



LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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Budget negotiations begin in earnest this week, now that both legislative chambers passed their annual budget bills on Thursday. That means this seventh week of the nine-week session is the start of the conference process, whereby an appointed committee of House and Senate members work to resolve their differences over how much money will be spent and what it will be spent on.

The Senate's \$71.9 billion spending plan is \$1.5 billion more than the \$70.3 billion House plan, largely due to the Senate allocating more for roads, bridges, capitol projects and education. Both budgets boost spending for K-12 education by nearly 7 percent and include about \$2.6 billion to reduce class size. The State University System would receive a 3.9 percent increase in the House budget and just over 4 percent in the Senate plan. Both chambers also offer a 5 percent tuition increase (**see related story**).

Property tax reform will continue to be a hot topic this week since the Senate's plan, which was rolled out last week, differs significantly from the House's proposal. Budget and tax reform conferees will be heavily invested in this issue during the next two weeks (**see related story**).

The University Governance bills passed, with several amendments, the full House and Senate budget committees last week. Both bills now move to their respective chambers for hearings later this week or early next. There are differences between the two proposals.

First Generation Matching Grant legislation, Academic Enhancement bills, and the Technology Fee language are all stalled at this time. Please see the **Spotlight on Bills** section for other issues that may be of interest.

As the pace of the session escalates and its participants tire, tensions begin to rise and tempers start to flare. You can watch all of it and more, live, on The Florida Channel, local cable channel 4. As always, please don't hesitate to contact me with comments or questions at **(850) 644-4453** or via e-mail at **kdaly@mailers.fsu.edu**.

Kathleen

PROPERTY TAX REFORM LEGISLATION

The Senate last Thursday introduced its property tax reform plan. It is different from the House proposal. Below is a comparison of the two plans:

Senate:

1. Requires municipalities to roll back property tax revenues to 2005-06 levels. It also includes a one year freeze, after which increased in revenues may not exceed population and income growth.
2. Creates a \$50,000 homestead exemption for first time homebuyers, which would gradually be reduced to the standard \$25,000 exemption as the *Save Our Homes* tax savings accumulates.
3. Creates \$25,000 tangible property tax exemption for business equipment.

The Senate plan saves taxpayers \$11 billion over 5 years, a 6% savings for the average taxpayer.

House:

1. Calls for a special election in which voters in each county choose between eliminating all property taxes on homesteaded residences and raising the sales tax by 2.5%, or requires municipalities to roll back property tax revenues to 2000-01 levels.

The House plan saves taxpayers about \$25 billion over 5 years, a 19% savings for the average taxpayer.

BUDGET CONFERENCE ISSUES

The Conferees have been appointed and the conference process is set to begin tomorrow. The budget is the only bill the legislature must constitutionally pass. Below please find a side-by-side comparison of the budget issues important to the SUS and to FSU.

Salary Increases have not been resolved. We understand that there is \$235 million in the House bill and \$144 million in the Senate. We do not know at this juncture how this will translate. We will keep you updated as information comes available.

Item	Senate	House
Courtelis Matching Program		
Col of Med – Human Perf. Lab	\$ 150,000	\$ 150,000
Col of Med – Simulation Ctr	\$ 750,000	\$ 750,000
Col of Ed – Multipurpose	\$ 1,000,000 *	\$ 250,000
Ringling Museum Gallery	\$ 750,000	\$ 750,000
Challenge Grants – SUS	\$ 74,336,964	\$ 22,500,000
FSU	\$ 17,402,992	\$ 4,607,603
Public Schools – PECO	\$ 4,935,063 (all lab schools)	
FSU Lab School		\$ 5,000,000 (FSU specific)
PECO		
Utilities/Infrastructure, etc.	\$ 8,500,000	\$ 8,500,000
Life Sciences Center	\$ 11,500,000	\$ 11,500,000
Neuroscience & Reading Inst.	\$ 21,250,000	\$ 22,250,000 *
College of Ed. Building Expan.	\$ 8,900,000	\$ 8,900,000
Ruby Diamond Renovation	\$ 12,430,000	\$ 12,430,000
Johnston Building Remodeling	\$ 2,000,000 (P)	\$ 20,000,000 (PCE) *
Land Acquisition	\$ 3,000,000	\$ 3,000,000
Renovation of 1st DCA Building	\$ 0	\$ 250,000 *
Nursing Health Facility (Thaggard)	\$ 7,500,000 *	\$ 0
Performance Based Incentives – non-recurring, FSU \$4.4 million	\$ 23,600,000	
FSU General Revenue		
Operating Budgets	\$ 315,088,792	\$ 324,612,093
Student & Other Fees	\$ 134,786,216	\$ 136,627,861
Enrollment — SUS	\$ 59,492,680 for 4,957 FTE	\$ 74,516,745 for 6,514 FTE
FSU	\$ 858,827 fees	\$ 2,650,000 fees
	\$ 1,573,292 GR	\$ 414,589 GR
Pathways of Excellence	\$ 0	\$ 11,700,000 (\$5.8 million recurring)
FSU Medical School Op. Budget	\$ 44,478,036	\$ 44,917,634
Student & Other Fees		
Ft. Pierce expansion	\$ 1,483,932 (restore non-recurring)	\$ 1,483,932
Panama City expansion		\$ 439,698 (restore non-recurring)
Daytona Beach & Immokalee	\$ 2,451,319	\$ 2,451,269
Fixed Capital Outlay		
1st District Court of Appeals	\$ 7,900,000	\$ 2,600,000

