



Passing a balanced budget prior to July 1 is the only action the legislature is constitutionally required to take each year. Solid disagreements over healthcare funding will likely prevent that requirement from taking place during this final week of the regular 60-day session.

While the presiding officers in the House and Senate offered earnest solutions to one another on Friday and Saturday, no progress toward a balanced budget was made and the capitol community was left wondering how and when this session will end.

In the meantime, both chambers are working ceaselessly to pass policy bills prior to the May 1 end date. To this point, they have sent 122 bills to the governor, out of the 1,500 or so filed, and full meetings of both the House and the Senate are scheduled for each day this week. The speculation is that both chambers will continue to make decisions on pending legislation until Friday, then announce a date when budget negotiations would resume.

Still alive and awaiting final passage this week is the university and college affordability bill, the charter-school proposal and a government transparency bill that has implications for state universities. For updates on these and other bills relevant to Florida State and the SUS, please see the **Spotlight on Bills** section of this newsletter.

Should you wish to follow the legislative activities this week, which may be lively and interesting, tune into the Florida Channel on local cable channel 4 and online at wfsu.org. As always, please feel free to contact me with questions at **(850) 644-4453** or kdaly@fsu.edu.

Kathleen

Performance-Based Funding

Last year the Legislature expanded the performance-based funding model, rewarding universities that met a defined set metrics. This year, the Legislature is working to revise those measures through SB 948 and SB 7125 which are wide-reaching Education reform bills. The following chart gives a breakdown of the performance-based funding requires for each bill:

Issue	SB 948 Sen. D. Gaetz	HB 7125 Higher Ed & Workforce
Creates New Section	Yes	Yes
Metrics	Graduation and retention rates; degree production; affordability; postgraduation employment, salaries, or further education; student loan default rates; access; and any other metrics approved by the board.	Graduation rates, retention rates, postgraduation education rates, degree production, affordability, postgraduation employment and salaries, access, and other metrics approved by the board.
Evaluation Benchmarks	Yes	Yes
Allocation of Funds	State's investment in PF, plus an institutional investment consisting of funds to be redistributed from the base funding of the SUS, as determined in the GAA.	State's appropriation for PF, including increases in base funding plus institutional investments consisting of funds deducted from the base funding of each university in the SUS, in an amount provided in the GAA.
Restoration of Funds- Positive	Will be restored for all institutions that meet the board's minimum performance threshold under the PFM.	Will be restored for each institution eligible for the state's investment under the performance-based metrics.
Bottom 3	An institution that is one of the bottom three institutions is not eligible for the state's investment.	N/A
Fails to Meet Threshold	An institution that fails to meet the PF threshold is not eligible for the state investment, will have a portion of its institutional investment withheld, and will submit an improvement plan to the board that specifies the activities and strategies for improving the institution's performance.	A state university that fails to meet the Board of Governors' minimum requirements shall have a portion of its institutional investment withheld by the board and must submit an improvement plan to the board that specifies the activities and strategies for improving the state university's performance.
BOG Review	The board shall review the improvement plan, and if approved, monitor the institution's progress in implementing the activities and strategies specified in the improvement plan.	The board must review and approve the improvement plan and, if the plan is approved, must monitor the state university's in implementing the activities and strategies specified in the improvement plan.

Issue	SB 948 Sen. D. Gaetz	HB 7125 Higher Ed & Workforce
Reports	By October 1 of each year, the Board of Governors shall submit to the Governor, the President of the Senate, and the Speaker of the House of Representatives a report on the previous year's performance funding allocation which reflects the rankings and award distributions.	The state university shall submit monitoring reports to the board by December 31 and May 31 of each year in which an improvement plan is in place.
Disbursement	The Chancellor of the SUS will withhold disbursement of the institutional investment until such time as the monitoring report for the institution is approved by the board.	Requires the Chancellor of the SUS withhold disbursement of the institutional investment until the monitoring report is approved by the BOG.
Restoration of Funds- Negative	Any institution that fails to make satisfactory progress may not have its full institutional investment restored.	A university that is determined by the board to be making satisfactory progress on implementing the improvement plan will receive no more than one half of the withheld institutional investment in January and the balance of the withheld institutional investment in June. A university that fails to make satisfactory progress may not have its full institutional investment restored. Any institutional investment funds that are not restored shall be redistributed in accordance with the board's performance-based metrics.
Redistribution of Funds	If all funds are not restored, any remaining funds will be redistributed to the top three scorers in accordance with the board's performance funding model.	N/A
Improvement Plans	The ability of an institution to submit an improvement plan to the board is limited to 1 fiscal year. If an institution subject to an improvement plan fails to meet the board's minimum performance funding threshold during any future fiscal year, the institution's institutional investment will be withheld by the board and redistributed to the top three scorers in accordance with the board's performance funding model.	N/A

