



# LegisLetter

## FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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## ECONOMIC STIMULUS

Last month Congress passed and the President signed the \$790 billion American Recovery and Reinvestment Act (ARRA), better known as the federal stimulus package. Florida is set to receive roughly \$13 billion of this money for education,

health care, economic development, energy and infrastructure needs.

Two weeks ago, Governor Crist released his \$66.5 billion budget recommendations and included \$4.7 billion in stimulus money for

spending increases in K-12 (an additional \$184 per student), Medicaid, and higher education (an extra \$130 million in general revenue), among other things.

As legislators began crafting next year's budget, even as revenue continues to shrink, they also debated whether to even use the stimulus money. Some worried that the stimulus, if it is used, would artificially inflate the state budget and leave them with a bigger deficit to tackle down the road. Senate budget chief J.D. Alexander (R-Winter Haven) indicated, however, that his chamber is leaning toward supplementing the budget with the stimulus, which provides a total of about \$3.6 billion for education over the next three years.

State lawmakers are also waiting for a report from the Revenue Estimating Conference on March 13 to tell them exactly how much money will be generated in fiscal year 2009-10. Indications are that revenues could be down by as much as \$6 to 8 billion compared to the current fiscal year, which is why tax increases, the closing of tax exemptions and revenue from the Seminole (gambling) Compact are all being considered.

Revenue estimates will also come out in the next two weeks for lottery and PECO money. Plus, the federal government continues to provide spending guidelines for the stimulus money.

So, at this point the budget puzzle is pretty jumbled, but legislators still have eight weeks to figure out the revenue dilemma and get all the pieces in place. And after that will come the one certainty in this whole process: The requirement in the state constitution that the legislature pass an annual budget by June 30.

Plenty of questions were raised but few were answered during the first week of this nine-week session. Most of those questions focused on the topic of money, or rather the lack of it, where to find more, and how to spend what little there is.

The same day legislators began to closely examine the governor's \$66.5 billion budget recommendations, news that property values in the state had decreased by 12 percent, or \$219 billion, added yet another wrinkle to an already dismal fiscal picture. Such a decline will likely mean that K-12 public schools will receive several billion dollars less next year, according to the state's economic forecasters.

Meanwhile, the House Finance and Tax Committee met for two days to examine dozens of sales-tax exemptions that are due to sunset in June. Not reauthorizing some of these exemptions has the potential to bring billions of dollars into state coffers, but a few could hit Florida State University in the pocketbook as well. For example, tickets to campus theater and musical performances and rentals of our athletic skyboxes are currently exempt from the sales tax.

Members of the legislature also spent time last week debating the actual need for and possible use of the federal stimulus dollars (**see related story**), while details of how that money can actually be spent continue to come down from the federal government.

Traditionally, not much of substance happens during the first week of session but this year was different. Along with the budget woes – which are sure to deepen after the Revenue Estimating Conference meets this Friday – several bills of interest were heard in various committees. For an overview, please see the **Spotlight on Bills** section of this newsletter.

As always, please feel free to contact me if you have questions, comments or concerns related to the 2009 legislative session. I can be reached at **(850) 644-4453** or via e-mail at **kdaly@fsu.edu**



# Spotlight on Bills

**HB 391 — State Funding for Medical Student Education by Representative Bill Proctor (R – St. Augustine, FSU Alum)**, requires the Board of Governors (BOG) to use a funding methodology for medical student education that provides a consistent base level of state support on a per-student basis at all colleges of medicine at state universities regardless of which public institution the student attends. The bill requires that the funding methodology be based on costs associated with the 4-year Doctor of Medicine degree as determined by the BOG in consultation with the Office of Program Policy Analysis and Government Accountability (OPPAGA). The funding methodology must be updated annually. The bill authorizes a supplement, in addition to the per-student base-level funding, to support the unique mission of any college of medicine at a state university or other policy initiatives of the Legislature. The supplemental funding will be determined by the BOG in consultation with OPPAGA. The bill permits startup funding that is not provided on a per-student basis for new medical schools

## SESSION SCHEDULE

### SENATE SESSION

Thursday, March 12, 2009  
10:00 a.m. to 12:00 noon

### HOUSE SESSION

*No Session Scheduled*



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that are authorized by the Legislature until such time as the first class has graduated. The bill requires a college of medicine at a state university to maintain accreditation in order to receive the funding for medical student education. The bill reported favorably by State Universities & Private Colleges Policy Committee and will go next to the State Universities & Private Colleges Appropriations Committee. The identical bill in the Senate, **SB 1614 by Senator Steve Oelrich (R – Gainesville, FSU Alum)** has been referred to Higher Education; Governmental Oversight and Accountability; Higher Education Appropriations; and, Policy & Steering Committee on Ways and Means.

