

PBC Legislative Update



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State Issues

First Week of the 2013 State Legislative Session

Palm Beach County Day

By: County Staff

The start of session must mean that it was Palm Beach County Day as almost 100 of Palm Beach County's finest drew attention to local legislative priorities. Mayor Abrams and Commissioners Vana, Burdick, Valeche, and Berger joined county staff, education leaders, business and community representatives, and neighborhood and civic advocates for a couple days of high level and productive meetings at the Capitol.

Highlights from Palm Beach County Day included:

- Meeting with Senate President Don Gaetz and Appropriations Chair Joe Negron to discuss issues including appropriation support for JW Corbett levee, beaches, State College PECO funding, and Internet Sales Tax
- Meeting with the Governor and his Policy staff on environmental and glades area appropriations
- Meetings with Attorney General Pam Bondi and CFO Jeff Atwater
- Discussions with House Minority Leader Perry Thurston and Senate Minority Leader Chris Smith
- Discussions with House Education Appropriations Chair Eric Fresen on early learning and meeting with State Education Commissioner Tony Bennett
- Meetings with every member of the Palm Beach County Legislative Delegation
- Discussions with Rep. Jose Oliva on Medicaid and Economic Development
- Meeting with Senate General Government Appropriations Chair Alan Hays on funding in the Glades and Western Communities.

Florida Retirement System (FRS)

By: Ericks Consultants and County Staff

House Speaker Will Weatherford called FRS reform an "idea whose time has come" in his remarks at the opening of the Legislative Session. Meanwhile, a second actuarial analysis of the proposed House reforms was conducted after the first was deemed incomplete. The second study shows billions in savings; however, many feel it did not account for the cost of greater government assistance retirees may need to supplement their income. On Friday, the House Appropriations Committee voted 13-9, along party lines, to pass HB 7011 by Rep. Jason Brodeur that requires employees hired after January 1, 2014 to enter into a defined 401(k)-style contribution/investment pension plan. Rep. Brodeur stated that the current Milliman study illustrated a savings of \$9 billion.

According to the actuarial study that was done by the Milliman actuarial and consulting firm, the bill does not have a fiscal impact on state or local governments for fiscal year 2013-14. However, by closing the defined benefit plan, it is projected to have a negative fiscal impact in fiscal year 2014-15 (negative \$335,000 in General Revenue and negative \$2.7 million for all participating entities). From that point on, the bill has a positive impact for all participating entities. The savings, according to the study, continues to increase each year over the following 29 years.

Most of the questions during the meeting were directed toward the representative from Milliman, who went into detail about most of the pieces of the study. A member of the public spoke to the Committee and stated that in every single case study seen from other states, closing a functioning plan provided less retirement security and greater expense to the taxpayers.

Florida Professional Firefighters and Paramedics and Florida Sheriffs Association both oppose the legislation. Rep. Pafford also spoke in opposition, stating that the reform wasn't necessary. Rep. Dennis Baxley spoke in favor of the bill, stating that having a 401(k) style plan, similar to the private sector, gives autonomy over peoples futures.

The Senate version takes a much softer approach by merely setting defined contribution plans as a default plan for new employees but still giving the option of enrolling in a defined benefit plan.

Local Funded Retirement Plans

By: Corcoran & Johnston

On Thursday, the Senate Governmental Oversight and Accountability Committee met. The first piece of business on the agenda was SB 534 by Sen. Jeff Brandes, legislation relating to Publicly-funded Defined Benefit Retirement Plans. This bill explicitly provides that the state is not liable for any obligation relating to any financial shortfalls in any local government retirement plan and specifies additional reporting requirements for public pension plans.

The Florida League of Cities, Florida Professional Firefighters and Paramedics, and AFSCME oppose this bill. The Fraternal Order of Police expressed concerns, while the Florida Chamber of Commerce believes the FRS is a good asset to the state and supports the bill. Florida Education Association does not yet have a position but raised concerns, mostly concerning the metrics.

Senator Jeremy Ring believes that there is a difference between smaller cities and larger cities and made it a point to differentiate them when looking at local pensions. The Florida Chamber believes that the quality of life in a small city is equally as important as the quality of life in a larger city: the financial situation of a city is important regardless of size or geography.

