

Legislative Link

A legislative update provided by the United Way of Florida, Inc.

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Helping all children succeed for life.
An initiative of the United Way of Florida,
Publix Super Market Charities, Inc. and
Bank of America



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MONEY EXTENDS SESSION

At the beginning of the 2002 Session, it appeared reapportionment, budget pitfalls, and cabinet reorganization would combine to result in an extended session, and perhaps multiple special sessions. In the end, it appears the budget will be the major culprit. Until last week, when the Revenue Estimating Conference projected that the state will have \$643 million more to spend next year than what had been anticipated, the budget logjam was firm. The projection has basically jettisoned the Senate's proposed tax reform and laid the groundwork for an end to session, but not in time to meet the March 22 deadline.

As this Legislative Link went to press, House and Senate conferees who will hammer out a compromise budget had not been named. When appointed, conferees must hammer out significant differences between the House and Senate budget proposals and submit their conference report no later than midnight next Tuesday in order to accommodate the 72 hour constitutionally-required cooling off period and allow a vote of both houses by next Friday.

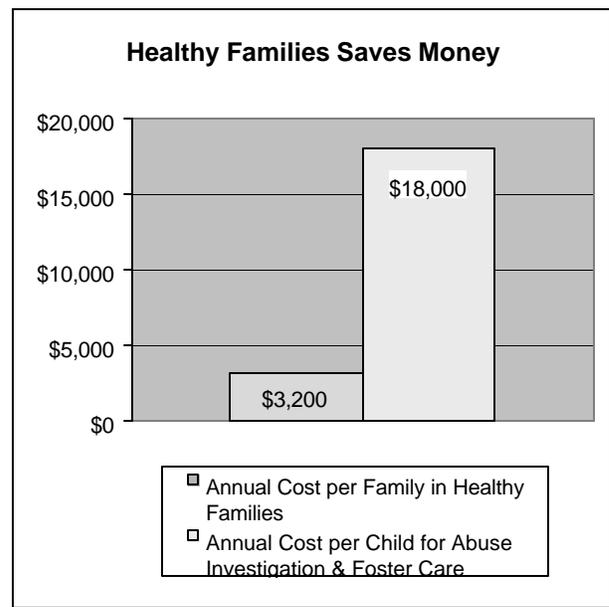
The \$643 million "windfall" certainly removed a major barrier to budget negotiations, appearing to reduce the differences between the House and Senate budgets to about \$340 million. However, basic philosophical differences remain, including how to handle the economic stimulus bill passed by Congress and signed by President Bush this week. It could cost Florida \$200 million in corporate income tax revenues. Legislators have the option of adopting – or not adopting – the tax changes. At this time, the Senate does not want to adopt them, and the House does. If they are adopted, the existing \$200 million gap between the House and Senate budgets grows to about \$540 million. In addition, while the \$643 million looks good for this year, only \$234.5 million are recurring funds that will be available in the future years.

Over the weekend and next week, legislators will grapple with whether they should refuse to adopt the tax cuts and further cut education and human services, refuse to adopt the tax cut, or dip into the Working Capital Reserve or the Budget Stabilization Fund, or a combination thereof.

The Working Capital Reserve (i.e. the state's Rainy Day Fund) has about \$764.9 million, and the Budget Stabilization Fund has about \$940.9 million. The House has been loathe to discuss dipping into the trust funds, but the lateness of session and the need for additional funds may result in some of these funds being applied to next year's budget.

HEALTHY FAMILIES FLORIDA IS A COST EFFECTIVE INVESTMENT!

\$70,000	First year health care costs for low birth weight baby
\$40,000	Cost for a youth in a correctional facility
\$20,000	Cost of abuse investigation, in/out home care
\$10,000	One year of intensive child abuse therapy
\$5,000	Hospital costs for child with measles
\$3,200	Healthy Families services for a family/year



- Percentage of oil imported by the U.S. last year that came from Persian Gulf countries: 23
 - Percentage that came from Canada and Mexico: 27

HEALTHY FAMILIES FLORIDA

It appears at this time that the Healthy Families base budget of \$22.2 million will be held harmless by the 2002 Legislature. Effectively, this means the program will take about a \$6 million cut, resulting from the Legislature not replacing that amount of nonrecurring funds that it put into the Healthy Families budget this year – over and above its base budget.

Healthy Families Florida promotes positive parent-child interaction and child growth and development, and is proven to prevent child abuse and neglect before it ever starts. It is a community-based, voluntary home visiting program offered to expectant families or at the birth of a baby, and can last for up to five years, depending on the needs of the family.

