



Volume Fourteen / Number Six • April 7, 2008

There was good news and bad news last week. Let's start with the good: The legislative session is officially past the halfway point! Now for the bad: It's the tough half of the session that remains.

The difficulty, of course, is in crafting a balanced state budget when revenues are so severely reduced. Last week, the House Policy and Budget Council passed a \$65.1 billion spending plan, which now goes before the full House on Wednesday. Meanwhile, the Senate's initial - and similarly meager - budget proposal is also moving forward **(see related story)**.

A bill pertaining to distance learning, which was offered by Senate Higher Education Appropriations Chair Evelyn Lynn, was voted out of her committee last week. It now moves to another committee for a review of its substantive impact. A House version of this bill, which is similar but not identical, will be heard tomorrow in the Schools and Learning Council. Meanwhile, bills that would tweak technology fees at both community colleges and state universities continue to move through House and Senate committees. These proposals need work, however, and discussions persist with the legislators involved in this amendatory process **(see Spotlight on Bills)**.

In related news, the state's Taxation and Budget Reform Commission met last Friday and ultimately decided to postpone a vote on a proposal that would impose a cap on state and local tax revenues. With 19 amendments to the original draft, nearly 100 people scheduled to speak to this issue, and after 10 hours of public testimony, the chair decided to call for a final vote during the committee's next meeting on April 14. The Commission did approve an optional tax to off-set the costs of converting the Community College System to a State College System, a proposal that is awaiting passage by the Legislature and ultimately the voters. The tax issue will also go before the voters for final approval in November. (The TBRC, which is mandated by the state constitution and appointed by the Governor, meets every 20 years to review Florida's tax structure. Proposals that pass the commission are placed on the November ballot for voters to decide.) The TBRC's final report is due to be released no later than May 5.

As always, I would welcome your comments, concerns and questions about these or any other issues moving through the legislative process. I can be reached at **(850) 644-4453** or via e-mail at **kdaly@fsu.edu**.

Kathleen

SESSION SCHEDULE	
SENATE SESSION	
Wednesday, April 9 <i>9:00 a.m. to 5:00 p.m.</i>	
Thursday, April 10 <i>9:00 a.m. to 1:00 p.m.</i>	
HOUSE SESSION	
Wednesday, April 9 <i>11:00 a.m. to 6:00 p.m.</i>	
Thursday, April 10 <i>8:00 a.m. to 11:50 a.m.</i>	

Spotlight on Bills

SB 1774 — Higher Education Funding by Senator Evelyn Lynn (R – Ormond Beach), specifies that the technology fee each community college board of trustees is authorized to establish is no longer a component part of tuition. The bill provides that the maximum amount of the community college technology fee is the same percentage of tuition and out-of-state fee as the maximum amount authorized for the state university technology fee. The bill clarifies that the revenue generated from the community college technology fee shall be used to enhance instructional technology resources for students and faculty and shall not be included in any award under the Florida Bright Futures Scholarship Program. The bill deletes the date that each university board of trustees is authorized to begin the assessment of a technology fee and requires that the establishment of the fee is contingent upon a referendum of the student body in which a majority of the students participating in the referendum vote to support the technology fee. It also requires each university board of trustees to annually report on the total amount of revenue generated by the technology fee and how the revenue was expended to support technology. Current technology fee law becomes effective in 2009. The bill passed out of the Higher Education Appropriations Committee, its only committee of reference, this week. The House is working on a similar proposal.

HB 893 — Tax on Sales, Use and Other Transactions by Representative Marti Coley (R – Marianna, FSU Alum), establishes a sales tax holiday on August 2-11, 2008 (10 days). During the sales tax holiday, books, clothing, footwear, wallets, and bags that cost \$50 or less, and school supplies that cost \$10 or less, are exempt from the state sales tax and county discretionary sales surtaxes (commonly called 'local option sales taxes'). Additionally, the bill specifies that the sales tax holiday does not apply to sales within a theme park, entertainment complex, public lodging establishment, or airport. The bill provides a \$224,110 appropriation to the Department of Revenue for the administration of the sales tax holiday. The bill is estimated to reduce state revenues by \$40.7 million and local revenues by \$9.0 million in FY 08-09. This bill reduces the authority that counties have to raise revenue through local option discretionary sales surtaxes by \$7.7 million, and therefore the bill must have a 2/3 vote of the membership of each house to pass. The bill was passed in the Schools and Learning Council last

week and is now awaiting hearing in the Policy and Budget Council. A similar bill in the Senate, **SB 2094 by Senator Dan Webster (R – Winter Garden)**, has been referred to the Finance and Tax and General Government Appropriations committees.

