# Pension Reform Update

State employee retirement budget conforming bills are heading to Conference Committee starting Tuesday. This is where members of both chambers will negotiate on the final details of the 2011-2012 state budget and pension issues.

The main differences between the House and Senate proposals are the elimination of DROP (Deferred Retirement Option Plan) and the employee contribution rate. Both the House and Senate will require employee contributions to their FRS pension plans. The House has a flat rate of 3% for all salary levels. The Senate has a tiered payment approach: 2% on the first \$25,000 of compensation, 4% on the second \$25,000, and 6% on the third \$25,000. For example using \$51,000 salary:

2% on \$25,000 (\$500) + 4% on \$25,000 (\$1000) + 6% on \$1,000 (\$60) equaling a \$1560 employee contribution.

The House proposal would close DROP to new enrollment as of July 1, 2011. The Senate, thanks to the efforts of Sen. Jeremy Ring (D-Margate), would not close DROP until mid-2016.

The graph below demonstrates how the 2 plans would affect different salaries levels:

Last Wednesday marked the midpoint of this contentious and difficult 2011 session. And now the tough part begins.

Both chambers have already passed their respective budgets so the next step is the budget conference committee, which will probably begin meeting later this week. Conference is the process by which House and Senate members hash out their differences. The House budget totals \$66.5 billion while the Senate's comes to \$69.8 billion, for a difference of \$3.3 billion.

Other measures traveling with the budget are also likely to be addressed in conference this week, including each chamber's pension proposal. The biggest difference between the two plans is the amount public employees will have to contribute toward their pensions, starting July 1 (see related story and graph).

Another issue up for conference consideration is the bill to remove regulatory authority over a number of professions, including interior design and professional-sports agents. The House eliminated all such authority last week but the Senate's changes are not nearly as sweeping.

State employees can claim a minor victory this week. Senate Budget Chair J.D. Alexander (R-Lake Wales) announced that major changes to employee health benefits would not be pursued this year. Although the Senate proposed to amend these benefits, the House had no similar plan on the table. Look for this issue to surface during the 2012 session though.

Committees dealing with substantive legislation continue to hear bills this week. Among them are one that tweaks the unclaimed-property law to allow for a campus "recycle bicycle" program (**SB 632**), and another to close the open records statue for clients of autism centers (**HB 599**). Both of these bills will be heard again this week and the **Spotlight on Bills** section of this newsletter includes others of interest or relevance.

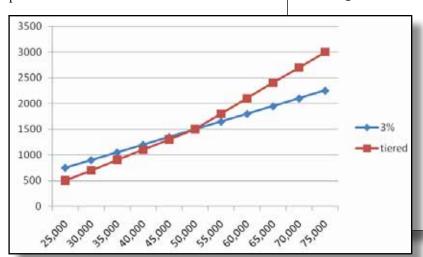
Once again, our annual and always highly anticipated day to shine is upon us! FSU

**Story)** and a first-ever kickoff reception hosted by President and Mrs. Barron will commence this evening at 5:30 on the 22nd floor of the Capitol. You are welcome to join us to meet and mingle with our legislators, their staff and their student interns. The reception is free and open to the public.

Please feel free to contact me with any questions, comments or concerns you may have. I can be reached at **(850) 644-**

Kathleen

4453 or kdaly@fsu.edu.





## **Update on Bills**

## SB 632, Postsecondary Education by Senator Steve Oelrich (R – Gainesville,

**FSU Alum)**, revises requirements for the disposal of personal property lost or abandoned on university or Florida College System institution campuses. Institutions would not have to sell the property at public auction after public notice and would not have to use the proceeds for student scholarships and loans. Instead, the property would be disposed of in accordance with the policies of the institution. Additionally, the bill authorizes the Board of Governors (BOG) to adopt a regulation instead of a rule to govern the naming of state university buildings; universityacquired patents, copyrights or trademarks; delinguent accounts; purchasing; research centers for child development; personnel records; and university lease agreements for facilities. The bill also repeals a prohibition on a university from requiring a student who earns 9 or more credit hours through an acceleration mechanism to enroll in a summer term, thus permitting a state university to require summer term attendance by students. The bill will be heard in the Community Affairs committee this afternoon. A comparable bill in the House, **HB** 

**7151** by Representative Kellie Stargel (R – Lakeland) is now in the Education Committee.

### **SESSION SCHEDULE**

#### **SENATE SESSION**

No Session Scheduled

### **HOUSE SESSION**

Thursday, April 14, 2011 9:00 a.m. to 1:00 p.m.