SPOTLIGHT ON **BILLS**

SB 7028 -- Educational Opportunities for Veterans by Senator Thad Altman (R – Cape Canaveral), amends the Congressman C.W. “Bill” Young Veteran Tuition Waiver Program to allow additional persons to be eligible for the out-of-state tuition fee waiver currently afforded to honorably discharged veterans residing in Florida and enrolled in a state university, Florida College System institution, career center operated by a school district, or charter technical career center. The bill requires a state university, Florida College System institution, career center operated by a school district, or charter technical career center to waive out-of-state fees for any person who is receiving educational assistance through the U.S. Department of Veterans Affairs and who physically resides in Florida while enrolled in the institution. This addition allows individuals, such as a spouse or child of a veteran or service-member using GI Bill benefits, to qualify for in-state tuition rates.

Based on the data from the Board of Governors, the estimated fiscal impact of the bill on the State University System for one year is \$1,608,419 in unrealized tuition revenue.

A similar bill in the House **HB 35 by Representative Richard Stark (D – Weston)**, was laid on the table and substituted the Senate bill.

CS/SB 224 – Public Agency Contracts by Senator Wilton Simpson (R – New Port

Richey), revises procedures for obtaining records relating to a public agency’s contract for services with a private contractor. Specifically, the bill requires:

- All public records requests regarding contracts for services must be made directly to the agency rather than to the contractor;
- Each public agency contract for services must include the contact information of the agency’s public records custodian and a specific provision requiring the contractor to comply with public records laws; and
- The party requesting the public records must send written notice to the agency to be awarded costs and fees in a public records enforcement lawsuit.

The bill was amended to:

- Remove authority which appeared to place a duty on the custodian of public records to determine whether a contractor was subject to public records law.
- Clarify that public records that are exempt or confidential and exempt from public records disclosure cannot be disclosed by the contractor for the duration of the contract term and after completion of the contract if the contractor keeps the records.
- Increase to 5 business days,

the number of days required for notice to be provided by certified mail from a plaintiff in a motion to compel production action to the defendants in order to be eligible for costs and attorney fees.

The House companion, **HB 163 by Representative Halsey Beshears (R – Monticello, FSU Alum)**, was laid on the table and substituted the Senate bill.

CS/CS/SB 118 – Voluntary Contributions for Public Education Facilities by Senator Alan Hays (R – Umatilla), sets up a process for businesses to solicit and collect voluntary contributions for the construction and maintenance of public education facilities. Participating businesses are required to remit the contributions to the Department of Revenue (DOR) for deposit into the Public Education Capital Outlay and Debt Service (PECO) Trust Fund.

The bill authorizes the Department of Revenue to audit voluntary contribution remittances by a participating business if the department is auditing the business for taxes. The participating business is given 90 days to correct any deficiencies prior to the imposition of penalty and interest.

The bill authorizes participating businesses to retain 2.5 percent of the first \$1,200 in voluntary contributions remitted on each return to the DOR, up to a maximum of \$30, as compensation for

maintaining records, filing returns, and properly accounting for and remitting contributions.

The bill is scheduled to be heard by the full Senate today. A similar bill in the House, **HB 37 by Representative Holly Raschein (R – Key Largo, FSU Alum)**, is in the Appropriations Committee.

