



LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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Last week could have been dubbed “education week” at the capitol. From teacher pay, class size and vouchers, to flagship universities and the BOG settlement, the sixth week of session was education-intensive.

SB 2442, the bill designating the University of Florida as the flagship university in Florida, was amended to remove that designation. (President Barron kept faculty, staff and alums apprised of the status of this important legislation.)

Meanwhile, the House and Senate spent countless hours debating whether pay for K-12 teachers should be based on tenure or merit. Ultimately, lawmakers settled on the latter.

A voucher provision that allows public dollars to be used to send students to private, faith-based schools was sent to the Governor, as did a bill that removes the current caps on class size currently mandated by the Florida constitution.

Finally, the much-anticipated BOG settlement legislation was released in the Senate last Thursday and will get its first committee hearing tomorrow. An overview of these and other pieces of legislation, as well as Dr. Barron’s statement on SB 2442, is in the Spotlight on Bills section of this newsletter.

The budget is now “conference ready,” meaning legislators can begin negotiating the vast differences between each chamber’s budget. Conferees will probably be named by mid-week, and conference meetings will most likely begin by week’s end.

Legislators are still waiting to see if additional federal Medicaid dollars, which the Senate has built in to its current budget, will come through. Plus, the House and the Senate are finalizing the gaming compact with the Seminole Tribe. The revenue from this compact was initially meant to address specific educational needs, but last week an amendment redirected the money into the general-revenue fund, making it eligible for broader use.

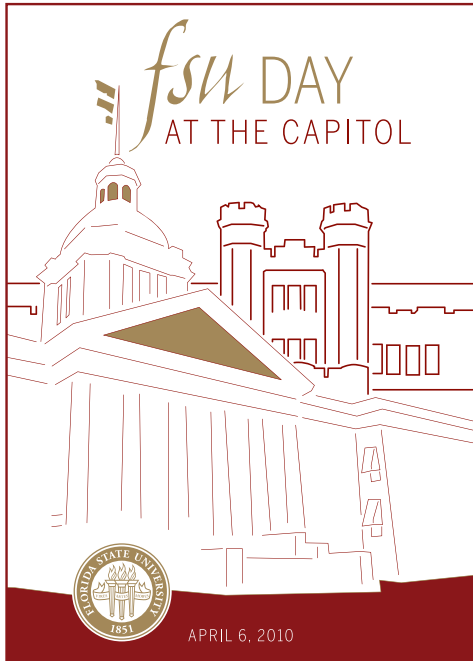
Legislators and their staff did join the Nole faithful in celebrating “FSU Day at the Capitol” last Tuesday. Garnet and Gold sights and sounds filled the courtyard, while the capitol building was filled with interesting and informative exhibits and displays (**see related story**).

The beat goes on this week as important legislation continues on a path to passage or dies trying. Catch all of the action live on the Florida Channel, local cable channel 4, or online at www.wfsu.org.

As always, please don’t hesitate to contact me if you need copies of legislation and its analysis, or have questions about issues of concern. I can be reached at (850) 644-4453 or kdaly@fsu.edu.

Kathleen

FSU Day at the Capitol



FSU Day was last Tuesday and a great time was had by all. We want to thank all of the departments that participated and took time from their busy schedules to share information about their programs with the legislative community. Some of our activities included student body president Dustin Daniels leading pledge and Ashley Thomson, our 2009 Udall Scholar, saying the opening prayer for the Senate Session. We also had Bobby Seifter, the newly inaugurated VP for SGA and Truman applicant leading the pledge and Erin Simmons, our 2009 Rhodes finalist, saying the prayer opening the House Session.

Special thanks go to Scott Atwell who served as emcee for all of the noontime activities. The FSU Chiefly Brass, cheerleaders, golden girls and circus all entertained the crowd in the Capitol courtyard, while several of our athletic coaches and team members were introduced. We recognized our alumni in the legislature and gave our appreciation to those who are term-limited and leaving the legislature at the end of this year.