Friday, April 15, 2011 10:00 a.m. to 2:00 p.m.

# CS SB 386, Procurement by Senator Ellyn Bogdanoff (R – Ft. Lauderdale), modifies

the existing in-state vendor preference for public printing contracts to include counties, municipalities, school districts, and other political subdivisions as entities that may grant a preference. The CS specifies that the printing preference is equal to the preference established by the state of the lowest bidder, or 5 percent when the lowest bidder's state has no in-state preference. In relation to the procurement of personal property and services under ch. 287, F.S., the CS provides that the preference for in-state vendors shall be 5 percent when the lowest bidder's state has no in-state preference. The bill is scheduled for hearing this afternoon in the Community Affairs Committee. A comparable bill in the House, HB 1079 by Representative George Moraitis (R - Ft. Lauderdale) is in the Governmental Operations Subcommittee.

## CS HB 45, Firearms by Representative Matt Gaetz (R – Ft. Walton Beach, FSU

**Alum)**, removes the statutory language that authorizes counties to adopt an ordinance requiring a waiting period of up to three working days between the purchase and delivery of a handgun. The bill replaces this

provision with language prohibiting specified local governmental entities from regulating or attempting to regulate firearms or ammunition in any manner and provides exceptions to this prohibition. Counties still have the authority to require a criminal history records check and a 3 to 5-day waiting period in connection with the sale of any firearm occurring within such county. The bill reported favorably in the Judiciary Committee and is waiting to be heard by the full House. A similar bill in the Senate,

SB 402 by Senator Joe Negron (R – Palm City) is in the Rules Committee.

# CS SB 234, Firearms by Senator Greg Evers (R – Crestview), provides that a person who holds a valid concealed weapon or firearm license, issued by the Department of Agriculture and Consumer Affairs, may carry a weapon or firearm openly. The bill was amended earlier in the session to prohibit carrying a firearm on any college or university facility unless the licensee is a registered student, employee, or faculty member of such college or university and the weapon is a stun gun or nonlethal electric weapon or device designed solely for defensive purposes and the weapon does not fire a dart or projectile. The bill is scheduled to be heard in the Judiciary

## **FSU DAY AT THE CAPITOL - TOMORROW**

After months of planning, our big day is finally here. Tomorrow is FSU Day at the Capitol and this year promises to be another great event. As in the past, FSU Day is meant to emphasize the University's long and proud heritage and bring attention to the extraordinary accomplishments of students and faculty.

Please join us for a day filled with informative displays in the plaza level, second and third floor rotundas from 10:00 a.m. to 2:00 p.m., as well as appearances by FSU celebrities, performances by the Pep Band, cheerleaders and the Flying High Circus during the lunch hour in the courtyard beginning at 11:30 a.m. Refreshments will be available for all to enjoy.

Don't forget, this year we have added a "Seminole Evening" reception tonight on the 22nd floor of the Capitol at 5:30 p.m.

Come by and meet our legislators.

We look forward to seeing this evening and tomorrow in your Garnet and Gold.

Committee tomorrow. A similar bill in the House, **CS HB 571 by Representative Chris Dorworth (R – Heathrow)** also had been amended to exempt university campuses. The bill is waiting to be heard by the full House.

