

Tallahassee Weekly Report

March 7-11, 2011

Opening Week of Session

This week marked the opening week of the 2011 Legislative Session. The House and Senate were convened early Tuesday, giving Senate President Mike Haridopolos and House Speaker Dean Cannon an opportunity to address their respective chambers. The morning sessions also saw the House and Senate swear-in their newest members. In the Senate, Oscar Braynon, from Miami Gardens, was sworn-in to the seat vacated by Frederica Wilson's election to Congress. In the House, Barbara Watson, also from Miami Gardens, was sworn-in to the seat previously held by Senator Braynon. Later that evening the House and Senate met in joint session to receive Governor Rick Scott's first State of the State address.

In his remarks to his members, President Haridopolos spoke of the need for Medicaid and pension reform, citing the state's budget shortfall on both issues. Speaker Cannon discussed his plan to change the structure of the Florida Supreme Court and have the Legislature take control over court rule making. Speaker Cannon also directed several remarks at the federal government, stating it has created massive entitlement programs and an "unwieldy" bureaucracy.

Governor Scott's first State of the State speech brought with it a request to the Legislature to pass his budget and partner with him on his goal of cutting state spending and cutting taxes. He also called on legislators to fix the unemployment compensation system and pass a merit pay bill for teachers. The complete text of the Governor's speech can be found below:

President Haridopolos, Speaker Cannon, Chief Justice Canady, members of the Supreme Court, members of the Cabinet, members of the Legislature, my fellow Floridians: It is an honor to appear before this body for the first time as Governor of the Great State of Florida.

I want to recognize our Lt Governor, Jennifer Carroll, and her husband Nolan. The new first lady of Florida is here, who's been my first lady for 38 years, Ann Scott.

Tonight we are honored to be joined by General Titshaw, members of the Florida National Guard, and Florida soldiers and airmen who have returned from duty abroad. We are safe and comfortable here tonight because men and women like them stand guard in hard and dangerous places.

There are many humbling moments in life, but none more so than visiting with a wounded warrior, seeing the sacrifice and the courage. And we are joined tonight by two of those brave men who received the Purple Heart for their service: Staff Sergeant Alberto D. Porro and Air Force Staff Sergeant Christopher "Mark" McDuffie.

We are also honored by the presence of Phillip and Maureen Miller, the parents of Staff Sergeant Robert J. Miller, a Special Forces soldier who gave his life serving our country in Afghanistan.

Staff Sergeant Miller was awarded the Medal of Honor for giving his life so that his fellow team members could move out of an ambush kill zone. His courage is an inspiration to all of us.

On behalf of the people of Florida, we thank all of you for your service.

We also want to recognize the bravery and the sacrifices of our law enforcement officers here in Florida. In the last two months, six public safety officers have lost their lives serving our state in the line of duty, including three brave men in St. Petersburg in just one month.

We're honored tonight by the presence of Donna Malloy and her daughter Payton, the family of Colonel Greg Malloy, who laid down his life just a few weeks ago, while hunting down a fugitive. Thank you, for joining us here tonight and representing the families of our fallen law enforcement heroes. We honor their memory and pray that God will comfort their families.

We gather tonight at a momentous time in our state's history. Bold reforms are underway.

Thousands of our fellow Floridians have assembled here in our Capital – some to criticize our budget priorities, and far more to thank us for our willingness to make hard choices.

For years, politicians have not dared to face the full extent of our financial problems. Politics prevailed, even when the numbers did not add up. All the cans that have been kicked down the road are now piled up in front of us. Floridians have been encouraged to believe that government could take care of us.

But government always takes more than it gives back.

Some thought that businesses could tolerate a strangling web of regulations, and that government could grow without starving the private sector or destroying jobs. The result of that experiment is in: Government grew way beyond its ability to pay for its promises, and the jobs disappeared.

The first step to better times is acknowledging that government cannot afford what some have come to expect.

Doing what must be done will not make me "Most Popular," but I'm determined to make Florida "Most Likely to Succeed."

On my first day in office, I ordered a review of every regulation in the pipeline and every contract exceeding \$1 million.

These steps sent two clear signals. First, that Florida will not allow unreasonable regulations to stand in the way of job creation. And second, that we intend to watch state spending like a hawk. On my watch we will never allow another wasteful project like the "Taj Mahal" Courthouse to slip under the radar.

