



Government Efficiency & Accountability Council

ACTION PACKET

**Wednesday, March 20, 2008
3:00 PM – 5:00 PM
Morris Hall (17 HOB)**

COUNCIL MEETING REPORT
Government Efficiency & Accountability Council

3/20/2008 3:00:00PM

Location: Morris Hall (17 HOB)

Attendance:

	<i>Present</i>	<i>Absent</i>	<i>Excused</i>
Frank Attkisson (Chair)	X		
Carl Domino	X		
Greg Evers	X		
Andy Gardiner	X		
Joseph Gibbons	X		
Eduardo Gonzalez	X		
Michael Grant	X		
Ed Homan	X		
Stan Jordan	X		
Matthew Meadows	X		
Julio Robaina	X		
Franklin Sands	X		
Robert Schenck	X		
Michael Scionti	X		
Darren Soto	X		
Geraldine Thompson	X		
Totals:	16	0	0

Committee meeting was reported out: Friday, March 21, 2008 9:09:49AM

COUNCIL MEETING REPORT
Government Efficiency & Accountability Council

3/20/2008 3:00:00PM

Location: Morris Hall (17 HOB)

HB 1237 : Corporate Income Tax

	<input checked="" type="checkbox"/> Unfavorable				
	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Carl Domino		X			
Greg Evers		X			
Andy Gardiner		X			
Joseph Gibbons	X				
Eduardo Gonzalez		X			
Michael Grant		X			
Ed Homan		X			
Stan Jordan		X			
Matthew Meadows	X				
Julio Robaina		X			
Franklin Sands	X				
Robert Schenck		X			
Michael Scionti	X				
Darren Soto	X				
Geraldine Thompson	X				
Frank Attkisson (Chair)		X			
Total Yeas: 6		Total Nays: 10			

Appearances:

Todd Lard, General Counsel - Opponent
 Council on State Taxation
 122C St. NW, Suite 330
 Washington DC 20003
 Phone: 202-484-5215

Kurt Wenner, Director of Tax Research (At Request Of Chair) - Information Only
 Florida Tax Watch
 106 N. Bronough
 Tallahassee FL 32301
 Phone: 850-222-5052

T.K. Wetherell, President (Lobbyist) (State Employee) - Information Only
 FSU
 Westcott Building
 Tallahassee FL
 Phone: 850-644-1085

Jim Tait, Executive Director - Information Only
 Florida Center for Fiscal & Economic Policy (FCFEP)
 The Sara and John Edward Smith Bldg. 2245 S. Monroe Street
 Tallahassee FL 32301
 Phone: 850-325-6480

Committee meeting was reported out: Friday, March 21, 2008 9:09:49AM

COUNCIL MEETING REPORT
Government Efficiency & Accountability Council

3/20/2008 3:00:00PM

Location: Morris Hall (17 HOB)

PCB GEAC 08-21 : Distinguished Educator Retirement Option Program

<input checked="" type="checkbox"/> Favorable With Amendments (1)	Yea	Nay	No Vote	Absentee Yea	Absentee Nay
Carl Domino			X		
Greg Evers	X				
Andy Gardiner	X				
Joseph Gibbons		X			
Eduardo Gonzalez	X				
Michael Grant	X				
Ed Homan			X		
Stan Jordan	X				
Matthew Meadows		X			
Julio Robaina			X		
Franklin Sands		X			
Robert Schenck	X				
Michael Scionti		X			
Darren Soto		X			
Geraldine Thompson		X			
Frank Attkisson (Chair)	X				
Total Yeas: 7 Total Nays: 6					

Appearances:

Marshall Ogletree, Legislative Advocacy (Lobbyist) - Opponent

FEA

213 S. Adams Street

Tallahassee FL 32301

Phone: 850-224-2078

Committee meeting was reported out: Friday, March 21, 2008 9:09:49AM

COUNCIL MEETING REPORT
Government Efficiency & Accountability Council

3/20/2008 3:00:00PM

Location: Morris Hall (17 HOB)

Summary:

Government Efficiency & Accountability Council

Thursday March 20, 2008 03:00 pm

HB 1237 Unfavorable

Yeas: 6 Nays: 10

PCB GEAC 08-21 Favorable With Amendments (1)

Yeas: 7 Nays: 6

Committee meeting was reported out: Friday, March 21, 2008 9:09:49AM

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. **HB 1237**

COUNCIL/COMMITTEE ACTION

ADOPTED	<input checked="" type="checkbox"/>	(Y/N)
ADOPTED AS AMENDED	<input type="checkbox"/>	(Y/N)
ADOPTED W/O OBJECTION	<input type="checkbox"/>	(Y/N)
FAILED TO ADOPT	<input type="checkbox"/>	(Y/N)
WITHDRAWN	<input type="checkbox"/>	(Y/N)
OTHER	<input type="checkbox"/>	

*Bill voted
unfavorable*

1 Council/Committee hearing bill: Government Efficiency &
2 Accountability Council
3 Representative(s) Gelber offered the following:
4

