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BUDGET UPDATE

The House of Representatives and Senate have started working on their respective budgets for the 2010-11 fiscal year. Last week both rolled out preliminary numbers utilizing federal stimulus dollars. Below is a breakdown of where the two budgets stand relating to Florida State University:

Issue	House	Senate
Education & General	\$ 219,642,957	\$ 236,554,392
Tuition Increase	8% increase	8% increase
Differential Tuition	7% increase	7% increase
State & Federal Stabilization Funds	\$ 19,895,688	\$ 19,895,688
Student & Other Fees Trust Fund	\$ 169,838,330	\$ 169,838,329
Lottery	\$ 26,523,353	\$ 26,883,895
College of Medicine GR/Fees/Federal Grant Trust Fund	\$ 47,292,825	\$ 47,516,444
Lottery	\$ 605,115	\$ 605,115
SUS Fixed Capital Outlay		
SUS Maintenance, Repair, Renovation	\$ 54,033,480	-
PECO – FSU		
Utilities/Infrastructure/Capital Renewal	\$ 5,550,848	-
College of Law Remodeling & Expan.	\$ 10,000,000	-
Applied Sciences Building	\$ 1,000,000	-
FAMU/FSU College of Engineering III	\$ 2,800,000	-
Autism Program - FSU	\$ 790,423	\$ 849,617
Florida Diagnostic and Learning Resource Centers – FSU	\$ 417,236	\$ 448,483
Public Boardcasting		
Florida Channel Closed Captioning	\$ 322,922	\$ 347,105
Florida Channel Year Round Coverage	\$ 1,238,383	\$ 1,330,608
Public Television and Radio Stations	\$ 6,138,843	\$ 6,566,336

Authorization for FSU Projects from Non-Appropriated Funds (Authorized in House only at this time)

Minor Projects FSU Facilities	Winchester Building
Commonwealth 2 Building	Research Facility No. 4 Utility Building
Bloxham Annex Complex	Applied Sciences Building
Firestone Buildings	Free Electron Laser Laboratory
Warren Building	

There is no funding for the Challenge Grant or the Courtelis Facilities Match programs in either budget.

The House budget recommends a 3% across the board salary reduction. In addition, the House intent is that the minimum for each pay grade and pay band be reduced by 3%. This has not yet been addressed by the Senate.

The House budget recommends that health insurance premiums continue at the current rate. This has not yet been addressed by the Senate.

Lawmakers focused the past week, the third of this session, on honing their respective budgets. They also voted on several major substantive bills.

This coming week, meanwhile, each chamber's full Appropriations committee will be taking up bills and amendments on Tuesday (House) and Thursday (Senate). Currently, both bodies propose an 8% across-the-board tuition increase, and significant changes to the Bright Futures Scholarship program.

The House also released its first Public Education Capital Outlay (PECO) proposal, while the Senate is still working on theirs (see related story).

A plan to base salary levels for K-12 teachers on standardized-tests results passed the Senate Ways and Means Committee late Friday afternoon.

Also Friday, a bill called Chart of Accounts by Senator J.D. Alexander (SB 2206) was amended to require every community college and university to maintain separate financial data, as opposed to the more centralized approach that was originally proposed.

Bills adjusting the state's contribution to the Florida Retirement System also surfaced late last week, and will likely be discussed by a number of committees this coming week (**see Spotlight on Bills**).

A reminder that The Florida Channel provides live telecasts of legislative meetings on local cable channel 4. And don't forget: FSU Day at the Capitol takes place on Tuesday, April 6.

Please do not hesitate to contact me with any questions or concerns –(850) 644-4453 or kdaly@fsu.edu.