We also sold the state airplanes as I had promised to do. And we created the most fiscally conservative state budget in the country.

Our "jobs" budget is targeted to create private sector jobs, increase accountability and reduce the size of government.

Every day since elected Governor, I've gone job hunting for the people of Florida. In my business career I was never shy about picking up the phone and making a cold call to try to make something good happen. As Governor, I've been making those calls every day to recruit job creators, and I will continue making those calls until every Floridian has the opportunity to get back to work.

As we meet tonight, unemployment in Florida stands at 12 percent. While this legislative session is a regular session, it is, in many ways, an emergency session.

For the 1.1 million Floridians who are out of work, this is an emergency. They are running out of options. The unemployed have heard enough talk. They're saying, "Show me the jobs."

And tonight, I am here to show you some new jobs. We have a long way to go, but we're on our way.

Joining us tonight are four business leaders: one who decided to move a business to Florida, and three who decided to expand their business here. I'd like to recognize them now.

Armand Lauzon is president of Chromalloy, an aviation parts manufacturing company that just opened a new, manufacturing plant in Tampa and created 400 jobs in Hillsborough County.

And we're also joined tonight by David Meers, the Chief Operating Officer of Vision Airlines, a company that helps put tourists onto Florida's beaches. Vision recently began flying to 23 cities from Destin less than a year after the economic damage from the Deepwater Horizon oil spill.

In Southwest Florida, Rheinhold Schmieding is founder and president of Arthrex, manufacturer of state-of-the-art medical devices. Tonight he's here to announce that Arthrex is breaking ground on a 160,000-square-foot facility that will create 150 new jobs every year for the next five years.

And finally, Dean Minardi, CFO of Bing Energy, is here with us. Bing Energy, a California-based company, was courted by offers from several other states. Bing decided to come to Florida in December.

The reason Florida won? Mr. Minardi said it was our plan to eliminate the corporate tax.

These leaders, like me, share a positive view of Florida's economic potential. On behalf of the people of Florida, I want to thank all of you for your faith in Florida's future.

I urge every member of the Legislature to join me in making job recruitment a daily task. I want to encourage each of you to become a "Jobs Ambassador" and direct new prospects to me, so we can work together to recruit potential job creators.

Ask Florida business owners, "What can we do to help you expand your business?"

Ask business leaders around the world, "Why not move to Florida?"

Last July I submitted a detailed plan to the people of Florida to create 700,000 jobs over seven years. They reviewed the plan and voted to enact it.

Last month, I delivered to you a budget that puts that plan into action and cuts taxes by \$2 billion. These tax cuts put money back in the hands of families and business owners who will grow private sector jobs.

An important priority in our "jobs" budget is to consolidate government's economic development efforts into a single, highly focused agency. Working with our public-private partner, we will have the resources to be effective, and the flexibility to adapt to particularly promising opportunities. This agency will be headquartered two doors down from my office, and its work will never be far from my mind.

I come to the job of Governor after a 35-year career in the private sector. I want to use that business experience on behalf of the people of Florida. I'm asking this legislature and the people of Florida to give me the tools and hold me accountable for results.

Our "jobs" budget makes sure government is held accountable for every spending decision. And by focusing on the core missions of government – and only the core missions – this budget will give Florida a competitive edge in attracting jobs.

I know the members of this body have thoughtful, constructive modifications to our "jobs" budget.

But we must not lose our focus or blunt our momentum.

Business people in Florida and around the world are watching what we do in the weeks ahead. They can locate anywhere. They will be deciding whether to invest in Florida, based, in part, on our ability to work together to remove the obstacles to business success. I am convinced that putting this plan into action will put our state on the road to prosperity.

On behalf of the millions of Floridians who are desperate for new jobs, I ask you to pass our "jobs" budget promptly. We also need to focus on our incredible opportunity to improve our K-through-12 education system. We now have real innovators offering a 21st century approach to education. And many of those new approaches offer better outcomes without increasing costs.

With so many Floridians out of work, and the exhaustion of one-time federal handouts, Florida educators will face challenges in managing limited resources. But our commitment to positive change must not waiver.

Let's begin by agreeing on a few basic principles.

