



Florida Children's Services Council

Capitol Connection

News from our State and Nation's Capitol about children and families

Week 2

March 16, 2007

2007 Legislative Report for Week of March 12

A busy second week in Tallahassee yielded good and bad news. On Monday, state economists reported nearly \$1 billion will be slashed from next year's budget -- a tax-collection downturn blamed on Florida's stalled housing market and a hurricane-free past year. The current budget year will be Florida's first in 33 years where less tax money was brought in compared with the year before. Money for education and human services will be harder to come by next year.

House republicans continue to refine their property tax reform proposal, but remain committed to replacing property taxes on homesteaders with an increase in the state sales tax. Meanwhile, the Senate is expected to release its proposal in the next week or two. Written confirmation from the House Majority Leader will protect hospital districts and Children's Services Councils. A major victory for KidCare was scored Wednesday in the Senate when members of the Health Policy Committee voted unanimously in support of a strike-all amendment that accomplishes simplification and consolidation in a number of key areas.

Property Tax Reform

As reported last week, **HB 7001**, which rolls back millage rates to 2001 and adjusts them forward based on population growth and inflation, passed out of the Government Efficiency and Accountability Council and was referred to the Policy and Budget Council. If passed, the bill will move to the House Floor for a vote. Speaker of the House Marco Rubio (R-Miami) indicated earlier this week that Children's Services Councils and hospital districts are exempt from millage limitations proposed in HB 7001, a view corroborated by a memo from the House Majority leader. In addition, House Majority Leader Marty Bowen issued an update stating that hospital districts, Children's Services Councils and fiscally constrained counties would be exempted from the roll-back.

The House continues to push forward on its constitutional property tax relief proposal as well, which would eliminate property taxes on homestead property in exchange for a 2.5 percent increase in state sales tax. This measure will be heard and voted upon in the House Policy and Budget Council next week. The House is also pursuing additional renter's relief and a cut in tangible personal property taxes as part of the proposed constitutional amendment.

The Senate Community Affairs Committee, chaired by Sen. Rudy Garcia (R-Hialeah), considered **SB 0508** (Fasano) and **SB 0722** (Atwater). Both bills delete requirements for property appraisers to consider the highest and best use of property in determining just valuation. The Florida Association of Property Appraisers spoke in opposition to the proposed bill, stating that millage rates, not valuation processes, were the reasons for inconsistent tax burden across the state. A similar bill has been introduced in the House (HB 261) by Rep. Carlos Lopez-Cantera (R-Miami). **HB 261** deletes requirements for property appraisers to consider highest and best use, and includes a provision that requires property appraisers to use only the income factor in arriving at just value of income producing properties. HB 261 is now in the House Government Accountability and Efficiency Council and will likely be heard next week.

Sen. Garcia indicated the Senate intended to be judicious and deliberative in developing its Property Tax Reform Plan. He also said the Senate was awaiting reports from the 67 Florida County Tax Collectors (due to the Senate Friday, March 16) before recommending any property tax remedy or reform plan.

KidCare

SB 930 by Sen. Mandy Dawson (D-Ft. Lauderdale) passed the Health Policy Committee unanimously on Wed., March 14, with a strike-all amendment. The amendment is a comprehensive approach to improving the Florida KidCare program, making it easier to navigate and much more family friendly. All members of the committee asked that they be listed as co-sponsors on the bill.

The strike-all amendment accomplishes simplification and consolidation by:

