

LegisLetter

FLORIDA STATE UNIVERSITY GOVERNMENTAL RELATIONS

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There was a sense late last week that legislators realized they were already 25 days into this year's 60-day session, and little had been accomplished.

Just as this notion was beginning to set in, the Senate released its first attempt at a spending plan for 2009-10.

The Senate's preliminary budget for higher education includes a 9 percent across-the-board cut. This reduction, however, could be "bought back" through the application of federal stimulus dollars, Seminole Compact (tribe gaming) revenue, an 8 percent base-tuition increase, revenues from yet-to-be-determined (and yet-to-pass) fees, and by closing some existing tax exemptions. Taking all of these steps would allow the SUS to realize either a very small reduction or possibly even none at all (**see related chart**).

The House on Thursday had preliminary discussions about their spending plan, but will release further details and vote it out of the committee on Wednesday. Indications are that they will not propose any revenue-enhancement measures or the use of gaming dollars to offset their cuts. They will, however, offer a 7 percent base-tuition hike to soften the blow.

House policy committees wrapped up their work for the 2009 session on Friday. Now, only bills that have had at least one hearing can technically move forward through that chamber. The tuition differential bill is one such bill and it will be heard on the House floor later this week (**see related chart**).

The Senate, meanwhile, will continue to hear bills in each of its committees through day 50 of the session, and a number of bills of interest are still moving there (**see Spotlight on Bills**).

Tomorrow (Tuesday, March 31) at 11:30, the House will honor FSU Rhodes Scholar Myron Rolle with a resolution on the House floor. Coaches Bobby Bowden, Jimbo Fisher and President Wetherell will be in attendance, and you too can watch this presentation – as well as all of the other legislative action – through the Florida Channel, which is local cable channel 4.

As always, feel free to contact me if you have questions, comments or concerns about legislative issues. I can be reached at (850) 644-4453 or via email at kdaly@fsu.edu.

Kathleen

Budget Update

The House of Representatives and the Senate have started working on their respective budgets for the 2009-10 fiscal year. Late last week the Senate rolled out preliminary numbers utilizing stimulus and Seminole compact dollars. Below is a chart showing the breakdown of the Senate's draft budget as it relates to the university system:

Issue	Senate
Beginning Recurring Base Budget	\$ 3,386,918,307
Tuition Increase – 8%	\$ 68,404,278
Tuition Differential – 7%	\$ 46,132,831
Tuition Change-in-Mix – Trust Fund	
Realignment (Student Tuition)	(\$ 7,027,845)
Tuition Authority – Planned Enrollment	
FSU/FIU/UCF Medical Schools	\$ 2,625,957
2009-10 PO&M – New Facilities coming	
On-line	\$ 14,746,549
State Fiscal Stabilization – Federal	
Grants Trust Fund	\$ 155,108,966
Indian Gaming Funds	\$ 10,000,000
General Revenue Base Budget	
Adjustment – 9% Reduction	(\$ 187,761,441)
Lottery Base Budget Adjustment	(\$ 18,147,711)
Total 2009-2010 Budget	\$ 3,490,82,486
% Increase over 2008-2009 Revised Budget	5.42 %

Tuition Differential

There are currently two bills moving through the House and Senate to address tuition differential at the state universities, **HB 403 by Representative Will Weatherford (R – Zephyrhills) and SB 762 by Senator Ken Pruitt (R – Port St. Lucie)**. The 2007 Legislature authorized the Board of Governors to establish a tuition differential for research universities, with a cap of 30 percent or 40 percent of tuition, depending on the classification of the institution. The tuition differential is a supplemental fee that is charged for undergraduate instruction. Under the criteria established in 2007, Florida State University and the University of Florida met the criteria for a differential capped at 40 percent of tuition, and the University of South Florida met the criteria for a differential capped at 30 percent. In 2008, the University of Central Florida and Florida International University met the criteria for the 30 percent cap.

For the academic year 2007-2008, the national average tuition and fees for resident undergraduate students at 4-year public postsecondary institutions in the United States was \$5,390. Florida is at 38 percent of the national average.

HB 403 and SB 762 authorize all state universities to charge a tuition differential

subject to approval by the Board of Governors. Seventy percent of the tuition differential would be used to promote improvements in undergraduate education and thirty percent would be used to provide financial aid to undergraduate students who exhibit financial need. The House bill was amended last week to allow universities to raise the revenue for the need-based financial aid from private sources.

The aggregate sum of tuition and the tuition differential could not increase by more than 15 percent of the total charged for these fees in the previous year. The total undergraduate tuition and fees per credit hour could not exceed the national average for undergraduate tuition and fees at 4-year degree-granting public postsecondary educational institutions. The current requirements of the tuition differential would continue to apply to students, as follows:

- The tuition differential is not covered by the Bright Futures Scholarship Program;

- Students who were in attendance at the qualifying institution prior to July 1, 2007, and who maintain continuous enrollment may not be charged the tuition differential;
- A university may waive the tuition differential for students who demonstrate unmet financial need under the criteria for the Florida Public Student Assistance Grant (FSAG); and
- Beneficiaries having prepaid tuition contracts in the Prepaid College Tuition Program in effect on July 1, 2007, and which remain in effect, are exempt from the payment of the tuition differential.