5 **Amendment**

6 Remove line(s) 111-122 and insert:
7 member of a water's edge group. A water's edge group shall not
8 include the income of any corporation which conducts business
9 outside the United States if 80 percent or more of the
10 corporation's property and payroll, as determined by the
11 apportionment factors described in ss. 220.15 and 220.151, is
12 assignable to locations outside the United States. However,
13 such corporations that are incorporated in a tax haven shall be
14 included in the water's edge group. In determining whether
15 voting stock is owned indirectly, the attribution rules of s.
16 318 of the Internal Revenue Code of 1986, as amended, shall be
17 used. For purposes of this paragraph, the term "United States"
18 is restricted to the states of the United States, the District
19 of Columbia, and the Commonwealth of Puerto Rico. All income of
20 a water's edge group is presumed to
21

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. PCB GEAC 08-21

COUNCIL/COMMITTEE ACTION

ADOPTED (Y/N)
 ADOPTED AS AMENDED (Y/N)
 ADOPTED W/O OBJECTION (Y/N)
 FAILED TO ADOPT (Y/N)
 WITHDRAWN (Y/N)
 OTHER *out of order*

1 Council/Committee hearing bill: Government Efficiency &
 2 Accountability Council

3 Representative(s) Gibbons offered the following:
 4

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:

7 Section 1. Subsection (63) is added to section 121.021,
 8 Florida Statutes, to read:

9 121.021 Definitions.--The following words and phrases as
 10 used in this chapter have the respective meanings set forth
 11 unless a different meaning is plainly required by the context:

12 (63) "Public school member" means a member of the Florida
 13 Retirement System Regular Class who is employed by a district
 14 school system, a public charter school, or the Florida School
 15 for the Deaf and the Blind.

16 Section 2. Subsection (1) of section 121.091, Florida
 17 Statutes, is amended to read:

18 121.091 Benefits payable under the system.--Benefits may
 19 not be paid under this section unless the member has terminated
 20 employment as provided in s. 121.021(39)(a) or begun
 21 participation in the Deferred Retirement Option Program as
 22 provided in subsection (13), and a proper application has been

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

23 filed in the manner prescribed by the department. The department
24 may cancel an application for retirement benefits when the
25 member or beneficiary fails to timely provide the information
26 and documents required by this chapter and the department's
27 rules. The department shall adopt rules establishing procedures
28 for application for retirement benefits and for the cancellation
29 of such application when the required information or documents
30 are not received.

31 (1) NORMAL RETIREMENT BENEFIT.--Upon attaining his or her
32 normal retirement date, the member, upon application to the
33 administrator, shall receive a monthly benefit which shall begin
34 to accrue on the first day of the month of retirement and be
35 payable on the last day of that month and each month thereafter
36 during his or her lifetime. The normal retirement benefit,
37 including any past or additional retirement credit, may not
38 exceed 100 percent of the average final compensation. The amount
39 of monthly benefit shall be calculated as the product of A and
40 B, subject to the adjustment of C, if applicable, as set forth
41 below:

42 (a)1.a. For creditable years of Regular Class service, A
43 is 1.60 percent of the member's average final compensation, up
44 to the member's normal retirement date. Upon completion of the
45 first year after the normal retirement date, A is 1.63 percent
46 of the member's average final compensation. Following the second
47 year after the normal retirement date, A is 1.65 percent of the
48 member's average final compensation. Following the third year
49 after the normal retirement date, and for subsequent years, A is
50 1.68 percent of the member's average final compensation.

51 b. For creditable years of Regular Class service, A is
52 1.80 percent for public school members.

53 2. For creditable years of special risk service, A is:

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

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54 a. Two percent of the member's average final compensation
55 for all creditable years prior to October 1, 1974;

56 b. Three percent of the member's average final
57 compensation for all creditable years after September 30, 1974,
58 and before October 1, 1978;

59 c. Two percent of the member's average final compensation
60 for all creditable years after September 30, 1978, and before
61 January 1, 1989;

62 d. Two and two-tenths percent of the member's final
63 monthly compensation for all creditable years after December 31,
64 1988, and before January 1, 1990;

65 e. Two and four-tenths percent of the member's average
66 final compensation for all creditable years after December 31,
67 1989, and before January 1, 1991;

68 f. Two and six-tenths percent of the member's average
69 final compensation for all creditable years after December 31,
70 1990, and before January 1, 1992;

71 g. Two and eight-tenths percent of the member's average
72 final compensation for all creditable years after December 31,
73 1991, and before January 1, 1993;

74 h. Three percent of the member's average final
75 compensation for all creditable years after December 31, 1992;
76 and

77 i. Three percent of the member's average final
78 compensation for all creditable years of service after September
79 30, 1978, and before January 1, 1993, for any special risk
80 member who retires after July 1, 2000, or any member of the
81 Special Risk Administrative Support Class entitled to retain the
82 special risk normal retirement date who was a member of the
83 Special Risk Class during the time period and who retires after
84 July 1, 2000.

