## April 4, 2003 Volume XIII, Issue 6

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Helping all children succeed for life. An initiative of the United Way of Florida, Publix Super Market Charities, Inc. and Bank of America.



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# Legislative Link

A legislative update provided by the United Way of Florida, Inc.

## WORKER'S COMP RELIEF FOR NONPROFITS?

It appears likely that a number of divisive, complex issues will force the 2003 Legislature into extended or special sessions. Workers comp doesn't appear to be one of them. Virtually everyone agrees the system is broken, and a number of "solutions" are gaining broader acceptance. This issue will likely be one of the session's successes, at least in terms of passing a significant bill. But will it provide special relief for nonprofits?.....

The system is indeed broken: worker's comp insurers paid out \$1.27 for every \$1 in premiums they took in last year; worker's comp premiums in Florida are among the highest in the country, while the benefits paid to injured workers are among the stingiest; and some of the state's biggest worker's comp insurers have stopped taking on new clients.

Like other small businesses, nonprofits have been hit hard by the crisis, experiencing double, triple, and even quadruple increases in their worker's comp rates during the past year. Some have been forced to close their doors because they can't afford the skyrocketing premiums. Nonprofits are particularly hard hit because they can't pass the increased costs on to their customers, as many businesses are able – but loathe – to do. Consequently, many have to purchase their coverage form the insurer of last resort – the Worker's Compensation Joint Underwriting Association – and pay exorbitant premiums. Ironically, because many nonprofits provide government supported (local and state) services, taxpayer dollars are indirectly used to pay the premiums.

One of the biggest issues is fraud – employers who use loopholes in the law (primarily in the construction industry) are responsible for over \$1 billion in lost premiums annually. Addressing this and other forms of fraud are key to all of the workers comp proposals being considered in the House and Senate.

On, Thursday, the House Insurance Committee passed PCB IN 03-02, a proposed bill that incorporates solutions sought by a broad coalition of businesses. It addresses fraud, speedy payment of claims, and other issues such as reducing the time period from 14 days to 7 days for required notice of first injury, expediting hearing processes used to resolve medical treatment authorization disputes, repealing the statute that eliminates exemptions on commercial projects over \$250,000, establishing low premium rates for employers who are forced to go to the worker's comp joint underwriting association and who have no or minimal claims experience (which could be of great help to nonprofits).

While the Governor and others have indicated their support for addressing the hardships incurred by nonprofits resulting from soaring worker's comp premiums, it appears likely no special nonprofit solution will be found; solving the problems that plague the system and for-profits will also address the nonprofit plight. That is not to say advocates aren't aggressively pursuing other solutions as well, such as carving out some special exceptions or rate allowances within the JUA and others. Time will tell.

#### CHILD CARE DEVELOPMENT BLOCK GRANT

With a stagnant economy and a monstrous state deficit, increased federal investment in child care is critical. Currently, there are approximately 500,000 children on the subsidized child care waiting lists nationwide, and only one in seven children who are eligible actually receive services. It is estimated over 35,000 children are on waiting lists across Florida.

The Child Care Development Block Grant (CCDBG) is the primary federal funding source for child care. It is funded two ways: "mandatory" or guaranteed funding is currently funded at \$2.7 billion and "discretionary" funding totals \$2.1 billion. The Bush administration FY 2004 budget proposal provides level funding at \$4.8 billion - \$2.7 mandatory and \$2.1 discretionary with no increase for the next five years.

In March, the House of Representatives barely passed a budget resolution by a vote of 215-212 that would reduce the CCDBG by \$1 billion between 2004 and The Senate budget resolution provides fewer 2013. cuts to human services, and Members voted to provide no more than \$350 billion in new tax cuts instead of \$726 billion proposed by the President. But even a cut of \$350 billion will result in cuts to Head Start, education, and other investments in children and families. Earlier this year, Senator Jeff Bingaman (D-AZ) introduced the Children First Act of 2003. This legislation would amend the TANF block grant by excluding child care from determination of the fivevear limit on TANF assistance. The bill also seeks to increase mandatory funding under CCDBG by \$3.25 billion over five years.