First, that individual student learning must be the touchstone for all our decisions. Practices that improve student learning must be adopted. Practices that impair student learning must be abolished.

Second, I think we can all also agree that the single most important factor in student learning is the quality of teaching. Florida has to recruit, train, support and promote great teachers, great school principals and great school superintendents.

Great educators are priceless. Every one of us has a teacher in our past who made a lifelong difference in our lives. Educators, like other professionals, should be rewarded based on the effectiveness of their work, not the length of their professional life. That's why Florida needs to pay the best educators more and end the practice of guaranteeing educators a job for life regardless of their performance.

The third principle worth remembering is that we all improve through competition. Think of how exciting it will be when schools are recruiting our children, when every school in the state focuses on continual improvement in order to outperform every other school in attracting students. We need to expand the eligibility for opportunity scholarships to harness the power of engaged parents.

And I am calling for an increase in the number of charter schools – which are public schools that are allowed to work independently of their school board and can innovate in ways that encourage all schools to improve.

With us here today is the principal of a very successful charter school – Sonia Mitchell of Florida International Academy. This charter school moved from an "F" school to an "A" school. Ms. Mitchell attributes their success to the passion of great educators and weekly measurements of student outcomes.

And finally, we can all agree that measuring results is a key aspect of education. We must test our students, and we must evaluate our educators. Those measurements need to be fair and thoughtful, and they need to have rewards and consequences.

We must also analyze how much education money is spent in the classroom versus the amount spent on administration or capital outlays.

With these principles in mind, Florida can become the most innovative and effective place in the country to educate the workforce of the future.

In other areas where government has a role to play, we are offering cost-conscious reforms. Most Floridians have had to tighten their belts. The state needs to do the same thing.

We are streamlining the functions of state agencies to save money and provide better service for taxpayers. Reviewing every activity in every agency with a fresh eye, we are simplifying the structure of state government.

For example, I have asked the Division of Emergency Management to report directly to me. If a hurricane comes our way, I will be personally and continuously engaged in solving problems. Direct, clear lines of authority will expedite our efforts.

We will also modernize our state government. Florida is currently the only state where taxpayers pay for the entire pension of state workers. We need to secure the state's pension system and be fair to the taxpayers of Florida. We will bring Florida's retirement system in line with other states by having government workers contribute towards their own retirement, just like everyone else.

Providing a modern, health care safety net for our low-income and disabled citizens is an important state function, but the costs of this program have been spiraling out of control. Yet there are ways to save money and provide better care by adopting market principles and giving patients more choice.

Unfortunately, the federal government requires Florida to get approval before expanding the use of these innovative, cost-saving programs. The federal government seems to forget that federal revenues were recently the hard earned dollars of Floridians. But, with or without the cooperation of the federal government, we will find a way to meet these health care needs without jeopardizing other priorities.

Another government program with good intentions and potentially dangerous side-effects is our system of unemployment compensation. In times of high unemployment, the system provides a critical safety net. But its rising costs, which are borne by the very employers who are struggling to stay in business, threaten to create even more job losses.

The costs of unemployment insurance cannot be allowed to deter job creation. By working with the legislature, we will bring those costs down.

And finally, we need lawsuit reform.

Every Floridian should have access to the courts for redress of harm. At the same time, we can't allow frivolous suits and unreasonable awards to give our state a reputation that frightens away new jobs.

I ask everyone to look beyond the short-term and imagine with me what Florida will be like once we turn our state around. Florida will be the leading job creator over the next eight years.

With no income tax, a phase out of the business tax, the expansion of the Panama Canal, the expansion of the economies of Central and South America, our beautiful weather, our beaches, the Everglades, world-class theme parks, Florida oranges, our universities and colleges, and the hardest working people in the world, Florida will become the most exciting place to live work and play.

With more than 700,000 new jobs, families will be able to build their own version of the American dream with the security of steady employment opportunities. Entrepreneurs will create a business climate that continually offers new goods and services. State government will be smart, lean, affordable and focused only on its core missions.

Let me close with this: It's a rare blessing in life to be in a position to improve the lives of millions of people. The leaders in this room have the power to make that kind of difference. We have a unique opportunity to put government back in its proper place and show the nation how private-sector growth leads to prosperity.

