proposals that meaningfully enhance the ethical environment. However, AIF will OPPOSE legislation that unduly infringes on the rights of individuals or that unfairly impact the relationships between the state and private entities that do business with government.

The spate of investigations and convictions related to corruption by public officials has created a clear need for a revision of the statutory scheme for preventing, detecting, and punishing breaches of the public trust. At the same time, some of the proposals for reform contain provisions that unduly impose on the rights of those within government as well as businesses that provide products and services to governmental entities.



AIF Lobby Team Member Assigned to the Area of Election Reform:

John French, Esq. – AIF Special Counsel on Elections

Growth Management & Transportation

The 2011 Legislative Session begins in a post-Hometown Democracy setting. The controversial proposed constitutional amendment which appeared on the 2010 ballot was soundly defeated, and as a result, the Legislature is likely to tackle both revisions to Florida's growth management act as well as an overhaul of the Department of Community Affairs (DCA).

The leadership of the House and Senate has recently been openly critical of the DCA as well as the laws governing growth and their seemingly chilling effect on economic development. With the election of a new economic development-oriented Governor who has been both critical of the DCA as well as the law, the atmosphere seems right for change. It is not lost on the Legislature that Governor Rick Scott seems willing to make significant changes to one of his own agencies.

In the area of transportation, Governor Scott and his new administration will focus on expanding and enhancing Florida's transportation infrastructure as one of the primary targets for meeting his economic development goals. For the past two years, the top transportation priority for AIF has been opposing any raid on the State Transportation Trust Fund. AIF also supports re-directing the additional funds from the 2009 tag and title increase into the State Transportation Trust Fund. We believe that safe, secure and accessible transportation corridors are vital for the transportation of goods and citizens that create the economic vitality of our state.

AIF will concentrate on the following growth management and transportation issues for the 2011 Legislative Session:

Community Renewal Act

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

At the forefront of proposed legislation will be the

reenactment of the Community Renewal Act, commonly known as SB 360, which was passed in the 2009 Session and recently declared unconstitutional by a Circuit Court on grounds of containing an unfunded mandate on local governments. Even though the ruling remains on appeal, bills have already been filed to re-pass the legislation in three parts by the required 2/3 vote so as to maintain the bill's fundamental intent. This legislation, among other things, exempted projects in densely populated areas from the DRI process and extended the life of certain development permits due to the economic downturn. New growth management ideas, as well as the streamlining of DCA, will be undertaken in a separately filed bill.

Department of Community Affairs (DCA)

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

Florida's Growth Management Act should be revised in light of the fact that every local government in Florida has adopted and implemented a growth plan; and the DCA should now step back from top-down enforcement of those plans, which dictate control of development at the local level.

AIF encourages the Legislature to revise and streamline the comprehensive planning and development of regional impact review processes to avoid duplication and the unnecessary expenditure of time and resources currently experienced in the development review process.

The current comprehensive planning system has become too bureaucratic and process-driven. It has not achieved the outcomes it was designed to achieve and adds time, expense and uncertainty to the development process. The rules are outdated and have been construed in conflicting ways by the implementing agency and administrative law judges. They have outlived their usefulness now that plans have been ad-

Florida's Growth Management Act should be revised in light of the fact that every local government in Florida has a growth plan; and the DCA should now step back from top down enforcement of those plans, which dictate control of development at the local level.



Senate Majority Leader Andy Gardiner (R-Orlando) addresses AIF members at our Annual Conference in Orlando.

opted and implemented in all jurisdictions and should be repealed by the Legislature.

The development of regional impact (DRI) process should apply to only a limited type of large developments. Additional exemptions for job-creating industries should be adopted and review thresholds should be raised for many categories of development. DRIs should only have to address mitigation in areas in which a local government has adopted a generally applicable ordinance instead of being singled out for extraordinary exactions.

Transportation Concurrency

AIF SUPPORTS efforts to eliminate or re-address the transportation concurrency requirements currently in statute.

The Legislature should re-evaluate its approach to transportation concurrency which has proven to be more of an intellectual exercise than a workable concept. In practice, it has remained fraught with inequities as well as, in many cases, insurmountable obstacles to needed growth.

AIF SUPPORTS repeal of mandatory school concurrency and where it is voluntarily implemented, it should only be done on a districtwide basis.

Implementation of school concurrency has resulted in unrealistically high exactions (some reaching over \$35,000 per house) in some areas of the state based upon hypothetical school zones that bear little relation to how a school district actually operates. Level of service standards that cannot be met have been adopted in many districts, thus creating a shift of the entire responsibility for building student stations to new development.

Transportation Trust Fund

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

For every \$1 invested in the Department of Transportation (DOT) work program, nearly \$6 is returned to the state's economy; and, for every \$1 billion invested in road construction and improvements, more than 28,000 new jobs are created for Floridians. The economic impact and job creation of investing in transportation infrastructure relies upon the security of the State Transportation Trust Fund.

Dedicated Funding Source for Transportation

In 2009, the Florida Legislature raised tag and title fees for all classes of vehicles. The increased funds, however, were directed to the state's general revenue to assist in balancing the state budget and not specifically to benefit transportation projects in Florida.

AIF SUPPORTS re-directing these funds into the State Transportation Trust Fund to benefit transportation projects.

AIF Lobby Team Members Assigned to the Area of Growth Management & Transportation:

Chris Dudley – Transportation

Richard Gentry – Growth Management

Health Care

Employer sponsored health care benefits have become a very important tool for recruiting and retaining employees. However, over the years, benefits have decreased as the cost of coverage has increased. Employers have tried to mitigate cost increases by moving to consumer driven plans and increasing co-payments and deductibles paid by their employees. With the continued recession tightening the pocketbooks of employers and their employees, now is the time to address cost drivers in the system.

As such, AIF's health care priorities are as follows:

Medicaid Reform

AIF SUPPORTS the Legislature's plan to make bold changes to the Medicaid Program by streamlining this highly fragmented delivery and payment system.

Florida's Medicaid program accounts for approximately one-quarter of the state's spending and in FY 2011-12 will cost \$22.1 billion. Although the program is jointly funded by federal and state dollars, policymakers can no longer continue to fund this program without taking a closer look at whether it is running efficiently.

Typically, Florida's employers haven't taken an active interest in the state's growing Medicaid rolls. But employers must understand that when the Medicaid deficit rises, reimbursement to providers (such as physicians, nursing homes and hospitals) who provide services to insured Floridians, are lowered. To make up for the decrease in reimbursement for caring for the state's uninsured citizens, these providers raise the rates they are willing to accept for serving insured patients. As the cost of services go up, the result is that the premiums paid by employers and employees understandably increase. In other words, individuals, employers and their employees suffer with higher premiums due to the growing costs of the state's Medicaid program.

Addressing the cost drivers associated with Medicaid will:

- Ensure appropriate quality health care is provided to the state's most vulnerable;
- Guarantee that services are provided in the most cost-efficient manner and setting; and
- Lower the opportunities for fraud in the system.



Medicaid Federal Funding

AIF SUPPORTS efforts to maximize our state's opportunities to receive federal matching dollars.

Florida's Medicaid Program is the fifth largest in the country with an expected cost in FY 2011-12 of \$22.1 billion. The program is funded jointly with the state providing 44.6 percent of the program and the federal government providing 55.4 percent in matching funds. In 2009-10, the federal stimulus package increased the federal government's portion to 68 percent to help with the burgeoning Medicaid rolls as a result of the recession.

Since 2009, Florida has benefited from the federal stimulus package which provided an additional \$4.5 billion in Medicaid funding over a three-year period. Unfortunately, the additional funds coming to the state ceased on December 31, 2010. As a result, the state must remain vigilant to ensure all available federal dollars are secured for Florida programs.

One example of the Legislature working to maximize federal funding was the establishment of the Nursing Home Facility Quality Assessment Program in 2009. This program, supported by the nursing home industry, assesses facilities on a per resident day basis, in order to draw down additional federal funds. Those funds, in the amount of \$596 million in federal Medicaid dollars, ultimately ensured that quality care was maintained and saved Florida more than \$193 million which would have come from the state's general revenue fund.

Sovereign Immunity for Medicaid Providers

AIF SUPPORTS extending the current sovereign immunity protections to physicians who care for Medicaid recipients.

With the continued recession tightening the pocketbooks of employers and their employees, now is the time to address cost drivers in the system.

