



Volume **22** | Number **3** | **March 16, 2015**

A number of important issues are coming into focus for this year's legislature, with the work conducted this week, the third of the session, having the potential to determine whether the House and Senate are headed for a budget showdown.

Both the House and Senate Education Appropriations Committees meet this week and are expected to release their draft budgets. Education budget allocations have been lower than expected, thereby making funds for non-recurring and "extra" projects difficult to determine at this early stage of the budget process. Factors impacting these uncertainties are outlined in the related budget story in this newsletter.

It should be noted that Governor Scott and legislative leaders have made college and university affordability a session priority, and pertinent bills include tax breaks on textbooks and meal plans, the freezing of in-state graduate and professional tuition rates, and the codifying of Board of Governors performance metrics. An outline of these proposals is included in this newsletter.

Also this week, SB 176, which would lift the ban on concealed firearms on college and university campuses, is scheduled for a hearing this afternoon in the Senate Higher Education Committee. Additionally, a House bill (HB 1279) relating to state re-employment after retirement is scheduled to be heard tomorrow, and bills pertaining to charter schools and K-12 assessments are on the docket for later in the week. For a complete list of bills making their way through the process, please see the Spotlight on Bills section of this newsletter.

On a festive note, FSU Day at the Capitol will also take place this week! Please plan to join us tomorrow, March 17, at noon in the capitol courtyard for food, music and fun that will include recognition of our national championship women's soccer team and introduction of the Seminole Legislative Caucus. The garnet and gold festivities kick off tonight with our Seminole Evening reception on the 22nd floor of the capitol.

As always, please feel free to contact me if you would like copies of bills and their analyses. I can be reached at kdaly@fsu.edu or **(850) 644-4453**.

Kathleen



FSU Day at the Capitol

Our big day is almost here! After months of planning, **FSU Day at the Capitol** for 2015 takes place tomorrow and promises to be another great event. As in the past, FSU Day emphasizes the university's proud heritage and spotlights the extraordinary accomplishments of our students and faculty.

Please join us from **10:00 am to 2:00 pm** for informative displays on the plaza level and second and third floor rotundas. During the lunch hour, appearances by FSU celebrities and members of the Seminole legislative caucus, and performances by the pep band and cheerleaders will begin at **11:30** in the capitol courtyard, with refreshments available for all to enjoy.

In addition, our fifth annual "Seminole Evening" reception will be held **tonight from 5:30 to 7:30** on the 22nd floor of the capitol. Come by for this meet-and-greet with our legislators.

We look forward to seeing you this evening and tomorrow in your Garnet and Gold!

Budget Approaches Differ in the Senate and House

The General Revenue Estimating Conference added \$145 million to the projected 2015-2016-budget surplus of \$1 billion last week. However, the impending \$1.3 billion loss of the Low Income Pool (LIP) program would undermine the projected surplus. That program, which is set to expire June 30, has funneled about \$1 billion a year to Florida hospitals and other health-care providers who treat large numbers of low-income and uninsured patients.

Governor Scott's Budget Recommendations assumed the federal government would continue LIP funding and House appropriators and leaders believe LIP funding will be approved. Both the Governor and Speaker view LIP and Medicaid expansion as separate issues.

However, Senate President Andy Gardiner is not assuming continuation

of the LIP program, stating that his goal is for the Senate to "produce a budget that appropriately reflects the stark reality of our present situation." Gardiner added that goals and priorities should be reevaluated: "With seven weeks to go, I am hopeful Tallahassee and Washington can reach a solution that will allow our state to utilize increases in General Revenue to advance important policy goals in areas like education, tax relief and water and natural resources, rather than to make up for lost federal funding; however, I will not ask Senators to vote on a budget that includes promises of substantial funding we may not be able to keep."

The Senate Appropriations Committee is building a budget around SB 7044, which is designed to pull down \$47.2 million in federal Medicaid matching funds with a cost of \$4.1 billion over the next eight years. One

year remains for 100% federal funding and federal funding pays 95% in 2017, 94% in 2018, 93% in 2019, and from 2020 on 90% of the costs. However, Speaker Crisafulli indicated that the House did not, "... plan on having a conversation on that piece of legislation." Some House members are concerned that the federal government would not provide matching funds in the out years.

There are other major funding issues that will come into play as the House and Senate develop appropriations bills, including different approaches to funding Amendment 1 for the environment and addressing the revenue-producing Seminole [Gaming] Compact which expires July 21, 2015.