Kathleen

Spotlight on Bills

HB 1307, State Financial Matters by Representative Robert Schenck (R – Springhill), provides changes to the FRS Investment Plan that codify practices and policies being used in administration of the plan since its inception. The bill:

- Makes changes to the investment authorizations for the FRS Pension Plan by increasing the permitted holdings for foreign equity from 25 percent to 35 percent of the total fund.
- Permits proceeds of bonds issued on behalf of the Florida Hurricane Catastrophe Fund (CAT Fund) to be invested without limitation in certain federal tax-exempt obligations.
- Provides FRS Investment Plan administrative rate reductions.
- Provides additional time for FRS employers to pay invoices for member losses.
- Authorizes the SBA to secure trademarks, copyrights, and patents on behalf of the FRS or any other fund under its jurisdiction.

The bill is expected to generate recurring revenues of \$9.45 million in fiscal years 2010-11, 2011-12, and 2012-13. It is expected to create recurring expenditures to the PEORP Trust Fund of \$12.7 million in fiscal years 2010-11, 2011-12, and 2012-13. In addition, it is expected to create recurring expenditures to the Forfeiture Trust Fund of \$9 million to \$10 million in the same fiscal years. The expenditures can be attributed to a decrease in employer contribution rates. The bill reported favorably out of the Governmental Operations Policy Committee and is now in the Governmental Operations Appropriations Committee. A similar bill in the Senate, **SB 1078 by Senator Jeremy Ring (D – Margate)**, reported favorably out of the Community Affairs Committee and is now in the General Government Appropriations Committee.

HB 723, Postsecondary Education Fee Waivers, by Representative Maria Sachs (D – Delray Beach), authorizes a state university or community college to waive tuition and fees for full-time public school instructional personnel who meet academic requirements for up to six credit hours per term. The fee waiver applies only to undergraduate special education, mathematics, or science courses that the Department of Education has approved. The bill reported favorably out of the State Universities and Private Colleges Policy Committee last week. The identical bill in the Senate, **SB 2102, by Senator Stephen Wise (R – Jacksonville)**, has been referred to the Education Pre-K – 12, Higher Education, Higher Education Appropriations committees, and the Policy & Steering Committee on Ways and Means.

HB 5201, Postsecondary Education Funding, by Representative Bill Proctor (R – St. Augustine, FSU Alum), revises provisions relating to the Children and Spouses of Deceased or Disabled Veterans (CSDDV) Program. The bill clarifies the use of funds, the award amounts, and the eligible institutions at which a recipient may use an award. The bill provides a new process for the coordinated licensing of electronic library resources for use by secondary and postsecondary students. Additionally, the bill requires that students enrolled in workforce education programs must be classified as residents or nonresidents for tuition purposes.

The bill creates an exemption from payment of the state university tuition differential fee for students who are recipients of prepaid postsecondary tuition scholarships. The bill continues the flat award policy for Bright Futures Scholarships through the 2010-2011 academic year. Further, the bill eliminates statutory requirements for separate funding of baccalaureate programs within the Florida College System, allowing for such funding to be transferred to the Community College Program Fund. The bill also creates a requirement for separate reporting of upper-division enrollment and upper-division expenditures. The bill aligns the submission date for requests relating to the community college and state university facilities enhancement challenge grant programs with the October 15 legislative budget request submission deadline. The bill was amended last week to allow the total amount of tuition differential exempted for students with prepaid postsecondary tuition scholarships and the total amount of tuition differential waived by the university on behalf of students who meet the eligibility requirements for the Florida public student assistance grant to be counted toward the 30 percent expenditure requirement for need-based aid. The bill has been referred to the State University and Private Colleges Appropriations Committee. The Senate companion, **SB 1344 by Senator Evelyn Lynn (R – Ormond Beach)**, was amended and reported favorably by the Higher Education Appropriations Committee.

