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REPORT OF JANUARY 7-11, 2008 COMMITTEE WEEK

**Medicaid Waiver for Alzheimer's Patients**

The Medicaid Waiver for Alzheimer's patients is one of many federally-approved Home and Community-Based Care (HCBC) services delivered within Florida. After the Senate's Interim Project reviewing the program which was scheduled to sunset this year, it was revealed that unlike other HCBC waiver programs, the Alzheimer's program was underutilized. Furthermore, cost effectiveness of the program was questioned as its repeal was considered. However, the Committee Report ultimately found that the program should be extended. SPB 7010, continuing the project through 2010, passed favorably through the Senate's Health Policy committee.

**Florida KidCare**

On Wednesday morning, the Senate's Health Policy Committee favorably adopted a Committee Bill (SPB 7000) to continue the public records exemption for KidCare applicants. The present exemption will sunset in October, and the Health Policy Committee staff modified the current exemption's language, which (1) makes it a misdemeanor to reveal personal information, even if in error and (2) is inconsistent with language in the Healthy Kids public records exemption. The committee bill will provide for criminal consequences only when exempted materials are knowingly and/or willfully revealed.

**Home Health Care**

The Senate's Health Regulation Committee Bill 7012, capping Home Health agency licensing applications by region, increasing fines for fraudulent Medicare/Medicaid billing and documentation, was vigorously supported. The committee requested that staff review the potential for additional fines and/or criminal charges for specific fraudulent activities.

**Homelessness Bill**

HB 241 which would extend the definition of homelessness generally while creating a three-year youth continuum pilot in Hillsborough County, passed favorably in the Healthy Families committee with two amendments that further broaden the definition of homelessness. The focus of the bill is primarily on homeless youth and the amendments define foster children who are awaiting placement or reunification as "homeless".

**Meeting with Department of Agriculture and Consumer Services (DACS)**

On Tuesday, January 8<sup>th</sup>, staff attended a meeting with DACS to discuss relevant legislative priorities including Fertilizer Task Force recommendations, as well as local preemption issues. Modifications to the Rule will be made by DACS as soon as the Department of Environmental Protection presents its final recommendations, as DACS legal interpretation is that local governments are already preempted under current law. Staff anticipates legislation to be introduced by Task Force members on this issue during the upcoming session.

There was also a discussion on the Broward Soil and Water Conservation District's efforts to permit all eligible voters to decide on a ballot initiative, creating a taxing district to be known as the watershed improvement district. Presently, only eligible landowners are extended the opportunity to vote to create this type of special taxing district. DACS staff advised that approval for such a change to the existing statutory language, specifically required in F.S. 528, had neither been sought nor provided.

**Meeting with Governor's Office**

County staff met with environmental staff in the Governor's office to discuss the Climate Change Action Plan and Ocean Outfall.

Components of the Governor's Climate Change Action Team phases were reviewed and it was explained that Phase I will occur this fiscal year and focus primarily on emissions and long-term planning. Phase II recommendations are expected in October 2008, and may be tied to funding for local governments, as that phase will focus upon sea level rise, land use and other large-scale mitigation issues.

### **Policy & Budget Council**

On Tuesday, January 8<sup>th</sup> from 1:00 - 5:30 p.m., the State's fiscal health and long-term economic outlooks were discussed through a series of presentations. Revenue estimates included increases in state tuition, lottery proceeds (which are expected to remain stable in the near-term) and calculated anticipated losses from the passage of the property tax amendment, as well as historical debt service.

In the most recent Revenue Estimating Conference, November 2007, additional declines and shortfalls were identified. Reserve levels have been drawn down to cover spending, which will take the state's debt ratio to 5.99 in this fiscal year and above 6% by 2009 (with a 7% cap).

Ballot initiative impacts have been recalculated using improved data. Previously, the State anticipated an overall loss of \$5.6 billion in five years, but using new data on just valuations, portability estimates and turnover, the prospective impact is now approximately \$2.6 billion. Portability estimates account for the majority of the changes, prompting committee members to question whether portability will actually stimulate the economy based on this new information.

Impacts of particular note are as follows:

- \$1.3 B or 4% of baseline revenue, year 1
- \$2.53 B or 6% of baseline revenue, year 5
- 80% of revenue reduction resulting from homesteaded properties
- Counties taking a 7.8% reduction over baseline GR
- Cities seeing a 7.4% decrease
- Only four counties see significant impacts on school levies—Broward, Palm Beach, Miami-Dade and Orange—as a result of property classifications (more homesteaded properties) and different tax bases.

