



FLORIDA AFL-CIO UNITED LABOR LOBBY



LEGISLATIVE UPDATE

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Governor Crist's "State of the State"

As Seen Through Honking Big, Bottle Bottom Thick, Rose-Colored Glasses

The Governor's annual "State of the State" address which helps kick-off each year's Legislative Session, had all the glory, pomp and circumstance of prior addresses, but there was one big difference. In years past, the address was always given to a joint gathering of the House and Senate early on in the day, as a sort of starting gun for the first day of business. This year, the People's Governor wanted to make sure that everyone got a chance to hear about how great things are in our state, so he broke with tradition and moved the speech to the evening, when Florida's families could gather around the warm glow of their televisions and see this important event for themselves. All joking aside, moving the speech was not a bad idea. Its good for people to be able to see their government in action, but the fact that our governor loves to be on TV and that this increased his audience several fold – and is in the running to be a Vice –Presidential candidate should go not unnoticed.

In general the Governor's speech took the idea of looking at the bright side of things to a whole new level; one that would make Pollyanna herself blush with pride. Unfortunately, the Governor's sunny optimism and can-do attitude is not enough to get us through the growing budget melt-down in our state, one that is getting worse by the day and promises to continue to do so as long as our legislative leaders (and the public) are caught up in "tax-cut fever." In the next couple of pages, we keep with our tradition of looking carefully at the speech and providing our own response.

"Florida's families and businesses are faced with extraordinary economic times - skyrocketing gas prices, the threat of foreclosure and a softening housing market. And, like Florida's families, these challenging times will require us to meet the demands of declining revenues. And how will we do this? By keeping taxes low, creating jobs, and fueling an economy that ranks ahead of most nations of the world, we set a model at which others can marvel"

Ok, the good news here is that the Governor realizes that families are in crisis. That's great. The problem is his solution. The idea of "keeping taxes low" (i.e. tax cuts for big business and wealthier residents) as a good way to stimulate the economy is the same idea behind our old friend, "trickle down economics." One of the biggest problems facing our state in the current economic downturn in the economy is that as people struggle to make ends meet, the traditional social safety net provided by the state has crumbled – precisely because of huge tax cuts! This budget crisis has not been *caused* by the slowing economy; the economic downturn has merely exposed the problem. This crisis has been caused by huge loopholes in the corporate income tax, eight years of tax cuts for richest people in the state and an over-reliance on the state sales tax, which have all contributed to what is in essence, a bankrupt state. The best thing we can do is begin to reform tax policy to recover lost revenues. For example, HB 1237 has been filed to tighten up the corporate income tax, bringing in an additional \$400 million each year to the state. This proposal and others like it are the way to solve our budget woes and provide the necessary services to keep people going and keep the economy from collapsing. He also talks about job creation. Well, as we have been talking about for years, the bulk of Florida's economic development programs is tax handouts to big companies, mostly in the retail and service sector. This is why all the job creation has been in these low wage sectors. We are still bleeding good, high paying jobs with benefits. Only when we begin to create those types of jobs again can we begin to put the economy back together.

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“And acting as the people's trustees, you passed a \$15 billion property tax cut - the largest tax cut in our state's history. And voters made their voices heard loud and clear with the passage of Amendment 1, bringing another \$9.3 billion in property tax relief. A \$25 billion tax cut over the next five years, all right back into the pockets of Florida's families.”

Tax cut fever is alive and well in Tallahassee. The Governor is still praising the property tax changes approved by the voters on January 29th, even in light of the fact that reports are being circulated daily in newspapers across the state that the significant reduction in critical services we predicted are actually happening. Sometimes, it's not so good to be right. Furthermore, new or recent homebuyers and renters have still gotten no tax relief; the likely unconstitutional provisions of Save our Homes are still in jeopardy.

“These property tax cuts are just the beginning. We can and should continue to fight for property tax relief and I encourage the Taxation and Budget Reform Commission, led by our great former Speaker of the House Allan Bense, to give the people the opportunity to vote for another tax cut.”

The Taxation and Budget Reform Commission is listening and has already passed a monumentally bad “tax swap” eliminating big portions of the property tax in exchange for an increase in the shaky, unstable sales tax. This proposal requires that the Legislature find an additional \$9 billion each year to make up to the loss of education budgets. Where will that money come from? Remember the already huge deficit? To make matters worse, the TBRC is also considering a full blown version of what has become known as TABOR (Tax Payer Bill of Rights) that will place hard revenue caps on both state and local governments as well as our school districts. These policies have proven disastrous in every state that has enacted them. To see how bad things got in Colorado, the first place TABOR was enacted (which has since been repealed by the voters), check out a very informative short video online at <http://www.cbpp.org/ssl-series.htm>.