SB 534 passed the Committee 7-2 and is now waiting to be heard in Community Affairs.

Ethics

By: Ericks Consultants

The Senate unanimously passed its ethics reform package on the first day of the Legislative Session. SB 2 and SB 4 are the largest ethics reforms the Legislature has undertaken in 30 years. It includes, among other reforms, online financial disclosures and gives the Ethics Commission the ability to place liens against and garnish wages of those who file late. The bills will now be sent to the House, where they are expected to pass.

Elections

By: Ericks Consultants

On the first day of Session, the House overwhelmingly passed its bipartisan elections reform package, HB 7013 by Rep. Jim Boyd, in a 118-1 vote. The legislation limits the number of words on the ballot, grants local supervisors of elections greater discretion in determining the number of early voting days, and it expands the types of locations to be used as early voting sites. The bill has been sent to the Senate, where it is also expected to pass.

Medicaid

By: Akerman

The week began with the House Select Committee on PP-ACA voting against expanding Medicaid to cover individuals living at 138% of the poverty level. The committee voted

on a 10-5 party line vote against expanding. The next day, the Governor stated his support for Medicaid expansion during his State of the State speech on the opening day of session. Budget forecasters determined this week that by voting to expand Medicaid, the financial impact to the State would be \$3.5 billion over 10 years. The other provisions of the President's Health Care Reform will cost the State an additional \$1.7 billion over the same 10 years. The Government currently picks up 58% of the \$21 billion a year a program in Florida. By expanding Medicaid, the State would receive an additional \$51 billion in Federal Aid.

Local Wage Ordinances

By: Ericks Consultants

On Thursday, the House State Affairs Committee heard HB 655 by Rep. Steve Precourt, legislation that would preempt local wage and benefits ordinances/ procurement preferences in order to create uniformity for businesses. It passed along party lines after being amended to grandfather in contracts entered into before July 1, 2013; allow living wage ordinances in effect by July 1, 2013 to remain for three years before sun setting; and protect local domestic violence ordinances.

Rep. Precourt stated there was a need to give businesses consistency in policies throughout the state. He also claimed he had attempted to work with counties with living wage ordinances but nothing had "gelled together." Many individuals who were involved in helping pass Orange County's recent sick leave ordinance spoke out against the bill, as did workers' unions and multiple counties.

Its next stop is the House Floor.

Assault or Battery on Utility Workers

By: Foley & Lardner

On Tuesday, HB 511 by Rep. Reggie Fullwood was temporarily postponed in the House Criminal Justice Subcommittee. The bill reclassifies assault on utility workers as a first-degree misdemeanor. This legislation is necessary due to the increase in incidents involving angry and disgruntled customers threatening utility workers. The legislation is strongly opposed by the National Rifle Association.

Early Learning

By: Akerman

In order to reach a cohesive agreement and push for legislation to enact a pre and post Kindergarten assessment throughout Florida, the Early Learning Coalitions and advocacy groups have been meeting weekly and work shopping strategies. They will soon be presenting a position paper to the Governor's office relaying their stance relating to governance, that the Office of Early Learning remains an independent agency. They will also be presenting approaches on Pre and Post Kindergarten testing as well as funding requests.

For legislation, there are several bills filed that have not begun moving yet while the Committees are still crafting a major Early Education bill.

Special District Consolidation

By: Ericks Consultants

SB 538 by Sen. Ring would consolidate independent special districts with local government, giving local government control over the district. Sen. Ring explained that special taxing districts "operate in the shadows" with no accountability. He said that, while the districts may follow the law, he still feels the system must be reformed. The bill exempts larger districts such as firefighter, hospital, children's services, community development and ports. Sens. Latvala, Thrasher, Hukill, Bradley and Chairman Simpson all expressed concerns with the bill, but agreed to vote it out of committee with the promise of amendments at a later time. Sen. Thrasher was concerned about

independent districts that are elected as 538 would phase out those elections and bluntly stated it could not make it to the floor in its current form.