Budget Conference SCHEDULE

Below is the suggested Conference Schedule for the House and Senate to iron out difference in their bills:

Tuesday, April 17	8:00 a.m. to 9:00 a.m. 5:00 p.m. to 6:00 p.m.
Wednesday, April 18	8:00 a.m. to 9:00 a.m. 5:00 p.m. to 6:00 p.m.
Thursday, April 19	8:00 a.m. to 9:00 a.m. 5:00 p.m. to 6:00 p.m.
Friday, April 20	8:00 a.m. to 9:00 a.m. 5:00 p.m. to 6:00 p.m.
Saturday, April 21 and Sunday, April 22	TBA if needed



Office of

GOVERNMENTAL RELATIONS

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Spotlight on Bills

CS/SB1190— Postsecondary Articulation by Senator Evelyn Lynn (R – Ormond Beach), strengthens policies and practices that promote progression and transfer of students among and between educational institutions. The policies and budget actions thus established must be interpreted consistently in the practices of postsecondary institutions and the Department of Education (DOE) and expressed in the collaborative policy efforts of the State Board of Education (SBE) and the Board of Governors of the State University System. The bill requires the Legislature to examine and strengthen statewide articulation policies and budget actions. The bill reported favorably out of the Higher Education Committee last week. There is no companion in the House.

SB 1326— University Concurrency Trust Fund by Senator Evelyn Lynn (R – Ormond Beach), re-creates the University Concurrency Trust Fund, within the Department of Education. Re-creation is effective beginning on July 1, 2007, the current termination date of the fund. The purpose of the trust fund is to provide funding for State University System offsite improvements required to meet concurrency standards. Recent legislation repealed the transfers from the surcharge on local option motor fuel tax, which historically had been the major source of receipts to the fund. Today, the major source of revenue for the trust fund is the interest earnings on the fund balance. There is a cash balance of approximately \$55.9 million in the trust fund, mostly committed for construction projects underway. This bill does not renew the funding source, nor does it designate a new source of funds. The bill passed the House last week and will go to the Governor for signature.

CS/SB 1328— University Trust Funds by Senator Evelyn Lynn (R – Ormond Beach), revises Section 215.3206, F.S., which implements Article III, s. 19(f) of the Florida Constitution, which requires review of agency trust funds every four years. The bill reflects the results of this review for the Florida Board of Governors (BOG) of the State University System, terminates eighteen trust funds and modifies nine trust funds. This bill amends s. 1011.94, F.S., to remove reference to the Major Gifts Trust Fund, leaving the program unchanged. The bill further specifies that Public Education Capital Outlay (PECO) funds from a terminated fund be returned to the original PECO source, and that a trust fund, originally planned to be terminated, now be retained due to an outstanding bond issue. The bill passed the House last week and will go to the Governor for signature.

SB 1866— Hurricane Preparedness and Insurance by Senator Bill Posey (R - Rockledge), revises provisions that were enacted in the property insurance legislation during the 2007-A Special Session. The bill revises the legislative findings for establishing Citizens Property Insurance Corp, in order to support its tax-exempt status; requires the next rate change for Citizens to be filed with the Office of Insurance Regulation (OIR) by January 1, 2008. Additionally, the bill revises the requirement for a property insurer to pay or deny a claim within 90 days of receiving notice of a claim. The bill passed the Banking and Insurance Committee last week. There is no House companion at this time.

SB 2498— Property Insurance by Senator Rudy Garcia (R – Hialeah), revises legislative findings to show that lack of affordable property insurance threatens public health, safety, and

welfare and threatens the economic health of the state. The bill revises provisions for determining eligibility for coverage under Citizens Property Insurance Corp. and prohibits the issuance of new certificates of authority to certain insurers. The bill requires rate filings of certain insurers. The bill passed the Banking and Insurance Committee last week. The House companion, **HB 1267 by Representative Julio Robaina (R – Miami)**, was heard in the Jobs & Entrepreneurship Council last Thursday.

