



# PBC Legislative Update

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## ***IN THIS ISSUE:***

***Legislative Update End of January and 19-23 Committee Week***

### ***STATE ISSUES***

1. ***Governor Releases Budget***
2. ***Economic Incentives Programs***
3. ***Enterprise Zones***
4. ***Pension Reform***
5. ***Regional Planning Councils***
6. ***Uncollected Capital Recovery***
7. ***Local Gov't. Financial Oversight***
8. ***Communications Services Tax***
9. ***Sober Homes***
10. ***Gaming***
11. ***Water and Amendment 1***

### ***FEDERAL ISSUES***

1. ***BOCC Adopts 2015 Federal Legislative Priorities***
2. ***DC In Review – Week of January 26<sup>th</sup>***
3. ***County Staff meets with Army Corps on Hoover Dike Repairs***

## **Legislative Update End of January and 19-23 Committee Week**

### ***STATE ISSUES***

#### ***Governor Releases Budget***

*By: LobbyTools, Anfield Consultants, and County Staff*

Governor Rick Scott proposed a \$77 billion dollar budget on January 28th. This is typically the first step of the legislative budget process as the legislature will continue their budget making process and finalize their spending priorities by late April of 2015. The following are some of the highlights of the Governor's budget.

#### **Agriculture / Environment**

Gov. Scott is recommending a total of \$3.4 billion for the agriculture and natural resources portion of the budget, that's a \$139.9 million difference from the current year's budget of \$3.5 billion.

#### **Department of Environmental Protection**

\$1.53 billion for the Department of Environmental Protection, a \$28.7 million decrease from the current year's budget of \$1.56 billion. The governor's recommendations include:

- \$150 million for Everglades restoration. The money would help fund the construction of the C-43 and C-44 reservoirs.
- \$150 million for land acquisition and management, including \$100 million to support Florida Forever, \$20 million to restore the Kissimmee River and \$30 million for additional land management.
- \$50 million for springs protection and restoration
- \$100 million for water supply development and Keys wastewater treatment
- \$25 million for beach renourishment
- \$19 million for repairing Florida State Parks

#### *Amendment 1*

The budget complies with Amendment 1 by including over \$757 million for land and water programs funded from documentary stamp tax revenues, and goes beyond the requirements of the amendment by adding an additional \$82.5 million to fully fund the environmental commitments made by the Governor in

the "Keep Florida Beautiful" plan. The documentary stamp distributions to transportation and housing funds are not reduced.

#### *Waste Management*

- Dry Cleaning/Site Cleanup - \$6.5 million
- Hazardous Waste/Site Cleanup - \$3.5 million
- Non-Mandatory Land Reclamation - \$4.2 million
- Underground Petroleum Storage Tank Cleanup - \$110 million
- Solid Waste Management Grants - \$3 million

#### *Sea Level Rise*

- \$50 million for the Stan Mayfield Grant Program for wastewater projects in the Keys.
- \$30 million for land acquisition by Florida's Water Management Districts.
- \$25 million for beach restoration projects.
- \$1 million for Florida's Coastal Zone Management Program.

### **Department of Agriculture and Consumer Services**

The governor is recommending \$1.45 billion for FDACS, \$81.3 million less than the current FY.

- \$20.5 million for agricultural law enforcement, down \$790,183 from the current FY.
- \$42.5 million for agricultural marketing, down \$14.3 million from the current FY.
- \$15.4 million for FDACS' Agricultural Water Policy Coordination, down \$32.2 million.
- \$18.6 million for consumer protection, a \$440,331 decrease from the current FY.

### **Fish and Wildlife Conservation Commission**

\$341.4 million is recommended for the FWC. Scott's recommendation is \$24.6 million less than the current FY.

- \$106.9 million for habitat and species conservation, down \$3.6 million from the current FY.
- \$5.8 million for fisheries management, lower than the current FY of \$17 million.

### **Healthcare**

The Governor is asking for a total of \$31,793,344,800 for health care spending, an \$89,893,748 reduction from the current year's health care budget.

### **Department of Health**

The Governor is asking for a total of \$2.7 billion for DOH, \$55.3 million less than the current FY.

- \$149.3 million for disease control and prevention, up \$2.6 million from the current year's budget of \$146.7 million. That extra \$2.6 million is to help prepare Florida hospitals to combat potential outbreaks of highly contagious diseases like Ebola.

## **Department of Children and Families**

The governor is proposing \$2.9 billion in overall funding for DCF; \$24 million more than the current year's budget. Scott's recommendation is in line with the department's request of \$2.9 billion. Specifically, Scott wants:

- \$1.3 million for Children's Legal Services attorneys to support investigations into cases involving domestic violence.
- \$15.7 million in new funding for Community-Based Care organizations.
- \$7.6 million for investigation and case management technology that helps in the delivery of services to children and families.
- \$4.9 million to expand the Healthy Families program to serve an additional 1,229 at-risk families and an estimated 2,175 children.
- \$22.4 million for care management and coordination for substance abuse and mental health services.
- \$5.6 million to fund Community Action Teams and to expand the state's capacity to serve forensic mental health residents.

