



FLORIDA AFL-CIO UNITED LABOR LOBBY



LEGISLATIVE UPDATE

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Issue 5

Budget Crisis?

CSX Railroad Still Looking to Catch Sweetheart Deal!



OK, this one is going to floor you! As has been reported on numerous occasions in these pages, Florida is currently in a budget crisis. Years of tax cuts for wealthy special interests as taxpayer handouts to the biggest corporations have broken Florida's bank. Florida has been left with really only one main source of revenue, the state sales tax. Years of special interest pressure have created so many exemptions to this one main revenue source that we currently exempt more from sales taxes than we collect! When the economy is good and tourism is up, the state has money to operate – when the economy and tourism slump so does the state budget. Consequently, Florida is currently looking at between \$3 billion and \$4.5 billion in annual shortfalls for the foreseeable future. You would expect there would be some effort to raise revenue by closing tax loopholes and rolling back some of the tax cuts for the top 1% of the state's wealthy – well you would be wrong. Instead, the debate has been whether seniors getting public assistance should have dentures or eyeglasses, how many sick children to freeze out of the state's Medicaid programs, cutting Hospice care or whether or not the state should spend any money on environmental protection, including the Everglades Restoration program. What a way to run a railroad!

Speaking of railroads, the budget crisis doesn't seem to exist for CSX Railroad. The state's most powerful transportation company is currently working a sweetheart deal through the Florida Legislature and for many legislators it has become, as the Godfather once famously put it, "an effort they can't refuse." **CSX is using its incredible wealth and political power to convince the Legislature to give them \$650 million of our money to build a new rail system in Central Florida. In addition to all of this wonderful free cash, the deal also grants the CSX company "sovereign immunity," meaning that they can not be held responsible for any accident or rail disaster.** So, if a tanker car carrying chlorine gas derails near the many neighborhoods the rail-line will pass and thousands of people die or get sick, the taxpayers will be responsible for any costs, not CSX. In return for the people's generosity, CSX will allow commuter trains to operate on the same tracks, and it appears that Amtrak, the public commuter rail transportation outfit, will not get the contract. It has yet to be determined whether or not it will go to yet another politically connected private corporation. To make matters worse (if that is even possible with this deal), there are no labor protections for the workers who will be building, maintaining and operating the new rail lines (i.e. no unions). Not only is this unfair and shortsighted, but it poses incredible risks for the riding public. Most commuter rail programs in the nation have a significant union presence because owners and operators have learned over time that unions provide the most professional, experienced and committed workforces to keep the railroads operating safely and efficiently. Union railroad workers are the best qualified to ensure that state and federal safety standards are followed. Because they are protected by a contract, they have the freedom to make sure that management is made aware when conditions are unsafe, without fear of losing their jobs.

This corporate welfare is reprehensible at a time when funding for our public schools, sick kids, needy seniors and environmental protection are being slashed by the Legislature. We have always supported commuter rail as a good solution to Florida's transportation infrastructure; after all we fully supported the High-Speed Rail Amendment. This scam however is just a bad deal for Florida.



TAKE ACTION TO STOP THE CSX DEAL

The House is expected to acquiesce to CSX's power and campaign cash. However, a bi-partisan group in the Senate has promised to dig in for what will prove to be a difficult fight. We need to support this effort to kill this over-the-top corporate welfare deal in the Senate. Your Senator needs to hear from you. We have set up an e-activist page to make it easy for you to send an email to your Senator.

On the web check out

<http://www.unionvoice.org/campaign/notocsxdeal>

Phone calls are even more effective. Find your Senator at

www.flsenate.gov

Let them know that this corporate welfare deal that cuts our union labor, endangers the public and steals precious revenue from the public is not the way to go.

