

PBC Legislative Update

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America Remembers 9/11

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September Update

State Issues

It's hard to believe committee meetings have already begun, but Session starts early this year- January 10th!

Redistricting

by: Ericks Consultants

During the Sept. 19th committee week, the House Redistricting Committee met and discussed the input from the summer tour and maps previously submitted. The committee also set a firm deadline for submission of political boundary maps of November 1, 2011, but House members are able to submit up to November 14. Chairman Weatherford ordered the subcommittees to submit no less than 3 maps to be voted on by the main committee. In this process, the Redistricting subcommittee will oversee two Subcommittees. One will draw congressional maps; the other will draw Florida state-wide maps.

The Senate Reapportionment Committee met at the end of the first Committee week with the updates of their summer tour through the state of Florida and the plan moving forward into the 2012 Legislative Session.

The following is the schedule for the Senate meetings where they will be presenting and reviewing the maps they have received over the summer. On October 5th they will be looking at the maps effecting NW Florida and the Panhandle. The week of October 17th they will be discussing the North East part of the state and Central Florida. The last two meetings that will be held during the November committee weeks will be focused on the South East and South West part of the state.

The week of December 5th is the last week of committee meetings before the regularly scheduled Legislative Session begins in January. During that week this committee will introduce a Proposed Committee Bill (PCB). All proposals must be to the committee by November 1st to be considered.

Pill Mills

By: Pittman Law Group

The Department of Health Division of Medical Quality Assurance (DOH) and the Florida Department of Law Enforcement (FDLE) made several presentations regarding the implementation of HB 7095 (Prescription Drugs/Pill Mills) during the September Committee Week. Both agencies spoke before the Senate Health Regulation Committee, House Judiciary Committee and House Judiciary Appropriations Committee.

Throughout the week we learned that after HB 7095 was signed into law, these agencies worked together to create a prescription drug database to identify pharmaceutical practitioners who distributed controlled substances in high volumes. The base criteria used to identify potential violators is listed below:

- Pharmacy's with a risk of non-compliance
- Purchase Amounts
- Manner of Medical Services
- History of Controlled Substance Prescribing or Dispensing Violations
- Wholesaler reports of Suspicious Purchasing
- Law Enforcement Reports of Suspicious Behavior

Additionally, both state agencies worked together to construct a Regional Strike Force that would efficiently handle the raid of various facilities and the confiscation of any drugs found. The regional task force teams were based in Pensacola, Tallahassee, Jacksonville, Tampa, Orlando, Fort Myers and Miami. From the 7 regional hubs, 27 individual teams were created to investigate pain management clinics and pharmaceutical companies who fit the criteria listed above.

To date, FDLE has confiscated a total of 105,579.5 drugs and reports indicate that 18 doctors have been arrested since Governor Scott signed HB 7095 into law.

Discussions continued regarding Pain Management Clinic's and their new registration requirements. Of the new requirements, DOH and FDLE feel comfortable knowing each clinic must designate a physician who is responsible for the compliance and data reporting of prescription drugs. Without meeting the new compliance standards, Pain Management Clinics will be forced to close. To reaffirm their position the DOH highlighted data showing that from January 1, 2010 – September 7, 2011, over 450 clinics have closed in Florida.

Although committee members were very receptive of the information presented the Department of Health and FDLE also gave very compelling information regarding the rise of heroin use and arrests since Pain Clinics have closed. Both agencies believe this will be a future epidemic to address moving forward.

Numeric Nutrient Criteria

By: Pittman Law Group

The Florida Department of Environmental Protection (FDEP) was able to update the Senate Environmental Preservation and Conservation Committee on the status of the federal mandate for Florida's Water Nutrient Requirements. As you know, during the 2011 Session a resolution dealing with U.S. Environmental Protection Agency (EPA) standard for Florida water nutrients passed the Florida House but died in this Senate Committee.

Since the end of the 2011 Session, the FDEP filed a petition with the EPA to rescind the Water Nutrient Requirement Criteria for Florida waters. FDEP still has its same stance from last Session and believes that implementing a three principle system can combat the EPA set nutrient requirements for Florida waters. The three principle system includes:

- Giving preference to nutrient Total Maximum Daily Loads (TMDLs), Site Specific Alternative Criteria (SSACs), and Water Quality Based Effluent Levels (WQBELs).
- Only create nutrient reduction expectations where necessary to protect Florida water bodies.
- Eliminate unnecessary procedures that do not add to water body protection and restoration.

The EPA has responded but has not accepted or addressed the three principle theory submitted by the FDEP. Towards the end of October we expect the FDEP to have legislation filed addressing the EPA Standard for Water Nutrient Requirements.