Both the House and the Senate Education Appropriations Committees are meeting this week and are expected to release their draft budgets. Education budget allocations are lower than hoped, making non-recurring and "extra" projects difficult to fund at this early stage of the budget process.

University Affordability

Proposed college and university affordability legislation includes bills that would provide tax breaks on textbooks and meal plans, the freezing of in-state graduate and professional tuition rates, and the codifying of Board of Governors performance metrics.

Issue	SB 938	House PCB	Senate Bill 7046
Gov's College Affordability Package	✓		
Sales Tax Exemption Exempts required textbooks, for courses offered by public or certain nonpublic postsecondary institutions, from sales tax. To obtain the exemption, students must show their student identification and applicable course syllabus.	✓		

Issue	SB 938	House PCB	Senate Bill 7046
<p>BOT Meeting Notice</p> <p>Requires state colleges and universities to publicly notice any potential tuition or fee increases 30 days prior to the board of trustees meeting.</p>	✓	Requires each state university to publicly notice any proposal to increase tuition at least 30 days prior to it being considered a BOT meeting.	
<p>Graduate & Professional Tuition</p> <p>Prohibits state universities from increasing resident tuition for graduate and professional programs above the amount set on July 1, 2015.</p> <p>Removes language allowing the Board of Governors to delegate graduate and professional tuition authority to a designee.</p>	✓		
<p>Requires UBOs to research options to reduce the cost of higher education, including:</p> <ul style="list-style-type: none"> • Textbooks and instructional materials, for all students; • The impact of tuition and fee increases at state colleges and universities (including graduate, professional, medical, and law schools); • The total cost of fees, including orientation fees, to students and families at state colleges and universities; and • Other methods relating to textbook and college affordability. 		Creates new section of law to require BOG & SBE to annually identify strategies and initiatives to promote college affordability	
<p>Textbooks & Instructional Materials</p> <p>Applies the current textbook affordability law, s. 1004.085, F.S., to required and recommended textbooks and instructional materials (such as course packets, etc.).</p>	✓	Defines instructional materials; Tweaks language re: posting of textbooks and instructional materials on institutions' registration systems; Adds "recommended" textbooks & instructional materials	Adds "instructional materials" to UF online section (1001.7065)
<p>Requires universities to specify the cost of recommended and required textbooks and other instructional materials in the institution's course registration system 14 days prior to student registration for 90% of classes offered at the institution.</p>	✓		

Issue	SB 938	House PCB	Senate Bill 7046
Requires universities to use textbooks for a minimum of 3 years in undergraduate courses, unless an exception is granted by the institution's president or designee or available at a lower cost.	✓		
Requires universities to consult with school districts to identify practices that impact the cost of dual enrollment textbooks and instructional materials to school districts.	✓	Requires postsecondary institutions to consult with school districts about cost of dual enrollment textbooks	
Requires universities to regularly conduct a cost-benefit analysis in comparing options for textbooks and instructional materials to ensure students get the highest quality product at the lowest available price.	✓	Requires postsecondary institutions to conduct cost-benefit analyses	
<p>Requires universities to annually report to the BOG the following:</p> <ul style="list-style-type: none"> • Cost of undergraduate textbooks and instructional materials, by course and section; • Textbook and instructional material selection process for high-enrollment courses; • Any institution specific initiatives that reduce the cost of textbooks and instructional materials, • The number of courses and course sections that were not able to meet the 14 day textbook and instructional material posting deadline, and • Any additional criteria determined by the chancellor. 	✓	<p>Requires state universities to annually report textbook affordability info to chancellors</p> <p>Requires chancellors to compile institutional info & report annually to SBE & BOG.</p> <p>Requires an annual report to Gov., Senate, and House</p>	
Differential Tuition		Eliminates ability for institutions to seek approval for an increase in tuition differential; Authorizes state universities to continue to assess a tuition differential fee provided it was approved prior to July 1, 2014	

Issue	SB 938	House PCB	Senate Bill 7046
Performance Funding			<p>Establishes the SUS performance funding formula in statute, composed of new funding, plus an amount of funds redistributed from the SUS base funding, as determined in the GAA. Univs will be evaluated for their performance based on benchmarks adopted by the BOG for achievement of excellence or improvement on specified metrics. These metrics include, but are not limited to, metrics that measure graduation and retention rates; degree production; affordability; postgraduation employment, salaries, or further education; student loan default rates; access; and other metrics approved by the BOG</p>
			<p>Univs qualifying for new funding will also have their base funding restored. Any institution which fails to meet the minimum threshold set by the BOG will have a portion of its base funding withheld and must submit an improvement plan to the BOG. The BOG must approve the improvement plan and conduct progress monitoring of the improvement plan's implementation. An institution will have its full base funding restored upon BOG approval of the improvement plan monitoring report. Any institution that fails to make satisfactory progress will not have its full base funding restore</p>

