

GCSTF LEGISLATIVE WRAP-UP

May 2012



A Review of Florida TaxWatch Government Cost Savings Task Force Recommendations Implemented by the 2012 Legislature

Of the 117 recommendations in the FY 2012-13 GCSTF, the Florida Legislature implemented 17 total recommendations from the report in 14 separate bills, and considered several more.

Governor Scott signed all but two of the 14 bills

JUSTICE REFORM

Expand evidence-based prison-based programs that reduce recidivism

- Pretrial Intervention - SB 186 expands the list of persons eligible for voluntary admission into misdemeanor pretrial substance abuse education and treatment intervention programs.
- Re-Entry Programs (VETOED)- HB 177 develops a reentry program for nonviolent offenders which is intended to divert them from long periods of incarceration.

Expand the Redirections Program

- The new state budget (HB 5001) includes a \$6 million (64%) increase in funding for the

Juvenile Redirections Program.

This program provides for services to youth at risk of commitment who are eligible to be placed in evidence-based and other alternative programs for family therapy services as an alternative to commitment.

Expand other programs to avoid custodial care of juveniles

- DJJ Programs - HB 173 expands Department of Juvenile Justice programs such as early intervention and prevention, diversion, and community-based substance abuse treatment services to include mothers and infants.
- Juvenile Justice Respite Beds - HB 5401 increases the use of respite

beds, which are lower cost than secure detention and are an alternative to secure detention for pre-adjudicated youth charged with domestic violence. The net savings is estimated at \$2 million.

Expand Veterans Courts

- SB 922 authorizes judicial circuits to establish a Military Veterans and Servicemembers Court Program for veterans convicted of a criminal offense and suffering from a mental illness, traumatic brain injury, or substance abuse disorder as a result of their military service. They also promote treatment program alternatives to incarceration.

EDUCATION REFORM

Reduce cost of the Bright Futures program

- HB 5201 requires students to begin using their Bright Futures award within two years of leaving high school, instead of the current three year requirement. It also clarifies that students enrolled in the Spring/Summer University of Florida pilot program are authorized to receive a Bright Futures Scholarship award for only two semesters each year, and limits allowable uses for the Bright Futures Gold Seal Vocational Scholarship. The Gold Seal changes will save more than \$500,000, but additional savings are indeterminable.

Increase tuition surcharge for excess credit hours

- HB 5201 requires students entering into a state university in the 2012-2013 academic year for the first time to pay 100 percent surcharge for excess credit hours above 110 percent of the credit hours required for their degrees. The threshold is currently 115 percent of needed credit hours. This change will save \$11 million.

Expand Virtual Education

- HB 7063 expands digital learning options for students in public schools, allowing all students eligible to enter kindergarten through grade 5 to participate in Florida Virtual School Full Time (FLVS FT), full-time district virtual instruction programs, and full-



Blaine Cherry, Research Analyst, and **Robert Weissert**, Vice President of Research, present the TaxWatch report on charter school funding to the Board of Education (Feb. 27)



TaxWatch President & CEO **Dominic M. Calabro** attends Governor Scott's "Job Creation and Economic Growth Agenda" bill signing (March 28)

time virtual charter schools. The bill also authorizes FLVS FT students to participate in interscholastic extracurricular activities.

- HB 5201 establishes the Florida Virtual Campus to provide access to online student and library support services and serve as a statewide resource and clearinghouse for postsecondary education distance learning courses and degree programs and to increase student access and completion of degrees.

Increase the Florida Tax Credit Scholarship Program

- HB 859 increases the amount of money available for the Florida Tax Credit Scholarship Program, which lets businesses take a tax credit for contributing to private school scholarships for low-income children. The cap on the scholarship fund would be increased by \$10.25 million over the scheduled increase, reaching \$229 million. This results in a \$54 million cap increase from last year, allowing 12,500 more students to take advantage of the program.

Implement Voluntary Pre-Kindergarten (VPK) pre-and post-assessments

- HB 5103 (VETOED), requires the Office of Early Learning to identify and adopt a preassessment and postassessment aligned with the

performance standards adopted by law, by July 1, 2013. Upon adoption, these assessments shall immediately be implemented and used by school readiness providers. The office shall collect the results statewide to evaluate the effectiveness of the school readiness programs. At a minimum, a preassessment shall be administered to each child who participates in a school readiness program within the first 60 days after enrollment. By May 30 of each year, a postassessment shall be administered to each child who participates in the program for at least the previous 6 months.

MEDICAID REFORM

Enhance eligibility screening for Medicaid applicants

- HB 5301 authorizes the development of a new system of eligibility determination for Medicaid and the Children's Health Insurance Program (CHIP). In addition to timely and accurately enrolling individuals in public assistance programs, the bill directs that the system must provide a single point of access to information that explains benefits, premiums, and cost-sharing available through Medicaid, CHIP, or any state or federal health insurance exchange, prevent eligibility fraud, and provide fiscal analysis of eligibility cost drivers.

Reduce Medicaid fraud

- HB 5301 expands the scope of the two anti-fraud pilot projects to include additional services and counties. The pilot project to monitor home health services in Miami-Dade County is expanded statewide. The comprehensive care management pilot project for home health services is expanded to include private duty nursing and personal care services on a statewide basis. AHCA is authorized not to include counties in which it determines the programs will not be cost-effective. These two programs are expected to save a net \$10 million.

