

## **2002 PREVIEW: POLITICAL PARITY (FIRST PAGE ARTICLE)**

For people who are interested in, intrigued by, or students of "politics". . . rejoice! The 2002 Florida Legislative Session promises to be a smorgasbord of excitement. This year, the Legislature was faced with the tightest budget year in a decade. Next year's fiscal outlook is just as dismal, and probably will be even worse by the time session rolls around. Every one of Florida's 160 legislators is up for election in November. And, of course, reapportionment. Legislative leaders, anticipating the intense political negotiations and battles that will take place, have scheduled the session to begin almost two months early (January 22, 2002) just to make sure there is enough time to handle this most complex issue.

Or is session scheduled early so legislators can have almost two months more to raise money and campaign for their November elections? Providing even more excitement for political junkies.

Regardless, the exceedingly tight budget we will face next year presents health and human service advocates with significant challenges, while the impending elections might provide unforeseen opportunities to gain ground in our efforts to support those we serve. With about two months less to prepare for session, the time is now to get our ducks in a row and begin educating legislators regarding our issues.

We hope you have found your 2001 *Legislative Link* meaningful and of interest. If you have any ideas on how we can improve this publication, please don't hesitate to contact the United Way of Florida offices at 850/681-9292, or at 307 E. Seventh Ave., Tallahassee, Florida 32303. Until January. . . Have a great summer!

## **LEARNING GATEWAY VETOED**

The 2001 Florida Legislature passed SB 1018, intended to create innovative pilot projects in Broward, Manatee, and St. Lucie counties that would integrate and enhance services to young children and their families so as to "nip in the bud" learning disabilities that could negatively impact future educational success.

The three-county, three-year demonstration program was called the Learning Gateway. It would have required each of the three counties to design and test an integrated community based system to lessen the effects of early learning problems and learning disabilities for children from birth through age nine through prevention, early intervention, and early education. The goals of the Learning Gateway would have been to improve community awareness and parent and practitioner education about the warning signs or pre-cursors of learning disabilities; improve access for children to appropriate programs, services, and supports; improve developmental

monitoring and availability of appropriate screening resources; and improve planning, integration, and collaboration among providers.

Following session, claims were made that the Learning Gateway would result in more government intrusion into family life, heightened scrutiny of all children from birth through age nine by “Big Brother”, and more use of psychotropic drug use on children (with the example being that "Eric Harris, strategist and gunman in the Columbine High School massacre, was on the anti-depressant fluvoxamine.") Opponents also pointed out that many learning problems cannot be accurately diagnosed before age four and contended that the bill would create public awareness which would lead to more voluntary screenings of normal children at which time the children would inappropriately be "logged and monitored for future problems or delays".

Proponents of the bill provided compelling counter points. However, in his veto message, Governor Bush stated his concern that the bill was silent on the issue of parental consent for referral, assessment, and intervention services. He pointed out that the definition of “high risk children” addressed by the bill was not clearly defined, that there is no public record exemption to protect the privacy of families and children impacted or participating in the Gateway (the bill providing the exemption did not pass), the fact that there was inadequate analysis of the need for and benefit of using the Tandem Mass Spectrometry Test required of all newborns in the three demonstration counties, and the significant costs therefore. Consequently, on Friday, June 1, Governor Bush vetoed the bill.

## **POWER GRAB OR POWER TO THE PEOPLE?**

The 2001 Florida Legislature took unprecedented action to consolidate power in the Executive Office. Three of the session’s biggest and most contentious issues were illustrative:

Selection of Judges - Florida’s Governor selects judges from pools of nominees selected by each of Florida’s 29 Judicial Nominating Commissions (JNCs). In the past, the Governor has appointed three members to each JNC, the Florida Bar has appointed three additional members, and those six members appointed the final three members. The 2001 Florida Legislature changed the law to provide that the Governor will make all nine selections, five at his discretion, and four from a nomination pool submitted by the Florida Bar. However, the Governor can reject any and all Florida Bar nominees and demand new nominees until he finds a candidate to his liking.

University Governance – The Education Reorganization legislation abolished the Board of Regents. The legislation gives the Governor complete autonomy in selecting the 13 Boards of Trustees that will run each university.