After Five Long Years

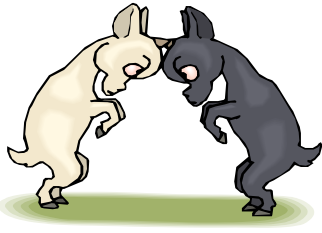
A Chance to Reform Florida's Unemployment Compensation System

The Unemployment Insurance system was established to serve as a tool for economic stimulus during periods of recession, high unemployment or other types of economic slowdown. It was designed to ensure that working people had the resources available to continue being consumers, thus keeping the economic engine going. Florida's UI system has consistently received failing grades by numerous studies because it is almost 70 years old and due to the changing nature of the US economy, it is not able to provide the maximum benefit to workers or the economy. The Federal Government is currently poised to pass the **Unemployment Insurance Modernization Act**. This is a **\$7 billion program** to encourage states to make much needed improvements to their UI programs so that they may fulfill the intended function as a tool for stimulating the economy. The Act awards dollars to states that make specific changes to their UI systems. There are five changes recommended; states are awarded dollars based on how many changes they implement. **Florida currently does not meet any of the five requirements.** If 3 out of the 5 recommendations are adopted, states are eligible for the maximum amount of money available under the program. **SB 2706 by Senator Hill and HB 1057 by Representative Soto will make the changes necessary to fix Florida's UI system and bring down the maximum available federal dollars.**

The one requirement that must be adopted is the inclusion of the Alternate Base Period for determining UI eligibility. Current law automatically excludes a worker's most recent work history in determining eligibility because of the definition of "base period". The base period is the period of time used for calculating whether or not unemployed individuals' earnings are sufficient to qualify them for Unemployment Compensation. Florida defines the base period as the first four of the past five full calendar quarters. As a result, between three and six months of an individual's most recent work experience is excluded from consideration in calculating eligibility for benefits. The effect is the disqualification of workers who may have worked continuously but need the most recently completed quarter of earnings to be included in the base period in order to qualify for benefits. The adoption of an alternative base period would eliminate a state accounting practice that delays or excludes many otherwise eligible workers from receiving benefits. The Alternate Base Period will cost the UI Trust Fund a maximum of \$15 million. The fund is currently the second largest in the state with assets over \$2 billion. **Florida has already been appropriated the funds necessary for Alternate Base through the Federal "Reed Act" funds passed several years ago. If Florida adopts the Alternate Base Period, the state will be eligible for almost \$177 million for its UI system. This simple change will help over 27,000 workers.**

SB 2706 and HB 1057 also include 2 more provisions under the UI Modernization Act, coverage for part time workers and extended eligibility to those workers who are unemployed for specifically defined "compelling family reasons," such as domestic violence or following a spouse who has been relocated for work reasons. Together, these three provisions will cost the state trust fund a maximum of \$26.3 million. **However, if implemented, the state will receive the full allotment of almost \$468 million – a net overall gain of almost \$397 million.**

Continued on page 4



Messages From the Front Lines

News from the Trenches of the Florida Legislature

Restoring the Career Service System – SUPPORT

SB 2202 by Dean

HB 887 by Coley

The legislation designed to return some basic fairness, security and respect to Florida's once celebrated Career Service system continues to advance in the Florida Legislature. This legislation will make non-economic changes to the career service system to help create an environment where quality work is rewarded and workers are treated more fairly. **This is a high priority for AFSCME and the United Labor Lobby. HB 887 passed the House the Governmental Efficiency and Accountability Council on April is headed to the floor of the House. SB 2202 is still in the Senate Governmental Operations Committee.**