We want to thank all of our sponsors, they include: the Seminole Tribe of Florida, Aramark of FSU, Capital Insurance Agency, Coca Cola Bottling of Tallahassee, David R. Custin & Associates, Inc., Blank & Meenan, PA, Guy & Delores Spearman, Jim & Carole Smith, Larry J. Overton & Associates, Inc., Reginald R. Garcia, PA, Ronald L. Book, PA, Robert E. Flora, Consultant, R. Paul Mitchell, Thomas F. Panza, Nancy Stewart, Chuck Hinson, Kari Hebrank, Jerry Sansom, Paul Hamilton, Peter and Karema Harris, Dave Erickson, and Jim Rathbun. Check out pictures of this festive event on our website later this week at www.govrel.fsu.edu.

STATE EMPLOYEE RETIREMENT

Several bills amending the Florida Retirement System (FRS) were filed this session as lawmakers continue to look for ways to reduce state spending. While it appears that most of these bills are dead for this session, there is talk of incorporating many of the ideas within these proposals into a study during the interim for consideration during the 2011 Legislative Session. Below is an overview of this session's proposals:

HB 1319, Governmental Retirement Systems, by Representative Tom Grady (R - Naples, FSU Alum), creates the "Public Employee Retirement Preservation Act." The bill requires all public employees hired after July 1, 2011 or employees entering DROP after July 1, 2011 to contribute one percentage of their gross income to the retirement plan they participate in. The bill requires state & local government balance sheets to contain certain pension information and requires the Chief Financial Officer and officials of governing bodies of political subdivision of the state to issue specified reports. The provision also eliminates the ³high ²five used to calculate employee pensions, and replaces it with a career salary average. The bill is now in the Governmental Affairs Policy Committee. The Senate companion, **SB 1902 by Senator Mike Bennett (R - Bradenton)**, was not considered by the Community Affairs Committee last week.

SB 2022, Retirement by Senator J.D. Alexander (R - Lake Wales), establishes the required employer payroll contribution rates for each membership class and subclass of the Florida Retirement System (FRS) retirement plan for the fiscal year beginning July 1, 2010. In addition, the bill changes the FRS from a noncontributory system to a contributory system by requiring each active member of the FRS, the Senior Management Service Optional Annuity Program, the State University Optional Retirement Program and the Community College Optional Retirement Program to contribute 0.25% of gross salary to fund retirement benefits, effective January 1, 2011. The bill passed out of the Senate last week. There is no House companion at this time.

HB 1307, State Financial Matters by Representative Robert Schenck, (R - Springhill), includes changes to the FRS Investment Plan that codify practices and policies being used in administration of the plan since its inception. In addition the proposal:

- Makes changes to the investment authorizations for the FRS Pension Plan by increasing the permitted holdings for foreign equity from 25 percent to 35 percent of the total fund;

- Permits proceeds of bonds issued on behalf of the Florida Hurricane Catastrophe Fund (CAT Fund) to be invested without limitation in certain federal tax-exempt obligations;
- Permits the SBA executive director to extend an expiration of moratoriums on contributions and withdrawals to the Local Government Investment Pool in cases where an emergency meeting of the Trustees of the SBA cannot be convened within the current 48 hour moratorium window;
- Reduces the employer contribution rate to fund the administration of the FRS Investment Plan from .05 to .03 percent on July 1, 2010, then up to .04 percent July 1, 2014;
- Provides additional time for FRS employers to pay invoices for member losses;
- Authorizes the SBA to secure trademarks, copyrights, and patents on behalf of the FRS or any other fund under its jurisdiction.

Finally, the bill addresses governance changes to the SBA. It requires the Board to produce annual financial statements as reported by an independent audit firm, requires minimum qualifications for the executive director, increases the number of members on the Investment Advisory Council from six to nine, and provides for

transparency and accountability of the Board through implementing policies, guidelines and procedures. The bill also extends sovereign immunity to members of the IAC when they are carrying out the provisions of Chapter 215, F.S. The bill has been placed on the calendar to be heard by the full House. There is no Senate companion.