Career Service – The Service First initiative passed by the Legislature moves about 16,000 Career Service employees into “at will” employment status. As such, the Governor and his department heads will have find it easier to fire state employees who may not accommodate particular political interests.

Critics – primarily Democrats – of these measures contend that the Governor and Legislature have merely made a huge power grab that will infuse politics into the judiciary, universities, and state employment, to the detriment of Florida citizens. They point out that they may appear to be great innovations to Republicans, when Democrats retake the Governor’s mansion, the tables will be turned and Republicans will rue the day they passed these laws.

Proponents of these changes – primarily Republicans – point out that Florida’s Executive Office was, until these changes, one of the weakest in the country. They contend that the Governor, rather than non-elected groups and individuals, is the only appropriate person to make these decisions since he is elected by all of the citizens of Florida and is fully accountable to them for the decisions he makes.

What do you think?

## **2001: BUDGET CRUNCH**

The 2001 Legislature confronted a problem recent legislatures have, fortunately, avoided. In constructing the 2001-2002 state budget, it had to deal with about a \$1 billion short-fall.

During the first half of Governor Bush’s term, a strong economy helped the state budget grow at a robust pace. As a result, the Governor and Legislature were able to pass \$1.5 billion in tax breaks while still investing almost \$1 billion more each year into public schools and other causes. Heading into the 2001 session, the state expected about \$2 billion in normal revenue growth in 2001-2002. Unfortunately, it was also facing about \$2.95 billion in new and increased costs for operating existing programs, creating about a \$1 billion short-fall.

What caused the hole in the budget? A \$600 million Medicaid short-fall caused primarily by increased prescription drug costs; about \$350 million in tax cuts including continued cuts to the state’s intangibles tax and the annual summer “holiday” from sales taxes on certain back to school clothing purchases; \$400 million to accommodate the anticipated six percent increase in enrollment in public schools; \$200 million for Mobility 2000, a road building initiative passed by the 2000 Legislature; \$100 million for Everglades restoration; \$150 million or so to continue dozens of local water improvement projects begun last year; and \$150 million to fund the October 1 state employee pay raise for a full year.

Unfortunately, next year’s Legislature may face on an even more bleak fiscal picture. . . .

## **ESTATE TAX REPEAL WILL CREATE BUDGET HOLE**

The estate tax phase-out contained in the \$1.35 trillion tax cut passed by Congress two months ago will create a \$174 million hole in Florida’s budget next year, and bigger hits in years to come.

Florida expects to collect about \$821 million in estate taxes this year. Like the intangibles tax that was cut by the 2002 Legislature, it is one of the few taxes keyed to wealth. The estate tax is paid by only two percent of the wealthiest Americans. The other 98 percent of heirs avoid the tax completely because the first \$675,000 of an estate is exempt from taxation. Nationally,

about 47,500 estates paid the tax in 1998, with about half of the money coming from fewer than 3,000 estates, all worth more than \$5 million. Likewise, about two percent of Floridians pay the tax, generating about \$820 million annually in general revenue for the state.

Budget analysts project that as a result of the phase-out Florida will lose \$174 million from its 2002-03 budget; \$488 million from the 2003-04 budget; \$809 million from the 2004-05 budget; and \$1.1 billion by 2005.

The phase out of the estate tax is particularly onerous on states. President Bush had suggested that it be phased-out over 10 years, so the "hit" on state budgets would be less serious. However, while Congress kept the estate tax repeal on the 10-year phase-out schedule, it will stop remitting the revenues to states after 2005. The result: Congress will appropriate through the federal budget the estate tax funds currently going to states for five years (from 2006-2011), while states scramble to adjust to the revenue loss.

### **NO CHARGE FOR STATE EMPLOYEE CHARITABLE CONTRIBUTIONS**

One of the most controversial issues considered by the 2001 Florida Legislature was Governor Bush's "Service First" proposal to revamp the entire Florida State Employee Career Service System. The original House "Service First" bill (HB 369) contained a provision that could have had a devastating impact on the \$4.3 million Florida State Employees' Charitable Campaign.

Current Florida law (Section 110.14, Florida Statutes) authorizes state employees to request that deductions be made from their wages for a variety of purposes, including deferred compensation, supplemental insurance, union dues, and charitable contributions. As originally drafted, the House "Service First" bill would have amended the statute to require that employees requesting salary deductions be charged a fee for each deduction requested. The provision would have forced state employees to pay for salary deductions they make to the Florida State Employees Charitable Campaign, among others.