(This article contributed by the Children's Services Council of Broward County.)

STATE EARNED INCOME TAX CREDIT PROPOSAL

Recognizing the challenges facing Florida's working families in this tough economic climate, Senator Alex Diaz de la Portilla and Representative Ken Gottlieb have filed legislation (SB 1858/HB 97) that would provide an annual payment to a Florida resident equal to a percentage of federal Earned Income Tax Credit allowed to that person. The legislation provides for the total amount of payments to be transferred from the TANF block grant program. If the total amount of payments for the program exceeds the TANF allocation, the balance would be paid from General Revenue.

The EITC provides a wage supplement to low-income working families and individuals. It is a refundable tax credit that offsets income taxes owed by low-income families, and if the credit exceeds the amount of taxes owed, eligible families receive a lump-sum payment. If a family has no income tax liability, the family receives the entire EITC as a refund. First established in 1974, the EITC has developed into one of the largest federal anti-poverty programs in the nation. According to recent data, the EITC was claimed by an estimated 19.4 million people and lifted nearly five million people out of poverty, roughly half of them children.

Sixteen states and the District of Columbia offer state Earned Income Tax Credit Programs that are similar to the one proposed in SB 1858/HB 97. These programs compliment welfare reform efforts. State EITC programs support the work efforts of low and moderate-income families who are struggling to survive by providing additional money to help them absorb the costs associated with working, such as transportation and child care.

(This article contributed by the Children's Services Council of Broward County.)

 <u>2002 Governor's Race - Most Expensive in History</u>: According to campaign reports filed in early February, the \$19.2 million raised by Governor Jeb Bush and Gubernatorial candidate Bill McBride - \$10.5 million for Bush, and \$8.7 million by McBride - made the 2000 Gubernatorial election the most expensive in Florida history.

The Things that Movies Teach You . . ..

A man will show no pain while taking the most ferocious beating but will wince when a woman tries to clean his wounds.

## HOUSE BUDGET TARGETS HOMELESS

The proposed House budget eliminates two programs and cuts \$4.5 million in funding for desperately needed services to homeless Floridians. This is a 38% reduction in total funding for State homeless assistance programs. (The Senate Budget does not call for cuts to homeless programs.)

Some interesting facts provided by the Florida Homeless Coalition:

- Homelessness in Florida has never decreased and only continues to grow in the wake of the recession and the affordable housing crisis. According to the Florida Department of Children and Families, an estimated 68,000 men, women and children are homeless in Florida on any given night
- > Why Continue Funding for Homeless Assistance Programs?
  - State funding for homeless programs directly and significantly reduces the cost of and the strain on other publicly-funded systems, including the child welfare system, the correctional system and the community mental health system, just to name a few. Homeless programs catch everyone who "falls through the cracks."
  - Homelessness in Florida has never decreased and only continues to grow. This growth is due in particular to the recession, the affordable housing crisis, and the limited availability of services and treatment.
  - Current state funding for homeless programs constitutes less than 1/1000th of one percent of the State budget, yet these programs effectively serve tens of thousands of Floridians who fall into homelessness each year.

Answers provided by 6th graders during a recent history test....

- The Greeks were a highly sculptured people, and without them we wouldn't have history. The Greeks also had myths. A myth is a female moth.
- Socrates was a famous Greek teacher who went around giving people advice. They killed him. Socrates died from an overdose of wedlock.

KIDCARE COULD ENROLL ADULTS UNDER PROPOSAL

Legislation to expand eligibility for the Florida Kidcare Program to include uninsured parents, guardians, or relative caretakers of an enrolled child whose income is above 200 percent of the federal poverty level was approved this week by the House Health Services Committee by a vote of 5-3. Under this bill, the adult must pay the full cost of the premium, including any administrative costs. Nonpayment of the adult's premium would not affect the child's enrollment. The Agency for Health Care Administration and the board of directors of the Florida Healthy Kids Corporation may place limits on enrollment of parents, guardians, or relative caretakers in order to avoid adverse selection or to comply with limitations in the state budget.