A problem plaguing Florida's Medicaid program is the lack of providers - both primary care and specialists. One reason for the reluctance of these providers to serve Medicaid recipients is the low reimbursement rates. Notwithstanding, an even more important reason is that they fear being subjected to gratuitous lawsuits.

Many times, Medicaid recipients do not have primary care physicians and are more likely to end up in a hospital's emergency room where treatment is very expensive. Further, many recipients are unable to afford the prescription drugs needed to keep them on their treatment plan. As a result, these patients have a higher chance of developing complications and in general suffer from more complex health problems overall. For these reasons, providers believe that Medicaid patients present a greater risk for malpractice lawsuits.

In order to encourage primary care providers and specialists to treat the state's most needy citizens, it is imperative that they are afforded reasonable protection from frivolous lawsuits brought about even though there is no question the care they provided was appropriate.

Health Insurance Mandates

AIF OPPOSES the addition of new health care provider or benefit mandates that will drive up the overall cost of coverage and result in higher premiums for employers and their employees.

Florida has more than 50 mandates that range from requiring the use of specific kinds of providers or certain services and procedures to restricting what is allowed in private contracts between an insurer and provider. According to a report by the Council for Affordable Health Insurance (CAHI), Florida is ranked the 10th highest in number of state mandates. Further, CAHI estimates that mandated benefits account for as much as 30 percent of the health insurance premium.

AIF SUPPORTS a comprehensive cost study to be performed on the 52 provider and benefit mandates that are currently in law. Further, if a mandate is proposed during the session, a cost study should be conducted so that policymakers can balance the benefit of the mandate with the cost.

Florida statute currently calls for a cost study to be conducted for any new mandate, but this provision has been all but ignored by policymakers. Further, there has not been a comprehensive review of the cost associated with the mandates that already exist in Florida statute. The time is now to review the efficacy and need

for the 52 mandates in current law as well as any new mandates that are proposed in the future. Mandates only serve to create higher premiums, which inhibit the ability of employers to offer health insurance coverage to their employees.

Hospital Taxing Districts

AIF SUPPORTS creating broad-based funding sources to enhance access to health care services.

AIF SUPPORTS efforts to redistribute ad valorem tax dollars in a manner that creates equity in funding for all providers based upon their levels of service to indigent residents of a district.

Hospital districts were first established to ensure Florida's indigent residents had access to hospital facilities; however, in recent years, the role of these districts has expanded beyond their intended purpose. As a result, some of the areas in which these districts operate have seen escalating local taxes without accountability. Hospitals and health care facilities that receive tax revenues should be held strictly accountable for the manner in which such funds are used.

AIF OPPOSES the expansion of ad valorem taxing authority of state taxing districts for the funding of health care facilities.

Low Income Pool (LIP) Council

AIF SUPPORTS legislation that eliminates the Low Income Pool (LIP) Council and creates an alternative model that places responsibility for recommendation and distribution of these funds in the hands of the Legislature and experts at the Agency for Health Care Administration (AHCA).

LIP is a pool of money (approximately \$1.4 billion) 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 the dollars follow the patient wherever care is provided. To increase transparency and accountability, AIF recommends that these taxpayer dollars be distributed by the Legislature or AHCA.



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

Leslie Dughi
Bo Rivard, Esq.
Rheb Harbison

Insurance

Even though five years have passed without a hurricane, the potential economic impact of hurricanes on Florida's businesses remains. Florida employers are still reeling from legislation passed in 2007 that exposes businesses to potential hurricane taxes in the billions of dollars by expanding the state-run Citizens as an unfair market competitor and the availability of subsidized reinsurance through the Hurricane CAT Fund. As a result, there continues to be a shortage of well capitalized private insurers willing to write property insurance and Citizens continues to lack the liquidity (cash and bonding capacity) to meet its projected obligations in the event of a major hurricane. An average hurricane making land fall at one of Florida's high-risk coastal areas would amount to billions of dollars in damages which Citizens is unable to cover. Taxes levied on all businesses' automobile, liability, and property insurance premiums in the form of assessments will be used to fill the gap.

The 2007 property insurance legislation included provisions which facilitated insurance fraud and abuse resulting in increased non-hurricane claims costs:

- Sinkholes have historically been a problem in certain Florida counties, notably Pasco and Hernando. However, according to a recent Office of Insurance Regulation (OIR) claims study, sink hole claims are spreading to other areas of the state. The terms "sinkhole," "sinkhole activity," and "sinkhole loss" are very loosely defined, and thus, are resulting in claims for structural sink hole damage which often is nothing more than cracking resulting from routine ground settlement. Property insurers are unable to charge a rate for sinkhole coverage that is actuarially appropriate because of the ambiguous risk the current sinkhole statutory framework creates. In 2009, Citizens Property Insurance Corporation took in \$19.6 million for sinkhole coverage but paid out \$97 million in sinkhole claims costs. In addition, the requirements that full replacement cost be paid up front for structural and content property insurance claims encourages claims abuse and fraud. Upfront payments without proof of repairs often results in a homeowner keeping the monies and not making proper repairs to the detriment of neighbors and future owners.



- There were approximately 300 licensed Florida Public Adjustors (PA) prior to the 2007 legislative changes requiring insurers to pay property claims up front and within limited time frames. Today there are over 2,500 PAs. Many PAs aggressively prey on homeowners with abusive practices such as convincing otherwise satisfied claimants to reopen their claims years after receiving payment from their insurers. They handle the reopened claim for the insured and receive from the insured for their services a percent of any amount received above the original payment. Contingency payment to a PA for services is a strong incentive for fraudulent or inflated claims.

AIF believes competition should be the primary determiner of insurance rates as opposed to state regulation. Under current law, OIR reviews proposed insurance rates and either approves them or disapproves them based on its interpretation of a number of statutory standards. OIR has used this statutory power to prevent insurers from changing rates in a timely manner necessary to have sufficient monies to pay claims and make a reasonable profit. The OIR rate review process discourages insurers from entering, expanding, or remaining in Florida.

For the 2011 Legislative Session, AIF will be advancing legislation in the following areas of insurance:

Consumer Choice & Florida's Insurance Rate Regulatory Process

AIF SUPPORTS legislation that makes competition the primary determinant of insurance rates, including consumer choice for homeowners, flex rating for insurers, and exemption from OIR prior approval of rates for certain commercial policies.

Consumer choice legislation will allow homeowners to choose between Citizens and a private insurer with unregulated higher rates for coverage. Flex rating will allow an insurer to vary their rates up or down from a rate approved by the OIR within a specified range without obtaining specific approval. These provi-

The Office of Insurance Regulation rate review process discourages insurers from entering, expanding or remaining in Florida.

sions put insurance pricing power into the hands of the consumer to help ensure a vibrant, competitive private-insurance market while providing for necessary consumer protections.

Hurricane Taxes

AIF SUPPORTS efforts to establish a 15% rate increase “Glide Path” for all Citizens’ policyholders each year until its rates are actuarially sound. AIF also SUPPORTS restoring the Florida Hurricane Catastrophe Fund (CatFund) to a safety buffer for Andrew-sized storms.

Making Citizens’ rates actuarially sound and reducing the exposure of the CatFund will substantially reduce the likelihood of claims-paying deficits and, thus, hurricane taxes on insurance premiums for Florida’s employers.

Hurricane Mitigation Discounts

AIF SUPPORTS a fair and supportable mitigation insurance premium surcharge and discount process as a secondary incentive for homeowners to spend monies to install proven features to protect their homes and families against hurricanes.

Non-Hurricane Property Insurance Claims Cost Drivers

AIF SUPPORTS legislation such as SB 408 by Sen. Garrett Richter (R-Naples) which makes sinkhole coverage optional to the insured; reduces the time frame to file hurricane claims from 5 years to 3 years after the hurricane; increases solvency requirements for insurance companies; eliminates public adjusters’ abuses; and repeals the current requirement that property replacement costs be paid up front and replace with the payment of actual cash value with a holdback until repairs are actually completed.

Most of these reforms were included in last year’s SB 2044, which was vetoed by then Governor Crist.

Stranger Originated Life Insurance (STOLI) Arrangements

AIF SUPPORTS the Insurance Commissioner’s efforts to eliminate abuses associated with stranger originated life insurance (STOLI) arrangements which allows for investment in a stranger’s life insurance

with good returns if the insured dies earlier than expected.