Federal Issues

President Obama Unveils Jobs Act Legislation

THE AMERICAN JOBS ACT SUMMARY

President Obama has proposed a \$447 billion Jobs Package with \$65 billion in aid to schools, including \$25 billion for K-12 school modernization and \$30 billion for education jobs. The total package contains \$245 billion in tax provisions and \$202 billion in additional program assistance including a one-year extension of unemployment insurance. [Legislative language is supposed to be provided this week for the different programs in the four priority areas.]

1. Tax Cuts to Help America's Small Businesses Hire and Grow (\$70 billion)

- Cut in half the taxes paid by businesses on their first \$5 million in payroll, targeting the benefit to the 98 percent of firms that have payroll below this threshold.
- Completely eliminate payroll taxes for firms that increase their payroll by adding new workers or increasing the wages of their current worker (the benefit is capped at the first \$50 million in payroll increases).
- Extending 100% expensing into 2012.
- Reforms and regulatory reductions to help entrepreneurs and small businesses access capital.

2. Putting Workers Back on the Job While Rebuilding and Modernizing America (\$140 billion)

- A "Returning Heroes" hiring tax credit for veterans: This provides tax credits from \$5,600 to \$9,600 to encourage the hiring of unemployed veterans.
- Preventing up to 280,000 teacher layoffs while keeping cops and firefighters on the job. (\$35 billion)
- Modernizing at least 35,000 public schools across the country, supporting new science labs, Internet-ready classrooms and renovations at schools across the country, in rural and urban areas. (\$30 billion)
- Immediate investments in infrastructure and a bipartisan National Infrastructure Bank, modernizing our roads, rail, airports and waterways while putting hundreds of thousands of workers back on the job.
- A New "Project Rebuild", which will put people to work rehabilitating homes, businesses and communities, leveraging private capital and scaling land banks and other public-private collaborations.
- Expanding access to high-speed wireless as part of a plan for freeing up the nation's spectrum.

3. Pathways Back to Work for Americans Looking for Jobs. (\$62 billion)

- As part of an extension of unemployment insurance to prevent 5 million Americans looking for work from losing their benefits, the President's plan includes innovative reforms to use UI funds to best support job-seekers, including:
 1. *Work-Sharing*: UI for workers whose employers choose work-sharing over layoffs.
 2. *A new "Bridge to Work" program*: The plan builds on and improves innovative state programs where those displaced take temporary, voluntary work or pursue on-the-job training.
 3. *Innovative entrepreneurship and wage insurance programs*: States will also be empowered to implement wage insurance to help reemploy older workers and programs that make it easier for unemployed workers to start their own businesses.
- A \$4,000 tax credit to employers for hiring long-term unemployed workers.
- Prohibiting employers from discriminating against unemployed workers when hiring.

- Expanding job opportunities for low-income youth and adults through a fund for successful approaches for subsidized employment, innovative training programs and summer/year-round jobs for youth.

4. Tax Relief for Every American Worker and Family (\$175 billion)

- Cutting payroll taxes in half for 160 million workers next year: The President's plan will expand the payroll tax cut passed last year to cut workers payroll taxes in half in 2012 – providing a \$1,500 tax cut to the typical American family, without negatively impacting the Social Security Trust Fund.
- Allowing more Americans to refinance their mortgages at today's near 4 percent interest rates, which can put more than \$2,000 a year in a family's pocket.

Urban Area Security Initiative Update

by: Alcalde & Fay

Within the House and Senate FY 2012 Homeland Security Appropriations Bills, funding reductions are directed at Department of Homeland Security (DHS) State and Local Grant programs including UASI funding. We have been advocating for adequate UASI funding and Tier I status for the Ft. Lauderdale/Miami UASI. To advance those goals, we recently coordinated on September 14th and 15th a combined Ft. Lauderdale/Miami UASI coalition to travel to Washington for meetings on Capitol Hill and with the Department of Homeland Security.

The County advocated for proper consideration by DHS of the unique risk factors in the Ft. Lauderdale/Miami UASI that support adequate UASI grant funding and should qualify the Ft. Lauderdale/Miami UASI area for Tier I Status. Meetings were held with the Department of Homeland Security, as well as the Homeland Security Authorizing and Appropriations Committee, along with the entire South Florida congressional delegation.

Furthermore, letters in support of additional UASI funding and Tier I UASI status for Broward, Miami-Dade, Palm Beach, and Monroe Counties were drafted to send to the Department of Homeland Security, along with a joint congressional letter to be sent to Secretary Napolitano and FEMA Administrator Craig Fugate.