Task Force on Workplace Safety – SUPPORT

SB 652 by Lynn

HB 967 by Gibson, Cusack

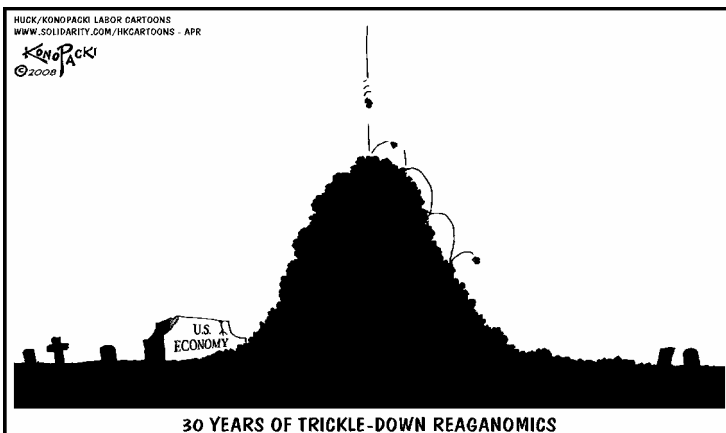
In 1999, Gov. Jeb Bush and the Florida Legislature eliminated the Division of Safety in the Florida Department of Labor and Employment Security and repealed all of the safety laws covering public sector employees. Florida law currently contains no provisions regarding the general health and safety of public sector workers at any level. Public employees are not covered by the federal Occupational Safety and Health Act (OSHA). This has had tragic consequences. The safety task force bill is a first step in bringing back safety laws for Florida public employees. The 15 member task force will make a report to the Governor and Legislature with recommendations for enacting workplace safety and health laws for the state's public sector employees. **HB 967 passed the House Government Efficiency & Accountability Council on April 9th and is headed to the House floor. SB 967 was temporarily postponed in the Senate Banking and Insurance Committee on April 8th.**

Regulating Contract Carriers for Railroad Workers – SUPPORT

SB 2492 by Crist

HB 1123 by Gibson

The big railroad companies employ contract carriers to transport their workers around the state. Currently, these transportation service providers are not covered by any single regulatory agency. They are not considered transport drivers, so they are not required to have special licensing. They are not covered by any federal regulations for transport workers, so they are not subject to maximum work/ minimum rest requirements and are not even required to be tested for drugs or alcohol. Additionally, there are no minimum insurance or equipment safety standards, other than those which apply to basic passenger vehicles. This legislation will bring much needed oversight to this transportation practice, ensuring the safety of our railroad workers who have no choice but to rely on this company-provided transportation. **SB 2492 passed the Senate Transportation Committee on April 8th. HB 1123 has been stuck in the House Economic Expansion and Infrastructure Council since March 21st.**



unemployment continued from page 1

These changes will also ensure that Florida's workers in the tourism, construction and agricultural sectors, which by their very nature involve transient work, are able to participate in the UI system, thus pumping much needed dollars into Florida's economy during this period of slow economic growth. **An estimated 40,000 workers will benefit from these changes and will be eligible for the Unemployment benefits they would be entitled to were it not for these antiquated bureaucratic rules.**

SB 2706 passed the Senate Commerce Committee with a unanimous vote on April 8th. We are currently working to get HB 1057 on the agenda in the House. We are also meeting with the business community to propose compromises that meet their concerns. We have a long way to go, but there is hope. Keep an eye out for action alerts on this issue in the days ahead.

2008 Budget Watch – Health Care

Here are some interesting little tid-bits from the ongoing budget debate in Tallahassee



What's Gone

House

- ◆ Hospice care for Medicaid patients
- ◆ Hospitalization for people in the Medically Needy program
- ◆ 40% reduction in the reimbursement rate for clinics run by the Department of Health

Senate

- ◆ The Medically Needy program gone except for children and pregnant mothers
- ◆ Dentures, hearing aids, and glasses no longer covered for Medicaid recipients.

Here are some more little gems

- ◆ \$300 million reduction in reimbursement rates to nursing homes and the loss of hard fought regulations put in place to prevent elder abuse and neglect.
- ◆ Serious cuts to Emergency Medicaid currently available to pregnant women, changing eligibility from women living at 185% of the poverty level to 150%.

What Stays

- ◆ Tax Exemption for magazine insert advertisers - \$41 million
- ◆ Tax exemption for charter fishing boats - \$63.5 million
- ◆ Tax loophole for Kmart, The Gap, Staples and others - \$400 million

