

LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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The annual legislative session began this past week with pomp and flora for Florida's lawmakers and public demonstrations by its citizens.

During the opening day of the 60-day session on Tuesday, legislators' families dressed in their Sunday best to watch the ceremonies, while outside the capitol hundreds of people descended on downtown Tallahassee to either show support for the legislators and Governor or show their dismay.

These protests provided a reminder that this year's session could be long and contentious as lawmakers grapple with a budget shortfall, state employee pension reform, changes to Medicaid, and a complete restructuring of how K-12 teachers are retained and paid (**see related stories**).

These protests didn't stymie legislators from attending quickly to their long to-do list. The Senate passed its version of the teacher merit-pay bill on to the House, along with a constitutional amendment that would block federal health care reform. The House is expected to take up both measures this week and pass the teacher bill along to the Governor, who has said he will immediately sign it into law. The constitutional amendment, meanwhile, will be on next year's ballot for voters to decide.

Governor Scott kicked off the session with his first State of the State address, where he called on lawmakers to quickly pass his bare-bones budget and join him in his quest to cut state spending and slash taxes. However, the Republican-controlled legislature has already clashed with the Governor on several issues.

This week, the revenue estimating conference will release the amount of general revenue available to the legislature so that they can begin their budgeting in earnest. Also this week, discussions pertaining to Medicaid begin, and a bill to allow guns on campus will again be heard in a Senate committee. The "gun bill" has been temporarily postponed twice, and during its last hearing colleges and universities were stripped out of the bill, maintaining the current law of prohibiting concealed weapons on campuses (**see Spotlight on Bills**).

Today is the day our "Advocate for Florida State" website launches. This grassroots program is designed to assist our alumni, friends, students, faculty and staff in contacting their legislators on behalf of FSU. Please take a moment to read the related story and sign up for this exciting endeavor.

As always, please feel free to contact me if you have questions about or need copies of bills and their analysis. I can be reached at (850) 644-4453 or kdaly@fsu.edu.

Kathleen

PECO

The Public Education Capital Outlay (PECO) Estimating Conference met last week and drastically reduced the PECO forecast. The PECO Trust Fund is provided through the collection of gross receipt taxes which are used to fund educational construction and bonding. Below is a breakdown of the latest conference results:

- For the current year, 2010-11, the PECO estimate remains constant, thereby no budget cuts are anticipated.
- For the upcoming budget year, 2011-12, the conference decreased the K-20 PECO estimate by \$236 M, completely eliminating bonded projects. The \$109.3 M PECO allocation adopted by the Board of Governors on February 17 has been reduced to zero. Also, the conference reduced K-20 cash projects (sum-of-the-digits maintenance) from \$176 M to \$120 M (the State University System's (SUS) share is approximately \$14 M – down from \$20 M).
- For 2012-13, the K-20 forecast was reduced from \$364 M to \$223 M, a decrease of \$141 M, realistically eliminating bonded projects.
- For 2013-14, the K-20 forecast was slightly up from \$957 M to \$1.06 B.

The exact affect of these cuts will not be known until the Department of Education provides a new official SUS allocation.

Advocate for Florida State

"Advocate for Florida State" is a grassroots advocacy project for our alumni, faculty, students, staff and friends. Created in partnership with the FSU Alumni Association and the FSU Foundation, this website is designed to inform and encourage supporters of Florida State University to communicate the university's goals and priorities, particularly during the Legislative Session. The site invites users to learn about our legislative agenda and provides information on how to get involved with your elected representatives and senators.

Whatever the issue, your voice will make a difference this session. Please sign up, free of charge and participate in "Advocate for Florida State" by visiting www.advocateforfloridastate.fsu.edu.

SESSION SCHEDULE

SENATE SESSION

Tuesday, March 15,
10:00 a.m. – 12:00 noon

Wednesday, March 16,
10:00 a.m. – 12:00 noon

HOUSE SESSION

Tuesday, March 15,
2:45 p.m. – 11:45 p.m.

Wednesday, March 16,
1:00 p.m. – 1:00 a.m.

Spotlight on Bills

UPDATE ON BILLS

SB 1130, Retirement by Senator Jeremy Ring (D – Margate), was amended last week to re-define contribution rates for employees as follows:

- change vesting after July 2011 from 6 to 8 years
- contribution of 2% for regular class and special risk employees and 4% for select exempt and select management (this is a max rate change in statute)
- from July 1, 2011 to July 1, 2012 the contribution shall be 0% for those making under \$40k, 2% for those making under \$75 and 4% for those making over \$75k
- employee contributions are not required if FRS reaches or exceeds 100% of funding
- allows universities the option of developing their own health insurance benefit plans

The senate bill does not change the DROP or the State University System Optional Retirement (SUSORP) programs. Additionally, it does not change the current accrual rates for members of the FRS. The bill reported favorably out of the Governmental Oversight and Accountability Committee and will next go to the full budget committee next week. The House companion, **HB 1405 by Representative Ritch Workman (R – Melbourne)**, was released last week. The House bill follows closer to the Governor's proposed plan by eliminating employer contributions to the optional retirement plans; revises the retirement health insurance subsidy; closes participation in the DROP program to anyone entering the program after July 1, 2011 and revises retiree cost of living adjustments for anyone retiring after July 1, 2011.