WATER RESOURCES DEVELOPMENT ACT

by: Alcalde & Fay

The deadline for Water Resources Development Act (WRDA) project requests has again been extended. The new deadline is December 5. Senator Nelson's office has agreed to work on the County's three WRDA projects. Those requests have been submitted after discussing them with Tim Murphy, Project Manager for the Jacksonville Corps of Engineers. The County's WRDA projects are as follows:

- The Secretary of the Army is authorized and directed to develop Project Partnership Agreements that encompass work anticipated through the end of the Project's Authorized Lifetime.
- The Secretary of the Army is authorized and directed to maintain reimbursement of local sponsors as the highest priority in the Corp's Annual Work Plan.
- The Secretary of the Army is authorized and directed to include operation and maintenance costs associated with the Lake Worth Inlet Sand Transfer Plant in the Corps annual inlet maintenance budget.

We will be in further communication with Senator Nelson's office prior to the deadline to seek his support of the County's projects. We have also requested a meeting with Stacey Brown, Civil Deputy Chief of the Corps of Engineers at Washington, DC headquarters, to discuss the County's WRDA requests.

FY 2012 APPROPRIATIONS LEGISLATION

by: Alcalde & Fay

Key among Congressional priorities over the next couple months is wrapping up work on the Fiscal Year 2012 spending process. House and Senate appropriations subcommittees are marking up several bills this week, including: Transportation, Housing and Urban Development; Labor, Health and Human Services, and Education; Homeland Security; Energy and Water; and Agriculture.

To date, Congress has yet to approve any spending measure in both chambers and is likely to approve a stopgap funding measure later this month to keep the government running into the new fiscal year, which begins October 1. House Appropriations staff has indicated that lawmakers are working to complete all action on the FY 2012 budget process before November 23, when the recently formed debt reduction commission is required to come up with a plan for trimming the deficit by \$1.5 trillion.

REAUTHORIZATION OF THE SURFACE TRANSPORTATION BILL

by: Alcalde & Fay

The President approved legislation (HR 2887) extending for six months (through March 31, 2012) the authorization of surface transportation law, which funds highway, transit and safety programs. The bill also extended aviation programs through January 31, 2012. Congress plans to continue working on new surface transportation and aviation authorization legislation before the expiration of the extensions.

With regard to the surface transportation bill, the week of September 26th Republicans adopted the Senate's approach of finding just enough revenue to keep transportation funding at current levels. House T&I Chairman John Mica (R-FL) said Republican leaders had given him the green light to search for additional revenue for the bill that authorizes highway and surface transportation programs. This would require an additional \$15 billion annually to supplement the funds projected to be available in the Highway Trust Fund, although it is unclear how the revenue would be generated. The T&I Committee will not, however, consider increasing the gas tax.

The Senate EPW Committee is working on a \$109 billion, two-year bill that would maintain current levels of spending plus inflation. The Committee is done with its draft version of a bill but is waiting on the Senate Finance Committee to come up with a set of revenue-raisers to bridge the \$12 billion gap between what the Highway Trust Fund can sustain and what that version of the bill would spend.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

by: Alcalde & Fay

On September 21st the Senate Appropriations Committee approved its version of the fiscal year (FY) 2012 Transportation, Housing and Urban Development (THUD) Appropriations bill providing slightly more than \$2.8 billion for the Department of Housing and Urban Development (HUD) Community Block Grant Development (CDBG) program. The Senate's proposed funding is significantly less than the House draft legislation approved in subcommittee on September 8th, which provides \$3.5 billion for the CDBG program in FY 2012.

Each measure must still be approved by their respective chambers. Throughout this process, we have been communicating with the House and Senate Appropriations Committees and your congressional delegation about the importance of the CDBG program to cities and counties and will continue to advocate for the program during the final budget debate.

PALM BEACH COUNTY DEPARTMENT OF ENERGY SUNSHOT GRANT

by: Alcalde & Fay

We are working with the Palm Beach congressional delegation to generate support for the County's joint effort with Palm Beach State College (PBSC) under the Department of Energy - Energy Efficiency and Renewable Energy SunShot Initiative Program. The County, in partnership with PBSC and Florida Power and Light is seeking federal assistance for a county-wide effort to streamline and standardize the permitting process for commercial and residential photovoltaic systems in a targeted effort to address barriers that are keeping solar energy from being a competitive source of clean energy in the region.

We drafted a letter of support to be sent from Senator Nelson as well as Representatives Alcee Hastings, Tom Rooney, Ted Deutch, and Allen West to be sent to Energy Secretary Dr. Steven Chu on behalf of the joint initiative.

Year Ahead Congressional Outlook

By: Becker & Poliakoff

As the House and Senate are not in session this week, we wanted to provide you with a look what is coming up for the remainder of the year.

Alternative Minimum Tax: The 2010 tax law increased the amount of income exempt from the alternative minimum tax to \$48,450 for individuals and \$74,540 for couples filing jointly. However, these exemptions expire at the end of 2011 and if they do, many middle- and upper-middle-class Americans would see a significant tax increase. The expiration at the end of the calendar year, though, would have less effect if Congress reinstates the exemption before April 15, when individual tax returns are due.