- Providing for continued and presumptive eligibility for all children in the program;
- Providing for 60 days of continued eligibility redetermination to eliminate gaps in coverage when children transition from one program to another;
- Eliminating categorical eligibility and basing it on family income so that families don't have children in multiple programs with different providers;
- Reducing waiting periods for enrollment in the program and providing good cause exceptions to prohibition on Title XXI funded KidCare coverage if a family has canceled employer-sponsored or private health benefit plan coverage;
- Reducing penalties for late payments;
- Reinstating coverage, subject to appropriation, for the children of immigrants who have been legally admitted to the United States for permanent residency, but if they came within the last five years they are subject to the "5 year bar" provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which makes them ineligible for federal funding for either Medicaid or S-CHIP;
- Reinstating coverage, subject to appropriation, for the children of public employees whose family income is at or below 200 percent of the federal poverty level and whose employer sponsored health insurance is more than 5 percent of their family income;
- Expanding coverage for pregnant women from 185 percent of the federal poverty level to 200 percent of the federal poverty level so those women receive prenatal care at the same income level their newborn is covered (200 percent FPL). This will improve birth outcomes;
- Instructing the Agency for Health Care Administration to submit a state plan amendment to allow Florida to participate in the Family Opportunities Act passed by Congress in 2005;
- Excluding children who receive Florida KidCare Plus benefits (CMS) with family income up to the maximum income threshold (200 percent of FPL) from cost-sharing requirements;
- Reducing paperwork requirements by directing that electronic verification of income be used before paper documents are required from families. Copies of pay stubs, W-2 forms, etc. will be required only if the electronic verification does not substantiate the income on the application;
- Removing the 10 percent limit on full-pay enrollment;
- Directing the Department of Health, in consultation with the Agency for Health Care Administration, Department of Children and Family Services, and the Florida Healthy Kids Corporation, to adopt rules necessary to implement the Florida KidCare Program;
- Returning responsibility for outreach to the Department of Health in consultation with the KidCare Coordinating Council, which is renamed the Council for Children's Health;
- Providing for a phased-in administrative consolidation of the KidCare program by placing responsibility for the entire KidCare program in the Department of Health under a Deputy Secretary for Children's Health; it creates the Division of Children's Health Insurance and the Office of Child Health Coordination in the Department of Health and it renames the "Children's Medical Services Act" as the "Children's Health Act";
- Creating the Florida Commission on Children's Health administratively housed in the Executive Office of the Governor. It provides for 12 members, appointed by the Governor, President of the Senate, Speaker of the House of Representatives and Chief Financial Officer;
- Providing dates that different programmatic functions will be transferred into the Department of Health;
- Requiring that no later than January 1, 2008, Healthy Kids benefits will conform to the benchmark benefits specified in the Florida KidCare statute (pediatric Medicaid benefits). This will make benefit

packages throughout the KidCare program the same, except for the benefits for children with special health care needs in the KidCare Plus program (currently known as CMS).

In the House, Chairman Bill Galvano (R-Bradenton) workshopped the Proposed Committee Bill for the Healthy Families committee through a concept-driven PowerPoint presentation. No language has been seen yet. However, the bill seeks to expand enrollment, simplify the enrollment process, simplify the transition between eligibility groups, increase family choice and simplify administration. In increasing family choice, the bill is also expected to essentially collapse all insurance products (HMO, PPO, PSN, etc) available under Florida KidCare (XXI, including Florida Healthy Kids (FHK) and Medicaid for Children (Title XIX)) so that regardless of which program a child qualifies under, they will be able to select a plan offered anywhere within FHK, XXI and XIX components -- basically Buy-In or Buy-Out.

TAKE ACTION: Please call the Senate Health Policy Committee members and thank them for their "yes" vote (Chair: [Sen. Mandy Dawson](#), Vice Chair: [Sen. Victor D. Crist](#), [Sen. Nancy Argenziano](#), [Sen. Paula Dockery](#), [Sen. Rudy Garcia](#), [Sen. Arthenia L. Joyner](#), and [Sen. Burt L. Saunders](#))

Please call Chairman Galvano and thank him for championing the much needed KidCare fixes. Let him know that any new plans offered by the program should retain the basic benefits in terms of amount, duration and scope currently offered to Medicaid and Healthy Kids children.

Independent Special Districts

Sen. Rhonda Storms (R-Brandon) filed **SB 1912**, which provides for the governing board of an independent special district with ad valorem taxing authority to be elected in accordance with s.189.4051. The FCSC Tallahassee team is researching this bill with the Governor's office, since it would eliminate the gubernatorial and constitutional appointment process currently in place for CSC boards. SB 1912 was referred to the Senate Committee on Community Affairs and to the Senate Committee on Finance and Tax, but has not yet been heard. In addition, there is no House companion. We will be tracking this bill closely.

Florida Children's Cabinet

HB 509 by Rep. Lorraine Ausley (D-Tallahassee) would create a Florida Children's Cabinet. The bill was workshopped in the Healthy Families Committee on March 13. Testimony in support of the bill was provided by numerous organizations, including the FCSC. The bill will likely be formally voted on in the next Healthy Families Committee in the next week or two.

SB 564, the Children & Youth Cabinet Act, will be heard in the Children, Families and Elder Affairs Committee on Wed., March 21.

TAKE ACTION: We encourage you to contact members of this committee and show your support. (Chair: [Sen. Ronda Storms](#), Vice Chair: [Sen. Gwen Margolis](#), [Sen. Carey Baker](#), [Sen. Mike Haridopolos](#), [Sen. Anthony C. "Tony" Hill, Sr.](#), [Sen. Evelyn J. Lynn](#), [Sen. Nan H. Rich](#), [Sen. J. Alex Villalobos](#).)

Proposed Health and Human Services Allocations

The Senate Committee on Health and Human Services Appropriations, chaired by Sen. Durell Peaden (R-Crestview) met on Thursday, March 15, and heard presentations from the Florida Coordinating Council for the Deaf and Hard of Hearing, the Independent Living Program, the Agency for Persons with Disabilities on the Home and Community Based Waiver Services Plan, and received an update on the social services Medicaid Impact conference. In addition, there was a review and discussion of FY2007-08 funding issues for AHCA, APD, DCF, DEA, DOH and DVA.