In addition to undermining the purpose of life insurance to provide financial protection for families and businesses, STOLI arrangements, if found to be securities products by the U.S. Securities and Exchange Commission (SEC), will jeopardize favorable income tax treatment for businesses and individuals.

Automobile Insurance

AIF SUPPORTS legislation to correct a recent Supreme Court of Florida ruling affecting the payment of Personal Injury Protection (PIP) claims.

In 2010, Florida’s Supreme Court ruled that failure by an injured motorist to show up for an independent medical examination (IME) is not grounds for an insurer to withhold payment, and that an examination under oath (EUO) used to verify a claim is impermissible as evidence. By restricting automobile insurers’ ability to eliminate fraudulent claims, this decision will have dire consequences to businesses and other policyholders including increased automobile insurance premiums, diminished benefits, increased uninsured drivers on Florida roads, and a substantial increase in litigation.

Long Term Care Insurance

AIF SUPPORTS legislation to clarify the way long term care insurance policies are defined in Florida.

A recent decision by the 3rd District Court of Appeals in Florida significantly altered the method in which long term care insurance policies are defined. Consumers purchase long term care policies to assist in paying medical bills later in life. Prior to the Court’s decision, these policies were purchased with the knowledge that they would be renewed upon payment of the premium and the law at the time of purchase would be “locked” in. However, the Court decided in *Beckerman vs. Continental Casualty* that any law change occurring after the initial purchase would affect the contract and that the rate can go up to reflect such changes.

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

Nick Iarossi – Property Insurance
Gerald Wester – Property Insurance
General Insurance Issues



Legal & Judicial

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 and recovery. According to the American Tort Reform Association – which annually selects the 10 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 2010, South Florida was once again ranked as the top judicial hellhole in the U.S. for the third time in four years.

In these difficult economic times, Florida business needs a clear and level playing field in the courtroom. AIF will continue to lead the fight for any legal reforms that decrease the cost of litigation and remove unfair and unpredictable barriers to growth.

Crashworthiness

AIF SUPPORTS efforts by the Florida Legislature to clearly express that a Florida Supreme Court-created standard regarding crashworthiness is absurd and unfair.

Florida juries are currently not presented all the evidence surrounding the details of automobile accidents when an auto manufacturer is sued in an action challenging a vehicle’s crashworthiness. Florida is the only state that prohibits the introduction of any evidence relating to the driver’s condition at the time of the crash. In other words, drivers who are drunk, underage, without license or under the influence of any manner of illegal substances, bear no responsibility of fault in such cases because their condition is never shared with the jury. This results in jury awards being astronomically higher in Florida than any other state for these types of cases. This is an inequity in Florida’s comparative fault law that automatically excludes Florida from being considered as a possible site for location of many automotive manufacturing entities. Florida needs those jobs and opportunities to spur on economic recovery and expansion. SB 142 by **Sen. Garrett Richter** (R-Naples) and HB 201 by **Rep. Marlene O’Toole** (R-Leesburg) address this important issue and should be passed this year.

Bad Faith Reform

AIF SUPPORTS legislation that reforms Florida’s current litigation procedures in bad faith claims against insurers and encourages the Florida Legislature to set the state’s policy on how such claims are handled rather than leave that policymaking task to the courts.

An imbalanced civil justice system in Florida dampens the ability for employers to recover from the recent economic downturn and to create new jobs. Increased civil litigation directly costs businesses through increased premiums for liability and automobile insurance and indirectly through management and employees’ time diverted to lawsuits. Some of the most egregious abuses in the system include denying businesses a reasonable time period to cure a complaint without having to go to court, requiring a defendant’s insurer to be held to a higher behavioral standard, excessive attorney fees, and stripping defendants of the opportunity to use attorney-client privilege in certain instances. Current Florida law allows bad faith suits to be brought against an insurer by individuals who are not policyholders, which further expands the litigation universe. Florida’s statute lacks significant procedural and enforcement controls that could better streamline and limit the volume of litigation and frivolous bad faith claims.

In 2011, AIF will advocate for the following bad faith reforms:

- Allow only those plaintiffs to whom an insurer owes a duty to sue an insurer for not following good faith statutory standards in the settlement of a claim;
- Establish timeframes for an insurer on behalf of a defendant to investigate or cure a claim prior to settlement or having to go to trial;
- Hold all parties in a civil trial to the same standards of behavior;
- Provide that any award of attorney’s fees to a claimant be based on actual fees incurred without any multiplier; and
- Provide all parties in a civil trial with equal attorney-client privileges.

Post-disaster Relief Assistance

AIF SUPPORTS legislation that offers basic protection from unnecessary litigation to business owners who offer their services to first responders during natural disasters.



Attorney General Pam Bondi will undoubtedly play an important role in creating a pro-business environment in Florida. Bondi recently spoke to AIF members during our Annual Conference in Orlando.

In the wake of natural disasters, many community organizations join with local families and businesses to provide basic needs to first responders assisting with disaster relief, recovery and rebuilding efforts. Often under extraordinary physical stress, locals provide assistance such as food, clothing and shelter for those who join with them to rebuild their communities. Accordingly, those who open their homes and provide for the responders need assurance that their generosity will not be met with litigation surrounding the unavoidable and unforeseen circumstances that the disaster situation forces upon them. **SB 450 by Sen. Mike Bennett (R-Bradenton)** and **HB 215 by Rep. Joe Abruzzo (D-Welington)** create this important protection and should be passed this year.

Negligence

AIF SUPPORTS 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 situations.

Litigation in the medical and health care arenas is a significant cost driver that affects the price of health insurance. The liability climate has also driven many doctors from the state, but this situation has steadily improved since the Legislature enacted **medical malpractice** reforms in 2003. 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, diverting money away from patients and into the legal system.

Limited Liability Companies (LLC)

AIF SUPPORTS efforts to restore certainty to an important aspect of the law for LLCs, ensuring that Florida LLCs will again be a viable business choice.

A new and growing uncertainty now exists over the security and protection available through formation of LLCs. The Supreme Court of Florida's decision in *Olmstead v. Federal Trade Comm.* held that creditors to an owner of an interest in a single-member LLC are not limited to a charging order and may now further require the LLC member to surrender all right, title and interest in the debtor's membership interest to satisfy an outstanding judgment. This situation should be fixed through legislative clarification that a charging order lien is the exclusive remedy available to a judgment creditor seeking to attach the membership interest of a member in a multiple-member LLC. **Rep. Kelli Stargel (R-Lakeland)** has filed **HB 253** to remedy this issue.

Interest Rates Applicable to Court Awards

AIF SUPPORTS revising current law to create a more fair and balanced formula for applying interest to damage awards.

Florida requires that successful plaintiffs in litigation are also awarded prejudgment interest after an order or decree establishes the amount of damages and the defendant's liability. Current law sets forth a complicated formula for the Chief Financial Officer to annually establish the applicable interest rate for these cases. The CFO-established interest rate at the time a judgment is obtained remains in effect until the judgment is paid, which plaintiffs frequently delay to increase the amount of interest they receive.

Court Funding

AIF strongly encourages the Florida Legislature to fund the court system adequately and swiftly at a level equivalent to the judiciary's status as the third equal branch of government.

The Legislature should look to explore all possible mechanisms that would ensure proper funding for the judicial branch. Establishing a state courts trust fund in 2009 was a step in the right direction. Yet, we must continue to dedicate the resources necessary for the judicial branch to meet the legal needs of Florida's citizens and businesses involved in more than four million cases each year. Overall, judicial funding is a critical need for Florida's business community.



AIF Lobby Team Member Assigned to Legal & Judicial Issues:

Tamela Perdue, Esq.

Taxation & Budget

Newly-elected Gov. Rick Scott has declared that one of his top priorities is making Florida's business climate one of the best in the world for companies to do business. In order to achieve that goal, Gov. Scott has identified some necessary changes to Florida's tax system. AIF has always paid close attention to tax issues affecting Florida's employers. AIF stands ready to work with the Legislature and Governor to develop tax policy that would help accelerate Florida's economic recovery and help create jobs. Creating an attractive business environment through positive changes to the tax structure is a proven way to create economic activity. Any efforts to achieve this goal will be supported by AIF.

