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BROWARD COUNTY FLORIDA

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State Legislative Information

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Committee Week 5

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OIAPS STAFF
Gretchen Harkins
Eddy Labrador
Bobbie Sewell
Christopher Brown
Susan Harbin

Tourist Development Taxes Legislation

HB 141, which the Board has voted to oppose, would allow counties to spend tourist development taxes on projects located outside of their counties. The bill has not been calendared for a hearing.

SB 630/HB 827 would require voter approval before tax dollars could be utilized for professional sports teams' projects, especially stadiums. Sen. Bennett is the sponsor of SB 630, while Rep. Fred Costello, filed the House version. Both pieces of legislation require a referendum before money is spent to either help the professional sports team directly or to help pay for improvements at the stadium or arena used by the state. The bills are considered to be in response to recent year's legislative efforts to secure public financing for several sports franchises, notably the Florida Marlins. Neither bill would impact existing sales tax refunds now going to sports teams; the referendum requirement would not apply to agreements reached before July 2011.

SB 466, by Sen. Negron, is the identical Senate companion bill.

Arrestee Medical Expenses

HB 257 and SB 490, by Rep. Hooper and Sen. Jones, respectively, have been re-filed with substantial changes over the previous years' versions. Whereas section 901.35, F.S. previously enumerated the reimbursement process for providers of medical services, with the county's general fund acting as the payor of last resort, this year's version section 951.032, F.S., is amended and adopts the language that previously existed in 901.35, expanded to address pre-trial detainee medical expenses. The house bill is being heard next Tuesday in the Criminal Justice Subcommittee and allows reimbursement for arrestee medical expenses at 125% of Medicare; thus, the county maintains a strong position in opposition to the legislation.

Pain Management/Pill Mills

The Governor's Recommended Budget eliminates the prescription drug database enacted in 2009 to fight pill mills. The database, which requires doctors and pharmacist to report the dispensing of certain prescription drugs, was originally scheduled to be operational by December 2010. The contract bidding process was slowed by a vendor protest of the award and is not yet operational.

The Governor's recommendation, however, has created a storm of controversy with legislative leaders lining up on either side. Senator Negron, Chair of the Budget Subcommittee on Health and Human Services Appropriations, supports the repeal indicating an infringement of personal privacy and Rep. Schenck, Chair of the Health and Human Services Committee also supports repeal. On the other hand, Attorney General Pam Bondi as well as Senate President Haridopolos support the database.

A result of the Tri-County Commission meeting was consensus by Palm Beach, Broward, and Miami-Dade Counties to write a letter from the three counties to the Governor, President of the Senate, and the House Speaker in support of the database. Additionally, cities and counties have been encouraged to pass resolutions in support of the database. Broward County will consider a resolution supporting the continuation of the prescription database and opposing the Governor's recommendation at the March 1st Commission meeting.

Tri-County Commission Meets

For the first time since 2007, Palm Beach, Broward, and Miami-Dade Counties met together this week as the Tri-County Commission. Commissioners from the three counties discussed regional, state and federal issues. State issues included discussion on the Governor's recommended budget, pension reform, pill mills, pretrial release, juvenile justice costs share, and Medicaid Reform. Commissioners agreed to cooperate in lobbying efforts regarding the consensus issues and will meet again in Tallahassee during the Florida Association of Counties' Legislative Day on March 23rd to continue their collaborative efforts. On the issue of the pill mill database which the Governor has recommended for elimination, the counties agreed to send a joint letter to the Governor expressing support for the prescription drug monitoring program.

Pension Reform

The long awaited pension reform bills were released midweek and public testimony was heard on Friday. Because so many people testified and so many more wished to testify, more public hearings will take place next week on Tuesday for SB 1128 and on

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Thursday for SB 1130 before the Senate Governmental Oversight and Accountability Committee considers the bills. SB 1128 relates to local public retirement plans, primarily the municipal plans regarding police and firefighter pensions. SB 1130 relates to the FRS. Early in the meeting, Chairman Ring indicated the items that were not in the bills (as opposed to items in the Governor's budget recommendation); the proposed bills have no reduction in service accrual rates, do not eliminate DROP, do not freeze cost of living increases for retirees, do not alter retirement ages, and do not make changes to the classes. SB 1130 does require employee contributions for all members, but does not specify the percentage amount of the contribution. Employees hired after July 1, 2011 will be limited to the defined contribution plan. Changes are also made to calculating the average final compensation by eliminating overtime and annual leave in the computation. A strike-all amendment addressing drafting errors regarding retirement age changes will be introduced next week.

Unemployment Compensation

The House Finance and Taxation committee reported favorably, HB 7005, a bill intended to reform Florida's unemployment compensation laws - changing eligibility requirements for unemployed Floridians, on a 16-6 vote. It is sponsored by Economic Development and Tourism Subcommittee Chairman Holder. The bill:

- Shifts costs away from employers by limiting benefits to unemployed workers.
- Reduces the number of weeks Floridians could qualify for unemployment pay from 26 to 20 weeks.
- Maintains a maximum payment of $275-a-week.
- Reduces the period a jobless worker could receive a check to a maximum of 12 weeks if unemployment hits 5 percent or less.
- Includes new authority for employers to challenge a fired or laid-off worker's claim.
- Requires an individual in continued reporting status to participate in an initial skills review.

The benefit reductions, as the bill is currently written, would only affect Floridians joining the jobless rolls after the legislation becomes law. Federal unemployment benefits, which currently extend as long as 99 weeks, could still kick-in when state coverage is exhausted. Florida's unemployment rate is nearly 12 percent with more than 900,000 jobs lost since the recession and Broward County's unemployment rate is close to 10.2 percent.