Issue	SB 938	House PCB	Senate Bill 7046
Preeminence Metrics - General			Requires a state university seeking to be designated as a preeminent state research university to enter into and maintain a formal agreement with the National Merit Scholarship Corporation.
Preeminence Metrics - Tuition		Clarifies that preeminent universities may increase the tuition differential by no more than 6% provided that they meet specific performance benchmarks established by the BOG.	
HECC		Adds the Chancellor of Career & Adult Ed to the HECC	

SPOTLIGHT ON **BILLS**

SB 7042 – Florida Retirement System by Senator Jeremy Ring (D – Margate), reestablishes renewed membership in the Florida Retirement System (FRS). A retiree of the FRS pension plan, the FRS investment plan, the Senior Management Service Optional Annuity Program (SMSOAP), the State University System Optional Retirement Program (SUSORP) or the State Community College System Optional Retirement Program (SCCSOAP) who is employed in a regularly established position with a covered employer on or after July 1, 2016, will be a renewed member in the FRS as follows:

- FRS (all retirees) → Investment Plan (any eligible class)
- SMSOAP → Investment Plan (any eligible class)

- SUSORP → SUSORP
- SCCSORP → SCCSORP

A renewed member must meet the vesting requirements of the applicable plan in which he becomes a renewed member. Except for renewed members reemployed prior to June 30, 2010, creditable service does not accrue for a retiree’s employment in a regularly established position with a covered employer from July 1, 2010, through June 30, 2016, and no employer or employee contributions may be paid into a renewed member’s investment plan account for employment with a covered employer during this time period.

A special actuarial study is required to determine the contribution

rates necessary to fund the costs associated with this modification to the FRS.

The bill reported favorably in the Government Oversight and Accountability Committee last week. A similar bill in the House, **HB 1249 by Representative Dan Raulerson (R – Plant City, FSU Alum)** is scheduled for a hearing tomorrow in the Governmental Operations Committee.

HB 4039 – Public Records and Public Meetings/ University Direct-support Organization by Representative Michelle Rehwinkel Vasilinda (D – Tallahassee), deletes the provision that protects the identity of a donor to a university direct-support organization. Additionally, the bill

deletes the public records exemption for a university direct-support organization and deletes the public meetings exemption for certain meetings of a university direct-support organization. The bill is in the Higher Education and Workforce Subcommittee. There is no Senate companion at this time.

SB 7038 – Employer Contributions to Fund Retiree Benefits by Senator Jeremy Ring (D – Margate), establishes the contribution rates paid by employers participating in the Florida Retirement System (FRS) beginning July 1, 2015. These rates are intended to fund the full normal cost and the amortization of the unfunded actuarial liability of the FRS. With these modifications to employer contribution rates, the FRS will receive roughly \$34.5 million less in revenue on an annual basis beginning July 1, 2015.

The bill also increases the contributions paid by employers participating in the retiree health insurance subsidy program. With the increased contribution rates, the Retiree Health Insurance Trust Fund will receive roughly \$96.8 million of additional revenues on an annual basis beginning July 1, 2015.

The bill has been referred to the Appropriations Committee. There is no House companion at this time.

SB 960 – Bright Futures Scholarship by Senator Tom Lee (R – Brandon), modifies student community service requirements affecting student eligibility for the Florida Bright Futures Scholarship Program awards by clarifying that community service work means volunteer service work, expanding the permissible activities that students can participate in to meet the volunteer service work requirement, and placing parameters on such activities. Specifically, the bill:

- Expands service work areas beyond social areas of interest to include a civic issue or a professional area of interest.

- Requires students to develop a plan for personal involvement in addressing the issue or learning about the issue in addition to reflecting on such experience through papers or presentations.
- Provides accountability requirements for students' service work.
- Prohibits students from receiving compensation or academic credit for the volunteer service work.

Additionally, the bill specifies that volunteer service work may include, but is not limited to, the following activities:

- Internship with a business or government entity;
- Work for a nonprofit community service organization; or
- Activity on behalf of a candidate for public office.