The State of Florida, along with a number of other states, is grappling with tremendous budget deficits resulting from the economic downturn. AIF strongly believes you cannot tax your way out of a bad economy. One way to address the issue is by continuing to look at ways to save costs and increase efficiencies in government.

Corporate Income Tax

AIF SUPPORTS Gov. Rick Scott's proposal to phase out the corporate income tax.

Phasing out the corporate income tax would benefit Florida businesses and may be an incentive to expand for these employers. Eliminating the corporate income tax may also serve as an incentive for new companies looking for a more favorable business climate to move to Florida.

If the corporate income tax remains, **AIF will SUPPORT a voluntary Single Sales Factor (SSF) in apportioning corporate income tax in Florida.**

Legislators should consider running this proposal thru the recently approved "dynamic modeling" methodology for determining whether establishing a SSF in Florida would create more investment and produce jobs. While AIF supports a move to an optional election by companies to use the SSF formula, **AIF OPPOSES** the creation of a SSF in exchange for other structural tax changes such as **combined reporting** or the **"throw-back" rule**. These changes would have a negative impact on Florida's business climate and would be a deterrent for capital investment in our state.

AIF SUPPORTS legislative efforts to codify the federal bonus depreciation incentives passed by Congress in 2010. The federal law give a 50% bonus



for certain real property put in service in 2010, 100% bonus depreciation for certain property put in service in 2011, and 50% bonus for certain property put in service in 2012.

Property Tax

AIF SUPPORTS legislation to protect confidential taxpayer information, even when the taxpayer introduces it at the Value Adjustment Board (VAB), or in court. This legislation makes it clear that taxpayers may introduce evidence even if they declined to produce it prior to a formal administrative or judicial assessment challenge.

Florida law currently protects the confidentiality of returns and other financial information in the hands of the property appraiser, but does not expressly extend that protection to such information introduced at a VAB proceeding, or in court. Property appraisers therefore maintain that such information loses confidential status and becomes public record. In addition, when taxpayers do not provide financial information requested by property appraisers, this is used as a basis for objecting to the taxpayer's use of such information in VAB and court proceedings. Appellate courts have recently ruled for the property appraisers on this issue.

AIF SUPPORTS efforts to pass implementing legislation for the Working Waterfront constitutional amendment.

AIF will once again be involved this year in efforts to pass an implementing bill for 2008's Working Waterfront amendment to the state constitution. The voters overwhelmingly approved it in an effort to preserve working waterfronts for future generations. Without this change, working waterfronts would be assessed at their "highest and best use," therefore putting into question the survival of these important businesses for our state.

E-Fairness

AIF SUPPORTS efforts to enforce the fair collection of state sales tax. Common-sense updates can and

AIF strongly believes you cannot tax your way out of a bad economy. One way to address the issue is by continuing to look at ways to save costs and increase efficiencies in government.



House Finance and Tax Chairman Steve Precourt (R-Orlando) visits with AIF members in Tallahassee.

should be made to Florida's tax system to level the playing field for all retailers selling goods in Florida.

Today, "brick and mortar" retailers are at a disadvantage with out-of-state, online-only retailers concerning the collection of state sales tax. Under current law, online-only retailers forgo collecting sales tax at the point of purchase, despite the fact that it is still due, and the burden is passed on to unknowing consumers. This is not a new tax; instead, this is an issue of fairness and evenhandedness.

Sales Tax Holidays

AIF SUPPORTS increasing business activity by allowing Floridians to purchase essential school and hurricane supplies without having to pay sales tax.

In previous years, the Florida Legislature passed legislation that establishes a set number of days (typically a week to ten days) during which no sales taxes are collected on specified items related to hurricane preparedness or school supplies including apparel. These "sales tax holidays" increase economic activity, while helping Florida families.

Sales Tax Exemption for Manufacturing

AIF SUPPORTS the complete elimination of sales tax imposed on the purchase of manufacturing equipment.

Current Florida law provides a sales tax exemption on industrial machinery and equipment purchased for use in expanding manufacturing facilities or plants only if the manufacturer can show an increase in productive output by not less than 10 percent. During periods of economic downturn or post-natural disaster, when

a manufacturer is less likely to achieve a 10 percent or more growth in productivity, the statute actually creates a disincentive for capital investment, which is necessary to stimulate growth. This provision in Florida law is also competitively inconsistent with neighboring southern states and creates a disadvantage in the further development of the manufacturing sector in Florida. Providing viable incentives to manufacturers to make capital investments in plant facilities during the economic downturn and following natural disasters will mitigate job loss and encourage continued production.

Pension Reform

AIF SUPPORTS efforts to bring Florida's pension system more in line with that of the private sector. Florida's taxpayers are shouldering the burden of the growing liability of these state and local government pension plans.

At a minimum, the state should look at options which would require newly elected state employees to have "defined contribution" plans instead of the existing "defined benefit" plans. According to TaxWatch, "Over the past decade, the state has spent more than \$5 billion to maintain the existing retirement system. During this uniquely challenging fiscal time, the need to make significant improvements to the Florida Retirement System (FRS) cannot be ignored."

Government Cost Savings

As a member of Florida TaxWatch's Government Cost Savings Task Force, AIF SUPPORTS the recommendations put forth by this group. More than \$4 billion worth of cost saving proposals are included in this report in the areas of IT, pension reform, corrections, and almost every area of state government.

One specific area where cost savings can be achieved is **corrections**. The Florida prison system could use a complete overhaul. This effort should expand professional contracted services that have proven to be effective including pretrial intervention, substance abuse & mental health treatment, and work release programs. The focus is on successful transition of the individual back into society as a productive tax paying member of the community less likely to re-offend.



AIF Lobby Team Members Assigned to the Areas of Taxation & Budget:

- Keyna Cory
- José L. Gonzalez
- Frank Meiners

Unemployment Compensation & Labor

It is commonly known that the unemployment compensation system is a problem throughout the country. The economic recovery needed to fix this problem and bring the country out of the current recession is slow moving and anticipated to take a few more years. Florida has been especially hard hit in this area and has a high unemployment rate that has not seen any improvement in almost two years.

At the end of 2010, the Florida Department of Revenue (DOR) delivered another unwelcome surprise to Florida employers when it announced that unemployment tax rates increased significantly higher than the rates estimated in the spring and summer. DOR has already sent notices to most Florida employers indicating that the minimum tax rate will increase to approximately \$72 per employee while the maximum rate employers will pay is \$378 per employee.

Many employers have also experienced a significant increase in the rate in which they are being placed for 2011. While some of that increase is due to calculation factors in the DOR calculation system, many employers across the state are also experiencing unjust awards of benefits to employees who were fired due to misconduct or violations of company policies. There are also widespread reports of fraud that the state simply does not have the resources to investigate and eliminate. These situations have a strong impact on an employer's experience rating which results in them paying higher taxes.

There is no simple solution to this problem. Until jobs are added back to the economy, and more workers are earning incomes and payroll on which the taxes are remitted, the fund will not be replenished or restored and the tax rates will not decrease. Further, any alternative tax calculation methodology the state has considered thus far will have positive impacts on some employers and catastrophic impacts on others. There



is no quick fix to the tax rates for which the absolute impact to all Florida employers can be quantified prior to this year's tax liability becoming due. Although this seems like a "Catch 22" situation for Florida's employers, AIF is urging legislators to take a studied approach to the tax rate system this year and to focus on streamlining the claims process to create a fair and consistent approach to benefit awards and fraud reduction.

For the 2010 Session, AIF will focus on the following unemployment compensation issues:

Unemployment Compensation Claims

AIF urges the Legislature to pass the following measures to correct the claims process during 2011:

- Require all unemployment compensation appeals referees to follow consistent and established criteria statewide for determining if an employee was appropriately discharged for cause and deny benefits in those cases.
- Require interpretation of the unemployment compensation benefits award statute to carry a neutral construction rather than be construed in favor of the claimant in all instances.
- Require the Agency for Workforce Innovation to reduce or eliminate benefits as needed when

AIF is urging legislators to take a studied approach to the tax rate system this year and to focus on streamlining the claims process to create a fair and consistent approach to benefit awards and fraud reduction.



House Appropriations Chair Rep. Denise Grimsley (R-Sebring) was the guest of honor at a recent Power Lunch event in Tallahassee.

claimants receive income from any source in the same period.