UPDATE ON BILLS

CS/CS/SB 948 – Education by Senator Don Gaetz (R – Destin), was amended last week including a 128 page strike-all amendment that updates and establishes numerous public K-12 and postsecondary education statutes relating to Florida digital classrooms, apprenticeships, public school funding and policy issues, preeminent state research university designation, postsecondary affordability, postsecondary performance-based incentive funding models, a Rapid Response Education and Training Program, educator liability insurance, and the Florida Best and Brightest Teacher Scholarship Program.

The amendments make the following substantial changes to the bill:

Apprenticeships

Maintains the substance of the provisions of the bill relating to apprenticeships, except that a nationally recognized industry certification is added to the criteria indicating a journey-worker's or apprentice's skills, abilities, and competencies required for an occupation.

Florida Education Finance Program Funding

Includes FEFP funding provisions that:

- Expand the requirement that an additional hour of intensive reading instruction be provided

for the 300 lowest-performing elementary schools.

- Authorize performance funding for a career and professional education (CAPE) industry certification earned through a dual enrollment course.
- Add tiers for and raise the cap on CAPE bonus funding that teachers may earn for instructing students who attain industry certifications.
- Increase the discretionary millage compression supplement.
- Modify the formula for calculating the K-12 sparsity supplement.
- Modify the formula for calculating the virtual education contribution.
- Create supplemental funding for students connected with federally owned military installations, National Aeronautics and Space Administration property, and Indian lands.

Preeminent State Research University Designation

Adds provisions requiring participation in the National Merit Scholarship Program for designation as a preeminent state research university or as a preeminent state research university institute for online learning.

Postsecondary Performance-Based Funding

Adds undesignated sections of law that establish State University System and Florida College System Performance-Based Incentive funding models based on metrics adopted by the Board of Governors and the State Board of Education ("State Board"), respectively, which include, but are not limited to, metrics that measure:

- Graduation and retention rates;
- Degree production;
- Affordability;
- Post-graduation employment, salaries, or continued education;
- Student loan default rates; and
- Access

Florida Best and Brightest Teacher Scholarship Program

Adds a new section creating the Florida Best and Brightest Teacher Scholarship Program ("Scholarship Program") to award teachers who demonstrate a high level of academic achievement; authorizing funding for the Scholarship Program; and requiring the State Board to adopt rules relating to reports, eligibility criteria for scholarship recipients, and distribution of scholarship funds.

The bill reported favorably by the Appropriations Committee last week and is waiting for hearing by the full Senate. A House companion, **HB 7125 by Representative Elizabeth Porter (R – Lake City, FSU Alum)**, passed out of the House and is waiting to be heard in the Senate.

CS/CS/CS HB 1145 – Education by Representative Chris Spowls (R – Clearwater), enhances K-20 fiscal transparency and revises provisions relating to public and private educational choice options and assignment and certification of teachers by:

- Specifying that CAPE digital tools, CAPE industry certifications, and collegiate high school programs are considered public educational choice options and that the Florida Personal Learning Savings Account Program is a private educational choice option.

- Requiring that parents be provided information about the average amount expended per student in their child's school using the parent guide or a similar publication.
- Requiring each state university and Florida College System institution annually notify students of state expenditures used for the education of the student.
- Requiring district school boards to publish an open controlled enrollment process that allows a parent to enroll his or her child and transport the child to any public school.
- Defining the term "capacity" for purposes of determining choices available for public K-12 enrollment.
- Specifying that a charter school that has not reached capacity may be open to any student in the state.
- Requiring district school boards to establish a transfer process by which a parent may request that his or her child be transferred to another teacher.
- Conforming language related to the assignment of teachers.
- Requiring the state board to establish rules for the issuance of adjunct certificates, allowing adjunct certificates to be used for full-time positions in certain circumstances, and authorizing charter school boards to issue adjunct certificates.

The authorization in the bill for students to enroll in any district in the state would result in a redistribution of funding among the 67 school districts in the Florida Education Finance Program (FEFP).

The bill passed out of the House last week and was referred to three Senate Committees last week. A Senate companion, **SB 948 by Senator Don Gaetz (R – Destin)**, is waiting to be heard by the full Senate.