The potential harm the original provision might have caused the FSEC Campaign was great. State employees generously contributed more than \$4.3 million to 1,000+ charities around the state through the FSEC Campaign last year, mostly through payroll deduction. Their contributions help hundreds of thousands of Floridians.

Thanks to the bill sponsor, Representative Diaz-Balart, and Governor Bush and House and Senate leaders, the fee provision was excised from the final Service First bill.

### **CORPORATE INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS????????????????????**

The 2001 Florida Legislature passed HB 21 which, among other things, provides a dollar-for-dollar corporate income tax credit for up to 75 percent of a corporation's tax liability for contributions made to provide scholarships for students who qualify for free or reduced lunch. A \$3,500 tax credit is available for funding a scholarship for a student to attend a non-public

school, and \$500 for a student to attend a public school outside his or her district. An amendment to expand the tax credit to allow corporations the same credit for supporting public school students was defeated. The total, cumulative corporate income tax credits corporations may take is \$50 million statewide.

### **NO CHANGES FOR HEALTHY START**

Perhaps the proposed budget cut that generated the most confusion and outrage during the session was the \$1.5 million reduction to Healthy Start and regionalization of the community-based program by eliminating 10 of the 32 coalitions around the state.

The confusion stemmed from the fact that Healthy Start is the state's premier model of community-based services: it is not government; it is made up of Healthy Start coalitions that are private/public partnerships at the local level; it facilitates privatized health services; it is a model for providing local control to allocate public dollars; it enhances accountability through mandated performance-based contracting with providers; it operates under strict performance standards; it utilizes competitive bid processes for selection of providers; it provides local monitoring and oversight of purchased services; and it leverages significant additional funding from the public and private sectors over-and-above the \$4.5 million annual appropriation it receives from the state.

The outrage that was voiced reflected upon the value of the program to society. According to the Department of Health, infant mortality has been reduced by 22 percent and more than 2,000 infant deaths have been prevented since inception of Healthy Start in 1991. In addition, Healthy Start Coalitions, and the results they have generated are arguably the most important factor contributing to Florida's improved ranking in the overall well-being of it's children from 48th in the nation in the early 1990s to 36th in 2001.

In the end, thanks to a deafening chorus of concerned citizens' voices, no cuts or changes were made to the Healthy Start Program.

### **CHARITIES WON'T HAVE TO ADVERTISE**

Senate Bill 1938 would have required charitable organizations to make their annual financial returns available for public inspection between 10 days and 180 days after filing them, and to advertise their availability for public inspection in a daily newspaper of general circulation. Since current federal law already requires returns of charitable organizations to be available for inspection by the public at any time, this bill would basically have required non-profits to pay the cost for advertising that fact, within a more tightly prescribed time period. Such a requirement could have drained thousands of dollars from the coffers of charitable organizations, funds that might otherwise be used to provide direct services to individuals in need. The 2001 Legislature recognized this, and the bill died an early, quiet death.

### **FOSTER CARE LEGISLATION PASSES DILEMMA: INSTITUTIONALIZATION?**

Last June, there were 19,361 children in Florida's foster care system, a 29 percent increase (4,329) since 1995. Children in foster care who are 0-5 years old wait an average of about two years to achieve permanency (reunification, adoption, or independent living). Once the child

reaches thirteen years of age, the wait becomes 5-7 years. As of January 2000, the statewide average length of stay in foster care was slightly over three years, and 42 percent of children in foster care statewide had three or more placements after being removed from their homes. The 2001 Legislature passed SB 1214 in an effort to provide a more stable environment for these children so they do not suffer the burdens of being bounced from one foster care setting to another.