## **Agency for Health Care Administration**

Scott is recommending \$24.52 billion to fund AHCA, down \$64.6 million from the current FY.

- \$7 million in additional investment over the current year's budget into the Statewide Residency Program, thus expanding graduate medical education in order to help ameliorate the state's doctor shortage.
- \$400,000 in additional funding for the state's Care Provider Background Clearinghouse. The clearinghouse enables several state agencies to quickly and easily conduct criminal background checks.
- \$3 million for advanced data analytics and detection services. The funding will help ensure that attempts to defraud Florida's Medicaid program are thwarted.

The agency is authorized to make transfers of state, county and other governmental funds to the Low Income Pool, which helps hospitals and others care for the poor.

## **Agency for Persons with Disabilities**

APD requested a total budget of \$1.2 billion and Scott has recommended a slightly lower amount -- \$1.16 billion, that's roughly \$11 million less than the current year's budget of \$1.15 billion.

- \$8 million to serve 400 more individuals with critical needs on APD's waiting list.

## **Department of Elder Affairs**

Scott is recommending \$289 million for the Department of Elder Affairs, that's a \$4.7 million decrease from the current year's budget of \$294 million. The funding recommendation is a total of \$9 million more than the agency requested.

## **Department of Veteran Affairs**

Scott wants \$114.2 million for the Department of Veteran Affairs, that's a \$252,390 decrease from the current year's budget of \$114.5 million. The department originally requested a much higher number -- \$138 million.

## **Transportation**

Gov. Rick Scott recommended that the Legislature appropriate roughly \$10.3 billion to the Transportation Appropriation segment of the budget, about \$240 million less than last year's appropriation. That \$10.3 billion is distributed between two agencies, the Department of Transportation and the Department of Highway Safety and Motor Vehicles.

### **Department of Transportation**

Gov. Scott suggested that the Legislature appropriate roughly \$9.88 billion to FDOT, including \$9.1 billion for the agency's work plan, a \$235 million reduction from the Fiscal Year 2014-2015 budget. This would include:

- \$3.6 million to add 245 new miles of roads
- \$901.5 million for maintenance and operation
- \$657.5 million to resurface 2,510 miles of roads
- \$492 million for transit program improvements
- \$242.6 million to repair 92 bridges and replace another 16 bridges
- \$106.9 million for seaport infrastructure improvements

### **Department of Highway Safety and Motor Vehicles**

DHSMV would receive \$439 million under the governor's plan, a \$1.7 million decrease from the current year's budget.

## **Economic Incentive Programs**

*By: Erics Consultants and County Staff*

The Senate Commerce and Tourism listened to presentations from OPPAGA and the Office of Economic and Demographic Research on various tourism, sports, film & TV incentive programs during the week of the 19th. Experts testified that the Florida Sports Foundation provided a high return on investment for the State and spring baseball training incentives provided a positive ROI. The Chair of the committee, Sen. Nancy Detert, stated that the committee will be working on sports and film legislation this Session.

## **Enterprise Zone Program**

*By: Erics Consultants, Ron L. Book, and County Staff*

The Florida Enterprise Zone program set forth in statute, sunsets, or expires, in 2015. Senator Detert, Chair of the Commerce and Tourism committee, has made it known that she would like a full revision of the program, if the program sunset extension were to be extended. She has stated in past years and again recently, that she feels the program needs to expire or needs an extensive overhaul. Enterprise Zones (EZs) and their effectiveness around the state vary.

The House Economic Affairs Committee held a meeting on the Urban High Crime Area Job Tax Credit Program and the Enterprise Zone program set to expire this year. With regards to the urban high-crime job tax program, Chair Oliva indicated concern that businesses were not making decisions to locate in areas based upon the tax credit but merely benefitting from the credit for existing in the area regardless of the program. Rep. Pat Rooney inquired as to how to best market the program since it's not being fully utilized. According to the OPPAGA report, the goal of the program is not crime reduction but for job creation. OPPAGA also provided their study of the Enterprise Zone program, which concluded the zones have a negative ROI for the State. However, the committee also heard from various stakeholders representing the counties, cities, economic councils, and retailers who are all in support of reauthorization but maybe taking a more modernized approach. The stakeholders have begun working together on ideas to bring before the Legislature with the understanding that reauthorization will not be possible without retooling the program to add more measures of accountability as well as requesting funds to be reappropriated in the budget. Currently, 17,000 businesses are located within Enterprise Zones but only 212 businesses have taken advantage of the program. The Florida Economic Development Council and Florida Tax Watch are working on a study of Enterprise Zones to offer an alternative measurement of ROI to the narrowly focused OPPAGA study. Vehicles for reauthorization are currently in the works. Sen. Clemens has filed SB 362 and Rep. Rooney is expected to file a bill that uses language from the Economic Council of Palm Beach County and includes a provision that would have the Enterprise Zone eliminated should it not reach a set goal within a set timeframe. Other potential vehicles will be included in legislation promised by Sen. Bean as well as a possible PCB filed by the House Economic Affairs Committee.