SB 234, Firearms by Senator Greg Evers (R – Crestview) was amended last week to prohibit guns 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 for further discussion in the Criminal Justice Committee this afternoon.

SB 736, Education Personnel by Senator Stephen Wise (R – Jacksonville), creates the "Student Success Act." The bill is a comprehensive education personnel initiative that provides for a reform of the evaluations of instructional personnel and school administrators;

compensation; and employment practices. The bill passed out of the Senate last week, and is scheduled to be heard by the full House tomorrow. The House companion, **HB 7019 by Representative Erik Fresen (R – Miami, FSU Alum)**, is also scheduled for discussion by the full House tomorrow.

SB 2, Health Care by Senator Mike Haridopolos (R – Melbourne), is a joint resolution proposing the creation of Section 28 of Article I of the State Constitution for the purpose of preserving the freedom of Florida residents to provide for their own health care. The bill passed out of the Senate and is awaiting a hearing by the full House. The House companion, **HB 1 by Representative Scott Plakon (R – Longwood)** is now in the Health & Human Services Quality Subcommittee.

SB 83, by Senator John Thrasher (R – Jacksonville, FSU Alum), prohibits a state agency from deducting from an employee's wages, dues, uniform assessments, fines, penalties, or special assessments of employee organization or contributions made for purposes of political activity. The bill was amended last week to limit the use of dues, uniform assessments, fines, penalties, or special assessments paid by an employee to make contributions or expenditures without the express written authorization of the employee. The bill is scheduled to be heard by the Community Affairs Committee today. A similar bill in the House, **HB 1021, Labor and Employment, by Representative Chris Dorworth (R – Heathrow)** was similarly amended and reported favorably out of the State Affairs Committee.

SB 382, by Senator Elyn Setnor Bogdanoff (R – Ft. Lauderdale), was amended last week to allow tax collectors to charge tax deed applicants for the reimbursement of fees charged by a vendor to the tax collector for providing electronic tax deed application services. The bill authorizes tax collectors offering electronic tax deed applications to require

tax certificate holders to use such electronic tax deed application services. Additionally, the bill states that the tax collector can accept an application for obtaining a tax deed on a part of a parcel of property only after the separation has been received from the property appraiser. The bill reported favorably by the Budget Subcommittee on Finance and Tax. The House companion, **HB 355, Property Taxation, by Representative Marlene O'Toole (R – The Villages)** is in the Finance and Tax Committee.

SPOTLIGHT ON BILLS

SB 276, Procurement by Senator Mike Bennett (R – Bradenton), amends the Consultants' Competitive Negotiation Act (CCNA), which specifies how state agencies and political subdivisions procure the services of design professionals, to allow agencies to reopen negotiations with any selected firm after terminating negotiations with another selected firm. The bill also requires the Chief Financial Officer to review the process by which agencies procure services for building and maintaining state buildings, and report to the Legislature on any recommendations for increasing transparency and accountability in the state's design-build process. The bill passed the Governmental Oversight and Accountability Committee and is now in Education Pre-K – 12. The House companion, **HB 135 by Representative Fred Costello (R – Deland)**, is in the Government Operations Subcommittee.

SB 632, Postsecondary Education by Senator Steve Oelrich (R – Gainesville, FSU Alum), prohibits the deduction of a service charge from the proceeds of certain local option fuel taxes and requires a percentage of said tax revenues to be deposited in the University Concurrency Trust Fund. The bill revises provisions relating to the payment and funding of developments in accordance with university campus development



THE FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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agreements and provides for the adoption of regulations rather than rules by the Board of Governors, universities, and university boards of trustees. The bill is scheduled to be heard in the Higher Education Committee today. The House companion, **HB 4177 by Representative Larry Metz (R – Eustis)**, is in the K-20 Innovation Subcommittee.

SB 1194, Postsecondary Education by Senator Steve Oelrich (R – Gainesville, FSU Alum), deletes provisions relating to the College-Level Academic Skills Test (CLAST). The bill provides that articulation policies and budget actions be implemented consistently with the practices of the Department of Education and the postsecondary educational institutions and expressed in the collaborative policy efforts of the State Board of Education and the Board of Governors. The bill further requires the establishment of the Articulation Coordinating Committee and provides its responsibilities. The bill deletes provisions that exclude students with intellectual disabilities from eligibility for substitute requirements for admission to or graduation from a public postsecondary educational institution. The bill is scheduled to be heard in the Higher Education Committee today. The identical bill in the House **HB 881 by Representative Leonard Bemby (D – Madison)** is in the K-20 Competitiveness Subcommittee.