This year, the minimum levy is scheduled to climb from $25 per worker to $72.10 per worker this spring. Employers pay the full rate. Additionally, in June of this year, another $10 will be added to these payments to cover interest owed on the $1.8 billion the state has borrowed from the federal government the past two years to maintain the state's depleted trust fund for jobless benefits.

The Senate version of the legislation is (SB 728) is scheduled to get its first hearing Tuesday, February 22 in the Commerce and Tourism Committee.

TABOR

The Senate Finance and Tax Subcommittee on Thursday voted 5-2 to advance SB 958, a proposed constitutional amendment that would restrict the state's ability to raise

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revenue. The Taxpayer Bill of Rights, also known as TABOR, sponsored by Sen. Bogdanoff, would replace the personal income cap with a new limit based on a five-year population growth average and increases in the Consumer Price Index.

As the bill is now written, bonded revenue would be added to the state's revenue caps, presently exempt from the current constitutional revenue cap. Adding bonds to the cap could severely affect Florida's ability to borrow money when needed and could make it more expensive to borrow because of the new restrictions on what it can spend, including to pay back debt.

The bill is on a fast track and is scheduled for hearings in its final two Senate committees, Budget (Wednesday, February 23 at 9:00AM) and Rules, next week. Opposing any legislative or constitutional efforts to impose expenditure or revenue caps on local governments is a priority for Broward County.

Taxpayer Rights Bill

SB 940, sponsored by Sen. Storms, would give a taxpayer the right to be provided all supporting documentation used in the Property Appraiser's assessment, without requesting such documentation, 14 business days before the date of the hearing before the value adjustment board. It would require the Property Appraiser to compile, in one document, a brief but comprehensive statement that summarizes the rights and obligation of the Property Appraiser and taxpayer. This bill would have a significant fiscal impact to Broward County, which has nearly 30,000 yearly appeals. No House companion bill has been introduced and it has been referred to only 2 Senate committees, Community Affairs and Budget. If passed and signed by the Governor, it would become effective on July 1, 2011.

Medicaid Reform Proposal

The Senate unveiled its comprehensive Medicaid reform bill this week, which proposes requiring that most Medicaid beneficiaries enroll in managed care plans, like HMOs, that will operate in nineteen separate regions in the state. Some beneficiaries, including those in nursing homes prior to July 2011 and individuals with certain developmental disabilities, will not be required to enter managed care. This is essentially an expansion of the pilot program currently operating in Broward, Baker, Clay, Duval, and Nassau Counties.

Other bill highlights include the following:

- The bill proposes requiring Medicaid beneficiaries to pay $10 monthly premiums, and would charge beneficiaries $100 for going to emergency rooms for non-emergency services.
- AHCA is required to execute five year contracts with health plans in the nineteen regions, with a maximum of 20,000 enrollees per plan and a maximum of ten plans per region.
- The bill would set a medical-loss ratio of ninety percent, meaning that providers are required to spend ninety percent of premiums received on actual health care.
- The bill reinstates the exemption from rate control for County Health Departments (CHDs).

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- Section 31 amends sec. 409.915, F.S., relating to county contributions to Medicaid, to change the name of the Medically Needy program. More importantly, there is no increase to the county share of cost for Medicaid services.
- Section 28 removes the requirement in existing law that AHCA purchase transportation services from the Community Coordinated Transportation System under the umbrella of the Commission for the Transportation Disadvantaged.

Florida must have permission from the federal government before it can go forward with the new plan. Specifically, the bill requires the Agency for Health Care Administration (AHCA) to submit a waiver to the federal government by August 1, 2011 requesting authorization to implement the new plan. However, if the federal government is unwilling to grant the waiver, the bill directs the state to leave the Medicaid program and move forward with instituting the statewide managed care plans on December 31, 2011. In this scenario, Florida would have to forego the federal funds that currently fund more than half of the state's Medicaid program. In the event that Florida has to administer the program independent of federal monies, funding would necessarily be prioritized, going to nursing home care and nursing home diversion, medical services for pregnant women, and medical care for children in the child welfare system, among others. This would essentially result in the loss of billions of dollars from the federal government and significantly increase costs to counties through the Health Care Responsibility Act and other county indigent health care programs.

The House has not yet released its version of a Medicaid reform bill. There is some indication that the House may not be in full agreement with the Senate about all of the proposed reforms or the Senate's willingness to pull out of the Medicaid program should the federal government not grant the waiver.

High Speed Rail

Governor Rick Scott announced this week his decision to reject $2.4 billion in federal stimulus money for a high speed rail project connecting Tampa to Orlando, with possible extension to Miami at a later date. Scott's reasons for rejecting the money included concerns about the state's $287 million matching requirement as well as ridership and revenue studies that were, according to Scott, overly optimistic. Scott originally indicated that he would consider accepting the federal money if private funds could be raised to cover Florida's share of the project, and his outright rejection surprised many state legislators and congressional members.

Now, several other states are eyeing the $2.4 billion intended for the state, while many Florida lawmakers are scrambling to keep the funds. A bipartisan group of twenty-six state senators signed a letter to U.S. Department of Transportation Secretary Ray LaHood requesting time to formulate a plan to accept the money despite Scott's rejection, potentially through local transit authorities or private companies. Secretary LaHood is giving Florida until February 25 to devise a plan before the funds are reprogrammed to high speed rail projects in other states.

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