SB 2598— Governor’s School for Science and Technology by Senator Stephen Wise (R – Jacksonville), creates said school and requires the Florida Virtual School to manage and control it. The bill provides that the school is a public school for selected students in grades 9 through 12 who enroll in the school and reside on the school’s premises. The bill requires the Florida Virtual School to appoint a director and adopt rules relating to the operation of the school and selection of individuals who are eligible to enroll in that school. The bill includes an appropriation of \$1,000,000. The bill was scheduled to be heard in the Education Pre-K Committee but was not considered last week. The identical bill in the House, **HB 1371 by Representative Thad Altman (R – Melbourne)**, reported favorably out of the Schools and Learning Council last week.

CS/SB 1238— World Class Education Standards by Senator Don Gaetz (R – Niceville), is a comprehensive education initiative, which requires the State Board of Education (SBE) to systematically review and replace the Sunshine State Standards with the new World Class Education Standards. The World Class Education

Spotlight on Bills

Standards would more closely align Florida's curriculum standards to the knowledge demands students will face in a global economy by integrating the following skills: Critical thinking; Problem-solving; Innovation; Effective communication; Effective collaboration; Self-directed learning; Information and media literacy; Global awareness; and Civic engagement. The bill also provides for more specific content within the standards-based subject areas including a focus on government and civics education within the social studies content and both performing and visual arts within the required arts content standards. The bill includes timelines for establishing an expedited schedule for the adoption of the new standards and subsequent periodic review of the adopted standards. The bill passed the Education Pre - 12 Committee last week. There is no House companion at this time.

SB 2496— Stem Cell Research by Senator Mike Haridopolos (R – Melbourne), creates the "Florida Hope Offered through Principled, Ethically Sound Stem Cell Research Act." The bill funds the act by appropriating \$20 million annually from recurring funds in the Biomedical Research Trust Fund, for 10 consecutive years, beginning in the 2007-08 fiscal year. The bill creates the Stem Cell Research Advisory Council within the Department of Health to develop a donated funds program for human adult stem cell research in the state and to recommend a research grant program for adult stem cell research. The bill creates the Biomedical Ethics Advisory Council to review all stem cell research that is funded or supported through the Biomedical Research Trust Fund to ensure that the research follows the ethical and safety guidelines as set forth by federal ethical standards. The bill passed the

Health Policy Committee last week. The identical bill in the House, **HB 1065 by Representative Anitere Flores (R – Miami)** passed the Healthcare Council on Tuesday and the Policy and Budget Committee on Friday.

SB 1568— Education & Economic Development by Senator Evelyn Lynn (R – Ormond Beach), creates the Florida Business and Education Collaborative as a state-level advisory group to the Governor, Legislature, State Board of Education, Board of Governors, boards of independent colleges, universities, and private career schools, and other interested parties. The collaborative is charged with promoting economic development-aligned strategies for public and private postsecondary education and making recommendations to state policy boards to assist in defining and attaining economic goals. The collaborative would act solely in an advisory capacity. The bill reported favorably out of the Higher Education Committee last week and is now in the Commerce Committee. There is no House companion at this time.

UPDATE ON BILLS

SB 1666— State Group Insurance/ Retirees and Spouses by Senator Al Lawson (D – Tallahassee, FSU Alum), removes the prohibition in state law that precludes differential payments for retirees and surviving spouses under the state group insurance program. The bill passed the Governmental Operations Committee and the Higher Education Committee last week. The identical bill in the House, **HB 341 by**

Representative Loranne Ausley (D – Tallahassee) reported favorably out of the Government Efficiency & Accountability Council last week.

SB 1270— University Governance by Senator Steve Oelrich (R – Gainesville, FSU Alum), deletes the Division of Colleges & Universities in the Department of Education and requires the State Board of Education and the Commissioner of Education to consult with Board of Governors. The bill revises the powers and duties of university boards of trustees relating to general provisions for responsibility, organization and operation of state universities, finance, accountability, personnel, property, and compliance with laws and rules, etc. The bill was amended and passed out of the Higher Education Appropriations Committee. The House companion, **HB 7149, by the Schools and Learning Council** also was amended on Friday and passed out of committee.

SESSION SCHEDULE

SENATE SESSION

Wednesday, April 18
9:50, a.m. to 12:00 noon

Thursday, April 19
9:00, a.m. to 12:50 p.m.

Friday, April 20
9:50, a.m. to 11:50 a.m.

HOUSE SESSION

Tuesday, April 17
1:50 p.m. to 5:00 p.m.

Wednesday, April 18
12:50 p.m. to 5:00 p.m.

Thursday, April 19
10:50 a.m. to 5:00 p.m.