CS/SB 642 – Individuals with Disabilities by Senator Lizbeth Benacquisto (R – Ft. Myers), creates the Florida Achieving a Better Life Experience (ABLE) program, which would assist individuals with disabilities in saving money without losing their eligibility for state and federal benefits, and thereby providing a pathway for economic independence and a better quality of life. ABLE accounts resemble in some respects the federal 529-college savings plan that are tax-advantaged savings accounts. The federal ABLE Act of 2014 ("ABLE Act"), authorizes states to establish ABLE programs as an agency or instrumentality of the state or contract with other states to administer such accounts if certain conditions are met.

The bill directs the Florida Prepaid College Board (Prepaid Board) to create Florida ABLE, Inc., as a direct support organization that must be organized as a not-for-profit corporation. The board of directors of Florida ABLE, Inc., must include the Chair of the Prepaid Board, one member appointed by the Prepaid Board (who may be a member of the Prepaid Board) and one member appointed by the Governor, both of whom have experience in accounting, risk management, or investment management, one appointee of the President of the Florida Senate, and one appointee of the Speaker of the Florida House of Representatives. The legislative appointees would include one advocate for individuals with disabilities and one advocate for individuals with developmental disabilities. The bill provides that the Florida ABLE, Inc., would operate under a contract with the Prepaid Board. Florida ABLE, Inc., is required

to implement the Florida ABLE Program on or before July 1, 2016.

The bill provides that the state Medicaid agency, the Agency for Health Care Administration, would be a creditor of ABLE accounts. Upon the death of designated beneficiary of an account, and subject to any outstanding payments due for qualified disability expenses, all amounts remaining in the account, not to exceed the total medical assistance paid by or on behalf of Medicaid for such individuals after the account was opened, would be distributed to a state Medicaid program.

The bill was amended to provide \$3,386,000 for the 2015-2016 fiscal year to cover the estimated costs associated with the implementation of the Florida ABLE program.

The bill passed the Legislature last week.

CS/CS/SB 1552 – Student Choice by Senator Lizbeth Benacquisto (R – Ft. Myers), requires the disclosure of financial information to parents regarding costs associated with the education of their children, expands K-12 public school choice enrollment options, and modifies charter school requirements and options. Specifically, the bill:

- Requires school districts to provide parents with the total expenditures on a per FTE basis, as reported in the school district's annual financial report.
- Expands the scope of controlled open enrollment public school choice options available to parents:
 - Authorizes school and classroom choice options beyond school district boundaries, provided the

receiving district or school has not reached capacity and the parent provides transportation.

- Allows a student to transfer to another classroom teacher, in specified circumstances.
- Obligates school districts to provide instruction to homebound or hospitalized students by establishing eligibility criteria, procedures and other requirements.
- Specifies charter school requirements and options:
 - Modifies charter school requirements related to application processes, contract renewal and termination, operations, performance and fiscal accountability, student reporting, and governing board conflict of interest disclosure and reporting.
 - Authorizes the replication of high performing charter school in the attendance zone of a school in need of intervention, to meet capacity needs, or to meet district identified innovative choice options.
 - Creates the Principal Autonomy Pilot Program Initiative authorizing the State Board of Education to enter into a performance contract with district school boards to provide principals of participating schools with increased autonomy and authority.
 - Creates the Florida Institute for Charter School Innovation at the Florida State University to provide technical assistance to charter school applicants and improve charter school

accountability, quality, and innovation.

The bill establishes the Florida Institute for Charter School Innovation, which does not have funds appropriated the Senate's Fiscal Year 2015-2016 proposed General Appropriations Bill.

The bill is waiting to be heard by the full Senate. The House companion, **HB 7037 by Representative Bob Cortes (R – Maitland)**, has passed out of the House and has been referred to the Senate Education Pre-K-12 Subcommittee, the Appropriations Subcommittee on Education and the Appropriations Committee.