Among other things, the bill:

- requires the Department of Children and Families to provide referral information to parents or legal custodians seeking voluntary services at the conclusion of a shelter hearing.
- requires that any child in districts 4, 11, 12, and in the Sun Coast region, who is 11 years or older, who has been in licensed family foster care for six months or longer, and who has been moved more than once must be assessed for placement in licensed residential group care. The assessment must include an array of information, including extensive historical and background information, sibling information, the anticipated impact of placing the child in residential group care, the age, maturity and desires of the child, and the availability of any less restrictive, more family-like setting for the child. If residential placement is determined to be appropriate as a result of the assessment, the child must be placed in residential group care, if available. The assessment results must be included in the next judicial review of the child and at each subsequent judicial review the court must be advised in writing of the status of the child's placement, with an emphasis on the stability of the placement and the permanency planning for the child. Residential group facilities that receive children pursuant to these provisions must establish special permanency teams dedicated to overcoming the special permanency challenges presented by this population of children.
- requires the Department to develop a privatization plan in collaboration with local Community Alliances in areas where attempts to competitively procure services through an eligible lead community based provider have been unsuccessful. The plan must detail how the community will continue to implement privatization through competitively procured services and ensure local control over management and administration of the services.
- expresses the Legislature's intent to provide comprehensive residential services to children in the child protection system who have extraordinary needs, such as serious behavioral problems or having been determined to be without the options of either family reunification or adoption.
- requires the Department to establish model comprehensive residential services programs in Dade and Manatee counties through a contract with the designated lead agency or, if no lead agency exists, with a private entity capable of providing residential group and home based care and with experience in delivering a range of services to foster children. The models must, among other things, focus on serving the full range of children in foster care including those who have specialized needs, such as children who are unlikely to be reunited with their families or placed in adoptive homes, sibling groups, children who have serious behavioral problems, and children who are victims of sexual abuse.

**MEDICAID CASE MANAGEMENT: BILL FAILS, DEPARTMENT PROCEEDS  
COMMUNITY CARE FOR THE ELDERLY?????????**

There are currently about 50 private, non-profit, or county government lead agencies for Community Care for the Elderly programs in Florida. HB 1727 would have redefined the term "lead agency" so the Department of Elder Affairs could transfer case management responsibilities from these lead agencies to the Area Agencies on Aging (AAAs).

Since the existing lead agencies are charged with ensuring the availability of an array of services, significant questions were raised regarding the negative impact the transfer of case management responsibilities would have on elders being served through the system. Removal of case management from the entities charged with ensuring coordination of services could lead to fragmentation and higher costs in delivering the case management services. In addition, elderly persons receiving services would have to deal with two agencies rather than one.

Numerous other concerns were raised, including the fact that the Community Care for the Elderly lead agencies are already required to conduct case management for clients receiving Medicaid waiver services, pursuant to the federal Medicaid Waiver and Assisted Living Waiver that are on file with the federal government.

The impetus for the Department's support of the legislation was a 1997 study conducted by the Office of Program Policy Analysis and Government Accountability (OPPAGA) and the alleged inappropriate expenditures of state funds by one lead agency. The report found that some Department of Elder Affairs staff and AAA Executive Directors are concerned that case managers in lead agencies may tend to authorize services provided by their agencies rather than services offered elsewhere, creating a conflict of interest. The study also found that "allowing AAAs to provide case management could benefit the state by approving service coordination and integration and by reducing costs."

However, the OPPAGA also determined that "cost savings might be minimal and changing the current system could cause disruption in the aging network", and that AAA directors are themselves split on whether or not transfer of case management to the AAAs would result in anything other than minimal cost savings. The OPPAGA study included that "if the Legislature wants to test the feasibility of allowing AAAs to provide case management, we recommend that it authorize one or more of the AAAs to provide case management on a pilot basis.

Although the legislation failed, the Department is proceeding with transferring case management on a statewide basis to the AAAs..

## **TRANSPORTATION DISADVANTAGED NOT ADDRESSED**

Florida's Transportation Disadvantaged Trust Fund provides funding for Florida's elderly, disabled, low income, and children at risk who need transportation for medical care, employment, and other life sustaining services. Anyone working in the human service arena knows that transportation is almost always one of the most important – if not the most important – factor affecting a person's ability to attain and maintain self-sufficiency.

However, because the Transportation Disadvantaged Trust Fund has not received increased funding in seven years, millions of individuals who must rely on publicly supported transportation in order to maintain employment and receive medical care have been thwarted in their efforts to do so. During the last four years, nearly 3,000,000 requests for trips have been denied. Last year the number of trip requests that were denied increased by 29 percent due to lack of available funds. Senate Bill 256 and House Bill 79 would have helped to address that short-fall by extending the \$1.50 motor vehicle registration fee currently paid by most vehicle registrants in Florida to trucks, trailers, motorcycles, tag transfers, and temporary tags. This would have generated more than \$8 million for the TD Trust Fund, and funded about 1.5 million more trips for low-income people who desperately need them to survive. Unfortunately, both bills died during the session.

