



LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

Volume Fifteen / Number Four • March 23, 2009

2009 Budget

The only bill that is constitutionally required to pass during each year's 60-day legislative session is the state budget. As of today, however -- day 21 of this year's regular session -- state legislators have yet to begin crafting next year's state-spending plan.

While there are many uncertainties surrounding this year's budgeting process, what is known is that:

- Collections of general revenue in Florida have been below estimates for more than 22 months
- The latest revenue estimates show that the fiscal year we are currently in are down another \$1.1 billion since the last estimate
- Revenue projections for fiscal year 2009-10 were reduced by 10.6 percent from previous estimates
- A conference held earlier this month on ad valorem assessments showed a 12 percent decrease over last year. (These property-tax estimates are used in the legislative appropriations process to approximate what each of Florida's counties will have available to fund their K-12 schools.)
- Last week's Public Education Capital Outlay (PECO) conference estimated a \$157.9 million reduction to the PECO Trust Fund, or a total of \$359.3 million for 2009-10. (PECO dollars, which are dedicated to the construction and renovation of facilities for K-20 public education in Florida, are derived from the gross receipts on electricity, gas, cable TV and cell-phone usage.) Consequently, the legislature will only have about \$95 million in PECO funds to divvy up between the state's 11 universities. (For perspective, during the last 5 years, FSU has received between \$60 and \$78 million in PECO dollars each year.)

Layer this seemingly unending decline in revenues over the ongoing political debates on whether to close tax exemptions, spend the federal non-recurring stimulus dollars, implement taxes on Internet, cigarette and alcohol sales, and collect proceeds from the Seminole Tribe gaming compact, and what you end up with is legislative gridlock.

Recent indications are that the Florida House will prepare and distribute the first draft of its budget by the end of next week, the fifth of the session. By week seven, the House hopes to have this spending plan on its chamber floor for debate and passage. The Senate has indicated it intends to maintain a similar schedule.

A majority of the more than 2,000 bills filed this year are still awaiting their first hearing, and legislators have yet to start building the 2009-10 state budget. This is where we stand as the fourth week of this year's nine-week session gets underway today.

This uncharacteristic foot-dragging is largely due to the fiscal malaise the state is experiencing. Revenues continue to decline; details regarding the federal stimulus are still forthcoming; and our state legislators continue to stubbornly disagree on how to patch together a budget that will not damage education, health care and other vital state programs (**see related story**).

Last Friday, Governor Crist froze 15 percent of the fourth-quarter release of general-revenue funds for the current fiscal year. This withholding equates to approximately 3.6 percent (\$76 million) of the State University System's general-revenue appropriation for 2008-09.

Meanwhile, the House committee that deals with higher-ed policy will discontinue meeting after this week, meaning any bill that has not had at least one hearing will, after this Friday, have an uphill battle toward passage. It also appears that budget committees for both the House and Senate will receive their allocations (the amount of dollars available to spend) later this week, which indicates that the business of crafting a final spending plan for next year will soon begin in earnest.

The tuition differential bill appears to be moving along, having passed the House Higher Education Appropriations Committee last week. It is now scheduled to be heard in that chamber's full appropriations committee and should be ready to be heard on floor of the House sometime next week (**see Spotlight on Bills**).

As always, please feel free to contact me if you have questions about these or other issues that may concern you. I can be reached at (850) 644-4453 or kdaly@fsu.edu.

SESSION SCHEDULE	
<p>SENATE SESSION</p> <p>Tuesday, March 24 10:00 a.m. to 12:00 noon</p>	<p>HOUSE SESSION</p> <p>Thursday, March 26 11:30 a.m. to 1:00 p.m.</p>

Spotlight on Bills

HB 671, Cemeteries, by Representative Bryan Nelson (R – Apopka), provides for an exemption from the rules and regulations pertaining to cemeteries under the Florida Funeral, Cemetery, and Consumer Services Act. The exemption allows for a columbarium (a structure used for the inurnment of cremated remains) consisting of 5 acres or less to be located on the main campus of a university that is governed by the Board of Governors as of July 1, 2009. Under the bill, a university or a direct-support organization that establishes a columbarium on its main campus must ensure that the structure is constructed and perpetually kept and maintained in a manner consistent with the intent of the Act. In the event the columbarium is relocated, the university or direct-support organization must relocate all of the urns and remains that were placed in the columbarium. Universities constructing and operating columbaria under this exemption would have to comply with specified regulations including the maintenance of burial records and anti-discrimination provisions under the Act. The bill applies to the eleven institutions in the state university system. Proponents of this legislation state that establishing a columbarium would allow alumni and other university supporters to have their cremated remains placed in a columbarium on the main university campus. The bill reported favorably in the Insurance, Business & Financial Affairs Policy Committee and will next go to the State Universities & Private Colleges Policy Committee. A similar bill in the Senate, **SB 926 by Senator Thad Altman (R – Melbourne)** reported favorably by the Banking and Insurance Committee and is now in the Higher Education Committee.

HB 717, Hospitality Education Program, by Representative Joseph Abruzzo (D – Wellington), revises the purpose of the Hospitality

Education Program to focus on certain training & transition programs. The bill defines “hospitality industry” and requires a statewide nonprofit organization that receives grant funding to represent a hospitality industry in the state. The bill further requires DBPR’s Division of Hotels and Restaurants to use a portion of certain annual license fees for programs directed to careers in the restaurant industry and a portion of the fees for programs directed to careers in lodging industry. The bill deletes provisions related to the allocation of funds to various programs and revises criteria for the award of grants to conform to changes made by act. The bill reported favorably by the Insurance, Business and Financial last week and moved on to the Governmental Policy Council where it was not considered. A similar bill in the Senate, **SB 1418 by Senator Dennis Jones (R – Seminole)** has been referred to the Regulated Industries, Higher Education, and General Government Appropriations committees.