HB 245 by Representative Nan Rich, has four additional committee stops. The Senate companion bill, SB 466, by Senator Wasserman Schultz, has been approved by the Banking and Insurance committee and will next be considered by the Health, Aging, and Long Term Care Committee.

## FEDERAL ISSUES UPDATE

#### IDEA THE CHILD AND ADULT CARE FOOD PROGRAM This week, the U.S. House Education and the Workforce Founded in 1968, the Child and Adult Care Food Program provides federal funds for meals and Subcommittee on Education Reform, chaired by Rep. Mike Castle (Delaware) approved the Improving snacks to licensed public and nonprofit child care Education Results for Children with Disabilities Act (H.R. centers, family and group child care homes, after-1350) by a voice vote with no recorded opposition. The school programs for school-age children, and adult bill would reform and reauthorize the 1975 Individuals day care centers serving chronically impaired adults with Disabilities Education Act (IDEA), aligning the or people over age 60. Funding of this and other special education law with the No Child Left Behind Act, nutrition programs is critical. The House Budget which was signed by President Bush in January 2002. Resolution would cut 10-year funding for the Food Stamp Program and Child Nutrition Programs by an estimated \$12.7 billion and \$5.9 billion, respectively. • To read the bill, go to http://edworkforce.house.gov/issues/108th/education On March 26th, after adopting a Sense of the Senate Resolution opposing any cuts in domestic nutrition /idea/idea.htm programs, the Senate approved its FY 2004 Budget Resolution by a vote of 56-44. The full committee will take up H.R. 1350 on April 9 • at 10:30. To watch the webcast of this meeting, go Urge your Senators and Representatives to oppose to any Conference Report on the FY 2004 Budget http://edworkforce.house.gov/committee/webcast.ht Resolution that cuts funding for nutrition and other m programs that assist struggling families. Capitol switchboard: 202-224-3121. According to the committee, H.R. 1350 makes several reforms, including provisions designed to reduce the paperwork burden on special education teachers. increase and improve early intervention strategies, and FUNNY SIGNS refocus the law away from compliance with complex federal regulations and back on providing a high quality At a tire shop in Milwaukee: "Invite us to your education for children with disabilities. Concerns next blowout." regarding H.R. 1350 are numerous. Updates on this At a dry cleaners: "How about we refund your issue are provided by the following organizations, money, send you a new one at no charge, close among others, and may be of interest: The National the store and have the manager shot. Would that State Association of Boards of Education be satisfactory?" (www.nasbe.org), the Council of Chief State School On an electrician's truck: 'Let us remove your (www.ccsso.org), National Officers the PTA shorts." (www.pta.org), and the ARC (www.thearc.org).

## **INCREASED TRAINING FOR CHILD CARE WORKERS**

On Tuesday, the House Subcommittee on Children's Services passed HB 1141 by Representative Ausley. Attempting to set the stage for a career ladder, the bill requires child care personnel, family child care home operators, and large family child care home operators to complete 0.5 CEU approved training in early literacy and language development of children from birth to 5-years of age each year. Child care personnel would also be required to take an introductory course in child care covering early literacy and language development of children from birth to 5-years of age, and an additional continuing education unit (CEU) of approved in service training. Upon registering with the Department of Children and Families each year, family child care home operators would be required to provide proof they have completed a 30 hour training course that includes instruction on early literacy and language development of children birth to 5, proof of completion of CEU, and provide a health and safety home inspection self evaluation checklist certifying that basic health and safety standards are being met. Lastly, the bill requires family day care home operators and large family child care home operators to complete one additional CEU each year intended to develop child care and administrative skills.

## TREATED WOOD BILL SAYS ARSENIC IS NOT CHILD'S PLAY

Concern over potential exposure of children to arsenic when playing on playgrounds constructed of treated wood has led to legislation that was approved this week by the Senate Agriculture Committee. Senate Bill 152 by Senator Wasserman Schultz would prohibit the use of wood products treated with chromated copper arsenate in publicly funded playground equipment and associated groundcovers that are constructed or contracted for on or after October 1, 2003.