### **HEALTHY KIDS MATCH**

After three years of tireless efforts by advocates, the 2001 Legislature included proviso language in the 2001-2002 Appropriations bill eliminating the local match requirement for Title XXI eligible children in the Florida KidCare Program. Legislators responded to the fact that Florida is the only state requiring a local match and more than half of Florida's counties do not fully participate in the program, in part because they cannot meet the match. The proviso language replaces the \$11 million match with a portion of the \$27 million in reserve funds within the Healthy Kids program.

Unfortunately, Governor Bush has maintained his staunch opposition to eliminating the match. He argues that the Healthy Kids Program is intended to be a full local/state partnership, and without the required local match that partnership will be destroyed. In addition, he is concerned that if the match is eliminated, the \$11 million currently invested by communities to support Healthy Kids will migrate out of the children's health area into other, non-related areas, thereby diminishing the total pool of funds available to provide this critically important coverage.

However, Governor Bush could not veto the proviso language eliminating the local match, because it was incorporated into the overall language regarding Healthy Kids; to veto the language regarding the local match, he would have had to veto all Healthy Kids funding.

Consequently, the Governor filed a lawsuit on June 28 asking the court to nullify the proviso language, together with proviso language addressing six other issues. The lawsuit claims that the Legislature violated Florida's constitution by changing statutory law that authorizes the Healthy Kids Board to address the match issue with proviso language. The day before the suit was filed, the Healthy Kids Corporation Board decided that if the court agrees with Governor Bush and expunges the proviso language from the budget, the phase-down of the match it recommended to the Governor and Legislature prior to session will be implemented.

In short, that recommendation provides that a the "base" number of slots for small counties be maintained at 500, 750 base slots for larger counties, and 1,000 base slots for the largest counties. In the third year of the plan, the recommended percentage of local match

contribution for each child enrolled over the assigned number of base slots would be two percent for counties with the lowest economic base, six percent for counties with a moderate economic base, and 10 percent for counties with the highest economic base. (To see the recommendations in full, visit the Healthy Kids website at [www.healthykids.org](http://www.healthykids.org).)

For budgeting purposes, this will be a difficult year for Healthy Kids Projects. No one knows how quickly – or how slowly – the court will address the issue, what its decision will be, and the extent to which local communities will be required to put up all or part of this year’s match

### **TOBACCO FUND ALLOCATION CHANGED????????????**

The 2001 Florida Legislature revised how tobacco settlement funds that flow into the Lawton Chiles Endowment Fund will be allocated. The change will result in far more money being available for children, family, and elder services.

Last year, legislators appropriated \$2 million out of the Lawton Chiles Endowment to medical research, and provided that the remaining 66.5 percent go to the Department of Children and Families (50 percent) and the Department of Elder Affairs (16.5 percent). Advocates were distressed at the relative lack of funding directed to elder services.

The bill that passed this year (HB 563) reserves \$150 million of the principal of the \$1.3 billion endowment fund to generate an estimated \$6.75 million in interest income for medical research and to tobacco related diseases. All of the remaining funds will go to children’s and elder services.

rest of the money raised by the endowment fund, which is to receive about \$200 million annually from the tobacco settlement,. In addition to reducing the amount available for biomedical research from \$22 million to \$6.5 million, and providing identical increase for children and elder services, HB 563 establishes a single 15-member counsel made up of children and elder advocates to review endowment earnings and health and human service funding priorities.

### **CLEARINGHOUSE ON DISABILITY INFORMATION: PASSED, VETOED, EXECUTIVE ORDER**

The 2001 Florida Legislature passed HB 1519, creating the Clearinghouse on Disability Information Office in the Department of Management Services. The Office would develop and maintain a statewide toll-free “800” telephone number for information and referral for persons with disabilities. A website would have been developed to consolidate information about disabilities from many sources. The intent of the legislation was to pull together in one place the information and telephone referral sources offered by several state agencies.