SB 504 — Motor Vehicle/Wireless Communication Devices by Senator Carey Baker (R – Eustis), the bill prohibits any person under the age of 18 years from operating a motor vehicle, while using an electronic communications device. This restriction does not apply when an electronic communication device is used to report illegal activity, summon medical or emergency help, or prevent injury to a person or property. Enforcement is allowed only as a secondary action, and violations are punished as a non-criminal traffic violation, punishable as a moving violation by a \$60 fine and one point against the driver's license. The bill was amended last week to prohibit text messaging while operating a motor vehicle. The bill passed out of the Transportation Committee and is awaiting hearing in the Communications and Public Utilities Committee. The identical bill in the House, **HB 193 by Representative John Legg (R – Port Richey)**, has been referred to the Committee on Infrastructure by the Economic Expansion & Infrastructure Council.

UPDATE ON BILLS

SB 1762 — Distance Learning by Senator Evelyn Lynn (R – Ormond Beach), establishes the Florida Distance Learning Consortium. The Consortium will be comprised of nine members appointed by the governor. Four members will be from the state university system, four from the community college system and one private citizen having experience in distance learning education. The bill requires the Consortium to develop, operate and promote the "Florida Higher Education Distance Learning Catalog" to help increase student access to distance learning courses and degree programs. The catalog will be established as an interactive, web-based single point of access to distance learning courses, degree programs, and resources offered by public postsecondary education institutions. Additionally, the bill mandates a state university to assess a resident undergraduate student who enrolls in a course listed in the catalog a per credit hour distance learning course fee that does not exceed 10 percent of tuition and the out-of-state fee the student is assessed to enroll in the course. If for the 2007-2008 academic year a

state university assessed resident undergraduate distance learning course fee that exceeded the amount authorized in this paragraph, the state university shall calculate the difference between the two fee amounts and annually reduce the difference by 33 percent until the state university is in compliance with the provisions of this paragraph. The House is working on a similar proposal by **Representative Marti Coley (R – Marianna, FSU Alum)**, which will be heard in the Schools and Learning Council tomorrow.

HB 1291 — Autism Spectrum Disorder by Representative Ari Porth (D – Coral Springs), creates the "Window of Opportunity Act." The bill requires that the 40-hour introductory course required for all child-care personnel include information regarding autism spectrum disorder, including recognition and care of infants and toddlers who have autism spectrum disorder. The bill mandates coverage for autism spectrum disorder by certain specified health insurance plans, and provides definitions applicable to the new section of law, eligibility requirements for coverage, and an annual maximum benefit for behavioral analysis that may be adjusted annually. The bill requires health insurance plans to provide specified coverage for well-baby and well-child screening for diagnosing the presence of autism spectrum disorder and for the intervention and treatment of autism spectrum. The bill limits coverage to treatment prescribed by the insured's treating physician in accordance with a treatment plan. The bill provides provisions or restrictions for denial of coverage or number of visits, dollar limitations and cost sharing, and allows certain exclusions or restrictions in plans. Additionally, the bill specifies elements that must be included in treatment plans in order for health insurance plans to appropriately pay claims, and provides limitations to health insurance plan requests for updated treatment plans from physicians. The bill provides that other benefits and coverage provided under a health plan may not be limited. Further, the bill creates a process for creating new requirements for public institutions of higher education offering coursework for educator certification to include in existing course curricula recommendations concerning instruction in autism spectrum disorder and other developmental disabilities awareness. The bill includes similar requirements for teacher and paraprofessional in-service instruction, and requires the recommendations to be submitted to the State Board of Education and the Board of Governors. The bill passed out of the Health

BUDGET UPDATE

Innovation Committee and is now in the Health-care Council. The Senate companion, **SB 2654 by Senator Steven Geller (D – Hallandale Beach, FSU Alum)**, passed out of the Health Policy Committee last week.

HB 59 — Tuition Waivers, by Representative Michael Scionti (D – Tampa, FSU Alum), also called the “Veterans Tuition Assistance Act” requires state universities and community colleges to waive fifty percent of the in-state tuition rate for veterans who meet specified criteria. In order to qualify for a waiver under this bill, veterans must be in-state residents, must be enrolled in a degree or certificate-granting program, and must be classified as a wartime veteran pursuant to Florida statute. Qualified veterans must also have been discharged honorably. The waiver will apply for 110 percent of the required number of credit hours for the degree or certificate program in which the student is enrolled. The bill has been referred to the House Policy & Budget Council and the Postsecondary Education Committee. The companion in the Senate, **SB 162 by Senator Victor Crist (R – Tampa)**, has been referred to the Higher Education, Military Affairs and Domestic Security, and Higher Education Appropriations committees.