Chromated copper arsenate, or CCA, is a chemical preservative composed of arsenic, chromium and copper that protects wood from rotting. The Consumer Product Safety Commission is concerned about CCA-treated wood in playground equipment because exposures to arsenic in the wood might increase a person's risk of developing lung or bladder cancer over their lifetime. They believe that hand-to-mouth behavior is the primary source of exposure to arsenic from these treated play sets. Young children who routinely put their hands in their mouths can then ingest the arsenic directly from their hands or indirectly when they touch food or toys, which are then placed in their mouths.

Under this bill, the Department of Environmental Protection would be responsible for enforcement on state lands. The bill requires the Department of Education to annually notify school districts that a nontoxic sealant must be applied every two years to any such treated wood that is likely to come into contact with children. Retailers and contractors are required to provide notice to certain consumers of wood or wood products containing chromated copper arsenate.

SB 152 has six more committee referrals. The House companion bill, HB 1495 by Representative Joyner, has not yet been heard by any of its four committees.

CPSC Fact Sheet: <u>http://www.cpsc.gov/phth/ccafact.html</u> Arsenic Testing Kits: <u>www.ewg.org</u>

#### THINGS IT TOOK OVER 50 YEARS TO LEARN

- The one thing that unites all human beings, regardless of age, gender, religion, economic status or ethnic background, is that, deep down inside, we ALL believe we are above average drivers.
- A person who is nice to you, but rude to the waiter, is not a nice person.

## ADULT PROTECTION BILL SEEKS TRANSFER

Legislation was approved this week that will require the Department of Children and Families to enter into working agreements with local law enforcement agencies by March 1, 2004 to serve as the lead agency when conducting any criminal investigation arising from an allegation of abuse, neglect, or exploitation of a vulnerable adult. The Legislature's Office of Program Policy Analysis and Government Accountability is directed to conduct a review of the efficacy of the agreements by March 1, 2005. HB 1621 by Representative Bendross-Mindingall was approved by Elder Affairs and Long Term Care. The Senate companion bill, SB 1822, has not yet been scheduled for a committee hearing.

## AUTISM BILL

Several parents gave moving testimony while others held photos of their autistic children during the Health Services Committee meeting this week to show their support for House Bill 169. This legislation, sponsored by Representative Nan Rich, has failed to move in previous sessions due to a reluctance of the Legislature to pass insurance mandates. This bill would require health insurers or HMOs that offer major medical coverage to include coverage for treating autism spectrum disorder. Eight states require insurers to either offer coverage or provide coverage for autism. HB 169 has six additional committee references; Senate Bill 84 by Senator Geller is awaiting its first hearing.

## UPDATE

In Issue 4 we told you that priority for Community Care may be based on the ability to pay. In its current language, SB 642 states that a factor that *may* be considered is the potential recipient's ability to pay and that those who are less able to pay *may* receive higher priority than those who are better able to pay. However, the Senate bill will be amended to conform to the House version of the bill, which was approved this week by the Future of Florida's Families committee. This bill states that the ability to pay *must* be considered and those who are less able to pay *must* receive higher priority than those who are better able to pay. This language was recommended by the Department of Elder Affairs.

SB 642, sponsored by Senator Fasano, will next be heard by the Health and Human Services Appropriations Committee. HB 1711, by Representative Fiorentino, will next be heard by Appropriations.

"I know I am getting better at golf because I am hitting fewer spectators." – Gerald Ford "Tee your ball high . . . air offers less resistance than dirt." – Jack Nicklaus "He who has the fastest golf cart never has a bad lie." – Mickey Mantle

## AFFORDABLE HOUSING HIT HARD BY HOUSE

This week, bankers, social workers, businesses, and others convened in Tallahassee to voice their opposition to the House plan to reduce funding for the William E. Sadowski Affordable Housing Act Trust Fund by \$125 million. The money would be diverted to general revenue, and used as legislators deem appropriate.