Claire Mazur, OPPAGA, made a presentation on improvements needed in the IL program. OPPAGA found that DCF needs to more closely monitor expenditures in the IL program and that a lack of information hinders DCF's ability to provide oversight and assess the quality and level of IL services. Furthermore, OPPAGA found that 12 of 22 lead agencies did not spend all allocated funding for IL services, while nine lead agencies

exceeded their IL budget. Lead agencies also differ in how they track services and data are not always comparable. Melissa Jacks, DCF Assistant Secretary for Administration, responded that DCF is implementing minimum standards for the IL program that are consistent with those proposed by OPPAGA in a previous report.

Medicaid official Dyke Snipes presented updated GR and Trust Fund information on Medicaid, including the cost of rate increases for dental and physicians to Medicare rates (\$963,226,099 increase). DCF presented supplemental budget requests, including the following of interest to FCSC: Independent living \$18,653,869 (Gov. request: \$9,326,935); VUPK increase for workload: \$174,705 (Gov. request: \$0); Child care licensing workload: \$1,780,417 (Gov. Request: \$0); Healthy Families expansion: \$2,048,755 (Gov. Rec: \$0); Community Based Care equity: \$34,789,839 (Gov. Rec: \$0); and Relative Caregiver rate increase: \$9,335,898 (Gov. Rec: \$0).

Kinship

Over 75 kinship caregivers from around the state gathered at the Capitol on Tuesday, March 13, to show support for **SB 1600**, which would allow for “no-fault” temporary custody in certain circumstances and for increased daily rates in the Department of Children and Families (DCF) Relative Caregiver Program. DCF Secretary Bob Butterworth spoke to the group at length about the importance of kinship care in keeping children in school, out of trouble and in preventing children from entering the child welfare system. He indicated that additional funds were included in the DCF supplemental budget request. An increase of \$9.3 million was proposed by DCF in the Senate committee on Health and Human Services Appropriations on Thursday.

Revenue Estimating Conference

The State Revenue Estimating Conference met Monday, March 12, to reevaluate revenue estimates for the General Revenue Fund, and decreased the recurring general revenue forecast by \$663.5 million dollars for upcoming FY2007-08. In addition, there was a moderate decrease in non-recurring general revenue for next year’s budget of approximately \$77 million.

For the current FY2006-2007, recurring general revenue decreased by \$338.8 million and non-recurring general revenue was increased by a total of \$63.4 million. The overall decrease in revenues for FY2006-2007 is \$275.4 million. As the legislature begins work on the FY2007-2008 budget, the significant decrease in general revenue, which is the result of a softening in the overall economic picture, is expected to pose considerable budgetary constraints.

Taxation and Budget Reform Commission

The Taxation and Budget Reform Commission held its first meeting Friday, March 16, at the Capitol. The 1-3 p.m. session in Morris Hall marked the start of a nearly 14-month project by the commission, which can bypass the governor and legislature in putting fiscal proposals on the 2008 election ballot. Florida’s Constitution mandates commissions every 20 years to look at ways of improving Florida’s tax structure, government efficiency and productivity. The commission has until May 4, 2008, to recommend constitutional amendments for next year’s general election ballot.

Side Notes

FCSC Open House in Tallahassee

The Open House at the FSCS office in Tallahassee is scheduled for Thursday, March 29, in conjunction with the two-day FCSC board meeting. Key dignitaries have been invited, including the Governor, legislators, department agency heads and members from various advocate organizations. Also, the counties, cities and school boards associations will be in Tallahassee for their legislative days, and it is Children’s Week.

Voters in Pinellas Renew Penny Tax

According to a news story in Wednesday's *Tampa Tribune*, "Despite public angst over rising property taxes, Pinellas County voters Tuesday resoundingly approved renewing the "Penny for Pinellas" 1-cent sales tax for another decade, through 2020. The countywide referendum to extend the local-option tax for 10 years beyond its scheduled expiration in 2010 passed 57 percent-43 percent. That margin was slightly lower than in 1997, the last time the sales tax was extended, with 65 percent of the vote."

For the complete story, [Click Here](#).

This issue of Capitol Connection brought to you by The Firm, composed of legislative liaisons with CSCs around the state. Please contact Firm Chair Diana Ragbeer, Director of Public Affairs and Communications with The Children's Trust at diana@thechildrenstrust.org or Vivian Alarcon, CEO, Florida Children's Services Council at valarcon@floridacsc.org with questions regarding legislative issues in this newsletter.