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# FSU PECO

The House and Senate continued to work on their respective budgets this week. As such, the Senate has released their PECO recommendations. Below is a comparison of the House and Senate PECO recommendations:

	House Budget	Senate Budget
Utilities/Infrastructure/ Capital Renewal/ Roofs (P,C,E)	\$ 5,550,848	\$ 5,550,848
College of Law Remodeling & Expansion 7	10,000,000	12,900,000
Applied Sciences Building	1,000,000	11,000,000
SUS FAMU/FSU College of Engineering	2,800,000	4,199,136

## Budget Update

Last week the Senate Ways and Means Committee met to discuss the proposed Senate budget and subsequently added several non-recurring budgetary items to the overall state budget, all predicated on the federal government providing Florida with additional Medicaid funds which would subsequently free up about \$1 billion in state general revenue. In a nut shell, an additional \$88 M in non-recurring is being added to the SUS operating budget; \$50 M would be for New Florida and the balance of \$38 M restores a portion of the university cuts.

Additionally, the Senate does not recommend salary cuts for state employees. However, the senate recommends that employees exempt from health insurance premiums be required to pay 10% of the employee premium for coverage beginning August 1, 2010. The Senate also recommends that any employee hired after April 30, 2010, or promoted into a position exempt from the career service after April 30, 2010 pay 50% of the employee premiums.

Lawmakers continued work on the sagging state budget last week. The House and Senate's main appropriations committees approved full spending plans, thereby setting the stage for final approval in each chamber later this week --and to both bodies' conference negotiators the following week.

The Senate moved forward with a \$68.6 billion budget proposal while the House's plan comes to \$67.2 billion. Their differing approaches to achieving these totals — particularly in the areas of education, health care, state agencies, and gambling — made clear that these budgets, which are currently worlds apart, will be difficult to merge.

The House proposes pulling \$716.8 million out of a dozen state-agency accounts; the Senate yanks a more modest \$295.1 million. However, the Senate is counting on an extension of federal Medicaid assistance to prop up its spending plan, and while this substantial pot of money isn't certain yet, it's widely expected to come through.

As a result, the Senate also added \$88 million in non-recurring dollars to the State University System operating budget with \$50 million for the "New Florida" initiative and the remainder as a restoration of other cuts. The House, meanwhile, decided it would not allocate additional dollars on just the possibility of federal monies.

The Senate is also betting on a proposed gaming compact with the Seminole Tribe, which would provide \$435 million in anticipated revenue. While legislative negotiators have kept their cards close to the vest, both chambers tipped their hands this week that a deal might be close.

As for substantive legislation, several bills that impact education continue to advance. Included are ones pertaining to class size, teacher pay, and vouchers for public education, which all passed the Senate and are awaiting hearings in the House.

Also, SB 2442 by Senator Evelyn Lynn, (R.-Ormond Beach), which would designate in statute The University of Florida as the "flagship university" of Florida, passed with unanimous support out of the Senate Higher Education Policy Committee. There is no House companion at this time.

Finally, a bill reducing the amount the state would contribute to each state employee's retirement fund passed the Senate Ways and Means Committee last week **(see Spotlight on Bills)**.

This week marks the midway point of this year's session and it's a truncated one due to the Passover/Easter holidays. Legislators will arrive on Wednesday to vote out their budgets and leave town again on Thursday.

Remember, **FSU Day at the Capitol takes place next week on Tuesday, April 6th**. Please plan to attend the festivities and remember to wear your Garnet and Gold.

*Kathleen*

# State University System Governance

Last week, the Board of Governors and the presiding officers of the Florida House of Representatives and the Florida Senate reached an amicable agreement that has resulted in the Board of Governors' unanimous decision to dismiss its claims against the Legislature in the "Graham" case.

Accordingly, the Legislature will work to pass legislation in the remaining days of this 2010 regular session, which will clarify and codify, where appropriate, the cooperative and collaborative roles of the Board of Governors and the Legislature in the governance of the State University System. Likewise, the Board of Governors will work to modify its regulations, as needed, to reflect the intent of this agreement.