Such a moment may not come again.

My "jobs" budget has plenty of critics. Some critics are accustomed to big government and will fight to protect special interests, and there are others who agree on our policy but say that our agenda is too bold – that we need to trim the sails of our imagination and settle for small improvements.

They're wrong.

I did not fight to become the 45th Governor of the greatest state in the nation to settle for a status quo that does not promote the enormous potential of our people. I am completely committed to this mission. It is achievable.

A vast majority of legislators were elected, as I was, on our promise of smaller government, lower taxes, less regulation, support for job creation, individual opportunity, individual accountability, and more freedom.

Don't blink. Don't let special interests persuade you to turn your back on the people who elected you.

Keep faith with the Floridians who supported you because you said, "I believe in the American Dream." Remember their faces when you decide what to do in the weeks ahead.

Working together we can do incredible things if we stand together with the courage of our convictions.

Ronald Reagan once described America as a place "Unimpressed with what others say is impossible." I think that's especially true about Florida.

We are a state that has regularly done the impossible. We build magic kingdoms. We launch ships that fly to the moon. Florida can be the place where the American Dream continues to be a reality.

The world is watching, and God is watching over us. Our success will be the model for the nation.

With new jobs and an education system full of new energy, we'll plot the course for a brighter future. May God bless our great state and all of you. Let's get to work!

Week 1 Issues

- **Federal Health Care Reform** – The Florida Senate passed SJR 2, sponsored by President Mike Haridopolos, which proposed a Constitutional amendment to be placed on the 2012 ballot in response to federal health care reform. The amendment is aimed at blocking a requirement for most people to get insurance coverage or else face financial penalties. A similar measure, sponsored in the House by Representative Scott Plakon has yet to receive a committee hearing. Representative Plakon has stated the bill will begin moving soon.
- **Pension Reform** – The Senate Governmental Oversight and Accountability Committee approved SB 1130, one of the chamber's pension reform bills. The committee, after many weeks worth of testimony and amendments, made a series of changes to the bill before a vote was taken. State employees would not have to contribute if they earn less than \$40,000 per year. Workers that make between \$40,000 and \$75,000 would have to contribute no more than 2 percent, with those making over \$75,000 contributing no more than 4 percent. The bill also gives future employees the ability to stay in a defined benefit plan if they made less than \$75,000. This amended version of the bill varies greatly from Governor Scott's plan to have all state workers contribute 5 percent to their pensions. The House has several pension bills filed, some of which echo Governor Scott's plan, but it has yet to begin discussions on the issue. The Senate bill is now in the Senate Budget Committee.
- **Immigration** – The House Judiciary Committee passed a Proposed Committee Bill which would allow law enforcement officers to inquire as to a person's immigration status only once they are the subject of a criminal investigation, rather than simply during a lawful stop. The bill also states that the federal E-Verify system would only have to be used by businesses with over 100 employees. This portion of the bill was opposed by Associated Industries of Florida and the Florida Retail Federation. The version of the legislation passes this week is not as stringent as the proposal previously put forward by the bill's author, Judiciary Chair William Snyder, a former Miami police officer who unveiled his plan with then-Attorney General Bill McCollum last summer. The Senate has yet to take up the immigration issue.

- **Unemployment Compensation** – The House passed a major reform to Florida’s unemployment compensation system this week, with a vote along party lines. The legislation reduces the number of weeks a person can receive state benefits from 26 to 20, requires those receiving benefits to go through a skills review, and makes it easier for employers to win legal disputes over benefits. The bill also alters the tax structure and may lead to many employers getting a reduction on recently enacted unemployment compensation tax increases. A similar bill in the Senate passed the Senate Judiciary Committee this week, but it passed unanimously because it does not include the reduction in benefits passed by the House.

