



Florida Police Benevolent Association, Inc.
CAPITOL REPORT

For the Week Ending April 30, 2010



Matt Puckett
*Deputy Executive
Director*

The DROP Interest Rate Changes on July 1, 2010

Remember that list of worries? Well, nothing on the list came to pass. However, there was a change that was not on the list that will have a major effect on your future retirement plans.

Effective July 1, 2010, every person who enters the DROP will no longer receive a guaranteed 6.5% monthly interest to their DROP account. The new rate is set at 3%.

This new rate *only* applies to *new DROP enrollees who enter the DROP on or after July 1, 2010*, not current DROP enrollees, or anyone who enters the DROP prior to July 1, 2010.

Also, there *was not* a change to the COLA (Cost of Living Allowance) for retirees. It remains a 3% increase per year. *Some retirees refer to this as the retiree payraise.*

In our opinion, this change to DROP is unfair to employees. The system is assumed to earn at least 7.75 % interest so even if the DROP interest remained capped at 6.5%, the FRS would earn 1.25% as a windfall. Therefore, all this change does is increase the size of the FRS windfall. We also believe, based on the immediate reaction of our membership, that many employees will choose to enter DROP prior to the July 1st deadline in order to receive the full 6.5% rate.

Obviously, everyone wants to know if Governor Charlie Crist is going to veto this DROP provision, parts of the budget, or the whole entire budget. Short answer is no one knows yet. My suggestion would be that you do not wait to see if he does a veto. You have to make your decision based on the information you have before you, not a hypothetical.

State Group Health Insurance

The big news for state health insurance is that for most employees, premiums will remain the same as last year - \$50 for single and \$180 for family coverage. However, if you are a member of the “agency pays all” classification, you will pay a small portion of your health insurance premium totaling \$8.34 per month for single coverage and \$30 per month for family coverage. As previously reported, retirees will NOT lose the Health Insurance Subsidy. Finally, there are other changes to copayments and premiums for particular members of the state plan.

The following changes will occur to the copayments and premiums paid by certain active employees of the State Group Health Insurance Plan:

- 1) Effective August 1, 2010, employees participating in the spouse program will pay a premium of \$15 a month per employee.
- 2) Effective July 1, 2010, retirees will pay 102 percent of the total contribution (the employee and state) for health insurance. The state plan will be increased by 5% this fiscal year.
- 3) Effective January 1, 2011, copayments for the HMO plan will change for the following visits:
 - a) Copayment for an urgent care physician visit will increase from \$15 to \$25 per visit.
 - b) Copayment for an emergency room visit will increase from \$50 to \$100 per visit.
 - c) Copayment for a primary care physician visit will increase from \$15 to \$25 per visit.
 - d) Copayment for a specialist physician visit will increase from \$25 to \$40 per visit.
- 4) Effective January 1, 2011, copayments for the PPO plan will change for the following visits:
 - a) Copayment for an urgent care physician visit will increase from \$15 to \$25 per visit.
 - b) Copayment for an emergency room visit will increase from \$50 to \$100 per visit.
 - c) Mammograms will be deemed preventative benefits.
- 5) Effective July 1, 2010 through December 31, 2010, copayments for State Employee prescription drugs will change:
 - a) \$10 for generics with a drug card.
 - b) \$25 for preferred brand name with a drug card.
 - c) \$40 nonpreferred brand name with a drug card.
 - d) \$20 for generic mail order drug.
 - e) \$50 for preferred brand name mail order drug.
 - f) \$80 for nonpreferred brand name mail order drug.

- 6) Effective January 1, 2011 through June 30, 2011, copayments for State Employee prescription drugs will change:
 - a) \$7 for generics with a drug card.
 - b) \$30 for preferred brand name with a drug card.
 - c) \$50 nonpreferred brand name with a drug card.
 - d) \$14 for generic mail order drug.
 - e) \$60 for preferred brand name mail order drug.
 - f) \$100 for nonpreferred brand name mail order drug.

Nothing Included on the List of Worries Occurred.

Here's the *List of Worries* from the March 26th *Capitol Report* along with a concise answer to each.