“We must also forgive those who broke the law and paid their debt to society and provide them the opportunity to restore their dignity and their self worth. Thanks to the good work of my fellow Cabinet members, the civil rights of thousands of Floridians have been restored.”

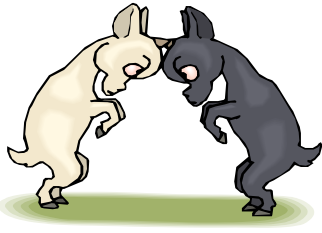
The Florida AFL-CIO has long championed the restoration of rights for felons who have served their time and are trying to reintegrate into society. The Governor has been a true leader on this but more needs to be done. Legislation needs to be enacted that gives former felons the right to vote as soon as their debt to society has been paid.

“And what will we do in the coming year to continue moving Florida forward? We will plan for the future while still protecting and caring for our most vulnerable - our children, our elderly and our disabled. Fiscal discipline has afforded us financial reserves to invest in our future while balancing our budget during difficult economic times.”

The Governor's words here do not match reality. Florida's budget crisis is much more serious than he indicates and will require a lot more work than simply drawing on reserves and trust funds. A second round of cuts totaling over a half-billion dollars was just passed for the current budget, with over \$300 million in cuts to education. This year, the Legislature has to cut up to \$3 billion more! Some of the programs on the chopping block include education, Medicaid and other vital social service spending. The budget items that **are not** being considered include; \$21.5 million in tax handouts to professional sports teams, \$55.6 million in tax exemptions for advertising, \$74.2 million in exemptions for plane and boat sales, etc. The Governor seems to indicate that we have the money to get out of this crisis already. Careful analysis show that this is simply not true. At some point the conversation needs to shift to recovering lost revenue, and that is a conversation the Governor and the Legislature are currently unwilling to have.

“The lack of health insurance is the primary barrier to accessing health care. In Florida, 3.8 million people have no health insurance - including 650,000 children. And this barrier exists not just for the poor and disadvantaged. Florida's hardworking families and small business owners are facing the same barrier every day. This lack of access to health care is unacceptable. Together we can seek a comprehensive, market based strategy that can provide uninsured Floridians with affordable health and dental care. I am proposing \$63.9 million for the Florida Health Access System. This three-year pilot joins the State, local hospitals and county health departments in partnerships to provide preventive and primary health care services to the uninsured. Communities across our state have found it difficult to provide access to health care for their people. This is not of their doing, but that of government. Anti-competitive, bureaucratic barriers to affordable health care must be eliminated. I propose \$60.6 million to be targeted toward enrolling more than 46,000 additional children in the Kid Care program.”

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Messages From the Front Lines

News from the Trenches of the Florida Legislature

Weakening the Citizen's Initiative Process – OPPOSE

SB 2340 – Posey

HB 903 – Dorworth, McBurney

The Florida Chamber of Commerce's six-year war on Article XI, Section 3 of the Florida Constitution, the right of Florida's citizens to amend their Constitution through citizen's initiatives, continues this session with the filing of these two bills. Over the years, the Chamber's relentless attack on the citizen's initiative process has made Florida's process the most difficult in the nation and has made it nearly impossible for true grassroots organizations to participate, as was originally intended by the Constitution. These bills create a complicated and expensive process through which paid petition circulators (used by just about every organization during petition drives due to the incredibly high number of required signatures and the geographic size of the state) must register with the state and include that registration number on all petitions. The bills greatly limit who will be allowed to register by banning people without state residency and former felons who have served their time, as well as others. **The biggest problem with the bill is that it adds yet another loophole through which the Chamber and other powerful groups can challenge lawful signatures and have them thrown out.** If a registration form has errors, or if the number is printed incorrectly on the form or if a signature gathering firm deliberately employs someone not eligible to register, the voter is punished by having his/her signature discarded without ever being notified. This is the true goal of the legislation. The Chamber and other groups have already been using loopholes they created to force local supervisors to discard thousands of otherwise valid signatures, thus disenfranchising these voters from the process. This will simply give them another means to do that and manipulate the process for their own ends. **HB 903 passed the House Ethics and Elections Committee by a unanimous vote on March 20th. The real fight will be in the Senate. SB 2340 is referred to the Senate Ethics and Elections committee which is next scheduled to meet on Tuesday April 1st.**