- Incentivize claimants to take advantage of available retraining and return to work programs that are operational, fully funded but under used throughout the state.
- Clarify that unemployed individuals who refuse suitable work at minimum wage or greater are prohibited from continuing to receive benefits.
- Strengthen job search requirements for individuals receiving unemployment benefits.
- Work with the Florida Congressional delegation to reduce the state burden for federal repayment in a fair manner that applies evenly to all borrowing states.
- Provide that interest on federal loans be paid through general revenue or any other source that is not an assessment on Florida employers.
- Study alternative tax calculation methodologies that may produce more fair and equitable tax rates for Florida employers and identify all

quantifiable impacts prior to adoption.

- Permanently allow a quarterly payment plan that lets employers spread out their unemployment compensation payments over the whole year without penalties or interest.
- Maintain the amount of each employee's wages upon which the employer pays unemployment compensation taxes at \$7,000 through at least 2015 – absent federal intervention.
- Eliminate all elements of the rate calculations in current law that enable replenishment of the Unemployment Compensation Trust Fund balance through 2015.

AIF will continue to fight hard for these measures to be passed in the 2011 Legislative Session so Florida employers will see relief from unfair tax rate increases in the future and to guarantee that individuals who most deserve benefits will continue to receive them.

Modernization Funds

AIF OPPOSES any attempt to accept federal modernization funds because of the significant and lasting increase it forces on the unemployment taxes paid by Florida employers. The current unemployment compensation tax rates are exponentially greater than the estimates available in the spring of this year when the Legislature wisely passed reforms to the unemployment tax structure. Legislative leaders worked closely with AIF and our members to craft lasting solutions to the tax structure that would restore solvency in the manner least onerous to Florida employers. Some critics suggested then, and will surely state again that Florida should accept more federal stimulus dollars to avoid this outcome. This is simply not the case. Accepting those funds is contingent upon expanding the payout of benefits, increasing Florida's liability to the federal government and likely forcing the tax rates to even higher levels.



AIF Lobby Team Member Assigned to the Areas of Unemployment & Labor:

Tamela Perdue

Ways to be Involved...

As we face increasingly more demanding election cycles, it is imperative for AIF to play a leading role in electing pro-business candidates to the Florida Legislature, as well as to statewide offices. In order for us to advance our ideals it is critical that we have elected officials who understand and respect the free enterprise system. After all, they set the laws and regulations that affect your pocketbook and your business's bottom line.

AIF's political operations offer several avenues for business to be involved, whether it's through membership to our Political Council to keep you "in the know", or contributions to our political action committees to support pro-business candidates. The campaign season is upon us, now is the time to get involved.

Political Council

The council provides members an opportunity to take part in our bi-annual candidate interviews as well as access to candidate questionnaires and our Political Express information service.

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 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.

Members-Only Website

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.

AIF PAC

Our political action committee here at AIF allows us to contribute hard dollars to AIF endorsed candidates. An annual commitment can be added to your dues in order to help us assist the candidates we need to be in Tallahassee.

Leadership PAC

With political winds subject to drastic changes at a moment's notice, members of LPAC keep AIF on the front line of the battle during campaign cycles. This committee's primary mission is to fund electioneering, polling & research and leadership giving on behalf of AIF.

Our political services to members are second to none. Business leaders around the state utilize these services to enhance their ability to stay in touch with Florida politics.

If you're interested in joining the Political Council or contributing to the AIF's political entities, please contact Ryan Tyson, Vice President of Political Operations at 850.224.7173 or at rtyson@aif.com.



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 2011 Legislative Agendas for each of the eight councils within AIF.

Florida's economic turn-around depends on the ability to grow in a responsible and predictable manner and the FDIC looks forward to providing a business perspective to the debate.

Community Hospitals

Because a strong health care system is important to attracting and keeping businesses in Florida, AIF has formed the Council for Florida's Community Hospitals (CFCH). The group is made up of representatives of for-profit, community hospitals across the state. The Council's purpose is to bring attention to those concerns and the special issues hospitals face as major providers of health care in the state. Health care is not a commodity or a retail business; but to survive, hospitals must follow various business models while providing high quality care to their patients. Hospitals strive to provide the best health care possible despite burdensome and duplicative regulations and providing uncompensated care to a growing number of uninsured persons in Florida.

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.

Council Priorities

The Council's priorities for 2011 include, but are not limited to:

- **Low Income Pool (LIP) Council:** Support legislation that eliminates the Low Income Pool (LIP) Council and creates an alternative model that places responsibility for recommendation and distribution of these funds in the hands of the Legislature and experts at the Agency for Health Care Administration (AHCA).
- **Legal Reform:** Support legislation to address recent Florida court decisions that have expanded the scope of hospitals' vicarious liability under the doctrine of "non-delegable duty." These courts have ruled that hospitals are liable for the actions of non-employed or contracted physicians. This broad interpretation makes hospitals potentially liable for all health care providers that contract with the hospitals or have staff privileges. A reform is needed to clarify that hospitals should not be liable for the actions of independent contractors. This will ensure that hospital resources are not unnecessarily dedicated to cases for which a hospital bears no culpability.
- **Sale or Lease of Public Hospitals for Fair Market Value:** Recent occurrences of the sale or lease of a public hospital to another entity for less than fair market value, despite the existence of offers that are superior both in their financial commitment as well as their value to the taxpayers, have illuminated the need for statutory guidelines and safeguards. There is no mechanism in Florida statutes to ensure that the taxpayer and the community are protected in these transactions by ensuring that full and fair market value is received in exchange for the sale and/or lease of the hospital. There is also no requirement that the hospital board or taxing authority come to an agreement that best optimizes the taxpayers' return on investment, considers the utilization or creation of community programs to assist the indigent, or gives preference to proposals that reduce or eliminate the existing tax burden placed on the residents. Legislation should be passed that seeks to remedy these issues by requiring hospital boards and taxing authorities to give weight to proposals that are financially superior, represent full and fair market value, involve maximized capital improvements, reinvest in the community, and seek to substantially reduce or eliminate the tax burden on Floridians. Such legislation should also provide for complaint, investigative and resolution processes when agreements are entered into that violate these core principles.

Council Position

The Council for Florida's Community Hospitals is eager to offer solutions to the state's health care problems that bring about efficiency and cost-savings for our state's taxpayers. Community Hospitals serve a vital role in our communities and provide valuable economic activity by investing capital and employing thousands of Floridians across the state.

Chair: Bryan Anderson • Lobbyist: Bo Rivard, Esq.



Freshmen House member Rep. Daniel Davis (R-Jacksonville) addresses AIF members in Jacksonville.

Florida's economic turn-around depends on the ability to grow in a responsible and predictable manner and the FDIC looks forward to providing a business perspective to the debate.

Development & Infrastructure

AIF has created the Florida Development & Infrastructure Council (FDIC) to address issues related to growth management in Florida, as well as aggregate mining, transportation and other infrastructure issues. AIF's FDIC will focus on issues of concern to this industry segment so that Florida and our economy will be better positioned to prosper in the future.

This year, with the failure at the polls of Hometown Democracy, the FDIC will focus on changes to Florida's Growth Management Act as well as revisions to the Department of Community Affairs with the goals of removing unnecessary and overly burdensome regulations as well as agency involvement that stifles economic development and recovery.

The ongoing economic downturn has underscored Florida's reliance on growth and development and its impact on all business sectors. AIF continues to support the expansion of infrastructure projects, tax incentives for emerging and existing companies, and the creation of high wage jobs. The FDIC has been created to address these issues and modernize business practices that will stimulate growth in the state of Florida. Florida's economic turn-around depends on the ability to grow in a responsible and predictable manner and the FDIC looks forward to providing a business perspective to the debate.

Council Priorities

In the areas of growth management and infrastructure, the FDIC will:

- Support efforts to bring efficiency and innovation to the growth management process in Florida.
- Support funding for all types of infrastructure projects to help promote much needed job growth and development in Florida.
- Support legislation that seeks to streamline the permitting and licensing processes that are redundant, cumbersome and hinder job creation.
- Develop proposals that will lead to smart growth in Florida.

Council Position

AIF and the FDIC will focus on efforts to streamline and improve Florida's growth management laws as well as the regulatory agencies involved in order to foster smart and responsible development across the state of Florida. Support for funding of transportation and port infrastructure projects will also be a top priority for the Council.