Appropriations: Federal government agencies' will require new appropriations funding to operate when the new fiscal year begins October 1. As in most years, Congress will not have the agencies new funding in place since the debate over spending priorities has delayed action on it. The debt ceiling legislation that was approved earlier set the funding levels for FY-2012 and FY-2013, so there is no debate over the amount of the budget. However, there is debate over the priorities within the approved amounts. Therefore, a government shutdown could emerge later in the year during the appropriations process for the FY-2013. The main issues will be the President's health care policies, funding for regulations that U.S. businesses feel are impediments (i.e. greenhouse gas and pollution standards proposed by the Environmental Protection Agency), new labor rules by the National Labor Relations Board and disaster relief funding.

The House has passed just six of the twelve fiscal 2012 appropriations bills while the Senate has passed one. Both chambers have passed a version of a Military Construction-VA appropriations bill. With so many bills unfinished, Congress is moving on a continuing resolution (CR) to keep the federal government running through November 18th. A CR is the only appropriations measure expected to get a vote in the House this month. However, the Senate does plan to agenda their appropriations bills while the continuing resolution is being debated.

Defense Authorization: The Senate has not acted on its bill since several issues have arisen in the House-passed version. The most problematic for the Senate are the trials for terrorist detainees held at Guantánamo Bay and whether the 2001 authorization to use military force needs to be updated. Other issues include capping the costs for F-35 fighter jets, aid for continued development of an alternative F-35 engine, and upgrades to tanks that the Obama administration does not want. Congress considers this a must-pass bill because it authorizes the annual pay raise for U.S. service members and sets the required number of men and women in uniform.

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Education Policy: The House Education and the Workforce Committee has approved three bills in its partial rewrite of the No Child Left Behind education law which expired four years ago. We expect the House to consider additional legislation in the fall but no legislation has been introduced in the Senate despite months of negotiations. Some states may see relief under a waiver from the law proposed by Education Secretary Arne Duncan. States that do not obtain a waiver will have to comply with current law requiring all students to be 100% proficient in math and reading by 2014 or face having their schools labeled as failing and be obligated to restructure.

Important Nominations: Many nominations for recently-vacated federal jobs will be in dispute this fall. With Elizabeth Warren's departure at the Consumer Financial Protection Bureau (CFPB), President Obama has nominated her former deputy, Richard Cordray. Cordray's nomination is doubtful due to controversy surrounding the CFPB's scope and authority mandated by the Dodd-Frank financial reform. Commerce Secretary Nominee John Bryson will also be considered in the Senate and it is likely his nomination will be approved after a debate over the economy and international trade. Alan Krueger, nominated by the President to serve as the White House chair of the Council of Economic Advisors, has been approved by the Senate in the past for other positions and will also likely be approved.

Payroll Tax Deduction: Employees' half of the payroll tax for Social Security was reduced to 4.2% from 6.2% in 2011 under the 2010 tax law while the employer half remained unchanged. Self-employed individuals will have to pay 10.4% instead of 12.4%. Without new legislation, the employee half of the Social Security tax will revert back to its previous level.

Physician Reimbursement Fix: Congress is looking to introduce a multi-year solution to the scheduled cuts in reimbursement rates for physicians who take Medicare patients to avoid a short-term solution known as "doc fixes". The biggest hurdle will be the cost of changing the formula, estimated at \$300 billion over the next decade. Physicians who accept Medicare patients face a nearly 30% drop in reimbursement rates on Jan. 1, when the current doc fix expires. Payment cuts and uncertainty over reimbursement rates could lead physicians to drop Medicare patients or limit their number.

Tax Extenders: A number of tax breaks extended under the 2010 tax law expire at the end of 2011. They include the research and development credit, an optional deduction for state and local sales taxes and accelerated depreciation for businesses. If these tax breaks are not extended, many businesses, particularly large corporations, would have to pay higher taxes.

Trade Agreements: The approval of trade agreements with South Korea, Colombia and Panama is being held up due to a House-Senate difference over whether to link the pacts to a reauthorization of benefits to workers displaced by trade. Senate Finance is calling for linkage while the House Ways and Means opposes it. The three trade agreements should be passed by the Congress in October. The trade deal not being approved would be a major setback for pro-free trade legislators, the Obama administration and the U.S. Chamber of Commerce, all of whom are pushing for approval of the trade deals. As many as 250,000 jobs are estimated to be created in the U.S. by these free trade agreements.

Unemployment Benefits: The 2010 tax act extended emergency federal unemployment benefits through 2011 for workers who have exhausted their state-paid benefits. If this lapses, long-term unemployed workers could no longer start getting federal benefits after they exhaust their 26 weeks of state benefits.