Healthy Families Florida currently operates 39 projects targeting areas in 49 counties. There are an estimated 24,000 families who still need Healthy Families Florida services. Results in Florida to date are extraordinary:

- Children are Safe – 99 percent of the children were free from abuse after 6 months of family participation in the program – a rate significantly lower than the state’s average.
- No Child Abuse – 100 percent of the children were free from abuse 1 1/2 years after their families graduated from Healthy Families Florida.
- Great Customer Satisfaction – 99 percent of families reported an overall satisfaction with Healthy Families Florida – over 10,000 families have been served.
- 95 percent of mothers in the program are waiting to have another child for at least two years – which means healthier moms, babies and families.
- Lives and Money Saved – 85 percent of children in the program are fully immunized by age two – preventing life-threatening illnesses and saving thousands of dollars in medical costs.

ANOTHER BUDGET HIT: MEDICAID HOSPITAL CARE

The Federal Centers for Medicare and Medicaid Services (CMS) is poised to change the “upper payment limit” rules in Medicaid for hospital care for the poor later this month. The change will cost the state \$185 million in money used to pay for hospital care for the poor. Currently, CMS allows certain hospitals to charge 150 percent of the estimated amount that would be paid for the same services under the Medicare program for the elderly. The \$185 million cut will result from CMS’s new interpretation of Medicaid rules that will limit reimbursements for hospital stays to the same amount paid by Medicare. The Bush Administration is pushing the change with the intent of reducing Medicaid fraud.

In response to the impending action, several national and state health organizations, including the Florida Hospital Association, filed suit this week, contending that the agency failed to comply with federal rule making procedures. As an example of the impact on Florida, Shands Hospital alone will lose \$13 million, thereby significantly impacting health care services to poor people.

Florida’s \$9 billion Medicaid budget is funded with state and federal dollars, with the federal government paying about 56 percent and the state government covering about 44 percent. Florida’s Medicaid program serves about 2 million children, families, and elderly in nursing homes.

Quote of the Day . . .

“Anyone can be elected Governor. And I’m proud of that.” – George Frankaras, two-term Georgia Governor

TAX FREE SHOPPING WEEK RETAINS SUPPORT DESPITE TIGHT BUDGET

Since 1998, the Florida Legislature has provided a week of tax free shopping each year prior to the start of the school year. This year’s legislation, the Florida Residents’ Tax Relief Act of 2002 (House Bill 97 by Representative Kilmer and Senate Bill 214 by Senator Cowin) would allow for a nine day tax free period beginning July 27 and ending August 4. During this time, no sales tax would be collected on clothing, wallets, or bags sold for \$50 or less, or on school supplies costing \$10 or less. The exemption would not apply to sales within a theme park, entertainment complex, public lodging establishment, or airport. An amendment to restrict the benefit to only Florida residents failed by a vote of 39-73 in the House but was adopted in committee in the Senate. The Revenue Estimating Conference estimates the legislation will reduce general revenue by \$27.9 million, state trust funds by \$0.1 million, and local government revenues by \$5.6 million in FY 2002-03. Due to the nature of the bill, the Florida Constitution requires a 2/3 vote of the membership of the House and Senate for it to be enacted.

HB 97 passed the House on March 8 by a 92-17 vote. SB 214 was approved this week by the Commerce and Economic Opportunities Committee by a 5-4 vote after lengthy debate. The bill has several more committee stops but may be withdrawn and sent on to the floor for consideration. Supporters argue that parents deserve some tax relief during the back to school shopping season. Opponents argue that while the tax-free week may be a good idea in strong economic times, it is a luxury that cannot be afforded in a tight budget year. They insist parents would prefer that the Legislature fully fund services such as education or child care instead.

HOW TO TRACK A BILL BEING CONSIDERED BY THE GOVERNOR

Go to www.myflorida.com. Click on “Governor’s Office” on the right. Select “Laws, Executive Orders and Legislative Actions” from the menu on the left of the Governor’s page. Then click on “2002 Legislative Action”. Links are provided for both Senate and House Bills between specified parameters. Information provided includes the bill number, title (clicking on the title will take you to the bill information), sponsor, date passed by the Legislature, date received by the Governor, due date for action, actual date action was taken (he has seven days from receipt until the end of Session, at which point he has 15), final action (signed, allowed to become law without signature, vetoed) and, if approved, the new law’s chapter number.