Chair: Linda Shelley, Esq. • Vice-Chair: Bill Hunter • Lobbyist: Richard Gentry

AIF Vice President for Governmental Affairs Jose L. Gonzalez and AIF member Doug Mann present Rep. Trudi Williams (R-Ft. Myers) with a *Champion for Business Award* for her work on recycling and water policy legislation.



Environmental Sustainability

AIF's Environmental Sustainability Council (ESC), was created to address environmental issues and educate policy makers about their impact on Florida's economic & natural environment. In our first year, we were successful in passing legislation to increase Florida's recycling goals without any mandates to businesses.

Recycling can provide additional economic development that Florida needs. AIF will be working closely with the Florida Department of Environmental Protection (DEP) to support the new Recycling Business Assistance Center that was created last session in order to help existing recycling companies and encourage new companies to relocate to our state.

The ESC is also working on the major water policy changes facing Florida. The impact of new federal water quality standards will affect every major industry. As of late, the state of Florida has been singled out by the federal government to comply with arbitrary and unreasonable numeric nutrient water quality standards. Non-scientific standards set by the Environmental Protection Agency (EPA) stand to inhibit Florida's economic development as well as Florida's natural environment. AIF has created a new broad based Numeric Nutrient Criteria (NNC) Task Force to work on this issue and will be working on ways to address it on the federal and state levels.

Council Priorities

Water Quality

- Encourage state and federal elected officials to oppose the enactment of unscientific numeric nutrient content levels in Florida's bodies of water.
- Revise the septic tank inspection program so that it addresses problem systems in environmentally sensitive areas.
- Encourage the legislature to appropriately fund alternative water supply programs.
- Support legislation to create a state-wide Public Water Supply Task Force.

Recycling

- AIF supports recycling efforts by expanding existing recycling businesses in Florida as well as recruiting new businesses to our state.
- Oppose efforts to enact a tax on plastic bags.
- Oppose "bottle bill" legislation or any solid waste disposal tax.

Fertilizer

- Prohibit local governments from restricting retail sales of fertilizer products

Contamination Notification

- Oppose the expansion of the current contamination notification law

Brownfields Funding

- Support additional funding for the Florida Brownfield Redevelopment VCTC Program

Council Position

Environmental issues such as recycling, water quality, and product stewardship are of immense importance to the business community. These issues impact businesses everyday and nearly every industry is affected. Despite these implications, proposed efforts seek to tighten water quality criteria, tax retail plastic bags, and implement beverage container deposit laws that may hurt current recycling efforts. Clearly, such a regulatory climate will put Florida in a severely disadvantaged position, compared to other states, when it comes to retaining or attracting businesses.

Chair: Michelle Belaire • Vice-Chair: Doug Mann • Lobbyist: Keyna Cory



Make competition the primary determinant of insurance rates, including consumer choice for homeowners, flex rating for insurers, and exemption from the state's approval of rates for certain commercial policies.

Financial Services

AIF formed the Financial Services Council (FSC) to provide business leaders across the state with an opportunity to concentrate 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 all other financial services organizations.

The Council has consistently voiced concern that the state's suppression of private insurers' rates and the property insurance structure created by the Legislature, which relies on post-hurricane taxes to pay claims, are not sustainable.

Council Priorities

In 2011, the Council will focus on insurance measures that will:

- Ensure rates charged are sufficient for the risks taken for both private carriers and especially Citizens Property Insurance Corporation;
- Lessen the regulatory structural impediments in law that prevent efficient and timely implementation of needed changes to rates;
- Provide more contract certainty by addressing the ambiguity in definitions of insured losses in sinkholes, and make the availability of sinkhole coverage optional to each property insurer.
- Reduce the timeframe for filing of hurricane claims from five years to three years.
- Reverse the current requirement that full replacement cost be paid up front and return to the standard followed in every other state; initial payment of Actual Cash Value with a holdback for depreciation, then full replacement cost when the repairs are properly completed. This would remove a lot of incentives for insurance abuse and, even in the case of legitimate claims, ensure structures will be properly repaired.
- Require a 15 percent rate increase for all Citizens policyholders each year until it has sufficient reserves and reinsurance to cover losses from a major hurricane.
- Provide for a fair and supportable mitigation insurance premium discount as a secondary incentive for homeowners to install features to protect their homes and families against hurricanes.
- Make competition the primary determinant of insurance rates, including consumer choice for homeowners, flex rating for insurers, and exemption from the state's approval of rates for certain commercial policies.
- Eliminate abuses associated with stranger originated life insurance (STOLI) arrangements.
- Oppose additional health insurance mandates.

Council Position

Insurance should be provided by a competitive market place with minimal government intervention. The FSC opposes the expansion of, or creation of new insurance "public options" subsidized by taxes. The Council supports legislation to return Citizens to an insurer of last resort, to further reduce the Florida Cat Fund's significant exposure, and to encourage insurers to enter or expand in Florida.

Chair: Cecil Pearce • Lobbyist: Gerald Wester



Responsible and environmentally-sound oil and natural gas exploration can be the foundation for an energy economy that will allow the state of Florida to be a leader in research and development of alternative and renewable energy sources.

Florida Energy

Florida needs diverse energy sources. As a result, AIF has and will continue to support conservation, efficiency, all fossil fuels, all alternative fuels and nuclear energy. Likewise, we support the conceptual idea of moving to a greener economy, but not unilaterally. For the past six years, AIF and its Florida Energy Council (FEC) have provided a voice for Florida's business community as it relates to energy policy.

Despite the recent Deepwater Horizon oil spill, the FEC continues to believe that responsible and environmentally-sound oil and natural gas exploration can be the foundation for an energy economy that will allow the state of Florida to be a leader in research and development of alternative and renewable energy sources. The revenue from drilling activity can be the foundation for these types of projects that are several years away from contributing the necessary amount of reliable and cost-effective energy options.

Florida's employers depend on access to affordable and reliable energy to run their businesses. They are also affected by higher energy costs, which increase their prices while reducing customers' purchasing power. As such, the FEC will pay close attention to any climate change rules being considered or proposed at the state or federal level, which have the potential to drive up the cost of energy and durable goods, as well as decrease the profitability and viability of Florida's businesses. Although conceptually worthy, the goals established by these potential proposals could cause an economic disadvantage for goods and services produced in Florida. The end result would ultimately further deteriorate Florida's economic climate.

Council Priorities

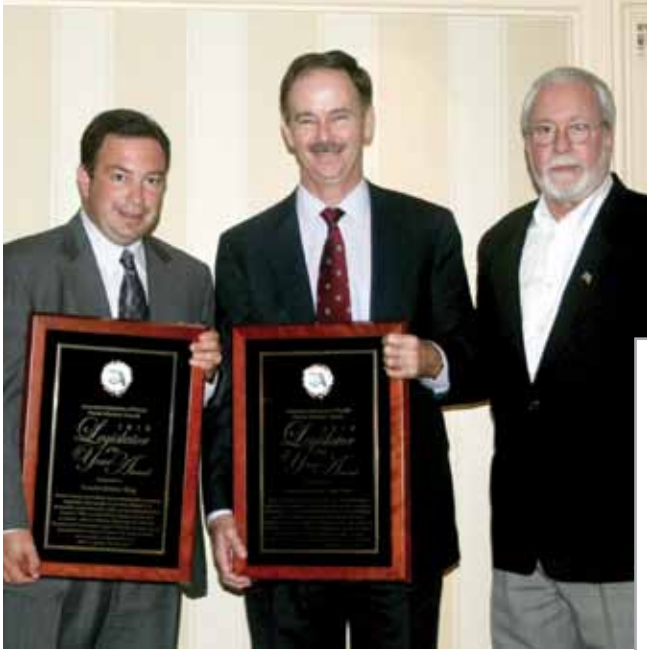
The FEC will concentrate their efforts in 2011 on:

- Supporting efforts to accelerate and streamline permitting for coal plants and other reliable, low-cost sources of electricity.
- Supporting legislation that provides state funding or identifies federal grant opportunities for clean energy R&D.
- Supporting legislation that confirms Florida will not create separate CO2 standards or Renewable Portfolio Standards (RPS) that exceed federal standards or create additional layers of regulation.

Council Position

The FEC recognizes the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations, rules or legislation should allow for reasonable implementation, support efficiencies and ensure undue mandates and costs are not placed on Florida's businesses and consumers, thereby creating a unilateral economic disparity. Florida should ensure that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers, while planning for the state's future energy needs. It is imperative that Florida not be alone in this arena. Rather, it must be a collective effort by other Southeastern states. Otherwise, we could become the East Coast version of California.