Specifically, agreement is reached on:

- The exclusive authority of the Board for delegating the powers and duties of the university boards of trustees, including university personnel programs; working jointly with input from the Universities, the Board has already promulgated regulations that outline these powers and duties
- The authority of the Board to govern and regulate university information technology — acknowledging that our universities are engines of economic development utilizing a level of technology that oftentimes cannot be accommodated by existing state I.T. systems
- The authority of the Legislature to set base tuition and to delegate to the Board approval authority and oversight of differential tuition, and to consider and approve tuition policies for the various universities, in alignment with their distinct missions (e.g. block tuition and the flexibility to charge market rates for noncredit courses, online courses, and courses offered through continuing education departments)

- The authority of the Board to consider and act on a university board of trustees' request to establish a new fee or, for certain fees, to increase an existing fee beyond its current cap, based on criteria developed by the Legislature
- The authority of the Board to promulgate regulations through its Regulation Development Process to implement authority derived from the Constitution, and in certain areas like tuition and fees and public lands, to implement authority derived from the Legislature
- A collaborative approach to system and institutional accountability and data reporting, which is the foundation for a strong relationship between our state's elected leaders and the Board of Governors

In addition to the above areas of agreement, the Board of Governors and legislative leaders agree to establish a Higher Education Coordinating Council to facilitate solutions to challenges in meeting the higher education access needs of this state.

Finally, the Board Chair and Chancellor commit to hold regular planning meetings with legislative leaders to continue and build upon the collaboration and cooperation described in this agreement.

## SESSION SCHEDULE

### SENATE SESSION

Wednesday, March 31, 2010  
*10:00 a.m. to 6:00 p.m.*

Thursday, April 1, 2010  
*9:00 a.m. to 12:50 a.m.*

### HOUSE SESSION

Wednesday, March 31, 2010  
*noon until completion*

Thursday, April 1, 2010  
*10:00 a.m. until completion*

# Spotlight on Bills

**CS SB 2126, Florida Tax Credit Scholarship Program, by Senator Joe Negron (R – Palm City)**, provides a credit against corporate income and insurance premium taxes to taxpayers who make eligible contributions to nonprofit scholarship funding organizations (SFOs). SFOs award scholarships to students from families that meet specified income limitations for students to attend private school or pay for transportation to public schools located outside the students' districts of residents. The bill changes the current \$118 million fiscal year cap on tax credits under the FTC program to a calendar year cap of \$118 million for 2009. In 2010 and thereafter the cap will increase by 25%. The bill adds three new revenue sources for the FTC Program allowing taxpayer to receive credits for eligible contributions against: 1) severance taxes on oil and gas productions taxes; 2) self-accrued sales tax liabilities of direct pay permit holders; and 3) alcoholic beverage taxes on beer, wine, and spirits. The bill also changes the scholarship amount beginning in FY 2010-11. The bill replaces the current maximum private school scholarship amount \$3,950 with a variable amount state as a percentage of the Florida Education Finance Program unweighted full-time equivalent (FTE) amount for that fiscal year. For FY 2010-11, the maximum scholarship amount will be 65% of the FTE amount for that year. The bill is in messages to the House. A House companion, **HB 1009 by Representative Will Weatherford (R – Wesley Chapel)** is scheduled for hearing by the Finance and Tax Council.

**HB 255, Community College Fees by Representative Charles Chestnut (D – Gainesville)**, authorizes each community college board of trustees to establish a transportation access fee. Revenue generated from the fee may be used only for the provision or improvement of access to transportation services for students enrolled in the community college. The fee may not exceed \$6 per credit hour. An increase in the fee may occur only once each fiscal year and must be implemented beginning with the fall term. Additionally, the bill prohibits the transportation access fee from being included in the amount calculated for scholarships under the Bright Futures Scholarship Program. The bill has passed out of the House. The identical bill in the Senate, **SB 208 by Senator Steve Oelrich (R – Gainesville, FSU Alum)** is waiting to be heard by the full Senate.