JUVENILE JUSTICE BILL ADVANCES

Sponsored by the Juvenile Justice Committee and Representative Barreiro, House Bill 1763 proposes several substantive changes to current laws regarding the continuum of services throughout the Juvenile Justice system. Among other provisions, this bill:

- Amends current law to facilitate the ability of providers of services to CINS/ FINS children and families to maximize the use of limited resources consistent with legislative objectives for these programs.
- Amends the definition of “detention care”, deleting references to “nonsecure detention” and “home detention” and instead provides that “detention care” may include the supervision of the offender through the use of electronic monitoring in conjunction with a court-ordered condition of confinement to a designated residence during designated hours.
- Clarifies circumstances in which it is appropriate to use, or continue to use, detention care for a juvenile offender who has been adjudicated and is awaiting placement in a residential commitment program.
- Authorizes DJJ and the court to place a child in detention care when the offender is charged with an act of terrorism, violating probation or conditional release supervision, or violating court-ordered detention supervision.
- Amends current law to require, rather than to simply permit, the court to order a predisposition report, a multidisciplinary

assessment of the offender’s risk classification and treatment needs.

- Clarifies the court’s powers of disposition and circumstances in which the court may place a juvenile offender in a probation or residential program.
- Adds non-residential, community-based supervision programs offering structured-day supervision and on-site school instruction to the list of commitment programs for which the department is authorized to exercise its transfer authority.
- Amends current law to allow a juvenile offender who has been taken into custody pursuant to an allegation of violation to be held in secure detention prior to the probable cause hearing under certain circumstances.
- Specifies circumstances in which the court may retain jurisdiction over a juvenile offender beyond their 19th birthday.

The bill requires DJJ to develop an implementation plan for this act to be submitted to the Legislature by January 1, 2003. HB 1763 was approved by the Fiscal Responsibility Council by a vote of 15-3 and is now on third reading in the House. The Senate companion bill, SB 1718 by Senator Smith, is now in the Public Safety and Judiciary Appropriations Committee.

“The best cure for insomnia is get a lot of sleep.” – Attributed to Senator S.I. Hayakawa

ALZHEIMER’S RESEARCH TO EXPAND UNDER BILL

As a result of the Alzheimer’s Summit that was held several weeks ago, legislation has been filed that would establish the Florida Alzheimer’s Center and Research Institute at the University of South Florida. A non-profit corporation would be organized to govern and operate the Center and Institute. This bill, House Bill 2009, includes an appropriation of \$20 million towards the construction of a \$40 million research facility for the Institute and \$20 million for operating costs in FY 2002-03, which includes funding for three contracts at \$5 million each with the Mayo Clinic in Jacksonville, the University of Florida, and the University of Miami to further the purposes of the act.

The PCB (Proposed Council Bill) was approved by the Fiscal Responsibility Council on March 8 by a vote of 23-0 and has since been officially filed and placed on the House Calendar.

LEGISLATIVE AND FUNDING ISSUES NEEDING ATTENTION

SCHOOL READINESS

The House School Readiness budget:

- reinstates Florida's Gold Seal Program by allowing a rate differential or stipend to programs which reach the Gold Seal Quality Care designation;
- enhances utilization of the Child Care Executive Partnership Fund by removing the 15% cap; and
- maintains current match levels for subsidized child care/school readiness funds.

The House budget has restored most of the proposed cuts to the School Readiness budget in proviso, although it is still \$5 million short. While the Senate budget maintains current funding levels, it does not address any of the three bulleted items above.

PART C EARLY INTERVENTION PROGRAM

The Part C/Early Intervention Program is critical for at risk and developmentally disabled children 0-3 years of age. Essential therapies and services for children through the Part C /Early Intervention Program have proven to reduce and ameliorate disabilities in young children, allowing them to reach their full potential. The Senate budget proposal maintains the current funding level for the program by including an additional \$1.8 million to replace the same amount of non-recurring funds in this year's budget. The House bill does not include the additional \$1.8 million.

LOCAL MATCH REQUIREMENT

HB 1975 would reinstate the local match for the Healthy Kids program. It is on third reading and appears to be assured of passage. Its companion bill, SB 1150, is on the Senate Calendar and may be amended to allow local match dollars to be used for non-Title XXI eligible kids. SB 142 and its House companion, HB 1137, would eliminate the match and passed committees in the House and Senate. Unfortunately, neither was heard by its next committee of reference, Health and Human Services Appropriations, and unless a miracle occurs, both will die.

TRANSPORTATION DISADVANTAGED

SB 100 by Senator Mitchell passed the Senate this week by a vote of 35-0. The bill extends the \$1.50 fee on initial and renewal registrations of certain trucks and trailers, motorcycles and tag transfers, which would generate nearly \$10 million additional dollars for the Transportation Disadvantaged Trust Fund. Thousands of Florida's seniors, disabled, low-income and children at risk depend on this program for transportation for medical care, employment, grocery shopping, and other life-sustaining services. Numerous legislators have co-sponsored SB 100 and the House companion bill, HB 141 by Representative Greenstein, to show their support for this issue.

HOMELESS

The Senate, which spearheaded the comprehensive homeless legislation in 2001, maintains full funding of about \$13 million for homeless initiatives. The House, however, has proposed cutting about \$5.2 million by reducing the homeless grant-in-aid program and by eliminating Homeless Challenge Grants, local homeless coalition staffing, and the Office and Council on Homelessness.