Reduce optional Medicaid services

- HB 5301 limits payment for emergency room services for non-pregnant Medicaid recipients 21 years of age or older to 6 visits per fiscal year. This is expected to save \$46.7 million. An earlier version of the bill reduced other services as well, saving another \$4.2 million.

Expand nursing home diversion programs

- The new state budget provides funding to expand the current Nursing Home Diversion program by an additional 1,896 slots. This program is much less expensive than Medicaid nursing home placement, and the new slots are estimated to save more than \$50 million.

REVENUE ENHANCEMENT

Increase lottery selling points

- Full Service Vending Machines (FSVMs) - HB 843 allows the Department of the Lottery, for the first time, to include 350 FSVMs that dispense both online (counter sales) and instant lottery tickets (scratch off). It is estimate these machines will increase revenue for education by \$8.1 million next year and \$21 million in the first full year.

- Instant Ticket Vending Machines - The new state budget authorizes the Department of Lottery to submit budget amendments to buy additional instant ticket vending machines if the Revenue Estimating Conference determines that the increased sales will cover the cost of the machines and generate additional revenue.

Allow placement of advertising and sponsorship on state publications, properties, and vehicles

- SB 268 authorizes the Department of Environmental Protection to enter into agreements with not-for-profit or private-sector entities allowing those entities to sponsor signage on state-owned greenway and trail facilities in the form of naming rights and commercial displays. Placement of signage or displays shall be limited to only trailheads or parking areas and designated public access points

Lower the required threshold to file tax returns electronically or eliminate the sales tax collection allowance for paper filers.

- HB 5701 limits the sales tax collection allowance to those dealers who file returns and pay taxes by electronic means. This will save nearly \$10 million annually for state and local governments and reduce administration costs for the Department of Revenue.

PROCUREMENT REFORM

Increase the use of state term contracts

- HB 5201 requires colleges and universities to use purchasing agreements and state term contracts or enter into consortia and cooperative agreements for the purpose of maximizing the purchasing power for goods and services. The goal of such agreements is to achieve a 5 percent savings from existing contract prices.

Additional Cost Savers That Were Introduced But Not Passed

Pension Reform

- Following last year's significant pension reform, this year's legislature considered some additional changes, but in the end passed legislation (HB 7079) that was just corrects drafting errors and makes other conforming and clarifying changes that are necessary as a result of the passage of last year's law. HB 525 would have increased the vesting period from eight to eleven years and require that new employees default into the investment (defined contribution) plan after the 12-month election period closes. That bill cleared a couple committees but died in the State Affairs Committee.

Procurement Reform

- The legislature considered major procurement reform legislation (SB 1626 and HB 1409) which sought to overhaul the state contracting system, including Task Force recommendations such as eliminating exemptions from competitive solicitation, subjecting more entities to contract reporting requirements, and improving the contract information system. The legislation would have also transferred uniform policy authority and oversight of agency procurement from the Department of Management Services to the Department of Financial Services. The Senate passed a water-down procurement bill, but that bill died in messages.

Remote Sales Tax Collection

- Once again, the legislature failed to do anything to help address the sales taxation of internet and other remote sales. SB 1514, which would expand the number of remote retailers required to collect sales tax on Florida sales, was approved in committee but then stalled.

There was a brief glimmer of hope on the last night of session when the language was amended onto the annual Department of Revenue tax administration package on the Senate

floor and passed by the full chamber. However, facing the fact that it would not pass in the House, the bill was later reconsidered and the E-Fairness amendment was stripped from the bill.

Zero Tolerance

- SB 1886 would have revised school district “zero tolerance policies” to encourage the use of school offense procedures rather than automatic referral to law enforcement and expulsions for petty acts of misconduct and misdemeanors that do not pose a serious threat to school safety. The cost of these arrests is estimated to exceed \$21 million. The bill was passed unanimously by the Senate but was not taken up by the House.

DJJ Education Reform

- HB 949 would have improved the delivery of educational services to youth involved in the juvenile justice system by injecting performance outcome accountability into the system for

relevant academic and workforce skills, aligned with high-demand high-wage employment supportive of successful reintegration into the community. Both chambers passed versions of the bill, but it died in returning messages.

Community reentry programs

- SB 2096 would have required the Department of Corrections to develop an operational plan to implement a community reentry program. All inmates who are within 36 months of their release date would be considered for participation in the community reentry program. This bill died in its last committee stop.

Allow placement of advertising and sponsorship on state publications, properties, and vehicles

- HB 19 would have allowed commercial advertisements to be placed on the exterior of school buses. School districts could use 50 percent of the revenue generated for school district

transportation; 40 percent for other programs as determined by the school district; and 10 percent for the district’s driver education program. The bill passed the House but died in the Senate.

Require all classes of state employees to pay same premiums for health insurance

- The Senate Budget Committee considered an amendment to require lawmakers to pay the same for their health insurance as most other state employees. The amendment would have raised the monthly insurance health premiums for lawmakers from \$8.34 to \$50 a month for individual coverage, and from \$30 to \$180 a month for family coverage. The amendment failed on a voice vote.



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