**SB 2022, Florida Retirement System by Senator J.D. Alexander (R – Lake Wales)**, establishes the required employer payroll contribution rates for each membership class and subclass of the Florida Retirement System (FRS) retirement plan for the fiscal year beginning July 1, 2010. In addition, the bill changes the FRS from a noncontributory system to a contributory system by requiring each active member

of the FRS, the Senior Management Service Optional Annuity Program, the State University Optional Retirement Program and the Community College Optional Retirement Program to contribute 0.25% of gross salary to fund retirement benefits, effective January 1, 2011. The bill reported favorably out of the Policy & Steering Committee on Ways and Means. There is no House companion at this time.

**SB 2580, Group Insurance for Public Employees by Senator Don Gaetz (R – Destin)**, establishes the School District Insurance Consortium (Consortium). Health, accident, and hospitalization insurance would be procured through the Consortium for school district officers and employees, and their dependents. This bill makes competitive bid participation permissive. Multiple providers are authorized, and insurance coverage may be statewide or regionally-based. For regional coverage, the Consortium must include school districts of varying size and identify the regions in rule. The bill clarifies that collective bargaining is required, and specifies included subjects, consistent with current law. An opt-out provision is available to any school district provided that the school board holds a properly noticed public meeting, and finds that less expensive insurance is available elsewhere. The bill reported favorably out of the Education PreK – 12 Committee. The House companion, **HB 2021 by Representative Clay Ford (R – Pensacola)** is now in the Governmental Affairs Policy Committee.

**SB 2558, Grade Level Assignment Assessments by Senator Dave Aronberg (D – Greenacres)**, requires that the DOE adopt assessments for grade level assignment of a student who attended a private school or home school and who is transferring to or enrolling in public school. The bill requires that the assessments be based upon state-adopted grade level standards. Additionally, the bill requires that parents allow for their child to be assessed regardless of the date of enrollment during the school year, etc. The bill has been referred to the Education Pre-K – 12 and Education Pre-K – 12 Appropriations committees. The House companion,

**HB 1453 by Representative Franklin Sands (D – Plantation)** is now in PreK-12 Policy Committee.

**SB 1752, Economic Development by Senator Don Gaetz (R – Destin)**, amends several Florida business tax exemptions and tax credits, the Qualified Target Industry incentive program, and other economic development-related statutes in an effort to create jobs in Florida. It creates:

- tax credits for employers who hire jobless Floridians;
- a matching grant program for new research and development companies to draw down federal funds that assist in commercializing their discoveries; and
- opportunities to reduce regulatory impediments on businesses seeking permits or extensions of development orders.

Overall, this legislation is estimated to reduce revenues deposited into the General Revenue Fund by \$46.0 million in FY 2010-11; \$72.9 million in FY 2011-12, and \$38.2 million in FY 2012-13. For revenues deposited into state trust funds, including those revenues shared with local governments, this legislation is estimated to reduce revenues by \$0.2 million in FY 2010-11; to increase revenues by \$0.7 million in FY 2011-12; and to reduce revenues by \$0.7 million in FY 2012-13. For revenues imposed by local governments, the legislation is estimated to reduce revenues by \$0.5 million in FY 2010-11, \$0.2 million in FY 2011-12, and 0.8 million in FY 2012-13. The bill passed out of the Senate last week. A House companion, **HB 173 by Representative Ralph Poppell (R – Titusville)** reported favorably by the Finance & Tax Council.

## Update on Bills

**SB 6, Educational Personnel by Senator John Thrasher (R – Jacksonville, FSU Alum)**, was amended last week to allow that, A district school board may consider advanced degrees held by instructional personnel when evaluating teachers. The bill passed out of the Senate and is in House Messages. The House companion, **HB 7037 by Representative Marti Coley (R – Marianna, FSU Alum)** is in Senate Messages.



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