Co-Chair: Dave Mica • Co-Chair: David Rogers • Lobbyist: Jim Rathbun



Sen. Jeremy Ring (D-Margate) and Rep. Lake Ray (R-Jacksonville) were honored with AIF *Legislator of the Year* Awards for their work on legislation benefiting Florida's 14 deep water ports.

Florida's 14 deep-water ports are more than a segment of Florida's transportation system. They are a vital economic development engine and legislators and state policymakers must place ports at the top of their funding priorities.

Florida Maritime

In 2006, AIF formed the Florida Maritime Council (FMC) in response to the critical security and economic needs that Florida's maritime businesses continue to face. AIF Maritime Council members, who represent more than 80 companies with operations covering the state, have identified serious problems that threaten their ability to compete with other port facilities located in other states such as duplicative security regulations, arbitrary harbor pilot fees, competing land uses and property taxes. The Council also plays a vital role in maintaining and advancing Florida's economic position in the country. A focus on short-term problems must be addressed to ensure that these businesses survive long enough to benefit from strategic and long-term financial planning.

Over the past several years, the private-sector businesses that comprise Florida's maritime industry have positioned the state to be an international leader in exports to the Caribbean and beyond. The currently underway expansion of the Panama Canal offers unlimited future opportunities for which the state must begin preparing now. Other than security measures, state funding for ports is almost non-existent when compared to our neighboring, competitor states. Florida's 14 deep-water ports are more than a segment of Florida's transportation system. They are a vital economic development engine and legislators and state policymakers must place ports at the top of their funding priorities.

Council Priorities

Maritime businesses in Florida have built the economic prowess of the state's ports into a major revenue producer and a critical component of the state's economy. Specifically, the Council will advocate for the following important legislative changes:

- Streamline security requirements to eliminate delay and duplication in credentialing.
- Support innovative proposals for economic development funding for Florida's ports.
- Restrict encroachment of alternative land uses on or near port property.
- Support funding to deepen ports in Florida so the state can take full advantage of the bigger ships that will use the newly expanded Panama Canal.

Council Position

The FMC supports efforts to establish better lines of communication between regulators and port tenants. The maritime industry deserves additional recognition and support to fulfill the economic rewards it has cultivated for the state. Such support can be realized by removal of the inconsistent, unfair and expensive security regulations that currently burden these viable and thriving maritime businesses throughout the state.

Chair: Phillip A. Buhler, Esq. • Vice-Chair: Jennifer Nugent-Hill • Lobbyist: Tamela Perdue



Designate a lead agency to ensure that monitoring is coordinated, duplications are avoided and staff time is focused on service outcomes in the case of overlapping jurisdictions with multiple monitoring agencies.

Governmental Outsourcing

AIF's Governmental Outsourcing Council (GOC) has worked for the past three years to create a more stable business environment for companies contracting with the State of Florida for health and human services related to mental health, substance abuse, child welfare and juvenile justice.

The State of Florida currently spends several billion dollars 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. Given the current fiscal environment, the initiatives proposed by the GOC would save the state millions of dollars while more efficiently and responsibly providing these needed services.

Council Priorities

For the 2011 Legislative session, the GOC has proposed significant legislation that would enhance accountability, improve service delivery, eliminate duplicity and encourage savings. The Council's stated goal is to improve efficiencies thereby lowering the costs associated with providing services and maximizing the use of state dollars. Specifically, this legislation would require state agencies procuring health and human services to:

- Use national accreditation standards, such as those provided by the Council on Accreditation, to meet basic monitoring requirements. This would allow each agency to conduct an analysis and develop policy on which monitoring requirements would be satisfied by a provider having met national accreditation standards, such as hospitals.
- Utilize a centralized document vault so that basic information on providers is readily accessible to all monitoring agencies at any time. In some cases, providers who have multiple sites are required to maintain multiple copies of the same documents for various overlapping agencies in each site. This is time consuming and not cost effective.
- Designate a lead agency to ensure that monitoring is coordinated, duplications are avoided and staff time is focused on service outcomes in the case of overlapping jurisdictions with multiple monitoring agencies.
- Enhance accountability by requiring the agency to provide a comprehensive list of all contract requirements, mandated reports, outcome measures and a reference source (i.e., statute, rule, policy) to the Executive Office of the Governor, the Office of the Speaker and the Office of the President.

Council Position

The GOC supports efforts to create a more accountable, efficient and sustainable business climate for all business entities providing essential services to the state. The provisions sought by the GOC will create a more stable environment for business and a more efficient use of the state's limited financial resources.

**Co-Chairs: Cathy Craig-Myers • Mike Cusick • Mark Fontaine
Lobbyist: José Gonzalez**



AIF member Claudia Davant and Barney T. Bishop present Rep. Marlene O'Toole (R-The Villages) with an AIF *Legislator of the Year* Award for her work on behalf of the IT industry.

By adding new, advanced systems, the state could save in operational costs as well as see an increase in security.

Information Technology

AIF's Information Technology Council (ITC) is a group of leading information technology and telecommunications companies representing all aspects of the technology industry. The Council includes service and support providers, IT systems integrators, hardware and software companies, consultants and re-sellers ranging from Fortune 500 companies to medium-sized and small businesses. The Council was created in early 2006 with the clear mission to convey the value of IT to Florida's government as the state was falling behind in re-engineering its business processes used in delivering citizen services.

Council Priorities

The ITC's 2011 legislative priorities are as follows:

- **IT Governance:** The council supports the establishment of a strong IT policy office in the Executive branch to provide the leadership needed to allow the state to provide quality services to the citizens in the most cost efficient way possible. We strongly believe that information technology will offer the tools to reengineer the state's business processes to accomplish this goal. The council will play an active role in helping shape legislation to implement the appropriate IT governance structure.
- **Data Sharing:** The need for data sharing between agency systems is very well documented and the technology to accomplish the sharing has been available for some time. The ITC will advocate for this issue as the cost of data sharing is significantly less than building new systems. In addition, many legislators have express the need to data share as soon as possible.
- **Data Centers:** The ITC supports an enterprise architecture governance structure for the state data centers. We believe the current structure is flawed with competing interest of stakeholders, competing data centers and competing Boards of Directors. We are concerned that there is no executable disaster recovery plan and the risk of significant outages is higher than it should be. We will advocate for changes in the governance of the data centers.
- **Legacy System:** AIF has publicly criticized the state for continuing to allow IT systems to become outdated. By adding new, advanced systems, the state could save in operational costs as well as see an increase in security. Moreover, there is a much larger pool of IT professionals trained to control and maintain the newer systems. We realize the state is in a serious budget crisis and innovative thinking is necessary to begin the process of replacing these old legacy systems.

Council Position

The ITC will continue to encourage the enhancement of government spending on IT in order to better serve Florida's citizens and employers. In addition, the Council will continue its support of establishing an IT governance structure that ensures efficiency and takes a system-wide approach.

Chair: Richard Wise • Lobbyist: Frank Meiners

ASSOCIATED INDUSTRIES OF FLORIDA

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

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 32 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 for Associated Industries of Florida ... coordinates AIF's lobbying team and all research and advocacy efforts for the association ... eight 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 Perdue, Esq.

General Counsel for Associated Industries of Florida ... more than 19 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.



Ryan Tyson

Vice President – Political Operations for Associated Industries of Florida ... coordinates all of AIF's political operations and AIF's Political Council ... formerly served as Chief Legislative Aide for Senator Charlie Dean where he advised on policy issues and managed campaigns ... B.S. in Public Relations from the University of Florida.



Brewster B. Bevis

Vice President – External Affairs for Associated Industries of Florida ... coordinates all corporate development efforts and serves as an additional member of AIF's in-house lobby team ... previously served as Senior Director of Legislative Affairs for National Association of Builders & Contractors ... areas of expertise include immigration and labor issues ... B.S. in International Affairs from Florida State University.



Chris Verlander

Senior Vice President – Corporate Development of Associated Industries of Florida ... more than 31 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 (Senior Lobbyist)

President, Public Affairs Consultants, a public affairs and governmental relations consulting firm ... more than 26 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.



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 32 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 18 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.