South Indian River Water Control District (SIRWCD)

By: County Staff

On Thursday, the House Local & Federal Affairs Committee heard and unanimously passed HB 855 by Rep. Pat Rooney. This bill amends the charter of SIRWCD by authorizing the Board of Supervisors of SIRWCD to construct improvements upon the real and personal property held, controlled, and maintained for recreational purposes within the District. Its next stop is the House Economic Affairs Committee.

Summer Camps

By: The Moya Group

SB 630 by Senator Clemens relating to Summer Camps was scheduled to be heard in Wednesday's Senate Committee on Children, Families, and Elder Affairs. The bill was Temporarily Postponed by the bill sponsor prior to introduction, and placed on the Committee agenda for 3/12/13 at 2pm because the sponsor requested he would like more time for the affected parties to get together and discuss the provisions of the bill.

This legislation would provide that the Department of Children and Families license requirements would apply to summer day camps and summer 24-hour camps. It would also prohibit a governmental agency from regulating the religious curriculum of a summer day camp or summer 24-hour camp. The bill also provides a procedure for the application for a license to operate a summer day camp or summer 24-hour camp, and provides screening requirements for camp personnel.

Gaming

By: Ericks Consultants

The House Select Committee on Gaming heard a staff presentation on Indian Gaming and the Seminole Compact. A member of the Seminole Tribe also testified. Two minority members expressed concern that the Tribe's profit numbers are confidential. It was explained that they constitute trade secrets; however, they are freely shared with the Department of Business and Professional Regulation and state economists at EDR.

Homelessness

By: Ericks Consultants

Upon discussion this week in the Transportation and Economic Development Appropriations Subcommittee, HB 93 was passed favorably. Representative Reed (HB 93) and Representative Joyner (SB 402) presented how the bills propose to include an option to make a voluntary contribution to aid the homeless on all Department of Motor Vehicle registration forms.

PERMITS FOR ALTERNATIVE WATER SUPPLIES

By: ERICKS CONSULTANTS

Representative Young presented HB 109, which provides specific conditions for the extension, issuance and review of approved permits for alternative water supplies, to the State Affairs Subcommittee on Thursday morning. The bill extends contracts for capital improvement from 20 years to 30 years in order to gain lower interest rates on bonds. Senator Hays introduced its Senate companion (SB 364) revising the conditions of the issuance of permits on or after a certain date. With little discussion, this bill was unanimously supported in committee.

What to expect next week:

Community Development and Affordable Housing

By: Foley and Lardner

SB 928 by Senator Simpson is expected to be heard in the Senate Community Affairs

Committee on Thursday, March 14th. Among other things, the bill closes a loophole that currently allows property appraisers to grant an ad valorem tax exemption for limited partnerships provided the sole general partner is a 501 (c) (3) and a limited liability company or limited partnership. Under current law, these entities are afforded the same property tax exemption that is available for 501 (c) (3) nonprofits providing affordable housing. Since the enactment of this provision in 2011, the cost to local governments is estimated to be over \$11 million dollars per year. *(This provision is also the subject of SB 740 also by Sen. Simpson and HB 921 by Rep. Renuart)*. The bill also extends until 2025, the Community Contribution Tax Credit Program that encourages participation in community revitalization and affordable housing projects.

Wage Theft

SB 1216 by Sen. Rob Bradley has been placed on the Senate Criminal Justice Committee agenda to be heard on Monday, March 11th. This legislation generally preempts local regulation of wage theft issues and provides a specific civil action in the court system for wage theft claims. Under the bill, "wage theft" is defined as an illegal or improper underpayment or nonpayment of an individual employee's wages, salaries, commissions, or other similar form of compensation. The bill does not affect Palm Beach County's current wage theft provisions.

Criminal Justice Commission Exemptions

SB 1042 by Sen. Joseph Abruzzo has also been placed on the Senate Criminal Justice Committee agenda to be heard on Monday. Its House companion, HB 361 by Rep. Dave Kerner is waiting to be heard in its second committee of reference, House Governmental Operations Subcommittee. These bills would exempt from public meeting requirements, otherwise known as the Florida Sunshine Law, members who sit on a criminal justice commission.

Budget

During the Senate Appropriations Committee, Chairman Sen. Joe Negron, stated that the Senate will provide its budget allocations next week. The House has not made any similar announcements.