HB 5101, Prekindergarten through Grade 12 Education Funding by Representative Anitere Flores (R – Miami), amends statutory provisions necessary to conform the statutes to appropriations made in the General Appropriations Act for the 2010-2011 fiscal year. The bill amends statutes relating to:

- Restrictions on the levy of discretionary sales surtaxes;
- Transfer of funds from a school district's operating funds to a fixed capital outlay category for class size;

- Minimum funding requirements per school district for the Regional Consortium Service Organizations;
- Reductions of administrative services fees that school districts charge charter schools;
- Documentation deadlines for private schools participating in the McKay scholarship program;
- Student-teacher ratio requirements in the Voluntary Prekindergarten Program;
- Class size reduction implementation requirements;
- School district reporting requirements to separately identify expenditures for gifted students;
- Requirements for instructional materials to be adopted and delivered in an electronic format;
- Authorizations for use of instructional materials funding to be used for the purchase of hardware;
- Access requirements for state-funded electronic library resources provided at colleges and universities;
- Bonus funding for student performance for certain courses and diplomas;
- The percent of taxable value for school purposes used in the calculations for Required Local Effort revenue as well as the calculations for funding for the Developmental research (laboratory) schools and the Florida Virtual School;
- Authorizations for flexibility in the use of FEFP categorical allocations;
- Determination of the sparsity supplement within the FEFP;
- Determination of the total allocation of state FEFP funds to each school district;
- Distribution of the transportation allocation

SESSION SCHEDULE

SENATE SESSION

Tuesday, March 23, 2010

9:00 a.m. to 12:00 noon

Wednesday, March 24, 2010

8:15 a.m. to 10:50 a.m.

Thursday, March 25, 2010

9:00 a.m. to 12:50 a.m.

Friday, March 26, 2010

8:00 a.m. to 10:00 a.m.

HOUSE SESSION

Tuesday, March 23, 2010

9:00 a.m. to 11:00 a.m.

Wednesday, March 24, 2010

11:00 a.m. to 2:50 p.m.

Thursday, March 25, 2010

9:00 a.m. to 12:00 noon

according to the prior year's average per student cost for transporting disabled students;

- Clarification of the limitations for school districts to levy additional discretionary millage;
- The application and approval processes for appropriations from the Special Facility Construction Account and the composition of the Special Facility Construction Committee.

The bill provides school districts additional fiscal flexibility by giving priority to funding for the core mission of teaching and learning and less emphasis on funding noncore functions. In addition, the bill makes a series of adjustments and reductions to special allocations in the Florida Education Finance Program (FEFP) funding formula to maximize funding in the base allocation for all districts. The bill also provides fiscal efficiencies and limits unnecessary spending. The bill has been referred to the House Calendar. The Senate companion, **SB 2, by Senator Don Gaetz (R – Destin)** is awaiting its 2nd hearing by full Senate.

HB 5607, Retirement by Representative Alan Hays (R – Umatilla)

requires that an actuarial study of the Florida Retirement System (FRS) be provided by the administrator of the system (the Department of Management Services) and for the results to be reported to the Legislature by December 31 of each year. Thereafter, the Legislature establishes uniform contribution rates in law during the next legislative session. The bill requires that participating employers in the Florida Retirement System must make monthly contributions to fund the FRS based upon those rates. The bill revises s. 121.71, F.S., to establish the required employer payroll contribution rates for each membership class and subclass of the defined benefit plan and the optional retirement plans within the FRS for the fiscal years beginning July 1, 2010 and July 1, 2011. The bill provides a determination and declaration of important state interest and treats all similarly situated FRS employers in the same manner. The bill is now in the Full Appropriations Council on Education & Economic Development. There is no Senate companion at this time.

HB 5611, Department of Management Services by Representative Alan Hays (R – Umatilla)

eliminates the Office of Supplier Diversity and transfers duties to Division of State Purchasing. The bill provides that business certified by Office of Supplier Diversity may continue to be recognized as certified minority business enterprise to do business with state government for a specified period. The bill provides for certification of minority businesses by other specified governments, if certification criteria meet Florida's criteria. Additionally, the bill provides duties of the division, eliminates provisions relating to certification of minority business enterprises by Office of Supplier Diversity, and deletes provisions relating to Minority Business Certification Task Force. The bill deletes provisions relating to review and evaluation of certification programs and procedures of statewide and inter-local minority business certification agreements. The bill is now in Full Appropriations Council on Education & Economic Development. The Senate companion, **SB 1720 by**

Senator Chris Smith (D – Oakland Park, FSU Alum), has been referred to the Commerce, Governmental Oversight and Accountability, and Transportation and Economic Development Appropriations committees.

