

FEA Frontline Report

Week Four of the 2012 Legislative Session

February 3, 2012

FACT: The Florida Retirement System (FRS) is one of the best run and most financially stable retirement plans in the nation. The FRS is the envy of nearly every state in the USA, and has weathered the storms of recession, stock market crashes, 911, and blatant attacks by the legislature. Florida is one of the top 5 well run public employee pension plans in the country. **Don't let anyone tell you otherwise.**

That includes Rick Scott.

Gov. Rick Scott is now claiming that the Florida Retirement System is the reason we need to privatize south Florida prisons.

Now that you have picked your chin up off the floor you're probably thinking, "Of course he would say that! Why am I surprised?!" Here's what happened:

According to the Miami Herald and Tampa Bay Times, Scott's comments were made after failing to persuade Sen. Steve Oelrich (R-Gainesville) and Sen. Charlie Dean (R-Inverness) to vote for prison privatization. In his meeting with Sen. Steve Oelrich, a former Alachua County sheriff, Scott connected the privatization deal with providing more money for the state employee pension fund.

Here is Senator Oelrich's account of the meeting according to the *Tampa Bay Times* and the *Miami Herald*: "Oelrich, a long-time member of the Florida Retirement System, said he was taken aback when Scott suggested the reason the state had to save the money on its prisons was because he believes the "retirement system is broke." "The governor's words were that we are 'lying to state employees,' " Oelrich said. "That troubles me. I don't think that's necessarily correct."

Oelrich questioned why Scott would use this as a rationale for defending prison privatization, which is projected to save between \$16 million to \$30 million a year. The state's retirement fund is more than 80 percent funded, he said, a level he believes is considered high compared to other states. "Bringing it up to 100 percent funding is not something advocated by actuaries and would cost billions."

Last year Scott used the Florida Retirement System as an excuse to tax public employees, including education employees, police and firefighters, 3% of their salary. This year he is using it as an excuse to privatize thousands of prison jobs and to make 'minor' changes to FRS that experts believe will undermine the long term health of the system. Please see the Pension Update below for more information about these 'minor' changes.

Budget Update

The House is still far ahead of the Senate in the Budget Process – this week the House released its spending bills in the various appropriations committees. The Senate, on the other hand, has given their budget allocations to the various committee chairs but they haven't shared the numbers. The only statement Education Appropriations Chair Sen. Simmons (R-Altamonte Springs) would give was, "I think

you'll be pleased." He did indicate that the numbers will be out next week, and they will then begin the process.

Pension Update

Once again Rick Scott and legislative leaders are gnawing at the edges of the FRS pension fund. It is more and more apparent that their ultimate goal is to force state employees into Wall Street controlled investment plans. Their plan is to chip away at the FRS pension until the plan can no longer be sustained.

Architects of FRS pension reform have crafted legislation that would reverse parts of the sweeping FRS pension reform measures that passed during the 2011 Legislative Session.

Rep. Rich Workman (R-30, Melbourne) has introduced legislation that would reverse some of the reforms made to the "Special Risk" class members (police and firefighters) of the state pension plan — BUT this reverse is at the expense to regular class public employees.

Any time you tinker with the retirement age or vesting periods, there is a fiscal impact. In order to offset the revenue needed to pay for the changes to the proposed FRS Special Risk retirement, Workman's bill:

- increases the vesting period for FRS Regular Class participants to 11 years (currently 10 years), and
- mandates that new FRS employees automatically be enrolled by default into the defined contribution (investment 401 K type) plan if they do not elect to enroll in the FRS pension (defined benefit) plan within 5 months from the beginning of their FRS employment.

On the Senate side, Sen. Latvala (R-16, Pinellas) amended language on another bill that mostly mirrors the House bill, but the vesting period in Latvala's bill is 10 years, and includes the defaulting of new employees into the defined contribution plan if they do not elect to enroll in the pension plan within 6 months from the beginning of their FRS employment.

The retirement bills in both the House and Senate are being rolled into one another, AND proposed committee bills are also in the mix. At this point bill numbers are not easy to follow, and it seems things are changing every hour.

Bill Tracking

There was a lot of drama this week – but little to none had to do with education bills. It was a VERY slow week in that department. The big show down came in the Senate chamber as Senate leadership faced off with rogue Republicans who refused to tow the party line and vote for the prison privatization bill. This saga is not over yet, as Senate leadership and the governor continue to twist arms hoping someone will yell, "UNCLE!" Leadership even went so far as to strip Sen. Mike Fasano (R- New Port Richey) of his committee chairmanship, but his resolve didn't weaken.