On June 7, Governor Bush vetoed the bill, pointing out that expanding services to people with disabilities has been one of his highest priorities, and recognizing that the concepts contained

in the bill are “excellent ideas and address unmet needs for central information referral services about disabilities”. However, he pointed out that an organizational structure to address the issues provided in the bill already exists within the Department of Management Services. The Department currently houses the “Americans with Disabilities Act Working Group” which provides technical training and assistance regarding compliance with the Americans with Disabilities Act (ADA). Governor Bush said it is clear that the working group can assume the functions of the Clearinghouse on Disability Information Office. In order to ensure that this happens, he issued Executive Order 99-80, renaming the Working Group the “Americans with Disabilities Informational Clearinghouse and Working Group”, and integrating the duties, responsibilities, and functions of the Clearinghouse into the functions of the Work Group.

### **INTANGIBLE TAX CUT SIGNED????????????????**

Last month, Governor Bush signed into law HB 21, which provides a \$150 million tax break to Florida residents. The largest part of the break is the reduction in the state's intangible tax on investments, a tax that Governor Bush has called an "insidious tax" on seniors and savers.

Currently, individuals with more \$80,000 in stocks, bonds, mutual funds, and other investments pay Florida's intangibles tax. Couples pay only when they have more than \$100,000 in assets. The tax is assessed at \$1 per \$1,000 in taxable assets. The changes signed by Governor Bush provide that individuals with more than \$310,000 in taxable assets and couples with more than \$560,000 will pay the tax. About 700,000 taxpayers, the wealthiest five percent of Floridians according to the Palm Beach Post, will be taken off the rolls, saving each of them about \$225 annually. The total loss of state revenue resulting from the tax cut is \$177 million, \$3 million more than the \$174 million it is anticipated the state will lose next year due to phase-out of the estate tax.

### **LANDMARK HOMELESS LEGISLATION PASSES**

During the 2000 Legislative session, Senator John McKay – now the Senate President – spearheaded passage of legislation creating the Commission on Homelessness, charged with making recommendations to the 2001 Legislature on how best to address the plight of homeless people throughout the state. The Commission did its work, and the Legislature passed its recommendations in what is widely considered the most significant homeless legislation ever passed in Florida.

CS/SB 446 requires school districts to grant homeless children a 30-day grace period for submitting proof of age, health check ups, and immunizations. Among other things, it also:

- reserves five percent of State Apartment Incentive Loan Program (SAIL) funds for housing programs serving homeless persons, thereby making more than \$1.7 million available annually for homeless housing;

- requires the Affordable Housing Study Commission to analyze solutions and programs to address the state's need for housing for the homeless;
- creates the State Office on Homelessness within the Department of Children and Family Services staffed by an executive director appointed by the Governor;
- creates a 15 member Council on Homelessness to develop and coordinate policy and advise the State Office on Homelessness;
- requires the Council to, among other things: 1) coordinate a statewide consolidated program and financial plan for homeless services; 2) collect and maintain a database of information pertaining to the homeless; 3) monitor, make recommendations, and provide technical assistance to local programs for the homeless; and 4) "spearhead outreach efforts for maximizing access by people who are homeless or at risk for homelessness to state and federal programs and resources";
- authorizes the State Office on Homelessness, with the concurrence of the Council on Homelessness, to distribute "Challenge Grants" of up to \$500,000 annually to agencies providing homeless assistance continuums of care. To qualify, agencies must develop and implement local homeless assistance continuum of care plans (and evidences the intent to appropriate \$3 million for the grants);
- authorizes the State Office on Homelessness, with the concurrence of the Council on Homelessness, to distribute "Homeless Housing Assistance Grants" of up to \$750,000 annually to agencies to construct or rehabilitate transitional or permanent housing units for homeless persons (and transfers \$5 million from the local housing assistance trust fund to fund the grants);
- revises membership provisions relating to local coalitions for the homeless to require that representatives from substance abuse treatment agencies, community health centers, local school districts, agencies serving specific subgroups of the homeless population, local community-based care alliances, and interested business groups and associations be given an opportunity to participate;
- expands the functions of each homeless coalition to include development, or assisting with development, of a local homeless assistance continuum of care plan for the area served by the coalition;
- encourages mental health facilities to ensure that persons leaving their care or custody are not discharged into homelessness;
- designates December 21, the first day of winter and the longest night of the year, as a Homeless Persons' Memorial Day to bring attention to the tragedy of homelessness; and
- appropriates \$625,000 for fiscal year 2001-2002 to fund one position – about \$25,000 - in each of the 25 homeless coalitions in Florida.

