Budget Standoff Drags On

On Tuesday April 21, 2015, Senate President Andy Gardiner released a statement that the Agency for Health Care Administration submitted the Senate Medicaid expansion plan to the Center for Medicare and Medicaid Services. The process will not allow budget writers to come to an agreement before the end of Session, scheduled on May 1st. The release also stated that the Senate may need to allocate $600 million from projected reserves to draw down matching funds to help cover LIP funding loses. The Senate President also urged Governor Scott and the House of Representatives to embrace the Senate’s expansion plans.

Later that day, the Governor released a statement that he will call a Special Session to pass a budget that continues current year funding and that he will convene a Commission on Healthcare and Hospital Funding to review how taxpayer money contributes to profits and losses of hospitals. The release also mentioned that if no tax cuts occur this year, he would expect more than $1 billion in tax cuts next year. The release did not endorse the Senate plan and Governor Scott is still opposed to Medicaid expansion.

On Thursday April 23, 2015, Speaker Steve Crisafulli stated that the House would offer $200 million in General Revenue to draw down $305 million from the Federal government. The proposed budget would also include a $500 million tax cut package.

On Friday April 24, 2015, the Senate released an offer to the House which maintains its position of LIP funding and Medicaid expansion, increases per student funding from savings generated from Medicaid expansion, and increases reserves to offset unexpected increased costs associated with Florida’s Medicaid Managed Care Plans. The House is expected to reject this offer because it includes Medicaid expansion. The offer may also extend session to June 30.

Administrative Law Judge Renders Decision on DJJ Secure Detention County/State Cost-Share Rules

Last week, the Division of Administrative Hearings', Administrative Law Judge (ALJ) David Watkins, issued the long-awaited decision in the consolidated cases brought by several Florida counties and the Florida Association of Counties (FAC) last
summer challenging the Department of Juvenile Justice's (DJJ) proposed secure detention cost-share rules. The result was a split decision which invalidated parts of the rules in favor of counties and upheld others in favor of the state.

One key issue – whether a new law violation committed by probationers are the responsibility of counties or the state – was resolved in favor of DJJ. ALJ Watkins held that DJJ's interpretation of §985.686, F.S., to make counties responsible for secure detention days resulting from a new law violation committed by a youth on probation, was reasonable and not clearly erroneous. However, the ALJ's decision invalidated DJJ's attempt to automatically assign to counties the cost-share responsibility for juveniles who, while on probation, committed a new law violation and were in secure detention for two days – i.e., the Two Day Rule. The ALJ criticized DJJ for not using its JJIS system to drill down and determine the reason why the juvenile was actually in secure detention. The ALJ held the proposed rule invalid since it would assign costs to counties for which they would not be statutorily responsible.

ALJ Watkins' decision further invalidated portions of the DJJ rules that based a county's monthly cost-share estimate on annual appropriation amounts from the Legislature; that failed to include soliciting input from counties in reference to DJJ's county cost-share estimating and reconciliation processes; and for failing to exclude from the counties' cost-share responsibility “the costs of any preadjudicatory nonmedical educational or therapeutic services” as required in §985.686(3), F.S.

How ALJ Watkins' decision will impact current juvenile detention cost-share proposals in the House and Senate is unknown at this time. At the very least, the decision should lead to some reevaluation of the current 57%-43%, county/state cost-share delineation in HB 5201 and SB 1414 when the Legislature takes up the issue during the anticipated budget special session.

**Different Ride Sharing Bills Move through Each Chamber**

SB 1298 – Minimum Insurance Requirements, by Sen. Simmons, requires ride sharing drivers to provide $1 million in insurance coverage when transporting passengers in the car. The measure passed the Senate yesterday, but Uber and other ride sharing companies do not support the bill because it does not allow use of surplus-line (unregulated) insurance coverage. The House bill proposed legislation, HB 817 – Transportation Network Companies, by Rep. Gaetz, preempts local governments from regulating or taxing ride sharing companies. The Senate does not seem to have any appetite for preemption as the companion measure SB 1326, by Sen. Brandes, has not received one committee hearing.

Rep. Gaetz also attached language to a larger economic development package (HB 7067) that will prohibit local governments from collecting transportation impact fees on new development if they regulate ride sharing companies. In general, local governments are opposed to HB 7067.
Civil Citation Moves to Governor’s Desk

On April 24, 2015, the House of Representatives passed SB 378 – Juvenile Justice, by Sen. Garcia, by a vote of 115-2. An amendment which would have reversed the bill back to one allowable arrest was defeated by a vote of 53-62. The bill now heads to the Governor’s desk.

Specifically, the bill allows a law enforcement officer to issue a civil citation to youth who have committed a second or subsequent misdemeanor. In addition, law enforcement will be authorized to issue a simple warning to the youth, inform the youth’s parents of the misdemeanor, issue a civil citation or require participation in a similar diversion program under the bill.

Greyhound Decoupling Squeaks through Committee

On Tuesday April 21, 2015, HB 1233 - Gaming, by Rep. Young, narrowly passed the House Finance and Tax Committee by a vote of 10-8. The bill was substantially amended from its original version that would have allowed for limited destination resort casinos and create a new state-wide regulatory scheme for gaming. The current version of the bill decouples the requirement of greyhound racing from card rooms and allows the board of county commissioners of Miami-Dade and Broward Counties to conduct a referendum on whether to permit the location of a destination resort casino.

The Senate measure, SB 7088, has similar provisions, but the chair of the Regulated Industries Committee has stated that the measures are likely not going to pass until the state strikes a deal with the Seminole Tribe over the compact.

Sober Homes Passes Both Chambers

On April 24, 2015, the Senate passed HB 21 – Substance Abuse Services, by Rep. Hager, which requires the Department of Children and Families to create a voluntary certification program for recovery residences (sober homes). The bill is now headed to the Governor’s desk.

Local Government Construction Preferences Passes Legislature

SB 778 – Local Construction Preferences, by Sen. Hays, prohibits any local laws that give preference to a local contractor in circumstances involving a competitive solicitation for construction services in which 50 percent or more of the cost will be paid from state-appropriated funds. An amendment that would have lowered the threshold to 0.01 percent of state funds failed on the House floor. The bill passed each chamber largely on a party-line vote.