Regulation of Summer Camps

This Tuesday, the Senate will hear SB 630 by Sen. Jeff Clemens. This legislation requires the Department of Children and Families (DCF) to license summer day camps and summer 24-hour camps. Rep. Mark Pafford is sponsoring the House companion, HB 591, and is waiting to be heard in the House Healthy Families Subcommittee.

House Ethics Package

The House ethics reform, HB 569 by Rep. Rob Schenck, that would eliminate CCEs and raise individual contribution limits from \$500 to \$10,000 is expected to be amended next week in the House Ethics and Elections Committee. Speaker Weatherford stated they would be dramatically reducing the \$10,000 cap, which many are concerned is too high. Sen. Jack Latvala has filed a Senate version, SB 1382, which would move contribution limits to a tiered system, maintaining the \$500 cap for legislative and local races but increasing the cap to \$3000 in statewide races. Speaker Weatherford, however, has stated he feels the Senate bill's caps are too low and would still encourage money going more towards political committees rather than actual campaigns.

Federal Issues

Vice Mayor Taylor and Commissioner Berger Attend NACo Leg Conference

By: County Staff

Last weekend, Palm Beach County Board of County Commissioners Vice Mayor Priscilla Taylor and Commissioner Mary Lou Berger and County Staff participated in the annual NACo Legislative Conference in Washington, DC.

The NACo Legislative Conference brings over 2,000 elected and appointed county officials from across the country to focus on legislative issues facing county government. Attendees hear from key Administration officials and members of Congress and attend

policy workshops that help inform and develop NACo policy positions to be advocated before the federal government.

Commissioners and Staff met with key legislative offices on Capitol Hill to present Palm Beach County's legislative priorities to the Delegation offices.

Additionally, County Legislative Director and NACo Board of Directors member, Todd Bonlarron joined NACo leadership in meeting with representatives from Speaker John Boehner, Majority Leader Eric Cantor, Minority Leader Nancy Pelosi and Senate Majority Leader Harry Reed's offices to discuss some of NACo's top legislative issues.

President Obama Signs Violence Against Women Act

By: County Staff

On Thursday, President Obama signed legislation to strengthen and reauthorize the Violence Against Women Act. The new law will provide resources for thousands of victims of domestic violence and sexual assault -- and better equip law enforcement officials to stop violence before it starts.

APPROPRIATIONS UPDATE – Explaining the Sequester, Continuing Resolution and a Possible Government Shutdown

The long dreaded sequester -- the across-the-board cuts that every political leader spent all last year assuring the public would never be implemented -- went into effect last Friday, March 1. It now appears that some form of the cuts will remain in place for the rest of Fiscal Year 2013.

First some background. The federal fiscal year starts on October 1. Congress failed to pass any of the appropriations bills that fund the government for Fiscal Year 2013 before that date. To keep the government operating, Congress passed a Continuing Resolution funding the government for six months and ending on March 27. The Continuing Resolution allows the agencies to operate the programs at roughly their Fiscal Year 2012 levels (there were a few exceptions written into the resolution). Another bill to fund the government for the last six months of the fiscal year needs to pass before the 27th of this month or the government will shut down.

The sequester was created in a separate but related fiscal bill. In 2011, when Congress and the President were working on legislation to raise the debt ceiling, a deficit reduction compromise was reached. The bill raised the debt ceiling, but also made a commitment to cut the deficit. The bill created a "super committee" charged with developing a long term deficit reduction plan. If that committee failed to reach a consensus, the law required the imposition of across-the-board cuts starting on January 1, 2013. The super committee failed to reach an agreement. For over a year everyone has known the cuts would start on January 1, 2013. Every political leader, from the President, to the Speaker, to the Senate Majority Leader, said that they opposed the across-the-board cuts and would find a way to pass legislation to avoid them. And, as part of the tax bill passed at the end of the last Congress, they did find a way to delay the start of the cuts until March 1.

Unfortunately, they were unable to find a way to solve the problem for the rest of the year. The President wanted to pass a bill that both cut spending and raised taxes. The House Republicans opposed raising taxes and wanted to pass legislation that only included spending cuts. Neither side compromised their positions, and March 1 arrived.