### **Pension Reform**

*By: Ron L. Book*

The outlook for municipal pension reform seems to be more of the same, with both the House and Senate acknowledging that legislation negotiated with cities, police and fire entities at the end of last session, deserves another review. FRS reform will be considered as well, but the potential is high for all of the pension reform issues to bog down in the politics of session. Pension reform is expected to be at the forefront of the legislative agenda this session.

### **Regional Planning Councils**

*By: Ron L. Book and County Staff*

SB 484 filed this week by Senator Simpson, would eliminate the 11 Regional Planning Councils across the state, by eliminating duties and shifting responsibilities to local government entities. This bill would also authorize local governments to enter into agreements to create regional planning entities if they so choose.

County staff spent time reviewing the legislation and meeting with our lobby team this month to discuss strategies related to the filed bill and to continue to pursue a statewide review of the state's RPC boundaries.

### **Local Government Uncollected Capital Recovery Collections**

*By: Ron L. Book*

In his overview of goals for the upcoming session and his committee's work, House Finance and Tax Chairman Gaetz discussed his research in local government uncollected capital recovery collections. In the interim, the Chairman Gaetz wrote letters requesting information from some of the largest counties around Florida, asking to what extent those entities have fully optimized their own capital recovery collections processes. Of the information gathered, the Chairman briefly outlined the responses: Of five (5) of the major

urban counties of Florida, accounts receivables total uncollected sums of over \$400 million. For example, Polk County has an outstanding collections total in the range of \$25 million, Lee County, over \$5 million. Chairman Gaetz then asked the committee members to look further into a review of local governments, as part of the committees work, to determine if they have developed any programs on collections, utilizing best practices of collections, and of those that have had successes, bring these best practices forward to use as possible legislation to assist local governments in capital recovery collections.

### **Local Governmental Entity Financial Oversight**

*By: Ron L. Book*

In the Finance and Tax committee action packet as part of the committee's work during the upcoming session was a proposal draft of concepts to improve financial oversight of local governments. This draft would revise reporting and transparency requirements, and auditing of local governments. No votes were taken. As they began the review, Representative Gaetz noted that many of the concepts in this bill were recommendations in the 2014 Auditor General's Annual Report.

### **Communications Services Tax**

*By: Erick Consultants, Ron L. Book, and County Staff*

The Governor announced a \$470 million cut in communications services taxes as one of his priorities for the 2015 Legislative Session. His proposal would cut more than a third of the money paid to the state in communication services taxes, which are split between local and state governments. The Governor's office has stated to both the Florida Association of Counties and the Florida League of Cities that his proposal would require the State to fully absorb the cut and has said, "we are going to hold [local governments] harmless."

Rep. Hukill's bill, SB 110, provides for a 2% CST reduction but doesn't provide for holding local governments harmless. It reduces the percentage of allocation of CST to the state from 63% to 54.5%, which in theory maintains the current percentage allocated to local governments. However, as the overall intake is reduced, so then is the portion that is allocated to local governments. This act would apply to taxable transactions that are dated on or after January 1, 2016.

### **Sober Homes**

*By: Ron L. Book*

SB 326 sponsored by Senator Clemens and HB 21 by Representative Hagar, would create a voluntary certification program for recovery residences or "sober homes" that function as halfway treatment houses. The bill requires the Department of Children and Families to create a voluntary certification program for sober houses, to administer a certification program, and to publish a list of credentialed facilities to the public. Lastly the bill would require background screening of recovery residence employees. This is the same bill as filed last session and one of Palm Beach County's top legislative priorities going into the 2015 session.

### **Gaming**

*By: Ron L. Book*

Portions of the Seminole Indian Gaming Compact expire in 2015. Senate President Gardiner has made it clear it is not mandatory that the legislature address or accept a renewal of the Compact. If these portions were not to be renewed, this would mean that Florida would no longer recognize the Tribe's right to have card games at their casinos and that Florida would forfeit the revenue stream dedicated to the state coffers as a condition of the compact.

Should the State choose to move toward a renewal of the expiring portions of the compact, Florida gaming entities are positioning themselves to be part of the discussion and the outcome. Issues that would be in the discussion regarding Florida gaming entities are parity in tax rate, parity in gaming product, decoupling of races, and slots availability to areas outside of Miami-Dade and Broward County.