### **Finance and Tax**

On January 10<sup>th</sup>, the national and state economic forecast was also discussed in this Senate committee. The first presentation included the positive and negative aspects of the national economic outlook. There was a discussion of the accuracy and relevance of the data to Florida, and Senate F/T staff acknowledged these points, reiterating that state level statistics mask the variations across the state, but that national trends certainly were affecting our State. Florida's income growth remains positive, but population growth—the driver for the housing market—is slowing dramatically. Furthermore, because of our dependence on tourism, Florida's revenue streams are more volatile than those in the general economy.

The meeting turned to the issue of sales tax exemptions, a topic of consternation for several members. Clearly, some senators are in favor of the elimination of some exemptions, while others expressed concerns about "raising taxes" during an economic decline. Tax Watch indicated support for a review of the service exemptions. There is some consensus in the Legislature that the State is preparing to face one of the worst economic outlooks since the 1970s.

### **Ocean Outfall**

On Wednesday, January 9<sup>th</sup> the Senate Committee on Environmental Preservation and Conservation held its second meeting in a month regarding the six Southeast Florida ocean outfalls. The Committee dedicated more time to this issue in order to hear additional presentations from interested and affected parties.

At issue is the Florida Department of Environmental Protection's legislative proposal which calls for the elimination of all six ocean outfalls and diversion of approximately 300 million gallons per day of water to beneficial reuse purposes. The Committee heard from several environmental groups (Surfriders, Cry of the Water, Reef Rescue) who argued the outfalls are responsible for the maladies presently affecting the coral reefs in Southeast Florida despite any scientific evidence of a direct link between the two.

The Committee also heard from well respected NOAA scientist, Dr. John Pronni, who presented research data to the Committee showing that

there is no support for the contention that the outfalls are degrading the health of the coral reefs. The Committee also heard from Miami-Dade County and Broward County.

Dr. Jennifer Jurado and Mr. Pat Davis of Hazen and Sawyer, the County's wastewater services consultant, presented on behalf of the County. The County's presentations gave an overview of the County's wastewater management activities, permitting history, current research activities, the County's water resource planning efforts, impacts on water quality improvement and questioned the efficacy of DEP's one-size proposal in Broward County. The County made several recommendations for the Committee to consider in developing any legislation to eliminate the ocean outfalls including: following a scientific-based process; supporting continued research through the Florida Area Coastal Environmental Initiative; assessing the implications of wastewater management alternatives; involving all affected parties in assessing available options and development of alternative water supply solutions; and assuring local governments have maximum flexibility to meet shared environmental and water supply goals.

The Committee last heard from DEP which suggested a three-phase legislative concept. Phase 1 would prohibit any new ocean outfalls, cap existing outfalls at current use levels by a date certain and provide reuse incentives. Phase 2 would involve requiring the outfall utilities to initiate higher wastewater treatment levels including advanced water treatment and high level disinfection, and reuse project planning – all in a 10-11 year time frame. Phase 3 would involve implementation of reuse projects by 2020 or 2025 that may include, amongst others, groundwater recharge and coastal wetlands rehydration. Committee Chair, Senator Burt Saunders, asked for the Department to develop a written proposal of their ocean outfall recommendations for submission to the Committee within two weeks.

### **DJJ Detention Cost-Share Audit**

The state's Auditor General presented its audit findings of the Department of Juvenile Justice's detention care cost sharing to the Criminal and Civil Justice Appropriations Committee on Thursday, January 10<sup>th</sup>. The audit found serious flaws in how DJJ implemented the state-county

detention cost share for pre-dispositional days during FY 2006.

Under Florida law, counties (except those who are fiscally constrained) are required to pay the costs of juvenile detention care prior to final court disposition (excluding any costs for preadjudicatory, nonmedical, educational or therapeutic services). Pursuant to department rule, DJJ estimates the costs of detention that must be paid by each county at the beginning of each fiscal year. An estimated cost per day is determined by dividing the total detention care costs the Legislature has appropriated by the total number of pre/post dispositional days youth served in detention as recorded in the Juvenile Justice Information System (JJIS). A county's estimated payment allocation for detention costs is then calculated by multiplying the total number of detention days youth served in the county by the costs of service per day.

The state audit found that DJJ did not maintain proper records to support its July 2005 calculation of county detention cost estimates for FY 2006 and failed to comply with the department's rule methodology. The audit also found DJJ did not maintain a dispute log to appropriately track "the receipt, action taken, and final resolution of each disputed county charge." This resulted in DJJ not timely responding to disputed county charges. Moreover, the audit also found that although counties were very specific in identifying their disputed items, DJJ responses were not detailed and often simply provided a blanket response resulting in a protracted dispute resolution process. Last, the audit found DJJ failed to timely reconcile actual and estimated detention costs resulting in counties not being timely invoiced or credited for detention usage.