Targeted Tax Reform – Loopholes in the Corporate Income Tax - SUPPORT

SB 2766 by Deutch

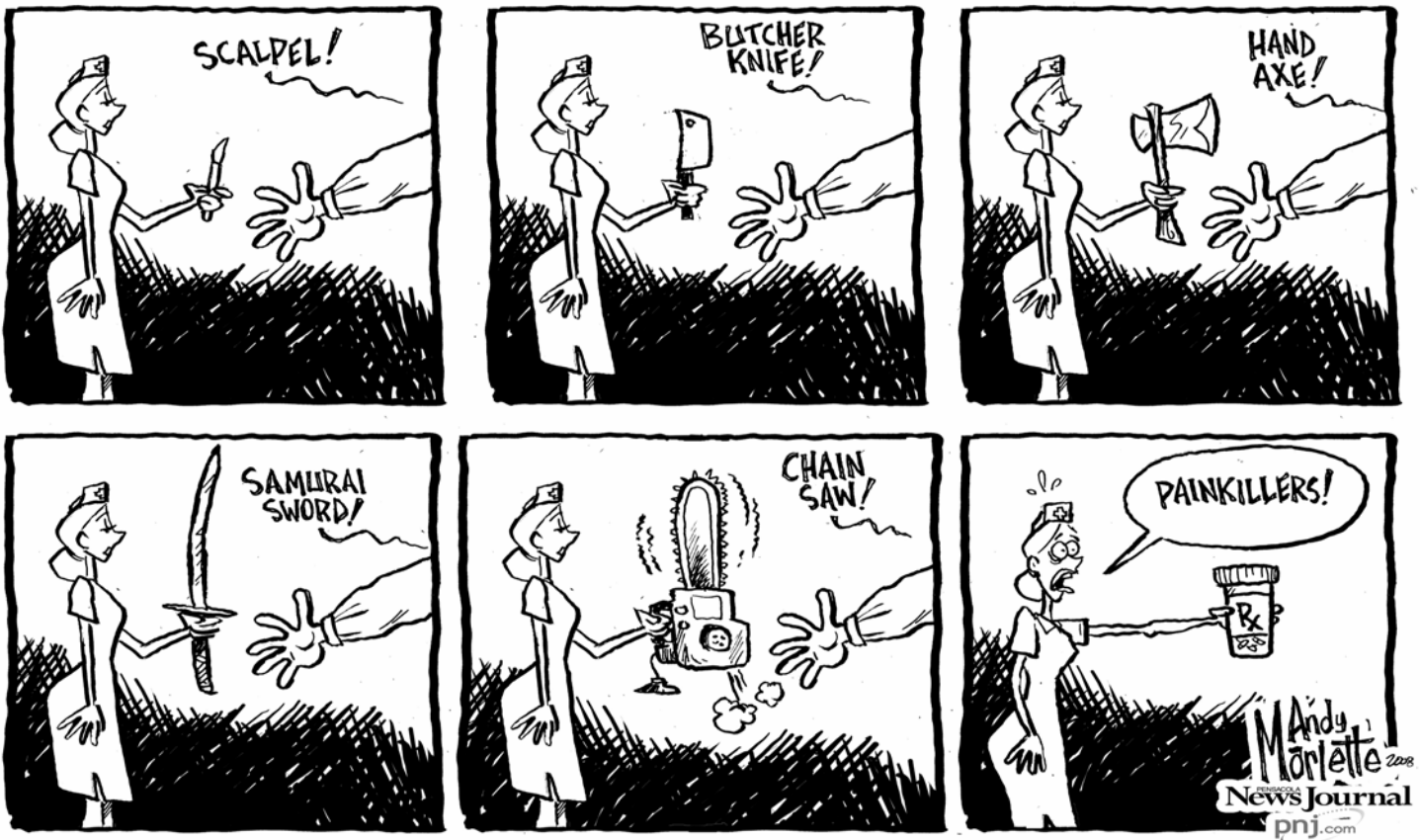
HB 1237 by Gelber

Florida is in a budget crisis to the tune of billions (yes with a "b") of dollars. Thus far, the legislature has concerned itself solely with balancing the budget on the backs of the poor, the sick and our kids. Proposals on the table include freezing Medicaid, eliminating vital programs for our seniors and of course, cuts to our public schools. The reality is, we don't have a budget problem, we have a revenue problem with big, multi-national corporations and the wealthiest paying very little in taxes while working families are forced to pick up the tab through sales taxes. This legislation would have closed several loopholes in Florida's corporate property tax system that allow big multi-nationals to shift millions in income out of state to avoid paying taxes. This practice robs the state of much needed funds and puts Florida based companies at a huge disadvantage. This bill would have generated almost \$400 million during the first year with most of those funds earmarked for schools and universities. HB 1237 was up in the House Government Efficiency & Accountability Council on March 20th, where the Chair, Representative Attkisson put on a stacked dog and pony show, bringing in Washington lobbyists for these big companies to kill the bill. He also prohibited public testimony from a packed chamber of people there to support the bill. **The measure failed on a party line vote, with 6 Democrats voting in favor and 10 Republicans voting in opposition. If you ever wondered whether the Republican leadership and the Governor were serious about providing real tax relief for people and solving the budget crisis – this sham of a meeting should answer your query.**

The Florida AFL-CIO 2008 Legislative Conference - "Fantastic"

"Fantastic!" That was the reaction of Will Vargas of the FOPE on his first ever Legislative Conference. With well over 200 attendees and guests, the excitement and interest in this vital part of our overall legislative program is growing. Reports from members indicate that this year's workshops held on Sunday, March 16th were some of the best we have had in a long time due to their timeliness and applicability to the specific issues of the 2008 Legislative Session. Jim Tait, former legislative budget expert and current Executive Director of the new Florida Center for Economic Policy, gave a comprehensive review of the current budget crisis and the potential dangers of some of the tax cutting plans currently in the mix. Another hit with the attendees was the workshop teaching members how to conduct a "Power Analysis" which is an analytical tool to craft strategic plans for issue or electoral campaigns. Once again, we were joined by Republican Representative Greg Evers who attended the workshop and participated in a role playing exercise to show new lobbyists what to expect on the hill. Attorney Ron Meyer gave a comprehensive workshop on how to navigate the constantly shifting elections and voter registration laws and there was an incredibly powerful