HB 413, Defined Contribution Retirement Program by Representative John Wood (R - Haines City, FSU Alum), changes the name of Public Employee Optional Retirement Program to Public Employee Retirement Investment Program; limits option of enrolling in State Retirement System's defined benefit program or defined contribution program to certain employees and requires certain public employees to enroll in the defined contribution program. The bill deletes the requirements for an educational program that compares retirement programs and deletes provisions relating to having choice in retirement plans.

The bill is now in the Governmental Affairs Policy Committee. A companion bill in the Senate, **SB 1078 by Senator Jeremy Ring (D - Margate)**, is now in the Policy & Steering Committee on Ways and Means. Another companion in the Senate, **SB 660 by Senator Mike Fasano (R - New Port Richey)** has been referred to the Community Affairs, Governmental Oversight and Accountability, and General Government Appropriations committees and the Policy & Steering Committee on Ways and Means.

SB 1902, Relating to Public Retirement Plans by Senator Mike Bennett (R - Bradenton), requires a retirement system or plan to include a projection of the employer's required annual contributions and an experiment study in its actuarial report. The bill also limits the benefits payable to an FRS member who has not attained ten years of service by a certain date, and revises the calculations used for upgrading a special risk

member's contributions for past service. The bill was not considered by the Community Affairs Committee when calendared last week. A House companion, **HB 1543 by Representative Juan Zapata (R - Miami)** was withdrawn from further consideration.

SB 2468, Florida Retirement System by Senator Al Lawson (D - Tallahassee, FSU Alum), Redefines the term "average final compensation" to reduce the number of years of credible service from five years to three years when calculating such compensation. The bill conforms a provision relating to the calculation of the monthly normal retirement benefit. The bill is pending withdrawal. There is no House companion.

Spotlight on Bills

HB 37, Health Care Services by Representative Scott Plakon (R - Longwood), proposes the creation of Section 28 of Article I of the Florida Constitution relating to health care. Specifically the constitutional amendment:

- prohibits persons and employers from compelled participation in a health care system;
- allows direct payment of health care services and prohibits penalizing persons, employers and health care providers from utilizing a direct payment system;
- allows the purchase or sale of health insurance in the private market, subject to certain conditions; and
- exempts laws enacted prior to March 1, 2010, from requirements of the amendment.

The bill was temporarily passed by the Rules and Calendar Council. The Senate Companion, **SB 72 by Senator Carey Baker (R - Eustis)** is now in the Rules Committee.

SB 1786, Higher Education by Senator Steve Oelrich (R - Gainesville, FSU Alum), is currently a shell bill. There is an amendment proposed that defines the powers and duties of the Board of Governors (BOG) to comply with the settlement agreement signed on March 23, 2010, that dismisses the "Graham" lawsuit. The amendment requires the BOG to adopt regulations rather than rules to implement certain educational benefits. It gives the BOG the authority to govern and regulate

university information technology, consider and act on a university board of trustees' request to establish a new fee or to increase and existing fee, promulgate regulations through its Regulation Development Process, utilize a collaborative approach to system and institutional accountability and data reporting, etc. The bill is scheduled to be heard in the Higher Education Committee tomorrow. There is no House companion at this time.



THE FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

Kathleen M. Daly, *Assistant Vice President*

Toni Moore, *Program Coordinator*

Chris Adcock, *Office Administrator*

UPDATE ON BILLS

SB 2442, State University System by Senator Evelyn Lynn (R - Ormond Beach), was amended last week to remove the “flagship” reference and the hard threshold for external grants and contracts. Dr. Barron sent out the following email to all faculty and staff updating them on the status of the bill: “Thanks to many messages to legislators supporting The Florida State University, I am pleased to inform you that SB 2442 has been amended and improved. The term “flagship” has been removed, and all of the bill’s criteria now apply to all Florida universities with the highest Carnegie classification -- Research University (Very High Research Activity) -- as designated by the Carnegie Foundation for the Advancement of Teaching, the national organization charged with classifying universities.