The Board of Governors must issue a report to the President of the Senate, the Speaker of the House of Representatives, and the Governor regarding the implementation of the tuition differential.

It is anticipated the HB 403 will be heard by the full House next week.

SESSION SCHEDULE

SENATE SESSION

Thursday, April 2,
9:00 a.m. to 12:00 noon.

HOUSE SESSION

Tuesday, March 31,
11:30 a.m. to 1:00 p.m.

Myron Rolle

The House of Representatives will recognize Florida State student-athlete Myron Rolle tomorrow, March 31st, at 11:30 a.m., when it convenes in session. Myron will be presented a resolution honoring his selection as a 2009 Rhodes Scholar. Please join us, wearing your garnet and gold, in the House Gallery at 11:30 to show our Seminole pride in Myron's accomplishments.



Spotlight on Bills

HB 811, Human Trafficking by Representative Geraldine Thompson (D – Orlando, FSU Alum), creates the Florida Statewide Task Force on Human Trafficking within the Executive Office of the Governor. The bill prescribes the membership of the task force, its activities, and other matters necessary to the task force completing its work. The bill requires the task force to receive the Statewide Strategic Plan currently being formulated by the Florida State University Center for the Advancement of Human Rights, and to receive, revise, and propose a plan of implementation of the strategic plan. The bill also requires the Florida State University Center for the Advancement of Human Rights to carry out specified activities. The bill reported favorably in the Domestic Security Policy Committee and is now in the State Universities and Private Colleges Committee. The identical bill in the Senate, **SB 168 by Senator Arthenia Joyner (D – Tampa)** is in the Higher Education Committee.

SB 1796 – Governmental Operations, by Senator J.D. Alexander (R – Winter Haven), requires a website be established for public access to government entity financial information. The initial phase will include appropriations data and expenditure data for all branches of state government to be established by the Executive Office of the Governor in consultation with the legislative appropriations committees. The Joint Legislative Auditing Committee will oversee the website and will propose additional phases of information to be made available. The committee will provide a proposal by March 1, 2010 that will include a schedule of additional phases of information by the type of information to be provided for specific governmental entities, including local government units, community colleges, state universities and other government entities that receive state appropriations. The proposal will include timeframes for

additional phases as well as a proposed development entity for the additional information. The bill was heard in the Policy and Steering Committee on Ways and Means last week. There is no House companion at this time.

SB 2694 – State Financial Matters, by Senator J.D. Alexander (R – Winter Haven), enhances the authority of the Legislature over agency contracting that affects the state budget. The bill specifies that the Legislature must grant specific authority in the General Appropriations Act before a state agency or the judicial branch may make certain transfers deemed necessary by reason of changed conditions. The bill prohibits agencies, without legislative approval, from obligating the state through certain types of contractual clauses, and requires advance notice to the Governor and Legislature before entering certain high-value or no-cost contracts. The bill specifies contractual language addressing the state's ability to terminate contracts, which must be included in all executive and judicial contracts, and creates misdemeanor penalties for agency employees who willfully violate the bills' provisions. The bill requires agency heads or their equivalents to sign contracts worth more than \$25,000, and to certify compliance with applicable contracting provisions for all contracts with terms of greater than 12 months. The bill was heard in the Policy and Steering Committee on Ways and Means last week. There is no House companion at this time.

SB 156 – Nonpublic Postsecondary Institutions, by Senator Jeremy Ring (D – Margate), revises the criteria concerning the standards by which the Commission for Independent Education (CIE) evaluates institutions for licensure. All nonpublic postsecondary educational institutions licensed by the commission would have to obtain accreditation within five years after the date they are

first licensed or by 2014 if they are currently licensed but not accredited. Institutions would be required to notify the Department of Education and the Office of the Attorney General of their progress in obtaining accreditation. The bill defines the term academic degree for private postsecondary institutions. Additionally, the bill requires the Commission for Independent Education to maintain, on its website, a current list of the institutions that are licensed and hold accreditation. The bill reported favorably by the Higher Education Committee last week. The identical bill in the House, **HB 619 by Representative Bill Heller (D – St. Petersburg)** has been referred to State Universities & Private Colleges Policy Committee; Economic Development Policy Committee; Education Policy Council.

HB 69 – Space Industry, by Representative Dorothy Hukill (R – Port Orange), creates a multi-university Space Technology and Research Development Institute (STRDI) within the Governor's Office of Tourism, Trade and Economic Development and supported by Space Florida. The STRDI will be a university-based program, led by Embry-Riddle Aeronautical University, to provide research and development and policy analysis to improve the competitiveness of the space transportation industry in Florida. Additionally, the STRDI will seek designation as a Federal Aviation Administration sponsored Center of Excellence. Research to be supported by the institute includes, but is not limited to: Range and airspace management systems; Spaceflight human factors; Launch vehicle safety; Materials science; and Spaceport instrumentation, technologies, and processes. The bill was heard in Economic Development & Community Affairs Policy Council last week. A similar bill in the Senate, **SB 888 by Senator Evelyn Lynn (R – Ormond Beach)**, has been referred to the Commerce, Higher Education, and Policy

& Steering Committee on Ways and Means committees.