The volunteer service hours must be documented in writing and signed by the student, the student's parent or guardian, and a representative of the organization where the student volunteered. The bill reported favorably last week in the Higher Education Subcommittee and is now in the Appropriations Subcommittee on Education. A similar bill in the House, **HB 747 by Representative Patrick Rooney (R – Palm Beach Gardens)** is in the Higher Education and Workforce Subcommittee.

SB 1140 – Bright Futures Scholarship Program by Senator Bill Montford (D – Tallahassee, FSU Alum), allows a high school graduate who is eligible to accept a Florida Bright Futures Scholarship award to defer the 2-year period for the initial award and the 5-year period for renewing the award until such time that he or she completes a full-time religious or service obligation lasting at least 18 months. In addition, the bill requires the organization to document, in writing, and verify the student's religious obligation or service work.

The bill reported favorably by the Higher Education Committee last week and is now in the Appropriations Subcommittee on Education. There is no House companion at this time.

SB 490 – State Lotteries by Senator Geraldine Thompson (D – Orlando, FSU Alum), requires the Department of the Lottery (department) to offer a special instant scratch-off ticket lottery game to be known as "Ticket for the Cure," for a six-year period beginning January 1, 2016 and ending on December 31, 2021. The lottery ticket sales revenues from this special game, after reductions for payments of prizes to players and the actual expenses of the department solely related to the game, will be equitably apportioned and paid by the department to state universities that either have medical research facilities or are associated with such facilities.

The bill was amended last week to create the Breast and cervical cancer early detection program and to name it the "Mary Brogan Breast and Cervical Cancer Early Detection Program Act." The bill reported favorably by the Regulated Industries Committee last week. A similar bill in the House, **HB 1189 by Representative Gwendolen Clarke-Reed (D – Pompano Beach)** is now in the Government Operations Subcommittee.

HB 7069 – Education Accountability by Representative Marlene O'Toole (R – The Villages), revises education accountability measures to coincide with the Governor's "Let's Keep Florida Learning" plan. Specifically the bill:

- Allows districts to set a school start date as early as August 10 each year.
- Eliminates unnecessary and duplicative state and district assessments by repealing the statewide, standardized 11th grade ELA assessment and repealing the required administration of the PERT to high school students.

- Prohibits administration of final exams in addition to statewide, standardized EOC assessments.
- Provides flexibility to districts to monitor the reading proficiency of K-3 students and address the needs of students who struggle in reading and math.
- Streamlines provisions relating to 4th grade promotion and district K-12 comprehensive reading plans.
- Reduces classroom disruption by allowing district employees such as teacher assistants to administer state assessments.
- Enhances transparency and assessment literacy by requiring the development and use of a uniform assessment calendar, specifying required elements for the calendar, and requiring timely reporting of district assessment

and progress monitoring results to teachers and parents.

- Grants districts greater flexibility in measuring student performance in grades and subjects not associated with the state assessment program.
- Grants districts greater flexibility in evaluating teacher performance by reducing the student performance and instructional practice evaluation components to one third each and streamlining evaluation system monitoring provisions.
- Requires the state board to publish a comparison of district and state evaluation results.

The bill has a cost savings of \$750,000 to the Student Loan Operating Trust Fund due to the elimination of the Postsecondary Education Readiness Test (PERT). There are potential

savings to districts due to the possible elimination of local testing items. The bill reported favorably by the Education Appropriations Subcommittee last Thursday. A comparable bill in the Senate, **SB 616 by Senator John Legg (R – Lutz)** is in the Appropriations Subcommittee on Education.

HB 225 – All-American Flag Act by Representative Bob Cortes (R – Maitland), requires all United States and state flags purchased by the state, a county, or a municipality for public use, after January 1, 2016, to be made in the United States entirely from domestically grown, produced, and manufactured materials. The bill reported favorably by the Government Operations Appropriations Subcommittee last week and is now in the Local and Federal Affairs Committee. The identical bill in the Senate, **SB 590 by Senator Thad Altman (R – Cape Canaveral)** is now in the Fiscal Policy Committee.

SESSION SCHEDULE

SENATE SESSION

WEDNESDAY, **MARCH 18**, 10:00 a.m. to 12:00 noon

HOUSE SESSION

TUESDAY, **MARCH 17**, 3:00 p.m. until completion
 WEDNESDAY, **MARCH 18**, 2:00 p.m. until completion



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