CS/CS/SB 1296 – Military and Veterans Affairs by Senator Aaron Bean (R – Jacksonville), is a wide-ranging veterans bill that:

- Creates the Military and Overseas Voting Assistance Task Force within the Department of State for one year, to study issues involving the development and implementation of an online voting system that allows absent military members who are overseas to electronically submit voted ballots;
- Provides legislative intent regarding academic credit for military training and coursework and collaboration between the State Board of Education and the Board of Governors on student veteran issues; and
- Establishes a voluntary check-off on driver license and identification card applications to allow a veteran to request written or electronic information on federal, state, and local benefits and services available to veterans.

The bill passed out of the Senate last week and is waiting to be heard in the

House. The identical bill in the House, **HB 1091 by Representative Greg Steube (R – Sarasota)**, is waiting to be heard by the full House.

CS/SB 718 – Administrative Procedures by Senator Tom Lee (R – Brandon), makes a number of changes to the Administrative Procedure Act (APA), which relate to a state agency's reliance on unadopted or invalid rules and the provision of notices and information to the public. Among the most notable changes, the bill:

- Generally requires an agency that initiates rulemaking after a public hearing relating to an unadopted rule to file a notice of proposed rule within a time certain.
- Increases the amount of information relating to agency rulemaking which must be published in the Florida Administrative Register.
- Provides that the decision of an administrative law judge on the validity of the rule or unadopted rule is final agency action during a rule challenge that is asserted as a defense to agency action.
- Prohibits an administrative law judge from entering a summary final order with respect to rule challenges asserted as a defense to agency action.
- Authorizes the petitioner in a hearing that does not involve disputed facts to assert a rule challenge as a defense to agency action and have the rule challenge decided by an administrative law judge instead of the agency.
- Authorizes the rules ombudsman in the Executive Office of the Governor to require an agency to review and designate rules the violation of which would be a minor violation.

The bill was amended last week in the Appropriations Committee to:

- Delete sections relating to declaratory statements, mediation, and attorney fees.
- Specify that a petitioner in a hearing on an agency-initiated action involving disputed issues of material fact may pursue a separate, collateral rule challenge.
- Specify that a final order entered in a rule challenge that is collateral to another proceeding will be directly appealable just as an order in a rule challenge under s. 120.56, F.S.
- Add ten days to the 30 day time to appeal if a party does not receive notice of the final order until after the 25th day.
- Extend the effective date (from July 1, 2015, to July 1, 2016) of the provision requiring agencies to timely review and certify those rules that have been designated as minor violations.

The bill is waiting to be heard by the full Senate. A similar bill in the House, **HB 435 by Representative Janet Adkins (R – Fernandina Beach)**, passed out of the House and has been referred to the Senate Judiciary Committee, the Appropriations Subcommittee on General Government, and the Appropriations Committee.

CS/SB 960 – Bright Futures Scholarship by Senator Tom Lee (R – Brandon), allows a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious or service obligation lasting at least 18 months, to defer the 2-year initial award period and the 5-year renewal period until the student completes the religious or service obligation.

The bill also modifies student community service requirements for Florida Bright Futures Scholarship Program awards by clarifying that community service work means volunteer service work, expanding the

permissible activities that students can participate in to meet the volunteer service work requirement to include civic or professional areas, and placing parameters on such activities.

The bill also repeals obsolete references to past SAT and ACT score requirements, and the requirement that students in home education programs whose parents cannot document college-preparatory curriculum must earn higher SAT or ACT scores to be eligible for the Florida Medallion Scholarship.

The bill was temporarily passed on the Senate floor last week. A similar bill in the House, **HB 747 by Representative Patrick Rooney (R – Palm Beach Gardens)**, has passed out of the House and been referred to the Senate Higher Education Subcommittee, the Appropriations Subcommittee on Education, and the Fiscal Policy Committee.

SESSION SCHEDULE

SENATE SESSION

MONDAY, **APRIL 27**, 1:00 p.m. to 6:00 p.m.

TUESDAY, **APRIL 28** – FRIDAY, **MAY 1**, 10:00 a.m. to 6:00 p.m.

HOUSE SESSION

MONDAY, **APRIL 27**, 1:00 p.m. to completion

TUESDAY, **APRIL 28** – FRIDAY, **MAY 1**, 11:00 a.m. to completion



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