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## Committee Week 1

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### OIAPS STAFF

Gretchen Harkins  
Eddy Labrador  
Bobbie Sewell  
Christopher Brown  
Susan Harbin

## FLORIDA ECONOMIC OVERVIEW

The first Committee Week of the 2011 State Legislative Session was dominated by discussions regarding the budget, economic development and jobs. The House and Senate held numerous staff and stakeholder briefings on the state of the economy. The Senate Budget Committee, chaired by Senator Alexander heard from Amy Baker, Executive Director of the Legislature's Office of Economic and Demographic Research who described Florida's economic recovery as tepid at best with the following baseline statistics:

- Florida's unemployment is ranked 4<sup>th</sup> nationally with a rate of 11.9% or 1.1 million people unemployed; about 854,900 jobs have been lost since 2007;
- Population growth will remain relatively flat – averaging .6% until 2012;
- Existing home prices are flat with the median sale price of \$136,600 in August 2010; a decline of 47% from the 2005 level of \$257,800;
- Florida's foreclosure and filing rates are both 2<sup>nd</sup> in the nation with over 516,711 properties filing for foreclosure in 2009; 17% of the total filings in the U.S.;
- Forty-two (42) Florida lending institutions have failed since January 2009. So far in 2010, one (1) bank has failed in Broward County, five (5) in Miami Dade and three (3) in Palm Beach illuminating why credit conditions have tightened over the past months.

The overall budget forecast is worse than was predicted in August 2010 with the latest general revenue forecast down another \$136 million in the past 3 months ending in October; November totals are predicted to be down another \$100 million. The projected gap between available revenue and the cost of critical and other high priority needs is \$2.5 billion and possibly as high as \$3.5 billion for next year's budget. Medicaid remains the single most significant increase in next year's budget at \$21.7 billion, \$2 billion over current spending, due in part to the loss of enhanced federal matching funds. Florida's overall budget is in the order of \$70 billion.

## **LEGISLATIVE COMMITTEE MEETINGS**

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In the Senate, each committee convened and members offered brief biographical information regarding themselves and their districts. In addition, committee staffs were introduced; a committee jurisdictional overview was given; as well as an explanation of the bills that passed in the committees last year but did not become law.

Highlights of the week included:

- *Senate Budget Subcommittee on Transportation, Tourism and Economic Development Appropriations:* Chairman Gaetz invited Chris Hart, with the Governor's Office of Tourism, Trade & Economic Development (OTTED) to give an overview of Economic Development Incentives and the return on investment to spur jobs and economic growth. Streamlining the process for business was the main topic with an emphasis on condensing the amount of time it takes for a businesses to be approved for these important incentives. The Qualified Targeted Industry (QTI) incentive is the most widely applied for incentive with 263 applications statewide since January 2007 creating over 30,199 jobs according to OTTED. In Broward County, the number of QTI applications submitted by the Office of Economic and Small Business Development to the Board for approval between 2007 and 2010 was four (4); and the number of jobs created over the same time period has been approximately 700.
- *Senate Committee on Governmental Oversight and Accountability:* Chairman Ring invited the Florida League of Cities, Florida Association of Counties, and the Department of Management Services to give an overview of current Public Employee Benefits and Pension Plans. Senate President Haridopolos has tasked this committee with reforming the Florida pension system. Chairman Ring stated that all options are on the table and all stakeholders are strongly encouraged to bring their ideas for reform to the table for a full and transparent discussion of ways to reform the system. Over 655,367 persons are enrolled in the FRS with counties accounting for 149,398 or 23% of the total at \$7.3 billion payroll contributions.
- *Senate Committee on Community Affairs:* Chairman Bennett announced his plans to introduce 3 separate bills dealing with Growth Management, Security Cameras, and Affordable Housing, in response to legal challenges to the Community Renewal Act, SB 360, which passed in 2009.
- *Senate Reapportionment Committee:* Chairman Gaetz and members were briefed on the timeline, law, and technology to be used to reapportion the state's congressional districts, as well as state senate and house districts. By December 31, 2010 Florida will learn whether it will get one (1) or possibly (2) new congressional seats (based on Census data). The timeline for reapportionment will progress along the following timeline:
  - > public hearing around the state will begin during the summer and fall of 2011; interim committee meetings begin in September 2011;
  - > the legislature will convene on January 10, 2012 to begin the formal redistricting process;
  - > final plans must be enacted, approved and pre-cleared prior to June 18, 2012--qualifying dates for federal and state offices §§ 99.061(1) and (9), Florida Statutes.

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- The only bill to be heard and voted on this week was Senate Joint Resolution (SJR) 2, by Senate President Haridopolos. SJR 2 is an updated version of the proposed Constitutional Amendment that was removed from the 2010 ballot by the Florida Supreme Court, ***to prevent the federal government from compelling Floridians to participate in any health care system.*** SJR 2 passed the Senate Health Regulation Committee by a vote of 9-2 with Broward Senators' Ring and Sobel opposing the measure.

In the House, general policy briefings were held for all members on issues including but not limited to the Budget, Economic Development, Medicaid Environment and Water Policy, constitutional amendment and ballot reform, health care and government operations. No committee meetings were held in the House.

## BROWARD MEMBERS APPOINTED TO COMMITTEE CHAIR OR VICE-CHAIR POSITIONS

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- Senator Rich, Vice Chair of Budget Subcommittee on Health and Human Services Appropriations
- Senator Smith, Vice Chair of Banking and Insurance
- Senator Bogdanoff, Chair of Finance and Tax Subcommittee
- Senator Ring, Chair of Governmental Oversight and Accountability
- Senator Sobel, Vice Chair of Health Regulation
- Senator Sachs, Vice Chair of Regulated Industries

## BROWARD SENATOR BECOMES SENATE DEMOCRATIC LEADER

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Senator Nan Rich held her first Senate Democratic Caucus Meeting on Tuesday, December 7 with a “smaller yet more passionate” team of Senators. Senator Joyner is the new Democratic Leader Pro Tempore, Senators Hill and Montford will serve as the Democratic Whips and the Caucus voted to adopt the Rules for the 2010-2012 Term. Leader Rich discussed SJR 2, a Constitutional Amendment by Senate President Haridopolos regarding Health Care Services and the AFL-CIO president introduced his staff to the Caucus. Additionally, Leader Rich announced that the Caucus will hold a retreat on January 10 from noon to 5pm focusing on team building, the November Elections and Medicaid Reform.

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