In 1992, the Legislature passed the Sadowski Act. It increased the documentary stamp tax from 60 cents to 70 cents per \$100 for all new construction and major renovation – about \$70 on a \$100,000 home. The money is provided to working poor individuals for home building and repairs, and has been a major tool in assisting low income families purchase and maintain their own homes. But is has done much more than that. According to the coalition of activists that met this week, the House trust fund raid would cost the state \$991.7 million in lost economic activity, 19,450 jobs in construction and related fields, and 8,717 low costs houses and apartments in the coming fiscal year.

House leaders derided the coalition's remarks, stating – as they have with the other \$1 billion+ they would take from this and other trust funds – that all monies should be available to the Legislature to fund its priorities, and not be earmarked for special programs.

The Senate maintains funding for affordable housing out of the Sadowski Act. To obtain more information on this issue, and other affordable housing issues, go to www.flhousing.org.

#### VOLUNTEERS REQUIRED TO REPORT ABUSE

The House Sub-Committee on Children's Services passed HB 1141 on Tuesday. The bill expands the categories of people required by law to report known or suspected child abuse or neglect to include volunteers at public and private schools, and employees of or volunteers at religious organizations. The bill also provides that anyone who is required to report known or suspected sexual abuse of a child and who willfully or knowingly fails to report the abuse, or prevents another person from reporting it, is guilty of a 3<sup>rd</sup> degree felony. (This is HB 541.)

## HEAD START REAUTHORIZATION

Founded in 1965, the \$6.5 million Head Start program serves more than 900,000 children. Funding authorization for Head Start is set to expire on September 30, 2003. Outstanding issues regarding the reauthorization include the following: transfer of program to U.S. Department of Education, transition of the program into a state block grant, consolidating the program with federal child care programs, additional emphasis on early childhood literacy and reducing focus on comprehensive early childhood development and learning, as well as supplementary services (health, counseling, family support) for the children and families enrolled in the program, funding level, amount of set-aside for Early Head Start program.

A summary of President Bush's proposal to improve Head Start may be viewed at http://www.ed.gov/PressReleases/02-2003/02032003d.html

The United Way of America supports the following for Head Start Reauthorization:

#### • Increased funding for Head Start

Currently, Head Start has enough slots for only six out of every 10 eligible children because of a lack of resources. With more than 400,000 low-income children and families in need of high quality child development services, now is the time to fulfill the promise of full funding. We recommend a \$1 billion increase to Head Start, appropriating \$7.5 billion for FY 2004.

• Keep Head Start within the Department of Health and Human Services

Head Starts focus on children and families and fighting poverty in a comprehensive manner, a manner that has led to the program's success in getting children ready for school, improving their emotional and physical health as well as their literacy and numeracy skills, and giving their parents the skills needed to become their child's first and best teacher. This holistic approach works best in a Department that plays extensive roles in all of these areas. A departmental shift could jeopardize the comprehensive nature of the program for both children and parents.

#### • Serving the Youngest Children

Research shows that children learn earlier than previously thought. Therefore, there is a growing need to provide services from the prenatal period through age 5. Today, just 3 percent of children eligible for Early Head Start are able to participate because of a lack of funding. Head Start programs should be given the flexibility to serve children prenatally through age 5 to reach children in the earliest years.

#### • Oppose Efforts to Block Grant and "Voucherize" Head Start

A recent GAO report indicates that states often do not utilize funds to target the neediest of fimilies. The report found that federal funds are eight time more likely than state funds to target the poorest children. To ensure that those families most in need receive the assistance for which they are eligible, we oppose any effort to block grant Head Start. We also oppose efforts to "voucherize" Head Start, as it would shift money away from an already under-funded network with a proven track record to private sector corporations with no history of success.