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85 3. For creditable years of Senior Management Service Class
86 service after January 31, 1987, A is 2 percent;

87 4. For creditable years of Elected Officers' Class service
88 as a Supreme Court Justice, district court of appeal judge,
89 circuit judge, or county court judge, A is $31/3$ percent of the
90 member's average final compensation, and for all other
91 creditable service in such class, A is 3 percent of average
92 final compensation;

93 (b) B is the number of the member's years and any
94 fractional part of a year of creditable service earned
95 subsequent to November 30, 1970; and

96 (c) C is the normal retirement benefit credit brought
97 forward as of November 30, 1970, by a former member of an
98 existing system. Such normal retirement benefit credit shall be
99 determined as the product of X and Y when X is the percentage of
100 average final compensation which the member would have been
101 eligible to receive if the member had attained his or her normal
102 retirement date as of November 30, 1970, all in accordance with
103 the existing system under which the member is covered on
104 November 30, 1970, and Y is average final compensation as
105 defined in s. 121.021(25). However, any member of an existing
106 retirement system who is eligible to retire and who does retire,
107 become disabled, or die prior to April 15, 1971, may have his or
108 her retirement benefits calculated on the basis of the best 5 of
109 the last 10 years of service.

110 (d) A member's average final compensation shall be
111 determined by formula to obtain the coverage for the 5 highest
112 fiscal years' salaries, calculated as provided by rule.

113 Section 3. It is the intent of the Legislature that costs
114 attributable to benefit increases for regular class public
115 school members shall be funded by recognition of lump sums from

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

116 the excess actuarial assets of the Florida Retirement System
117 Trust Fund as follows:

118 (1) For fiscal year 2008-2009, the lump sum to be
119 recognized shall be the lesser of:

120 (a) The amount available under the rate stabilization
121 mechanism described in section 121.031, Florida Statutes; or

122 (b) The amount needed to pay the annual cost attributable
123 to the increased benefit accrual rate for public school members.
124 The annual cost shall consist of the increase in normal cost for
125 public school members plus payment of the 30-year amortization
126 amount of the increase in the actuarial accrued liability
127 attributable to the increase, equal to 2.07 percent of the
128 public school member payroll.

129

130 If, after the recognition of excess actuarial assets pursuant to
131 this subsection, there remains an unfunded cost, the
132 contribution rate applicable to public school members shall be
133 increased by the difference between the annual cost and the
134 amount provided by the excess actuarial assets, unless the
135 Legislature provides an alternate funding mechanism.

136 (2) For fiscal years starting 2009-2010 and thereafter,
137 the Legislature shall, as provided in subsection (1), continue
138 to fund on an ongoing basis the annual cost attributable to the
139 formula improvements.

140 Section 4. The Legislature finds that a proper and
141 legitimate state purpose is served when employees and retirees
142 of the state and of its political subdivisions, and the
143 dependents, survivors, and beneficiaries of such employees and
144 retirees, are extended the basic protections afforded by
145 governmental retirement systems that provide fair and adequate
46 benefits that are managed, administered, and funded in an

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147 actuarially sound manner, as required by Section 14, Article X
148 of the State Constitution and part VII of chapter 112, Florida
149 Statutes. Therefore, the Legislature determines and declares
150 that this act fulfills an important state interest.

151 Section 5. This act shall take effect July 1, 2008.

152

153 -----

154

T I T L E A M E N D M E N T

155

Remove the entire title and insert:

156

An act relating to the Florida Retirement System; amending s.

157

121.021, F.S.; defining the term "public school member" for

158

purposes of the system; amending s. 121.091, F.S.; providing

159

retirement benefits payable to public school members; providing

160

for funding of the revision of the Florida Retirement System by

161

this act; providing a finding of important state interest;

162

providing an effective date.

163

HOUSE AMENDMENT FOR COUNCIL/COMMITTEE PURPOSES

Amendment No. (for drafter's use only)

Bill No. PCB GEAC 08-21

COUNCIL/COMMITTEE ACTION

ADOPTED (Y/N)
ADOPTED AS AMENDED (Y/N)
ADOPTED W/O OBJECTION (Y/N)
FAILED TO ADOPT (Y/N)
WITHDRAWN (Y/N)
OTHER _____

1 Council/Committee hearing bill: Government Efficiency &
2 Accountability Council
3 Representative(s) Attkisson offered the following:
4

5 **Amendment**

6 Remove line(s) 30-50 and insert:

7 (a) "Distinguished Educator Retirement Option Program" or
8 "program" means a tax-sheltered annuity or custodial account
9 established pursuant to s. 403(b) of the United States Internal
10 Revenue Code and administered by a local school district.

11 (b) "Learning gains" means student learning gains used for
12 calculating school grades under s. 1008.34(3)(a)2.

13 (c) "Title I school" means a Title I school as defined by
14 federal law.

15 (2) There is hereby created the Distinguished Educator
16 Retirement Option Program that shall be funded by the Florida
17 Education Finance Program.

18 (3)(a) For purposes of increased retirement contributions,
19 the Department shall annually identify the following:

20 1. Instructional personnel who are employed in Title I
21 schools that have at least 75 percent of the students eligible

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22 for the statewide assessment in the school making learning gains
23 in both reading and mathematics, based upon results on the
24 statewide assessment provided in s. 1008.22.

25 2. Classroom teachers who are employed in Title I schools
26 who teach reading or mathematics and