The cuts are called a sequester. By law a total of \$85 billion needs to be cut for Fiscal Year 2013. To reach that goal, almost every domestic spending program must be cut by 5%. (There are some exceptions for programs like food stamps and Pell grants). Medicare must be cut by 2%. Defense programs will be cut by almost 8%.

So at this point, the federal government is running under a Continuing Resolution, which funds programs at Fiscal Year 2012 levels, further reduced by the sequester cuts. The cuts are imposed on every account in a flat, across-the-board fashion.

Most political leaders are very concerned about the impact of the cuts. They just cannot agree on a way to make them go away.

And, as discussed above, in three weeks, the government will shut down unless another Continuing Resolution or budget bill is passed.

On Wednesday, the House passed H.R. 933. That bill would fund the government for the rest of the year. The bill assumes that the \$85 billion in overall savings remain in place, but allows the Defense Department, the Department of Veterans Affairs and a few other agencies to move money around. In other words, the cuts would not be imposed in an across-the-board way. Instead the agency heads would have the flexibility to adjust the spending within accounts as long as the overall totals stayed the same. The vote on the bill was 267-151.

The bill now goes to the Senate. The Senate leadership would like to add to the spending totals in the House bill, and perhaps add some tax increases. But the House would never agree to such a bill. Instead the Senate will probably give domestic agencies the ability to move funds like the House gave Defense and VA. But they will not add to the overall total spending levels in the bill.

No one wants a government shutdown. The President has indicated that he will sign the bill when it gets passed.

The bottom line is, that unless things change dramatically, the next budget bill will have the \$85 billion in cuts, only not applied across-the-board. Many Democrats believe that as the cuts take effect, the public will demand relief and later this year the Republicans will agree to another budget bill that restores some of the funds. Republicans say that will not happen.

It all depends on how the public will react when all the cuts are in place.

Weekly Update

By: NACo Staff

House Approves Stop-Gap Funding Bill

On March 6, the House of Representatives approved a six-month stop-gap Continuing Resolution (CR; H.R. 933) by a vote of 267-151. The measure provides \$984 billion for discretionary spending, which includes the \$85 billion in automatic cuts (sequestration) that went into effect March 1. [More ▶](#)

Release of Obama Budget Delayed; House and Senate to Move Budget Resolutions

Although the White House has declined to say when it will issue its detailed spending plan for the fiscal year that begins Oct. 1, the target date for the White House's proposed fiscal 2014 budget is now sliding deeper into spring. As of today, President Obama is 32 days late in delivering his budget for the 2014 fiscal year. [More ▶](#)



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Senators Introduce Bill to Tighten Background Checks for Gun Buyers with Mental Illness

On March 6, Sen. Lindsay Graham (R-SC) and a bi-partisan group of senators introduced legislation to clarify when individuals lose the right to receive or possess firearms due to mental illness. The NACo platform supports laws rendering "adjudicated mental defectives or persons committed to a mental institution," and illegal drug users ineligible to receive firearms. [More ▶](#)

USDA Releases Report Recommending Changes to the Definition of Rural

On February 22, Agriculture Sec. Tom Vilsack sent Congress a report providing an overview of the various definitions of the word "rural" as it is used to determine eligibility for a variety of government programs, including those administered by USDA Rural Development. One of the report's key recommendations represents a broadening of eligibility as some programs. [More ▶](#)

OMB Releases Estimated Cuts for HUD Programs Due to Sequester

On March 1, the Office of Management and Budget (OMB) released the estimated cuts to federal programs as a result of the sequester that took effect. HUD programs are subject to a five percent across-the-board cut. The CDBG formula program would be funded at \$3.1 billion, and the HOME program would be funded at \$950 million for FY 2013. Congress still has to finalize FY 2013 appropriations before the CR expires on March 27. [More ▶](#)

Final PACE Rule Delayed Until September

On March 6, the U.S. District Court for the Northern District of California granted a motion by Federal Housing Finance Agency (FHFA) to delay publication of their final rule for the residential Property Assessed Clean Energy (PACE) program until September 16, 2013. PACE, created through bonds, allows local governments to loan money to property owners for renewable energy and/or energy efficiency retrofits. [More ▶](#)