While this legislation is extraordinary, the 2001 Florida Legislature unfortunately also cut funding for the Temporary Financial Assistance for Homeless Families Program (TFAHF). TFAHF has been an incredible success. Through local subcontractors it has successfully placed more than 1,770 families into permanent housing, with more than 1,000 others waiting for placement.

## SCHOOL READINESS LEGISLATION PASSES

At the beginning of the 2001 legislative session, there was a great buzz about the 160-page bills filed in the House and Senate to revise the school readiness statutes. Ultimately, only about 30 pages of changes were incorporated into the omnibus Senate bill (SB 1162) that reorganizes governance of Florida's entire education system, beginning July 1, 2001. Here is what the bill provides:

- Effective July 1, 2001, the following were transferred to the Agency for Workforce Innovation: 1) The Florida Partnership for School Readiness; 2) the Child Care Executive Partnership program; 3) Child Care and Early Childhood Resource and Referral; 4) the Subsidized Child Care program; 5) the Prekindergarten Early Intervention Program; 6) the Migrant Prekindergarten program; and 7) the Florida First Start Program.
- Effective January 1, 2002, the following statutes will be repealed: 1) Pre-K Early Intervention programs; 2) requires school boards to provide for; 3) First Start Program; 4) Pre-K needs assessments; 5) Child Care Plus; 6) Gold Seal rating system; 7) Subsidized child care program; and 8) Child Development Associate Training Grants program within DCF.
- The Partnership has the authority to adopt rules related to “preparing and implementing the system for school readiness, collecting data, approving local school readiness coalitions and plans, providing a method whereby a coalition can serve two or more counties, awarding incentives to coalitions, and issuing waivers” pursuant to s. 411.01 (4)(j), F.S. The Partnership intends to adopt rules relating to the approval of school readiness plans, including criteria for age-appropriate staff-to-child ratios and requirements for instructional personnel as provided in statute.
- In addition, SB 1162 gives the Partnership the authority to set requirements for instructional personnel.
- SB 1162 appears to real the authority to set higher payments tied to the Gold Seal rating. In addition, language has been added to s. 411.01, F.S., which states that “reimbursement rates shall not have the effect of limiting parental choice or creating standards or levels of services that have not been authorized by the Legislature.” Specific Appropriations #459A and #459B, however, state that funds in those line items “may be used to enhance the quality of child care by providing a rate differential or stipend to programs which reach the Gold Seal Quality Care designation.”
- Because some politicians fear that funding school readiness services could ultimately result in the Legislature being mandated to provide such services, the legislation is clear that school readiness services "shall not be construed as part of the seamless K-20 education system", and that nothing in the School Readiness Act is intended to "create any obligation to provide publicly funded preschool programs or services beyond those authorized by the Legislature". This fear is one of the driving forces

behind the Legislature's refusal to include school readiness within the Department of Education and to include it as part of the education overhaul.

- The bills also require the Department of Education to implement the uniform school readiness screening instrument recommended by the Partnership and to incorporate school readiness data into the K-20 data warehouse for longitudinal tracking. While the Partnership is provided with "complete and full access" to this screening data at the student, school, district, and state levels, the information must also be available to state policymakers "to assess progress toward school readiness goals". Use of individualized and program-specific school readiness data by coalitions has been widely embraced to ensure that coalitions can work with local providers to improve their programs. However, it appears this data might also be used to drive state-level funding decisions. This could lead to an untenable situation where programs that accept the most at-risk students could be penalized for doing exactly what the school readiness legislation was intended to do – prepare at-risk children for success in school. It also departs from the community-based focus originally intended in the legislation.
- SB 1162 repeals eligibility for subsidized child care in the Child Care Executive Partnership Program for children up to 200 percent of the federal poverty level. (???)
- Line 112 (Assessment and Evaluation) totals about \$49 million. Of that, \$1,639,764 from GR is provided to administer the school readiness uniform screening instrument. Funds are to be used to purchase and test instruments, training, scoring, and systems processing. The results of the assessment and the identification of each student's early childhood education provider for the year prior to kindergarten enrollment shall become a part of each student's record in the state's "automated student database".