SB 2324 — Sales Tax Exemption/Box Seats/Football Games, by Senator Bill Posey (R – Rockledge), repeals the tax exemption of high schools and colleges from the tax on charges for the rental, lease, sublease, or license for use of a skybox, luxury box or other box seats during a football game. The bill also provides that the tax-exempt status of applicable contracts entered into before July 1, 2008 is terminated no later than January 1, 2011. The bill was voted favorably by the Senate Higher Education Committee and is now being heard in the Finance and Tax Committee. There is no companion in the House at this time.



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Both the House and the Senate last week released the first draft of their budget plans. Below is a side-by-side comparison of the major issues of concern to Florida State and to the University System. These dollar amounts, and maybe even some of the issues, will change over the next few weeks as the budget amendatory process takes place.

The House uses money from the CITE, concurrency, other trust funds and tuition to offset their nearly 6% budget cuts. The Senate uses lottery dollars and tuition to offset their 6% cuts.

There is no additional medical school, Challenge Grant, or Centers of Excellence funding in either the House or the Senate at this time.

Issue	House	Senate
Education & General	\$ 414,960,815	\$ 418,697,392
Tuition Increase	6% increase	6% increase
Lottery	\$ 33,761,953	\$ 30,726,965
College of Medicine GR	41,566,301	\$ 42,030,100
Lottery	\$ 3,908,353	\$ 1,148,451
Performance Based Incentives	\$ 3,840,000	
SUS Fixed Capital Outlay		
Maintenance, Repair, Renovation	\$ 34,198,627	\$ 33,405,495
Capital Improvement Fee Projects		
Barron Bldg. Remodel, PC		\$ 207,000
Allan Bense Atrium, PC		\$ 25,000
Phase II Rec SportPlex – Main		\$ 3,000,000
Student Success Bldg. – Main		\$ 13,000,000
Student Comm Complex – Main		\$ 6,043,270
Repay Housing Aux Loan for Rec SportPlex Phase I		\$ 4,000,000
SUS Ancillary (Bonded) Projects	\$ 141,000,000	\$ 141,000,000
PECO		
Utilities/Infrastructure	\$ 8,500,000	\$ 8,500,000
College of Education Building Expansion	\$ 3,000,000	\$ 3,000,000
Ruby Diamond Renovation	\$ 10,000,000	\$ 10,000,000
Johnston Building Remodeling	\$ 29,200,000	\$ 29,200,000
Nursing/Health Facility	\$ 10,000,000	
Courtelis Challenge Grant Matching Program		
Ringling Circus Museum		\$ 4,000,000
Center for Asian Art		\$ 4,100,000
Student Success Center		\$ 498,982
Ringling Museum Library Improvement		\$ 25,000
Sch. Of Hospitality Teach Improvement		\$ 328,813
Col. of Medicine Clinic Improvement		\$ 2,000,000
Col. of Educ. Multipurpose Teaching		\$ 1,000,000
Panama City Academic Center		\$ 170,000
Col. of Music Teaching Improvement		\$ 1,769,423
Florida Diagnostic and Learning		
Resources Centers – FSU	\$ 556,607	\$ 541,666
Autism Program – FSU	\$ 991,005	\$ 964,578
Public Broadcasting		
Florida Channel Closed Caption	\$ 424,086	\$ 419,226
Florida Channel Year-round Cover	\$ 1,625,702	\$ 1,607,075
Public Television & Radio Stations	\$ 8,022,584	\$ 7,930,658
FL Catastrophic Storm Management Center – FSU	\$ 3,000,000	
(in General Government Budget from the Insurance Regulatory Trust Fund)		
Center for Disaster Risk Policy		\$ 250,000 recurring
Florida Energy Systems Consortium – FSU		\$ 8,750,000 non recurring

FSU will lose \$5.4 million in non-recurring General Revenue and \$1 million in non-recurring lottery that was used to lessen cuts in the 2007-08 fiscal year. Additionally, the FSU College of Medicine will lose \$4.3 million in non-recurring GR.

No Salary increases or bonuses have been recommended by either the House or the Senate.