- 1) Three Retirement Bills that target both the municipal and state pensions (HB 1319, HB 1543, and SB 1902). DID NOT PASS.
- 2) House of Representatives passed a budget conforming bill (HB 5701) that will eliminate the Retiree Health Insurance Subsidy for all retirees by December 31, 2010. DID NOT PASS.
- 3) Senate Budget Chairman JD Alexander filed SB 2022 which will require every single *active* member of the Florida Retirement System to Contribute a *quarter of one percentage point* into their retirement account. DID NOT PASS.
- 4) House Budget will enact a 3% across the board salary reduction for all state employees. DID NOT PASS

There was no shortage of bad legislation this year, but, fortunately, none of these punitive measures passed. The change to the DROP interest rate from 6.5% to 3% (discussed in the opening article) was part of the pay and benefits deal cut between the Senate and House on the last Monday of session during a Budget Chair Conference Committee meeting. Prior to that meeting, there had not been a single mention of this particular change. All attempts to stop it failed in the roughly two hours they gave us to fight against it.

The Blackwater Bailout



Ken Kopczynski
PBA Lobbyist

As previously reported in the April 23rd PBA Capitol Report, the Florida Legislature continued its effort to bailout the private Blackwater River Corrections Facility run by the GEO Group. This is in spite of the large number of empty beds in the Department of Corrections, concerns over an extra 224 bed added to the budget line, and an on-going FBI investigation into the prison.

When this issue first appeared as a last minute amendment to the Senate budget, it included the closing of public facilities to fill Blackwater. Not only that, but the Senate language included the privatizing of multiple public facilities.

The Florida PBA, under the leadership of State Correctional Officers Chapter President Jim Baiardi, successfully fought the closing of any public prisons for the private gain of the GEO Group. An amendment by Senator Al Lawson allows the Department of Corrections the latitude to determine the best way to bring on line the Blackwater Prison without jeopardizing public safety or losing correctional officer's jobs.

According to the Criminal Justice Estimating Conference, a legislative group that projects the number of beds needed in the prison system, DOC has capacity for another 4,000 to 5,000 inmates. Instead of waiting on the need for Blackwater, the Legislature buckled under to the highly paid lobbyist for the GEO Group.

Blackwater was authorized in 2008 at 2,000 beds, but the budget, driven by GEO Group, added 224 beds to the prison without building any more bed-space. Even the architect for the project, Carter Goble Lee, wrote that the extra 224 beds would jeopardize public safety and violate accreditation standards.

Recently it was reported that the FBI was looking into how this prison came about in the first place. A citizen from Santa Rosa County, where this prison was built, filed a complaint with both the State's Attorney Office and the Federal Prosecutor's Office that questioned how this prison deal came about in the first place. The PBA will wait and see what this investigation uncovers.

Sheriffs and their Lobbyists

We have compiled a list of lobbyists working on behalf of several Sheriff's Offices, one individual Sheriff, and the Florida Sheriffs' Association. We are not listing these names to embarrass anyone. In fact, the majority of the names listed are excellent lobbyists and we are quite sure they provided your sheriff, the sheriff's office, and the FSA superb service. We just thought you would want to see the list.

Florida Sheriffs Association:

[Charles Steven Casey](#)
[Peggy M. Goff](#)
[Roy Preston Hudson, Jr.](#)
[Frank S. Messersmith](#)
[Taylor Leigh Nix](#)
[Keri M. Rayborn](#)
[Guy M. Spearman, III](#)

Broward County Sheriff's Office:

[Fred W. Baggett](#)
[Agustin G. Corbella](#)
[Hayden R. Dempsey](#)
[Leslie Y. Dughi](#)
[Candice D. Ericks](#)
[David L. Ericks](#)
[Richard J. Heffley](#)
[Kelly W. Horton](#)

Sheriff Al Lamberti:

[Jack N. Tobin](#)

Jacksonville Sheriff's Office:

[Edward W. Blakely, Jr.](#)
[Richard E. Coates](#)
[Shelley B. Green](#)

Martin County Sheriff's Office:

[Frank S. Messersmith](#)

Orange County Sheriff's Office:

[Christopher L. Carmody](#)
[Frederick W. Leonhardt](#)
[Robert F. Stuart, Jr.](#)

Palm Beach County Sheriff's Office:

[Cynthia G. Angelos](#)
[Karlin C. Daniel](#)
[Thomas DeRita, Jr.](#)
[Frank S. Messersmith](#)

Pasco County Sheriff's Office:

[Christopher M. Nocco](#)

Polk County Sheriff's Office:

[M. Dale Milita](#)

Seminole County Sheriff's Office:

[Frank S. Messersmith](#)

St. Johns County Sheriff's Office:

[Edward W. Blakely, Jr.](#)
[Carlos M. Cruz, Jr.](#)

Walton County Sheriff's Office:

[Graham W. Fountain](#)

A Final Thank You

To every PBA Member, PBA Board Member, PBA Executive Board Member, PBA Staff Member, and PBA supporter, I say thank you for all that you have done over the last four months.