



FOR MAY 2, 2001

Going into the final two days of the 2001 legislative session, the situation is normal with an aura of negotiations and uncertainty.

Elder Care Reform

The House approved CS/CS/CS/SB 1202 by Sen. Ginny Brown-Waite (R-Brooksville) on final consideration. The bill is now on its way back to the Senate for consideration. Debate on the measure commenced with House Speaker Tom Feeney (R-Oviedo) declaring, "It's a great bill" and ended with the House giving a standing ovation to Rep. Carole Green (R-Fort Myers), chair of the Elder and Long-Term Care Committee that developed the measure. While there are largely minor differences between the two bills, one notable and substantive difference is the Senate's position on creating a Joint Underwriting Association (JUA), which is a state sponsored insurer of last resort funded by the insurance industry. AIF has written before regarding the unworkability of a JUA in the long-term care insurance market.

The House passed the bill 112-8, with many supporters saying that while the bill is not perfect, it is a major step in the right direction. Those voting no were seven Democrats: Susan Bucher, (West Palm Beach); ;Dan Gelber, (Miami Beach); Lois Frankel, (West Palm Beach) Ken Gottlieb, (Miramar); Sally A. Heyman, (North Miami Beach); E. Denise Lee, (Jacksonville); and Eleanor Sobel, (Hollywood); plus one Republican, Rep. Nancy Argenziano, Crystal River, chair of the Council for Healthy Communities that developed the bill. Speaker Feeney refused to consider amendments because Democrats had drawn them to an earlier version of the bill.

It was an odd and almost tragic sight to see Rep. Argenziano vote against a bill that her Speaker, her Majority Leader, her fellow Republicans and many Democrats had worked so terribly hard on putting together because it wasn't exactly the way she wanted it. Stakeholders of all stripes and from all corners came together to craft this bill. It probably would not be considered "perfect" by any of the parties involved in writing the bill, and many of the members of the House stated as such. Rep. Argenziano's argumentative and demanding approach to the issue ultimately marginalized her input and diminished her ability to craft a bill closer to her original designs.

AIF salutes the many members of the House and Senate who have worked so hard on this necessary and urgent reform effort. As the bill now moves towards probable final approval by the Senate, we congratulate the Senate leadership, Sen. Ginny Brown-Waite (R-Brooksville), House Speaker Feeney, Majority Leader Fasano, Rep. Green and the many others who worked so conscientiously and diligently to put this bill together. While details remain on this issue in the final two days, today's efforts merit appreciation and thanks.

Service First

The Senate passed a diminished version of the Governor's proposed Career Service reform, SB 466 by the Committee on Governmental Oversight and Productivity and Sen. Rudy Garcia (R-Hialeah) on a vote of 33-7. A few hours later, the House put its much stronger version of Gov. Jeb Bush's Service First plan onto the bill on a 71-47 vote and prepared to send it back to the Senate for negotiations. The many differences include more authority in the House bill for managers to remove inefficient, unproductive or troublesome employees.

Service First, as proposed by the Governor, is designed to reform the State of Florida's civil service system. The State civil service employee remains trapped in an antiquated, creaking system that promotes inefficiency, largess and inhibits outstanding performance and commitment. As a result, according to the Florida State University's annual public policy survey, more than 60 percent of the public does not trust state government to what is right most of the time.

The plan calls for a top to bottom reform of the state's antiquated civil service system. The personnel portion of the proposal would move about 16,300 Career Service employees in the "Selected Exempt" class, where they could be fired or reassigned without appeal rights. Conversely, the selected exempt classification provides full health benefits and a block of vacation days up front. Most state employees aspire to rising to the select exempt classification. In addition, Governor Bush's plan would lower the standard for firing employees from "just cause," such as gross incompetence or outright insubordination to "reasonable cause." Conversely, managers under the plan would be able to distribute bonuses or raises without promoting employees out of their current positions.

The plan also eliminates the unseemly practice of "bumping" where if an employee's position is eliminated or reclassified, that employee can find any lower position they have held previously or are qualified for, and move down to that job, keeping their current salary, and "bump" the employee with less seniority out of that position. The newly "bumped" employee then peers further down the food chain, looking for yet another employee to bump.

AIF supports the Governor's Service First plan as it is largely written and embraced by the House bill. Not only does it hold the prospect of treating our civil service employees better; it promotes efficiency and accountability within the civil service system. Florida's employers, who interact with the state every day, would benefit tremendously from a motivated, lean and highly professional state employee force. In addition, the savings realized to the state in state employee reductions and added efficiency would save employer's tens, even hundreds of millions of tax dollars in the long term.

Workers' Compensation Reform

The Senate also amended CS/SB 1926, the "non-controversial" bill for more efficient handling of workers compensation cases, to conform to CS/HB 1803, made some other minor amendments, and prepared to vote on the bill and send it to back to the House on Thursday. Two other important workers compensation bills, CS/SB 1188 to make major changes in the handling of cases and CS/CS/SB 2224 to transfer the Division of Workers Compensation to the Department of Insurance, are awaiting Senate action.

We are also awaiting consideration of the "controversial" workers' compensation reform bill, CS/SB 1188 by Sen. Jack Latvala (R-St. Petersburg) which addresses the more politically charged and complex issues.

Other Issues

The House passed 105-9 HJR 571 by Rep. Randy Johnson (R-Winter Park), a proposed constitutional amendment to require cost estimates on future constitutional amendments. Yes, that's right, although it sounds confusing. As the high speed rail amendment to the Florida Constitution aptly demonstrated, a proposal can be offered to the voters, but it can be and often is offered in a vacuum. Voters are little informed of the economic impact of a proposed amendment to our state's most sacred civil document. The high speed rail amendment, which dictates that Florida create a high speed rail system and an earlier amendment which banned a type of fish nets, were both adopted by voters with virtually no insight as to the value or impact of the amendments. Suffice to say the fish net ban had an enormous and even tragic impact on local fishing communities and the numbers are not yet in on the high-speed rail mandate.

HB 159 by Rep. Marco Rubio (R-Miami) which limits the final determinations on plan treatment by an HMO to a *Florida* doctor was "laid on the table," and its identical companion, SB 1568 by Sen. Jim Sebesta (R-St. Petersburg) was passed by the House by a vote of 116 – 3. The bill is on its way to the Governor.

HB 1889 by Rep. Stacy Ritter (D-Coral Springs), which creates a "unified" or simplified communications tax, was "laid on the table" and its identical Senate companion, SB 1878 by Sen. Jim Horne (R-Orange Park) was taken up and passed by the House by a vote of 99 – 15. The bill is "revenue neutral" which means it does not increase taxes overall, but makes the communications tax more easy to understand by the taxpayer and easier, and less costly to administer by the state. The bill is on its way to the Governor.

On "second reading," SB 822 by Sen. Buddy Dyer (D-Orlando) was amended and now it roles over for third reading and final consideration by the Senate. Among other provisions, the bill provides limitations on contingency fee contracts for private attorney services. The bill requires that a private attorney who contracts with the state maintain documents and records and that the attorney makes such documents and records available for inspection. We do not have the substance of those amendments at this time.

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). 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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- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.