

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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CABINET REORGANIZATION

Efforts to reorganize the Florida Cabinet continued in the Florida Legislature today. As we have previously reported, in November 1998, the voters approved Constitutional Revision Eight restructuring Florida's cabinet and the merging cabinet offices of the treasurer and the comptroller into one chief financial officer. These revisions will become effective January 7, 2003. The new cabinet structure will consist of the chief financial officer, the attorney general and the agriculture commissioner. The offices of an elected secretary of state and commissioner of education will be eliminated from the cabinet. The language in Constitutional Revision Eight merging the cabinet offices of the treasurer and comptroller did not contemplate or provide direction as to how the statutory responsibilities currently assigned individually to the treasurer and comptroller should be treated. Therefore, the Florida Legislature has wide latitude in how the statutory functions of the comptroller and treasurer are collapsed together or removed from the chief financial officer cabinet position.

The Senate Governmental Oversight and Productivity Committee combined and approved a proposed committee substitute (PCS) for SB 1970 and SB 164 to carry out the constitutional revision merging the Cabinet offices of treasurer and comptroller. The bill also merges the legislatively assigned duties of regulating insurance, banking, and financial services under the elected Chief Financial Officer (CFO). *Sen. Jack Latvala (R-Palm Harbor)*, one of the bills' sponsors, said the measure is intended as a strong Senate position for negotiations with the House.

The current House bill, HB-681 by the *Rep. Brummer (R-Apopka)* and the House State Administration Committee, would place regulation of insurance, banking, and financial services under the direction of department appointees with oversight by the Governor and Cabinet. The House bill provides for the CFO performing only those duties provided by the Florida Constitution. *Comptroller Robert Milligan* recommends this approach. Sen. Latvala said CS/SB 1970 & 164 will be considered next week in the Banking and Insurance Committee that he chairs. Sen. Latvala indicated no changes are likely before each chamber has passed a bill. Once in conference committee, where representatives of the two chambers meet to hammer out differences, Sen. Latvala predicted a workable product would be crafted.

AIF supports the approach recommended by Comptroller Milligan as embodied in the House proposal. This proposed structure provides for the simplification and consolidation of governance, a desire expressed by the vote of the people in 1998, while at the same time providing for the necessary public and legislative oversight of the executive director and, by extension, the department deputy selection process. In addition, this structure provides for a fair and equitable regulatory environment for the insurance, securities and banking industries while in no way diminishing the historic oversight and enforcement authority practiced by the current Treasurer and Comptroller.

COURT REFORM

The *Senate Governmental Operations and Productivity Committee* also took a position contrary to the House on revision of the appointments to the Judicial Nominating Commissions, which recommends candidates to the Governor as potential appointees to state judgeships. SB 1470 by *Sen. Anna Cowin (R-Leesburg)*, as passed by the Committee, proposes only minor changes in judicial nominating commission process. Under the bill, the Florida Bar would still get three appointments, but all would have to be lawyers. The Governor would appoint three and those six would pick three more, but the appointing authorities would have to consider racial and ethnic diversity in the selections. Also, the terms of the commission members would be the same as the Governor's so he could make changes. Cowin withdrew an amendment to the bill that would have given all nine appointments to the Governor. The amendment, had it been adopted, would have then made the Senate bill consistent with the House proposal by *Rep. Fred Brummer*, CS/HB 367.

While AIF is disappointed that the Committee chose not to make the bold changes currently under consideration in the House bill, today's hearing was a positive start. Currently, the judicial nominating commission process is producing judges immune to the will of the people and most importantly, the will of the legislature. Inconsistent with the separation of powers, the state's courts have ruled consistently outside the letter and expressed intent of Florida law, as adopted by the legislature. And, oddly enough, these egregious rulings run consistently against the business community.

A profound inequity has evolved within the relationship between the executive branch, the legislature and the courts. This inequity must be corrected. A little accountability, established by reforming our judicial nominating commission process, would be an excellent place to start. AIF supports the House and Senate's efforts in this direction.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF) and Jere Moore, AIF Reporter. Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

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