**SB 1294 — Student Financial Assistance by Senator Rhonda Storms (R – Brandon)**, provides legislative intent to expand access to postsecondary education and reduce student indebtedness. The bill requires each state university and community college to report information relating to certain funds used to provide financial assistance to certain students. The bill further prohibits the use of such funds to provide financial assistance to any student holding an F-1 or M-1 visa. The bill has been referred to the Higher Education; Judiciary; Higher Education Appropriations committees. There is no House Companion at this time.

**SB 1104 — Art in Public Buildings by Senator Rhonda Storms (R – Brandon)**, repeals a statutory requirement that each appropriation for new construction of a state building include an amount of up to 0.5 percent of the total appropriation for buying works of art for the building. The repeal of s. 255.043, F.S., also eliminates all requirements related to the purchase of works of art for new state building construction, and related rulemaking authority. The bill was not considered by Governmental Oversight and Accountability Committee last week. The identical bill in the House, **HB 1295 by Representative Rich Glorioso (R – Plant City)** has been filed.

**SB 1828 — Revision of Class Size Requirements/Public Schools by Senator Stephen Wise (R – Jacksonville)**, proposes and amendment to the State Constitution to require that the class size requirements for public schools shall remain at the current limits but be based on the average number of students at the school level, rather than on the maximum number of students, who are assigned to each teacher who is teaching in public school classrooms in specified grades, etc. The bills have been referred to Education Pre-K - 12; Education Pre-K - 12 Appropriations; Policy & Steering Committee on Ways and Means; and, Rules committees. The House companion, **HB 919 by Representative Will Weatherford**

**(R – Zephyrhills)** has been referred to PreK-12 Policy; Education Policy Council; and the Rules and Calendar Council.

**SB 1996 — State Universities by Senator Lee Constantine (R – Altamonte Springs)**, authorizes university boards of trustees to increase the Capital Improvement Trust Fund fee subject to certain restrictions. The bill increases the monetary threshold for the utilization of funds for the replacement of minor facility projects. Additionally, the bill revises provisions relating to the matching and expenditure of funds under a university facility challenge grant program. The bill has been referred to Higher Education; Finance and Tax; Higher Education Appropriations; and the Policy & Steering Committee on Ways and Means committees. A similar bill in the House, **HB 499 by Representative Steve Crisafulli (R – Merritt Island)** has been referred to State Universities & Private Colleges Policy Committee; Education Policy Council; State Universities & Private Colleges Appropriations Committee; and, Finance & Tax Council

**SB 2318 — Postsecondary Tuition Rates by Senator Lee Constantine (R – Altamonte Springs)**, cites this act as the "Access to Higher Education Act" and requires that a student who is enrolled at a State University System institution pay the out-of-state tuition rate per credit hour if the student exceeds 120 percent of the number of credit hours required to complete a degree program. The bill requires that an educational plan be developed for a student who exceeds the required credit hours, etc. There is no House companion at this time.

**SB 2370 – State Purchasing of Vehicles by Senator Don Gaetz (R – Ft. Walton Beach)**, requires state agencies, state universities, and certain local governments to purchase hybrid, flex-fuel, or biodiesel vehicles if such vehicles are available. There is no House companion at this time.

**SB 2584 — State University Student Fees by Senator Victor Crist (R – Tampa)**, requires that the moneys from the Capital Improvement Trust Fund be used for the purpose of funding projects to benefit the student body. The bill requires that each state university board of trustees increase the activity and service fees beginning in the 2009-2010 fiscal year in an amount equal to \$1 per credit hour. The bill further requires that the university appropriate the revenues from such fees to its respective university alumni association to fund programs. There is no House companion at this time.