All the while, the House seems to be plodding along with less drama and intrigue...so far.

The House subcommittees will likely stop hearing bills next week – in fact we have been told many are finishing up this week – that means some bills still in the House pipeline or bills that have not yet been heard in their assigned subcommittees are likely (we hope) to be DOA. Here are the education bills we kept an eye on this week:

- [HB 1191 Parent Empowerment in Education](#) (aka Parent Trigger) passed the House Rulemaking and Regulation Committee by a vote of 8 to 6 -- ALMOST along party lines. The committee heard and passed the “delete everything” (aka strike-all) amendment. Although FEA worked with the bill sponsor, when we received the strike-all today we found significant problems with the proposal.

The bill in its current form would:

- Allow parents to petition the school district requesting the implementation of a parent-selected turnaround option when a school does not sufficiently improve in the initial year of implementing a district-selected turnaround option.
- Prohibit districts from assigning a student to a teacher with an annual performance evaluation rating of unsatisfactory or needs improvement in consecutive school years
- Authorize a parent to request the performance evaluation of any classroom teacher assigned to his/her child
- Require the district to inform a parent of a student assigned to an out-of-field or low-performing teacher that a highly effective or effective in-field virtual teacher is available.

The bill also outlines the petition process (acquisition of parent signatures) which we find very problematic for districts and schools.

Voting YES were Republicans: Artiles, Brandes, Dorworth, Drake, Gaetz, Patronis, Ray and Rooney.

Voting NO were Democrats Randolph, Rehwinkel Vasilinda, Rogers, Sands, and Watson; and Republican Goodson. Not voting was Republican Hudson.

- [SB 144 Seclusion & Restraint](#) on Students with Disabilities by Flores (R-Miami) passed the Senate Education PreK-12 Committee by a vote of 5 to 0. The bill requires that manual physical restraint be used only in an emergency when there is an imminent risk of serious injury or death to the student or others.

The bill also:

- provides restrictions on the use of manual physical restraint
- prohibits the use of manual physical restraint by school personnel who are not certified to use district-approved methods for applying restraint techniques
- requires that each school medically evaluate a student after the student is manually physically restrained
- prohibits school personnel from placing a student in seclusion
- provides requirements for the use of time-out.

The next stop for this bill is in Senate Children, Families and Elder Affairs. The House version, [HB 1467](#) by Gonzalez has not yet been heard in committee.

- [SB 122](#) Driver Improvement Schools & Education Programs by Sen. Sobel (D-Hollywood) passed the Senate Education Committee by a vote of 4 to 1. This bill will require that driver improvement schools and education programs include instruction on the risks of using cell phones while driving.

The bill's next committee hearing will be in Senate Communications, Energy and Public Utilities. The House version, [HB 957 by Rep. Rouson](#) (St. Petersburg), has not been heard in committee.

- [SB 1704](#) High School Athletics by Sen. Wise (R-Jacksonville) passed the Senate Education Committee by a vote of 4 to 1. This bill expands the eligibility of certain students in private schools to participate in sports programs in public schools. It also designated the Sunshine Independent Athletic Association as the governing nonprofit organization of athletics in private schools in this state.

The House version, [HB 1403 by Rep. Stargel \(R-Lakeland\)](#), was heard in the House K-20 Competitiveness Subcommittee passing by a vote of 11 to 4. Its next stop will be in the full House Education Committee. The Senate version has gone to the Rules Committee for review.

- [SB 98](#) Education/Prayer by Sen. Siplin (R-Orlando) passed the full Senate after much debate by a vote of 31 to 8. The staff analysis indicated that the final version of the bill has potential constitutional issues. The House version, [HB 317 by Rep. Van Zant](#), has not been heard in committee.

Need info about ALEC?

We have had numerous requests for more information about the infamous corporate-backed group responsible for writing and distributing model legislation across the nation called the American Legislative Exchange Council (ALEC). Many of the bad bills we see each year and in places like Wisconsin, Ohio, Michigan, Tennessee, etc. were authored by ALEC. To learn more about ALEC go to: <http://alecexposed.org>

Member Lobbyists

Thanks to members from Miami-Dade, Pasco, Pinellas, Seminole and St. Johns Counties who joined us in Tallahassee this week to lobby their legislators.

Thank you to PPA staff members:

Pat Dix, Lynda Russell, and Kevin Watson for their contributions to this report.

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Questions? Call us at 850-224-2078!