# HB 4177, Public Postsecondary Education by Representative Larry Metz (R – Eustis,

**FSU Alum).** repeals the exemption from the summer enrollment requirement for students who have earned nine or more credits through articulated acceleration mechanisms., allowing a state university to require all students to attend at least one summer term regardless of whether they earned nine or more credits from the acceleration mechanisms. Universities have increased the use of facilities and faculty during the summer term due to increasing access demands and greater competition. This change will provide state universities with more flexibility regarding course scheduling. Increasing summer term enrollment may shorten the time it takes for students to complete their degrees, which will create more openings for prospective students. The bill has been placed on the calendar to be heard by the full House. A comparable bill in the Senate. SB 1732 by Senator Evelyn Lynn (R - Ormond **Beach)**, will be heard in the Higher Education Appropriations Committee on Wednesday.

## **Spotlight on Bills**

amendment:

CS HJR 1, Health Care Freedom by
Representative Scott Plakon (R –
Longwood), proposes a ballot initiative
to provide for the creation of Section 28 of
Article I of the Florida Constitution relating
to health care. Specifically, the constitutional

- Prohibits a law or rule from compelling, directly or indirectly, any person or employer to purchase, obtain, or otherwise provide health care coverage.
- Allows a person or employer to pay directly for lawful health care services and allows a health care provider to accept direct payment for lawful health care services.
- Prohibits the imposition of taxes or penalties on individuals and medical care providers who choose to participate in a direct payment system.

- Allows for the purchase or sale of health insurance in private health care systems to be free from prohibition by rule or law.
- Exempts laws or rules in effect as of March 1, 2010.

The bill reported favorably by the State Affairs Committee last week and is now in the Health & Human Services Committee. The identical bill in the Senate **SJR 2 by Senator Mike Haridopolos (R – Melbourne)** has passed out of the Senate and is in House messages.

**HB 579, Autism by Representative Marti** Coley (R - Marianna, FSU Alum), creates a public record exemption for all records relating to a client of a regional autism center who receives the services of a center or participates in center activities, and all records relating to the client's family. The bill authorizes the release of the confidential and exempt records under certain circumstances. The bill also creates a public record exemption for personal identifying information of a donor or prospective donor to the center who desires to remain anonymous. The bill has been placed on the calendar to be heard by the full House. A comparable bill in the Senate, SB 1192 by Senator Nan Rich (D - Sunrise) will be heard in the Health Regulation Committee tomorrow.

**SB 1620, Educational Instruction by Senator Anitere Flores (R – Miami)**, revises the current framework and funding for virtual instruction in Florida. The bill:

- Provides for the participation of statewide virtual providers, virtual charter schools, and blended-learning charter schools;
- Revises the role of school district virtual instruction programs;
- Requires the online administration of all statewide assessments:

Requires the Department of Education to develop an evaluation process for part-time virtual instruction providers;
Revises the qualifications of instructional personnel; and
Requires students entering the ninth grade in 2011-2012 and thereafter to take at least one online course in order to meet high school graduation requirements.

The bill is scheduled to be heard in the Budget Committee on Wednesday. A comparable bill in the House, **HB 7197 by Representative Kelli Stargel (R – Lakeland)** is in the Appropriations Committee.

## HB 1425, State Minimum Wage by Representative John Tobia (R –

**Melbourne)**, provides that the Florida Constitution requires the Agency for Workforce Innovation (AWI) to annually calculate and publish the Florida minimum wage. AWI is required to calculate an adjusted state minimum wage rate by increasing the state minimum wage by the rate of inflation for the 12 months prior to September 1." The bill replaces adjusted state minimum wage rate with Adjusted Real Wage Rate. The bill provides that in calculating the Adjusted Real Wage Rate, AWI must calculate the rate of inflation by computing the percentage change in the consumer price index. Each year the rate of inflation will be multiplied by the prior year's computed Adjusted Real Wage Rate. This provides the amount to be added to, or subtracted from, the previous year's computed Adjusted Real Wage Rate. The computed Adjusted Real Wage Rate becomes the Florida Minimum Wage if both the Federal Minimum Wage Rate and the prior year's Florida Minimum Wage are lower than the Adjusted Minimum Wage Rate. If the Adjusted Real Wage Rate is lower than the prior year's Florida



# THE FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

Kathleen M. Daly, Assistant Vice President Toni Moore, Program Coordinator Chris Adcock, Office Administrator

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Minimum Wage and lower than the Federal Minimum Wage Rate, then the higher of the two becomes the Florida Minimum Wage for the subsequent year. The bill reported favorably in the Finance and Tax Committee last week and is now in the Economic Affairs Committee. A comparable bill in the Senate, **SB 1610 by Senator Nancy Detert (R – Venice)** will be heard tomorrow in the Commerce and Tourism Committee.