panel about the many challenges facing our public employees in light of Amendment 1 and the budget crisis. The General Session featured appearances by Chief Financial Officer Alex Sink, minority leaders Representative Dan Gelber and Senator Steve Geller and Representative Franklin Sands, the next House Minority Leader and our longtime friend and ally, Senator Tony Hill. The legislative ho-down dinner and dance was the best attended in recent memory, with over 500 in attendance including many of our best legislative allies, in fact the most Legislators we have hosted in the past six years. **Legislators in attendance included: Senators Ted Deutch and Tony Hill; Representatives Susan Bucher, Mary Brandenburg, Greg Evers, Audrey Gibson, Luis Garcia, Scott Randolph, Martin Kiar, Keith Fitzgerald, Bill Heller, Evan Jenne, Ed Hooper, Yolly Roberson, Franklin Sands, Tony Sasso, Ron Saunders, Kelly Skidmore, Shelley Vana, Darren Soto, and Jack Seiler.** Feedback from those who attended the conference indicates that our delegates see this as a vital exercise for those interested in helping their locals have a voice at the Capitol. If you were not able to attend, please be sure to do so next year. We promise you won't be disappointed!

STATE BUDGET CUTTIN'



“State of the State” from page 2

A mixed bag here on health care. It is great that the Governor acknowledges the problem and it is absolutely fantastic that he is supporting increasing KidCare enrollment, which is one of our top priorities. He also refers to the Florida Health Access System, which according to our allies in the health care advocacy community is also a good thing. Unfortunately, when he discusses “comprehensive, market based strategy” to give uninsured people coverage, he is referring to a program that sets up very minimum policies for people through private insurers subsidized by state dollars. These minimal coverage policies are insufficient and will not provide the people who use them the kind of real comprehensive coverage we all deserve.

We must maintain our commitment to protect Florida's natural beauty and resources. We must establish a successor to Florida Forever. To strive for natural water flow, I also propose that we fully fund Florida's share of Everglades's restoration and continue restoring Lake Okeechobee and downstream coastal estuaries. Serve to Preserve is this Administration's commitment to lead - and we are leading by example. We will work to conserve energy within State government and, together with the private sector, reduce our carbon emissions.

This is all excellent news. The Labor Movement is in a particularly strong position to provide a meaningful contribution to the greening of Florida. We have the stable, well trained workforce through the IBEW and other trade unions to provide the backbone necessary to rebuild Florida's infrastructure for the future, greener economy, but only if we are given a seat at the table. These environmental projects are the job generators of the future and the Florida AFL CIO and ULL will be working to ensure that this future will be built by highly skilled, well trained union labor.