SB 2682 – Florida College System by Senator Ken Pruitt (R – Port St. Lucie), addresses recommendations made by the State College Pilot Project and Florida College System Task Force, which were created by the 2008 Legislature to make recommendations relating to the transition of community colleges to baccalaureate-degree-granting institutions. The bill:

- Revises statute to reflect the 2008 creation of the Florida College System by redesignating “community colleges” as “Florida colleges” and the “Division of Community Colleges” as the “Division of Florida Colleges.”
- Permits a Florida college to use the name “state college” or “college” when it has been authorized to offer baccalaureate degree programs and has received Level II accreditation from the Commission on Colleges of the Southern Association of Colleges (SACS).
- Specifies that the primary mission of a Florida college includes the award of baccalaureate degrees as authorized by law and provides that students who graduate from a Florida college with an Associate in Arts degree are guaranteed admission to the upper division of a Florida college, as well as a state university.
- Provides for the continuation of baccalaureate degree programs authorized by law prior to the bill’s effective date of July 1, 2009. After the bill’s effective date, each first or subsequent baccalaureate degree program proposed by a Florida college must be approved by the State Board of Education (SBE), except as follows:

The bill affords other Florida colleges the opportunity to be authorized in the future to grant baccalaureate degrees without first obtaining SBE approval. Under the bill, a Florida college, seven years after it has been authorized to grant a baccalaureate degree and has received Level II accreditation from SACS, may request that the SBE review its programs for purposes of determining whether the college should be exempted from future SBE-approval requirements. The SBE is required to provide that recommendation to the Legislature at least 90 days before

the next regular session. The bill has been referred to the Higher Education; Higher Education Appropriations committees. The House companion, **HB 7083, by Representative Seth McKeel (R – Lakeland)** has been filed.

SB 606 – Florida Prepaid College Program by Senator Stephen Wise (R – Jacksonville), permits beneficiaries of prepaid contracts to transfer the benefits of a prepaid contract to any eligible educational institution as defined in s. 529 of the Internal Revenue Code. The bill permits Florida Prepaid College Program beneficiaries the maximum choice permitted under s. 529 of the Internal Revenue Code in selecting an educational institution at which the benefits of their plans could be used. The bill is waiting to be heard by the full Senate. A similar bill in the House, **HB 315 by Representative Charles Van Zant (R – Palatka)** is on second reading in the House.

UPDATE

HB 1263 – Joint Resolution State and Local Government Revenue Limitations, by Representative Anitere Flores (R – Miami), proposes an amendment to s. 1, Art. VII, and the creation of s. 19, Art. VII of State Constitution to replace the existing state revenue limit based on Florida personal income growth with new state and local government revenue, etc. The bill was heard in the Military & Local Affairs Policy Committee last week. A similar bill in the Senate, **SB 1906 by Senator Mike Haridopolis (R – Melbourne)** was heard in the Governmental Oversight and Accountability Committee.

SB 1614 – Funding for Medical Student Education by Senator Steve Oelrich (R – Gainesville, FSU Alum), requires the state to provide a base level of state support per medical student at all colleges of medicine at state universities. The funding would be provided according to a methodology based on costs associated with the 4-year Doctor of Medicine degree as determined by the Board of Governors and the Office of Program Policy Analysis and Government Accountability. The formula could allow a per-student supplement to support the

unique mission of a college of medicine. The bill authorizes the Legislature to provide new start-up funding for new colleges of medicine. The bill reported favorably by the Higher Education Committee last week. The House companion, **HB 391 by Representative Bill Proctor (R – St. Augustine, FSU Alum)** is awaiting hearing in its last committee of reference, the Full Appropriations Council on Education & Economic Development.

SB 1182 – State Retirement, by Senator Mike Fasano (R – New Port Richey), provides that any person who is retired under the Florida Retirement System (FRS), except for persons retiring under a disability, may be reemployed by an FRS employer but may not receive a salary and retirement benefits while reemployed. The employee may not be reenrolled in the FRS, and the employer does not pay retirement contributions to the FRS for such employee. Exemptions are provided for certain employees hired by a district school board, a community college, the state university system, the Board of Trustees for the Florida School of the Deaf and Blind, and for employers hiring a retired firefighter or paramedic. Except for a retired member who renewed into the system prior to July 1, 2009, a retiree of the FRS may not be enrolled in the FRS on or after July 1, 2009. The bill will be heard in the Community Affairs Committee tomorrow. The House companion, **HB 479 by Representative Robert Schenk (R – Springhill)** reported favorably by the Economic Development & Community Affairs Policy Council last week.



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