These organizations are among those that are following this reauthorization:

- Children's Defense Fund: <u>www.childrensdefense.org</u>
- Child Welfare League of America: www.cwla.org
- National Institute for Early Education Research: http://nieer.org
- American Public Human Services Association: <u>www.aphsa.org</u>
- National Community Education Association: <u>www.ncea.com</u>
- Volunteers of America: <u>www.volunteersofamerica.org</u>
- Results: www.results.org

### LONG TERM CARE: THE BIG ONE

Last week's *Legislative Link* detailed the threshold economic and political issues that will be determinative of the 2003 Legislative Session, and identified some of the major funding crises facing the state. Those funding crises – from class size to nursing and teaching shortages to universal pre-kindergarten and bullet train – are upon us. There is however an additional crisis that has been percolating for years, that is already upon us (albeit in its earliest stages), and will ultimately prove to be the biggest – and potentially the most damaging - crisis in the long run. In simple terms, it is known as "long-term care".

Florida is the first state in the nation to experience the reality of a four-generation society, the young, middle-aged, old, and very old. The demographics of Florida today mirror the demographics of the nation in 20 years. Florida is – whether it accepts this reality or not – a national laboratory to which Americans will turn in future years either for solutions on how to address the opportunities and challenges of the new demographic, or to learn from our failures.

Although the Florida Legislature passed comprehensive long term care legislation in 2001, this year, the issue is taking a back seat to the other issues listed above, plus medical malpractice.

This issue looms so large, however, that if left to linger in the back seat for long it will cause the state untold grief in terms of lost quality of life for seniors and the disabled, and in terms of taxpayers pocketbooks.

#### BILL LIMITS SCOPE OF LIVING WAGE ORDINANCES

Wage ordinances have been enacted by three counties-Miami-Dade, Orange and Broward, and two cities-Miami Beach and Gainesville in Florida. These localities have enacted wage ordinances higher than the current federal minimum wage of \$5.15 per hour that apply to their employees and those of their contractors and certain suppliers ranging from \$7.98 to \$10.82 per hour. Legislation that prohibits local governments from requiring all employers within their jurisdiction to pay a minimum wage, other than the federal minimum wage, or to apply a federal minimum wage, appears to be on the fast track in the House and Senate.

Exceptions are provided for local governments such as those above who contribute, either directly or indirectly, to the cost of additional wages, for employees of:

- the local government;
- an employer contracting to provide goods or services to the local government, of for the employees of a subcontractor of such an employer, under the terms of a contract with the local government;
- an employer receiving a direct tax abatement or subsidy from the local government, as a condition of the direct tax abatement or subsidy.

HB 321, sponsored by Representative Attkison, was approved unanimously by the State Administration Committee, its sole committee of reference, and is now on the Calendar. SB 54, sponsored by Senator Constantine, will be heard by the Comprehensive Planning Committee, also its only committee of reference, on Monday, April 7.

Funny Signs . . .

On a maternity room door: "Push. Push." At an optometrist's office: "If you don't see what you're looking for, you've come to the right place."

## **REVENUE MAXIMIZATION NOW TO TWO BILLS**

On Tuesday, the Senate Committee on Children and Families approved a "strike everything" amendment that substantially changed SB 2054. Among others, the amendment deleted from the bill all language pertaining to maximizing local matching revenues, an issue that is addressed in SB 1454 and HB 475. While neither of the other revenue maximization bills (1454 and 475) passed out of committee this week, discussion intensified regarding the need for – and willingness to insert – budget authority language in the appropriations bills. (*Continued on page 9*)

#### Revenue Maximization (continued)

Advocates for revenue maximization legislation are pushing for budget authority language in the appropriations bills, believing it will clarify beyond dispute the intent of the Legislature that state agencies aggressively pursue revenue maximization efforts in partnership with communities throughout the state.

Regardless, communities and agencies that partner on rev max initiatives, will be required to submit their individual initiatives to the Legislative Budget Commission for review and approval. This will have to be done, unless a specific amount of money can be identified within each department for specific programs that will indeed be provided by local communities during the upcoming fiscal year. Because it is unclear at this time how much money communities will put up, and revenue streams they will attempt to leverage, the Legislative Budget Commission route will be a necessary one.



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