Our current path in education has reaped significant gains in student achievement in reading and math over the past five years. Florida's school performance has now risen from 31st to 14th among all states and risen to 7th in achievement. In the same way, the Merit Award Program you created last year rewards our best and brightest public school teachers. I recommend we fully fund these teacher bonuses for those who improve student achievement and who work diligently to improve their teaching skills through national peer training. It is important we continue to tell our best teachers – job well done.

During the Amendment 1 debate, the words “hold harmless” and “education” became inextricably linked. Unfortunately, through the implementation of Amendment 1 and beyond, nothing could be further from the truth. In the budget cutting exercise that started the current session, our schools lost over \$300 million and much more drastic cuts are expected in the next budget. The Governor's claims aside, the picture of education in Florida is quite bleak. Florida ranks 50th in elementary and secondary school funding per \$1,000 of personal income, 50th in elementary and secondary expenditures for instruction per \$1,000 of personal income and 49th in per capita spending for expenditures for salaries, wages and benefits for school personnel. State funding for our schools has continued to decline over the past ten years. Similarly, teacher salaries are also lagging well behind the rest of the nation. We rank 29th in the nation for teacher salaries, paying only 88% of the national average. Similarly, salaries for Education Staff Professionals including bus drivers, food service providers and other vital elements of our schools are also all below the national average. High school completion rates are down and the drop-out rate is high. The Governor must reject the “current path” in education he champions in the speech and must make fully funding our education system a priority.

Florida's universities and community colleges provide the next critical step in the education of our people. These institutions are producing the future leaders of our state, our nation and the world. We must continue to invest in higher education. My budget provides for more than \$5 billion for higher education and that is an increase over last year.

Florida still ranks dead last in higher education spending. Our student faculty ratio is 49th in the nation and our faculty are still losing ground in terms of average salaries. Florida received a grade of “F” in affordability for the children of working families and there is virtually no need-based financial aid for students (Bright Futures is not need-based but achievement based). An additional \$5 billion for the State University System is a great idea, but no one knows where the money for this lofty goal will come from.

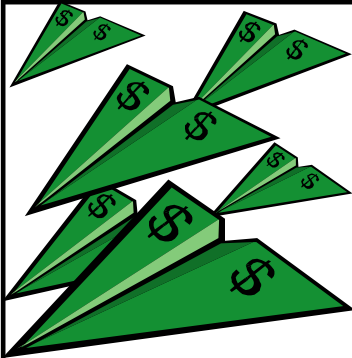
In short, the Governor's speech was long on optimism but short on real solutions for the serious problems facing our state. The Governor must begin to publicly acknowledge these challenges, not gloss over them, and then we can begin to find the much needed solutions.



THE 2007 LEGISLATORS OF THE YEAR !

Each year, the Florida AFL-CIO and ULL presents awards to legislators who have shown a real commitment to Florida's working families and maintain that support regardless of the pressures they face in the Legislature. The 2007 awards were presented to:

- **Senator Ted Deutch** (one of the first freshman to ever be so honored)
- **Representative Curtis Richardson**



The 2008 Budget Crisis Got You Down? Here are some places that can help.

Things are already moving fast and furious during these first three weeks and while many issues are being discussed, nothing is more pressing than the upwards of \$3 billion deficit for the 2008-2009 budget that the Legislature has to deal with. Let's face it, when

you have thousands of lines of funding and are dealing with 9 zeros, things can get pretty confusing. Here are two great Internet resources that will help you navigate through the mess and understand what is happening up here and why. These web sites include detailed, Florida specific reports to help you make sense of the dollars and cents flying around Tallahassee.

The Florida Center for Fiscal and Economic Policy

www.fcfe.org

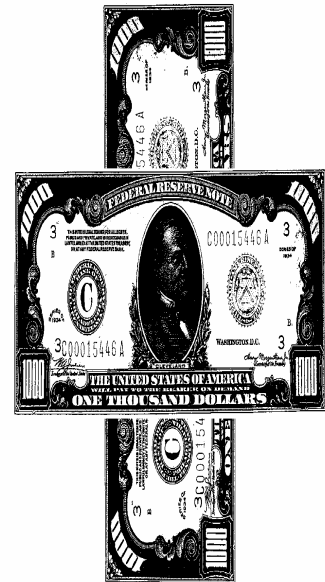
Center on Budget and Policy Priorities

www.cbpp.org

The Religion In Politics We Aren't Talking About

By next Election Day, the two presidential nominees are expected to break the \$1 billion mark in combined spending.

-News Item



Hick