MEDICAID ISSUES

There has been an increase in the Medicaid caseload due to the recession, requiring \$298 million to meet the need. The Legislature is trying to meet this need without spending additional money by reducing eligibility levels, eliminating optional (non-entitlement) programs and requiring premiums and co-payments for very low-income people. Among others, the following issues are being pushed by advocates:

- Restore cuts to Medicaid programs made in the Special Session;
- Raise the eligibility for pregnant women to 200% of poverty (without using “unborn child” language);
- Not eliminate presumptive eligibility for pregnant women or children; and
- Not charge premiums, co-pays or out of pocket payments for any Medicaid program.

Medicaid - MEDICALLY NEEDY PROGRAM

During last fall’s Special Session, Florida’s Medically Needy program, which provides catastrophic coverage for low-income people whose incomes makes them ineligible for Medicaid, was eliminated effective July 1, 2002. The Legislature is contemplating requiring recipients to make copayments that would effectively force them to apply all of their assets to their care before the state would provide Medicaid support.

Medicaid - DENTAL, VISUAL AND HEARING ASSISTANCE FOR ELDERLY & PEOPLE WITH DISABILITIES

Coverage for dental, visual and hearing assistance for people over 65 and people with disabilities who live below the poverty level (90% - lowered to 88%) was eliminated effective July 1, 2002. The Senate has only restored the program to those living at 90% of poverty instead of 100%, which is in statute. The House claims it will restore some part of the program during Conference.

Medicaid - MEDICAID COVERAGE FOR PREGNANT WOMEN

The Governor and House have recommended extending coverage to pregnant women at 200% of poverty (currently funded at 185%). However, the House language in the Medicaid bill (HB 1975) stipulates that coverage for "unborn child" will be paid for out of Title XXI money (children’s health money) if a federal waiver is approved. If not, the mother would continue to be eligible at 185%. Currently newborns are covered at 200% and mothers at 185%. Florida can already request a waiver without waiting for new federal rules and regulations surrounding the controversial issue of covering "unborn child". Florida would still use children’s health money and get the higher reimbursement rate

Rank of Coca-Cola Company among Africa's largest private-sector employers: 1

LEGISLATORS LEARN FROM JUVENILE OFFENDERS

Legislators heard first hand this week from participants from various juvenile justice programs. Representative Gus Barreiro, Chair of the House Juvenile Justice Committee and Senator Victor Crist, Chair of the Senate Criminal Justice Committee held a joint meeting of their committees to take testimony from eight young people ranging in age from 15 to 19 who, with the exception of one, are currently enrolled in programs. They described their experiences in the juvenile justice system and the problems that led them there, with several discussing anger management and drug issues they have had to overcome. A 15 year old girl, seven months pregnant, described the benefits of being in a program that provides anger management counseling and teaches parenting skills to new and expectant parents. They were all positive about their treatment

experiences, describing improved relationships with their families and motivation to continue their education. The teens appeared to appreciate Legislators’ interest and the opportunity to share their insights. A few suggested the Legislature consider offering programs such as PACE to younger girls and allowing temporary release prior to the end of programs to give offenders the opportunity to deal with family issues before they go home permanently. House Bill 1763, described on page 4, provides that youth committed to low-risk, moderate-risk, or high-risk residential programs may be allowed periods of temporary release for no more than 3 consecutive days no sooner than 30 days prior to the anticipated date of successful completion of the residential component of commitment.

*“My candle burns at both ends;
It will not last the night;
But ah, my foes, and oh, my friends-
It gives a lovely light!”*

Edna St. Vincent Millay, who in 1932 became the first woman to win a Pulitzer Prize in poetry.

GOVERNMENT AND RELIGION

Last year, the Pew Research Center for the People and the Press found that 75 percent of people participating in a public opinion poll supported the idea of faith-based groups receiving government funding to provide social services. 72 percent cited the “care and compassion of religious workers” as a reason for supporting faith-based groups receiving federal funds. However, 60 percent of those respondents were concerned that religious groups receiving federal funds would proselytize, and 78 percent believe that religious groups receiving federal funds should not be allowed to hire only those who share their religious beliefs.

FLORIDA GRAYING: NUMBERS AND COST

- The number of residents older than 85 will increase 50 percent in Florida by 2010.
- By 2025, more than 1 of every 4 Floridians will be 65 or older.
- This year, 7 million Americans will need long-term care. By 2020 the number of people needing such care will grow to 20 million.
- A one-month stay in a nursing home costs about \$4,600, nationally.
- A one-month stay in an assisted-living care facility costs \$2,500 nationally.

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