Fortunately, the appropriations bill authorizes up to \$15 million to be used as match to provide services to low-income families at or below 200 percent of poverty who participate in the program.

Generic Drug Bill Passes - The 2001 Florida Legislature added four medicines to the list of drugs that pharmacists can automatically substitute with generic equivalents. The four additional drugs are Coumadin (a blood thinner); Digoxin and Quinidine Gluconate (heart medicines); and Phenytoin (epilepsy medicine).

#### BOXES:

Governor Bush's Active Veto Pen – Governor Bush now has the distinction of holding the top three positions on the all time veto list. The Governor sliced \$290 million out of Florida's 2001-2002, \$48.3 billion budget. This is almost double any previous Governor's vetoes but is only third on the all time veto list. The top two places are held by Governor Bush for his vetoes in 1999 and 2000.

Child Tax Credit Made Refundable- On May 26, Congress finished work on its omnibus tax bill (HR 1836) and sent it to President Bush. Among its numerous provisions, the bill makes the Child Tax Credit refundable, meaning that, for the first time, the credit will be available for all low income working families earning \$10,000 or more. This change, which appears to be minor on its face will allow about 17 million more children to generate the credit for their low income families, and will pull about 500,000 of them above the federal poverty line.

### **HIGH SPEED RAIL AUTHORITY BILL PASSES**

On Friday, June 1, Governor Bush signed into law HB 489, creating a nine member High Speed Rail Authority. The Authority will begin laying the groundwork for Florida's High Speed Rail, which was approved by voters last November and placed into the Florida Constitution. The Constitutional Amendment requires the state to start building the rail line by November, 2003. The Legislature gave the Authority \$4.5 million to design the project and to seek private investors for the potentially \$10-21 billion project. The Authority is required to provide a report to the Legislature on January 1, 2002. Advocates are concerned that construction costs for the rail could drain billions of dollars away from critically needed education and human services.

Tax Holiday Passes – Florida's fourth sales tax holiday was passed by the Florida Legislature as part of its \$175 million tax cut package. The holiday will run this year from 12:01 a.m. July 28 to midnight August 5. During those nine days, shoppers will not have to pay sales taxes on many items of clothing that cost \$50 or less, or on school supplies that cost \$10 or less. Because of the tight budget year, legislators cut the amount of the exemption in half. During the last two years, the exemption applied to clothing items costing \$100 or less. Still, the Department of Revenue estimates this year's tax holiday will save taxpayers about \$28.5 million.

### **MORE MEDICAID HELP**

In the middle of the 2001 Legislative session, the federal government notified Florida that we would receive an additional \$150 million in Medicaid funds, the bulk of which will be targeted through hospitals that treat indigents and other uninsured individuals.

Last month, Florida received an additional windfall, as the U.S. Department of Health and Human Services approved Florida's waiver request for \$32 million to create four new programs, including \$13 million for expansion of Healthy Start and \$13 million for a program that will provide Medicaid coverage to more than 1,000 children in private psychiatric facilities and residential treatment facilities.

### **M.E. VS. BUSH SETTLED**

During the final days of June, a US District judge approved a plan for settling the M.E. vs. Bush lawsuit. The 11 year old class action suit, which includes about 45,000 children in state custody, was filed in order to force the state to provide adequate mental health and substance abuse services to children and juvenile offenders in state custody, including children on

probation. The settlement agreement gives the Florida Department of Children & Families, the Florida Department of Juvenile Justice, and the Florida Agency for Health Care Administration 21 months to improve those services. Among others, the settlement is intended to ensure that the state provide foster children, juvenile offenders in custody and offenders on probation with mental health services within days of entering the system.

**An increase of \$739 million** for public schools, including \$203.5 million for new construction.

**\$289 million** in vetoes.

**\$180 million** in tax cuts, including a sales tax holiday on clothing between July 28 and Aug. 5, 2001.

**\$84 million** more for additional child welfare programs, including \$20 million to help communities care for at-risk children.

\$78 million to expand services for developmentally disabled citizens.

\$76 million to expand nursing home care.

\$48 million to provide services for another 10,000 elderly and their care givers.

\$28.8 million for 1,152 new juvenile residential beds.

To access any bill that was passed or filed in the 2001 Legislative Session, go to Online Sunshine ([www.leg.state.fl.us](http://www.leg.state.fl.us)).