Leslie Dughi

Assistant Director of Greenberg Traurig's Tallahassee Governmental Affairs practice ... state legislative practice spans over 23 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.



Towson Fraser

Joined Southern Strategy Group in 2008 with more than 11 years of political and governmental experience ... most recently served Governor Charlie Crist as his Deputy Chief of Staff and Legislative Affairs Director ... served as Communications Director for Speaker Allan Bense as well as the Republican Party of Florida, the Department of Management Services, and the Department of Community Affairs ... worked in the House Majority Office under Speakers John Thrasher and Tom Feeney ... Bachelor's degree in Journalism from the University of Florida.

"As a Fortune 500 company, domiciled outside Florida, we count on the AIF lobby team to represent our interests on business issues and they deliver outstanding results." – Mike Jennings, Prudential

IDA 2011 LOBBYING TEAM



Members of the AIF lobby team met with legislators in the Capitol during the 2010 Legislative Session advocating for your business interests.



John French, Esq.

AIF Special Counsel for Election Law ... 40 years of experience in the legislative process... expertise in elections, health care, and taxation... A/V rated attorney with B.A. and J.D. degrees from Florida State University



Richard Gentry, Esq.

Head of Gentry & Associates, a government consulting firm in Tallahassee ... prior General and Legislative Counsel for the Florida Home Builders Association ... in his 27 years with the association, Mr. Gentry was actively involved in legislation which included growth management, affordable housing and environmental laws.



Rheb Harbison

Senior governmental consultant with Carlton Fields law firm in Tallahassee ... 30 years of senior level experience in communications, public affairs, marketing and business development... principally responsible for advocating on behalf of the firm's clients before the legislative and executive branches, asserting positions on a variety of state business issues... holds a B.S. in Communications from Florida State University.



Nick Iarossi, Esq.

Founding Partner of Capital City Consulting, LLC ... with more than nine 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.



Frank Meiners

President, Frank Meiners Governmental Consultants, LLC ... formerly with BellSouth as their Executive Director in Tallahassee where he lobbied communications issues ... more than 32 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 24 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 22 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.



Bo Rivard, Esq.

Partner with the law firm of Harrison Rivard ... more than 14 years governmental relations experience with an emphasis on health care and land use ... recently appointed by Gov. Scott to the Republican Party of Florida Executive Committee ... graduate of the University of Florida and Samford University's Cumberland School of Law.



Stephen W. Shiver

Partner, Advocacy Group at Cardenas Partners ... over 12 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.



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 ... 16 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 35 years lobbying experience ... expertise in insurance, banking, and health care issues ... Bachelor's and Master's degrees from Florida State University.

"In the halls of the state capitol the AIF lobby team provides the business community with the most experienced and talented group to advocate on issues important to all employers."

– Doug Bailey, Anheuser-Busch

"AIF's lobby team is known to be an effective advocate and persuasive voice on the issues that matter most to Florida businesses." – Joe York, AT&T

LEGISLATIVE ISSUES

The following is a listing of additional issues that AIF will be involved in (as of February 1, 2011) for the upcoming 2011 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, streamlined and fair contract elements for entities providing health and human services to the state of Florida by incorporating national accreditation standards into the existing health and human services framework; allowing the use of a centralized document vault and allowing agencies to designate a lead agency to ensure that monitoring is coordinated.

Economic Development

- Support efforts to reduce regulatory burdens that inhibit businesses' ability to establish and expand in Florida.
- Support efforts to further expedite permitting processes within state agencies.
- Support reestablishing funding levels of Enterprise Florida's economic development "Tool Kit."
- Support legislation aimed at providing tax credits for venture capitalists that invest in Florida's emerging businesses.
- Support efforts to broaden the reach of Florida's Growth Fund to reach more emerging businesses.
- Support measures to help existing or emerging businesses access badly needed capital markets.
- Support efforts to streamline the state's economic development organizations.

Education

- Support increasing access to rigorous coursework and increased high school graduation standards, particularly in STEM subject areas: Science, Technology, Engineering, and Math; so that students can compete globally in the 21st century.
- Support efforts to increase education in the arts, multilingualism, multiculturalism, and technology literacy to assure the workforce is prepared for the creative economy.
- Advocate flexibility in plans to fulfill the mandates of the class-size constitutional amendment.
- Support the continuation of the Banner Centers for Workforce Development and Ready-to-Work programs.
- Support reforms that will keep our best teachers in the classrooms.

Elections

- Support efforts to re-establish Florida's signature revocation process.
- 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.
- Support legislation designed to protect the secret ballot process in Florida.

Energy

- Encourage the exploration, production and storage of petroleum and 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 the transmission and distribution system.
- 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.

Environmental

- Support "Incentive Based Permitting" for those companies who are good stewards of Florida's natural resources.
- Support the environmental self-audit privilege.
- Support state funding for alternative water supply programs.

General Business

- 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.
- Support constitutional amendment protecting Floridians' rights to a secret ballot.
- Support efforts to require important corporate information to be published in our newspapers and not just on the internet.

Growth Management

- Support efforts to re-enact the Community Renewal Act.
- Provide for the "fast track" of any project deemed to be economic development.
- Support efforts to revise the role of the DCA so that its function is less of an impediment to job creation.

Health Care

- Support proposals that encourage employers to provide health insurance benefits to their employees.
- Continue to support proposals to inject market-based solutions into the

- Medicaid Program to ensure appropriate high quality and cost-effective care is provided to our state's elderly, poor and disabled.
- Oppose the expansion of ad valorem taxing authority of state taxing districts for the funding of health care facilities.
- Oppose proposals that would introduce the government into the private contracting process between insurers and providers.
- Support efforts to ensure that Low Income Pool (LIP) Council dollars follow the patient and are distributed in an equitable manner.

Insurance

- Continue efforts to bring about affordability and availability of commercial and residential property insurance utilizing sound business principles.
- Support legislation requiring a 15% rate increase for all Citizens policyholders each year until its rates are actuarially sound.
- Oppose burdensome restrictions on health insurers, such as "any willing provider" and provider contract restraints that drive up the cost of health care.
- Oppose legislation that would place additional mandates on health insurance policies.
- Support the Insurance Commissioner's efforts to pass legislation to eliminate abuses associated with stranger originated life insurance (STOLI) arrangements.

Legal & Judicial

- Oppose the weakening or repeal of any of the 2005-06 legal reform law.
- Support adequate funding of the judicial branch.
- 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 legislation that offers basic protection from unnecessary litigation to business owners who offer their services to first responders during natural disasters.

Taxation

- Support legislation to adopt the 2011 version of the IRS code so that Florida businesses do not have to keep two sets of records.
- 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 efforts to enforce the fair collection of state sales tax.
- 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 supplies, school readiness, and energy efficient products.
- Support passage of the Amendment 6 implementing bill.
- Oppose the enactment of combined reporting, or a "Unitary Tax" in Florida as well as increases in excise taxes.

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 funding for redesign of legacy or outdated agency IT systems.

- Support increasing compensation and competency requirements for state CIOs.
- Monitor and influence any bill filed on the Agency for Enterprise Information Technology (AEIT), or data consolidation efforts.

Transportation

- Support the transfer of new revenues from tag and title fee increases to the Transportation Trust Fund.
- Strongly support legislation that allows for aggregate rock materials to be mined without obstruction from irresponsible interest groups or ill intended county/municipal moratorium.
- Support raising the weight limit on commercial trucks using state and local roadways to weight limits that equal those of our surrounding states.
- Support legislation exempting Auxiliary Power Units (APUs) from commercial truck weight restrictions.
- Oppose any efforts to raid the state's Transportation Trust Fund.

Unemployment Compensation

- Require all unemployment compensation appeals referees to follow consistent and established criteria statewide for determining if an employee was appropriately discharged for cause and deny benefits in those cases.
- Require interpretation of the unemployment compensation benefits award statute to carry a neutral construction rather than be construed in favor of the claimant in all instances.
- Study alternative tax calculation methodologies that may produce more fair and equitable tax rates for Florida employers and identify all impacts prior to adoption.
- Permanently allow a quarterly payment plan that lets employers spread out their unemployment compensation payments over the whole year without penalties or interest.

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 money back 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 full funding of Florida's housing trust monies solely on housing.
- Repeal the cap on the Sadowski Housing Trust Fund.

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ASSOCIATED INDUSTRIES OF FLORIDA

The Voice of Florida Business

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