### 4155, College Level Academic Skills Test by Representative Kelli Stargel (R –

**Lakeland)**, repeals the criteria a student in a public postsecondary educational institution must meet in order to obtain an associate in arts or a baccalaureate degree and the waivers associated with those requirements. A student will no longer be required, by law, to achieve a minimum score on a nationally standardized examination or demonstrate successful remediation and achieve a certain grade point average. However, an institution may continue to require similar criteria to ensure a student has met the necessary learning outcomes in accordance with its accreditation process. The bill reported favorably in the Education Committee last week and has been placed on the calendar to be heard by the full House. The identical bill in the Senate, **SB 1278 by** Senator Rhonda Storms (R - Brandon) has been referred to the Higher Education and Budget committees.

## CS HB 1255, Education Accountability by Representative Janet Adkins (R

**- Fernandina Beach)**, amends various provisions of the Florida School Code related to public school accountability. More specifically the bill:

Amends the good cause exemption for voluntary prekindergarten program providers.

- Expands access to virtual education by requiring school districts to provide access both during and after school, rather than one or the other.
- Authorizes the Commissioner of Education to require school districts to participate in the administration of international assessments.
- Provides the Commissioner of Education limited flexibility to extend the schedule

- for reporting student results on statewide assessments.
- Eliminates the requirement that certain students take the Algebra I end-of-course assessment.
- Establishes a limited exemption from the intensive reading course requirement for certain students.
- Amends the formula for calculating school grades to include end-of-course assessments taken by middle school students and the achievement score and learning gains of students in a hospital homebound program.
- Establishes, by State Board of Education rule, a minimum percentage of students that must be proficient in reading in order not to receive a school grade of "F," with exception.
- Amends how school grades are determined for purposes of differentiated accountability and eligibility for the Opportunity Scholarship Program.
- Establishes a waiver from the results of end-of-course assessments for certain students.
- Authorizes a middle school principal to determine if a transfer student who has already successfully completed a civics education course needs to take the civics end-of-course assessment.
- Authorizes school districts to provide digital curriculum for students in grades 6 through 12.
- Authorizes the establishment of middle school Career and Professional Academies.
- Requires industry certification, when available, for certain career and technical education teachers.
- Requires individualized education plan teams to arrange to complete an assistive technology assessment within 60 days.
- Eliminates the requirement that the Commissioner of Education review the budgets for school districts and Florida College System institutions.
- Eliminates the requirement for Department of Education approval of the budgets for district school boards.
- Establishes budget transparency by requiring school districts to post each

- proposed, tentative, and official budget on their websites and encouraging school districts to provide additional information on their websites.
- Establishes a gift ban for school board members.

The bill reported favorably in the Education Committee last week and has been placed on the calendar to be heard by the full House. A Senate comparable **CS SB 1696 by Senator Stephen Wise (R – Jacksonville)** will be heard in the Education Pre-K - 12

Appropriations Subcommittee tomorrow.

PCB KCOS 11-03, College Personnel by Representative Erik Fresen (R – Miami,

**FSU Alum)**, eliminates tenure for all Florida College System employees and puts them on one year contracts. The bill provides and exception for only the college president. After a vote by the Florida College System Council of Presidents was taken, the bill has been dropped for this session.an appeals process be developed. The bill was work-shopped in the K-20 Competitiveness Subcommittee last week but a vote was not taken. A comparable bill in the Senate, **SB 1680 by Senator Rhonda Storms (R – Brandon)** has been referred to the Education Pre-K – 12 and Budget committees.