### **Amendment 1 Implementation**

*By: Ron L. Book*

One of the most anticipated issues for the upcoming session is how the legislature will interpret Amendment 1, which deals with funding for Florida water and land conservation through existing documentary stamp tax revenues. This is the constitutional amendment that passed by approximately 75% in November's election. Senate President Gardiner has cautioned that the required redirection of funds to go toward Amendment 1 will certainly reduce funds from areas also funded through real estate taxes, such as transportation, affordable housing and economic development programs. Speaker Crisafulli has made it clear that water quality is his first priority, and has stated that all potential water issues fit into the purview of the intent of Amendment 1. Leadership is developing legislation that would set into statute just how these funds will be allocated. We expect a draft to be put forth in the next few weeks, and we expect that in some form, this legislation will address land management, conservation, water, beach renourishment, storm water and flood control, and other issues surrounding the environment.

## **FEDERAL ISSUES**

### **BOCC Adopts 2015 Federal Legislative Priorities**

*By: County Staff*

On Tuesday, January 27, the Palm Beach County Board of County Commissioners adopted their 2015 Federal Legislative Priorities.

Among the issues the County will work on during this session of Congress are: Palm Tran funding flexibility, Waters of the U.S. rulemaking, FEMA flood maps, Sober Homes, Juvenile Justice and Delinquency Prevention, and Cadillac tax reform under the Affordable Care Act.

### **DC in Review - Week of January 26<sup>th</sup>**

*By: Becker and Poliakoff*

**THE SENATE:** Worked on finishing up S. 1, approving the construction of TransCanada's Keystone XL pipeline along with all related permits and environmental reviews. The bill would also approve any route modifications made by the state of Nebraska. The President has threatened to veto the legislation, saying the State Department needs to complete its review of the project.

Senator Cory Booker (D-NJ) introduced legislation that would ensure state governments could not prohibit local telecommunications services. Sen. Booker's bill comes a day after bicameral hearings to discuss a net neutrality discussion draft issued by both the House Energy and Commerce Communications and Technology Subcommittee and the Senate Commerce Committee.

The Senate Environment and Public Works Committee heard from Transportation Secretary Anthony Foxx and state governors on the surface transportation reauthorization.

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The Senate Banking, Housing and Urban Affairs Committee examined the strategic necessity for sanctions against Iran.

**THE HOUSE:** House Republicans worked on legislation to help secure the border with Mexico. H.R. 399 tightens surveillance and protection of the nation's southern and northern borders, including the deployment of more detection capabilities and unmanned aerial vehicles. The bill authorizes \$1 billion a year from FY-2016 through 2025.

Under H.R. 351, the Energy Department would expedite approvals of exportation of liquefied natural gas, as well as measures related to human trafficking. The Energy Department would be required to approve liquefied natural gas export permits within 30 days of the completion of a project environmental review or the bill's enactment, whichever is later. The process for approving natural gas exports to non free-trade agreement countries currently is divided between the department and the Federal Energy Regulatory Commission. The Senate Energy and Natural Resources Committee heard similar legislation, S. 33, designed to speed up Energy Department decisions on whether to approve LNG exports.

On Thursday and Friday, House Democrats traveled to Philadelphia for their two-day, closed-door party retreat.

President Obama is asking Congress to wait for the outcome of current negotiations with Iran before strengthening sanctions during talks with Iran on its nuclear program. Two committee hearings and one markup are scheduled to address the issue. The House Foreign Affairs Committee held a hearing on the progress of the Iran nuclear talks.

The House Foreign Affairs Terrorism, Nonproliferation and Trade Subcommittee examined the Paris terrorist attacks and social media.

House Judiciary Committee Chairman Bob Goodlatte (R-VA) will move a bill in February to streamline federal permitting for energy projects before turning to a measure to subject all major federal rules to congressional consent.

**County Staff Meeting with Army Corps of Engineers on Hoover Dike***By: County Staff*

Palm Beach County staff met twice this month with Army Corps of Engineers Lt. Col. Tom Greco to discuss timelines for the completion of the Herbert Hoover Dike and to discuss the potential certification of repair work done on the Dike. Any certification of existing work could be used by FEMA to make favorable determinations regarding the flood maps that are currently pending in the County.

While the discussions were helpful in understanding the timing of the project (most work on Palm Beach County section of the Dike should be completed by 2019), it was clear that current work would not be certified to FEMA as too many gaps in the culvert construction remain.

County Commissioners and staff will travel later this month to Washington DC to meet with FEMA and Corps representatives to discuss further options for the region including a levee exclusionary zone that would temporarily remove portions of the Dike from consideration in the flood maps until the Corps work is complete.