Week 2 Issues of Interest

The following issues of interest to Miami-Dade County will be taken up during the second week of the legislative session:

- **SB 1144, Local Government, Sen. Margolis** - Authorizes a board of county commissioners to negotiate the lease of certain real property for a limited period. Authorizes transfers of right-of-way between local governments by deed. **MONDAY IN SENATE COMMUNITY AFFAIRS**
- **SB 658, Homestead/Nonhomestead Property, Sen. Fasano** - Proposes amendments to the State Constitution to prohibit increases in the assessed value of homestead property if the fair market value of the property decreases, reduce the limitation on annual assessment increases applicable to nonhomestead real property, provide an additional homestead exemption for owners of homestead property who have not owned homestead property for a specified time before purchase of the current homestead property. **MONDAY IN SENATE COMMUNITY AFFAIRS**
- **SB 174, Growth Management, Sen. Bennett** - Reenacts provisions relating to the definition of "urban service area" and "dense urban land area" for purposes of the Local Government Comprehensive Planning and Land Development Regulation Act. Reenacts provisions relating to certain required and optional elements of a comprehensive plan, concurrency requirements for transportation facilities, a required notice for a new or increased impact fee, the process for adopting a comprehensive plan or plan amendment, etc. **TUESDAY IN SENATE BUDGET COMMITTEE**

Bills of Interest Filed This Week

- **HB 1321 by Rep. Lopez-Cantera/SB 1954 by Sen. Garcia, Miami-Dade County Home Rule Charter** - Proposes amendment to s. 6, Art. VIII of State Constitution to authorize amendments of revisions to Miami-Dade County Home Rule Charter by special law approved by vote of electors of county; requires that such special law be proposed & approved at meeting of local legislative delegation & filed by member of that delegation; conforms references to reflect county's current name. <http://www.flsenate.gov/Session/Bill/2011/1321>
- **HB 1343, Community Redevelopment, Rep. Bullard (similar to SB 468 by Sen. Bullard)** - Expands definition of term "blighted area" to include land previously used as military facility. <http://www.flsenate.gov/Session/Bill/2011/1343>
- **HB 1361, Tour-Guide Services, Rep. Stafford (identical to SB 1670 by Sen. Margolis)** - Provides that regulation of tour-guide services in this state is solely responsibility of respective counties; deletes references to tour-guide services in provisions relating to certification of businesses, violations, & criminal penalties. <http://www.flsenate.gov/Session/Bill/2011/1361>
- **HB 1379, Pretrial Programs, Rep. Dorworth (similar to SB 372 by Sen. Bogdanoff)** - Provides state policy & legislative intent; requires each pretrial release program established by ordinance of county commission, by administrative order of court, or by other means to assist in release of defendant from pretrial custody to conform to eligibility criteria set forth by act; preempts conflicting statutes, local ordinances, orders, or practices; requires that defendant satisfy certain eligibility criteria to be assigned to pretrial release program; permits defendant to post surety bond pursuant to predetermined bond schedule. <http://www.flsenate.gov/Session/Bill/2011/1379>
- **HB 1393, Sovereign Immunity, Rep. Bovo (identical to SB 1676 by Sen. Thrasher, similar to SB 1924 by Sen. Garcia)** - Provides legislative findings & intent; provides that specified provisions relating to sovereign immunity for health care providers do not apply to certain affiliation agreements or contracts to provide certain comprehensive health care services; expands definition of "officer, employee, or agent" for purposes of sovereign immunity to include certain health care providers. <http://www.flsenate.gov/Session/Bill/2011/1393>
- **HB 1405, Retirement, Rep. Workman (similar to SB 1130 by Sen. Ring)** - Revises & provides provisions relating to FRS, including definitions, election of benefits, employer & employee contributions, investment plans, pension plans, DROP, retiree health insurance subsidies, etc. APPROPRIATION: \$627,103. <http://www.flsenate.gov/Session/Bill/2011/1405>
- **SB 1906, Homestead Assessed Value/Low-Income Seniors, Sen. Diaz de la Portilla** - Proposes an amendment to the State Constitution to authorize counties and

municipalities to freeze the assessed value of the homesteads of certain low-income senior citizens. <http://www.flsenate.gov/Session/Bill/2011/1906>

- **SB 1910, State and Regional Planning, Sen. Diaz de la Portilla** - Repeals provisions relating to the Florida Regional Planning Council Act. Amends provisions relating to comprehensive planning. Removes a reference to a dispute resolution process, to conform. Amends provisions relating to concurrency exception areas. Removes a provision allowing the state land planning agency to delegate review of evaluation and appraisal reports to the appropriate regional planning council, to conform. <http://www.flsenate.gov/Session/Bill/2011/1910>