SB 100, Autism by Senator Jeremy Ring (D – Margate), requires that a physician refer a minor to an appropriate specialist for screening for autism spectrum disorder under certain circumstances. The bill also requires that certain insurers and health maintenance organizations provide direct patient access to an appropriate specialist for screening for or evaluations or diagnosis of autism spectrum disorder. The bill has been referred to Health Regulation; Banking and Insurance; and, Budget committees. The identical bill in the House, **HB 1431 by Representative Bill Hager (R – Boca Raton)** has been filed.

SB 516, Autism by Senator Rene Garcia (R – Hialeah), creates the Autism Spectrum Disorder Study Committee to examine the effects of autism spectrum disorder (ASD) on families in which English is the second language. The committee, composed of nine members, is to advise the Agency for Persons with Disabilities (APD) on matters relating to the occurrence of ASD in those families. The committee must prepare and present its report by September 1, 2012, when the committee expires. The bill is scheduled to be heard by the Children, Families, and Elder Affairs today. The identical bill in the House, **HB 83 by Representative Darren Soto (D – Orlando)** is in the Health & Human Services Quality Subcommittee.

SB 246, Human Trafficking by Senator Arthenia Joyner (D – Tampa), requires operators of massage establishments to maintain valid work authorization documents on the premises for employees who are not U.S. citizens, and present these documents to a law enforcement officer upon request. The bill makes

it unlawful for a massage establishment operator to knowingly use a massage establishment for the purpose of lewdness, assignation, or prostitution. Additionally, the bill establishes criminal penalties for a violation of any of the provisions. The bill is scheduled for discussion in the Criminal Justice Committee today. The House companion, **HB 477 by Representative Rachael Burgin (R – Riverview)** will be heard in the Criminal Justice Subcommittee tomorrow.

SB 534, Firesafety by Senator Stephen Wise (R – Jacksonville), coordinates state fire marshal law with educational facilities law regarding fire safety inspections on educational property. The bill abolishes the classification of the special state fire safety inspector and leaves intact the classification of full fire safety inspector, and provides for a contingent grandfathering in of existing special state fire safety inspectors. The bill also provides that uniform firesafety standards and an alternate system be governed by fire officials certified by the State Fire Marshal. The bill further reduces the number of mandatory inspections at educational facilities from two to one annually, and provides for the inspection report to be distributed at the local level only and clarifies the fire safety inspection process for charter schools and for public postsecondary institution. The bill requires all boards to use only certified fire officials and other inspectors in monitoring compliance with the Florida Building Code, the Florida Fire Prevention Code,

and the State Requirements for Educational Facilities; and requires public education boards to submit for approval the site plan for new construction to the local entity providing fire-protection services to the facility and outlines the compliance process. The bill reported favorably out of the Banking and Insurance committee last week and is now in the Education Pre K – 12 Committee. The identical bill in the House, **HB 331 by Representative Mike Weinstein (R – Orange Park)** is now in the Government Operations Subcommittee.

SB 746, Open House Parties by Senator Thad Altman (R – Melbourne), enhances the penalty against a person violating, for a second or subsequent time, the prohibition against knowingly hosting an open house party where alcohol or drugs are possessed or consumed by a minor without having taken reasonable steps to prevent such possession or consumption. The bill provides that the second or subsequent violation is a misdemeanor of the first degree. The bill further provides that a first time violation or subsequent violation that causes or contributes to causing serious bodily injury or death is a misdemeanor of the first degree. The bill reported favorably out of the Regulated Industries Committee last week and is now in the Criminal Justice Committee. A similar bill in the House, **HB 105 by Representative Tom Goodson (R – Titusville, FSU Alum)** reported favorably out of the Judiciary Committee.

Medicaid

In 2011 Medicaid will be 40% of the state budget, with Education dropping to 32% of the state budget. The House and Senate health appropriations subcommittees are planning to cut \$1.5 billion or more from the \$20.3 billion program. The committees plan to eliminate optional services and adopt legislation that will direct Medicaid recipients in to capitated managed care arrangements. Capitation means a “fee for patient” health care system as compared to a “fee for service” system. At least \$100 million is at risk of being lost to Florida medical schools through loss of the physician supplemental payments. This is because Florida, which operates primarily on a fee-for-service model, is moving toward managed care and the capitated model associated with managed care won't draw down matching federal funds due to a provision in federal law that prohibits direct provider payments (in this case, to medical school physicians) under a capitated system.

The Medicaid discussion is vitally important to the universities because a balanced State budget this session means difficult changes will have to be made to this program.

The House and Senate approaches differ in scope and focus. The Senate released Senate Bill 1972 on February 17th and will conduct public hearings starting tomorrow. The House released PCB HHSC 11-01 & PCB HHSC 11-02 last week and will begin hearings today.