Florida State University is a Research University (Very High Research Activity), as are the University of Florida and the University of South Florida. All three would qualify for the operational flexibility and benefits contained in SB 2442. We appreciate the outpouring of support that led to this change, which expands the bill and helps encourage all of Florida’s public universities to aspire to the highest research category. We have a long way to go in the legislative process, but we will be vigilant in monitoring the bill’s progress and we will keep you updated as the bill progresses. Please continue to keep pressure on your legislators to keep the bill in its present form.” The bill is now in the Policy and Steering Committee on Ways and Means. There is no House companion at this time.

SB 6, Education Personnel by Senator John Thrasher (R - Jacksonville, FSU Alum), is a comprehensive education personnel bill that:

- Revises the contractual requirements for classroom teachers;
- Requires school districts to adopt a salary schedule that compensates employees based on performance;
- Provides for differentiated pay based on high-priority locations, critical teacher shortage areas, or additional academic responsibilities with continued awards contingent upon the individual’s performance evaluation;
- Prohibits districts from using time-served or degrees-held in setting pay schedules, etc.

State-Approved Educator Preparation Programs

- Eliminates the admissions waiver for up to 10 percent of students admitted to the program;
- requires continued approval of programs contingent upon learning gains, as measured by state assessments;
- Revises the requirements for pre-service field experiences for student teachers;
- Requires EPI instructors to meet the same requirements as instructors in traditional teacher preparation programs.

The bill passed out of the Legislature last week and was presented to the Governor on Friday for signature.

SJR 2, Class Size Requirements for Public Education by Senator Don Gaetz (R - Destin), proposes amending Section 1, Article IX of the State Constitution to revise the maximum class size requirements. Beginning with the 2010-2011 school year, maximum class size would be the school level average number of students who can be assigned to each teacher in the following grade categories:

- 18 students in prekindergarten through grade 3;
- 22 students in grades 4 through 8; and
- 25 students in grades 9 through 12.

Also, the joint resolution requires the maximum number of students who may be assigned to a teacher (while not exceeding the school level average) be as follows:

- 21 students in prekindergarten through grade 3;
- 27 students in grades 4 through 8; and
- 30 students in grades 9 through 12.

The bill passed out of the Legislature last week and will now go to the Governor for signature.

SB 2206, Chief Financial Officer, Chart of Accounts by Senator JD Alexander (R - Lake Wales), was amended last week to further define a governmental entity as an entity created by a governmental entity and primarily acting as an instrumentality of a governmental unit, a regulatory or governing body, or any other governmental or quasi-governmental organization that receives, disburses, expends, administers, awards, recommends expenditure of, handles, manages, or has custody or control of funds pursuant to the authority of the governmental unit. The bill was further amended to include entities of higher education. The bill passed out of the Senate last week. There is no House companion at this time.

SB 622, Gaming by Senator Dennis Jones (R - Seminole), amends specified provisions relating to compact authorization. The bill provides that specified agreements executed by the Seminole Tribe of Florida and the Governor are void and not in effect. The bill further ratifies and approves a specified compact executed by the Tribe and the Governor and directs the Governor to cooperate with the Tribe in seeking approval of the compact from the United States Secretary of the Interior, etc. The bill passed out of the Senate last week. The House companion, **HB 749 by Representative Jim Waldman (D - Coconut Creek)** is now in the Select Committee on Seminole Indian Compact Review.

SB 2126, Florida Tax Credit Scholarship Program by Senator Joe Negron (R - Palm City), provides a credit against corporate income and insurance premium taxes to taxpayers who make eligible contributions to nonprofit scholarship funding organizations (SFOs). SFOs award scholarships to students from families that meet specified income limitations, and the students use the scholarship to attend private school or pay for transportation to public schools located outside of the students’ districts of residence. The maximum tax credits that may be approved in any fiscal year are capped at \$118 million, and the maximum scholarship per student is capped at \$3,950 per year. The bill passed out of the Legislature and will go to the Governor for signature.

SESSION SCHEDULE

SENATE SESSION

Thursday, April 15

9:30 a.m. to 1:00 p.m.

Friday, April 16

9:30 a.m. to 1:00 p.m.

HOUSE SESSION

Tuesday, April 13

1:00 p.m. to 4:00 p.m.

Thursday, April 15

2:45 p.m. to 4:45 p.m.