Update on Bills

SB 4, High School Graduation by Senator Nancy Detert (R – Venice), is a high school graduation initiative that:

- Increases the high school graduation requirements, beginning with students entering grade 9 in the following years, to include:
 - Geometry for the 2010-2011 school year;
 - Biology I for the 2011-2012 school year;
 - Algebra II for the 2012-2013 school year; and
 - Chemistry or physics for the 2013-2014 school year; and
 - An equally rigorous science course for the 2013-2014 school year.
- Requires student passage of statewide, standardized end-of-course (EOC) assessments in the following courses for students entering grade 9 in specified school years:
 - Algebra I and geometry, 2011-2012;
 - Biology I, 2012-2013; and
 - Algebra II and chemistry or physics, 2014-2015.
- Requires student passage of district, standardized EOC assessments for other courses, when they are developed.
- Provides for the discontinuation of the Florida Comprehensive Assessment Test (FCAT) for mathematics (Grades 9 and 10) and science (Grade 11) as EOC assessments are implemented.
- Allows students to earn course credit without sitting for the course if the student passes an EOC assessment;
- Requires a student entering grade 9 in the 2013-2014 school year to take a virtual education course; and
- Requires high schools to offer certain acceleration courses where a student can earn college credit.

The bill was amended and reported favorably out of the Policy & Steering Committee on Ways and Means and is awaiting hearing by the full Senate. A House companion, **HB 7053 by Representative John Legg (R – Port Richey)**, was amended and reported favorably by the Full Appropriations Council on Education & Economic Development.

HB 1337, Nursing by Representative Denise Grimsley (R – Sebring), was amended last week to clarify the definition of "accredited program" so

that it reflects the terminology used by the federal Department of Education, and that the bill applies to any pre-licensure nursing program regardless of the credential awarded. A similar bill in the Senate, **SB 2530 by Senator J.D. Alexander (R – Lake Wales)**, is now in the Higher Education Committee.

CSSSB 6, Education Personnel by Senator John Thrasher (R – Jacksonville, FSU Alum)

was amended to require a classroom teacher, hired on or after July 1, 2010, to earn an appraisal performance rating of effective or highly effective in at least two of the preceding three years to receive an annual contract for the 6th year of teaching. The bill requires a certificate-holder seeking renewal of the certificate to earn a performance appraisal rating of effective or highly effective in four of the preceding five years of certification. Additionally, the bill restores current law for performance appraisals until 2014-2015, and clarifies that appraisals must be primarily based (i.e., more than 50 percent) on student performance. The bill provides an acceptable means of demonstrating mastery of professional competency by Teach for America graduates who complete a professional training program and pass a professional competency exam. The bill with the amendments reported favorably in the Policy and Steering Committee on Ways and Means last week. The House companion, **HB 7037 by Representative Marti Coley (R – Marianna, FSU Alum)**, was passed by the full House.

CS SB 2204, Chief Financial Officer, by Senator J.D. Alexander (R – Lake Wales)

was amended to require the CFO to establish and maintain a uniform accounting of funds for the legislative and judicial branches and all state agencies, state universities, state and community colleges, school districts, water management districts, other local governments, and all statutorily authorized public entities, etc. The bill reported favorably in the Policy and Steering Committee on Ways and Means last week. There is no House companion at this time.

CS SB 2206, Chief Financial Officer/Chart of Accounts, by Senator J.D. Alexander (R – Lake Wales)

was amended to require that by July 1, 2011, each entity of higher education to maintain its financial data in a manner that is consistent with the applicable common financial data management codes established by the Board of Governors for such entity. The bill reported favorably in the Policy and Steering Committee on Ways and Means last week. There is no House companion at this time.



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