HB 1197 — Economic Development, by Representative Seth McKeel (R – Lakeland), creates the “Micro-Targeted Technology Commercialization Act” which prohibits a seller from deducting from his or her taxable income any net operating loss transferred under act. The bill provides for allocation of specified non-business income to the state and creates Micro-Targeted Technology Commercialization Credit Transfer Program. Additionally, the bill requires the Institute for Commercialization of Public Research to identify examples of micro-targeted technology & compile list for OT-TED, etc. The bill has been referred to the Economic Development Policy Committee, Economic Development & Community Affairs Policy Council, Finance & Tax Council, and, the Full Appropriations Council on Education & Economic Development. A similar

bill in the Senate, **SB 1644, by Senator Jeremy Ring (D – Margate)** has been referred to the Commerce, Governmental Oversight and Accountability, Finance and Tax, Transportation and Economic Development Appropriations, and Policy & Steering Committee on Ways and Means committees.

HB 453 – Tax Credits for Contributions to Nonprofit Scholarship-funding Organizations by Representative Will Weatherford (R – Zephyrhills), provides that credit authorized under Florida Tax Credit Scholarship Program does not apply to credit for Florida alternative minimum tax. The bill expands and renames the Corporate Income Tax Credit Scholarship Program to include insurance premium tax credits and revises credits for contributions to nonprofit scholarship-funding organizations. Additionally, the bill provides that a taxpayer eligible to receive credit against the insurance premium tax is not eligible to receive credit against the corporate income tax, etc. The bill reported favorably by the Pre-K Policy Committee and is now in the Finance and Tax Council. The Senate companion, **SB 1310 by Senator Andy Gardiner (R – Orlando)** has been referred to Education Pre-K – 12, Finance and Tax, Education Pre-K - 12 Appropriations, and Policy & Steering Committee on Ways and Means.

HB 1293 – High School Graduation by Representative Erik Fresen (R – Miami), modifies the high school graduation requirements for receipt of a standard diploma by specifying the required mathematics and science courses that must be taken. The bill raises the FCAT score required for a student to pass the Grade 10 FCAT by providing that passing scores on the Grade 10 FCAT must, at a minimum, meet grade-level proficiency. The bill also creates the Graduation Exit Option

Program which authorizes the award of an alternative diploma to students who are at least 16 years old, enrolled in high school courses that meet high school graduation requirements, and at risk of failing to graduate and meet criteria developed by the Department of Education. The bill reported favorably by the PreK-12 Policy Committee last week. The identical bill in the Senate, **SB 2654 by Senator Thad Altman (R-Melbourne)** has been referred to Education Pre-K - 12; Education Pre-K - 12 Appropriations; and, Policy & Steering Committee on Ways and Means.

SB 2284 – Nursing Programs, by Senator Mike Haridopolis (R – Melbourne), repeals the authority of the Board of Nursing to approve programs for the education of nurses. To conform to this repeal, the bill defines “eligible program,” to mean a nursing program offered by a school district, public community college, or state university; an institution licensed by the Commission for Independent Education; or another educational institution in Florida, if the nursing program is accredited by a national accrediting agency recognized by the United States Department of Education. The bill reported favorably by the Favorable by Health Regulation Committee last week. The identical bill in the House, **HB 1209 by Representative Denise Grimsley (R – Sebring)** has been referred to the State & Community Colleges & Workforce Policy Committee, and the Policy Council.

Update on Bills

SB 2034, Innovation Incentive Program, by the Commerce Committee, expands the definition of “project” to include alternative and renewable energy applicants. The bill authorizes the waiver or reduction of requirements relating to matching funds for alternative and renewable energy projects and requires the Office of Tourism, Trade, and Economic Development and the recipient of an award to enter into a contract setting forth conditions for the payment of incentive

Florida Recovery Website Launched

Last week, Governor Crist launched the Florida Office of Economic Recovery website, which will allow Floridians to monitor and review details and use of the federal American Recovery and Reinvestment Act (the federal stimulus) funds.

FlaRecovery.com will evolve as details continue to flow from Washington, D.C., and serve as a clearinghouse for the public records and documents that pertain to the implementation of these federal stimulus dollars.

funds, etc. The bill reported favorably by the Commerce Committee last week. There is no House companion at this time.

HB 499 – State Universities by Representative Steve Crisafulli (R – Merritt Island) 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, etc. The bill reported favorably by the State Universities and Private Colleges Policy Committee last week. A similar bill in the Senate, SB 1996 by Senator Lee Constantine (R – Altamonte Springs) has been referred to the Higher Education, Finance and Tax, Higher Education Appropriations, and Policy & Steering Committee on Ways and Means committees.

HB 719 – Bright Futures Scholarship Program, by Representative Kelli Stargel (R – Lakeland), requires universities to refund to the Department of Education funds received for courses dropped by students after the end of the drop and add period. Additionally, the bill provides and exception for the prohibition against the use of scholarship funds for certain courses and requiring a student’s written appeal for such exception, etc. The bill reported favorably by the State Universities and Private Colleges Policy Committee last week. The identical bill in the Senate, **SB 1364, by Senator**

Ken Pruitt (R – Port St. Lucie) has been referred to the Higher Education, Finance and Tax, and Higher Education Appropriations committees.

HB 751 – Statewide Articulation Agreements, by Representative Pat Patterson (R – Deland), requires that the statewide articulation agreement govern the transfer of credit between public institutions and non-public institutions licensed by Commission for Independent Education. The bill authorizes school districts to enter into inter-institutional articulation agreements with independent postsecondary institutions. The bill reported Favorable by the State & Community Colleges & Workforce Policy Committee last week. There is no House companion at this time.



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