



Volume **21** | Number **6** | **April 7, 2014**

The 2014 legislative session crossed its midpoint last week and state lawmakers are now focused on crafting a roughly \$75 billion budget for the coming fiscal year. The House and Senate have been closely aligned on a number of issues this year, and the governor has already signed certain bills into law. Among these is the “Florida GI Bill” – an FSU priority – as well as legislation that reduces vehicle-registration fees.

In spite of this year’s relative collegiality between the chambers, a vast majority of the 1,826 bills, resolutions and memorials filed by individual members and various committees have died with barely a murmur.

Both the House and Senate approved their proposed budgets on Thursday, which sets the stage for negotiations on a final spending plan. A budget conference committee will likely be initiated sometime this week with the appointing of House and Senate conferees, and the release of a conference-meeting schedule.

This past Friday, the State Affairs Committee in the House approved a bill that would (1) increase the amount of time it would take a state employee to be vested in the Florida Retirement System, (2) close the state’s pension plan to elected officials, and (3) automatically place new employees into a “defined contribution” plan – a 401(k)-style investment plan – rather than the traditional “defined benefit” plan. These revisions are currently “non-starters” in the Senate, which thwarted a similar plan last year.

A magnificent collection of Garnet and Gold descended on the Capitol last Tuesday for FSU Day at the Capitol. In addition to the impressive displays by our academic units, both the House and Senate honored our National Championship football team. The team’s trophies (Heisman and BCS) were on display, and FSU cheerleaders, pep-band members and circus performers pumped-up the spirit! For photos and more info on this special event, please see the related story.

As legislators continue to hear bills in committee and on their chamber floors, you can follow the action live on the Florida Channel, local cable channel 4, as well as online at WFSU.org. As always, please contact me with any questions at **(850) 644-4453** or **kdaly@fsu.edu**.

Kathleen

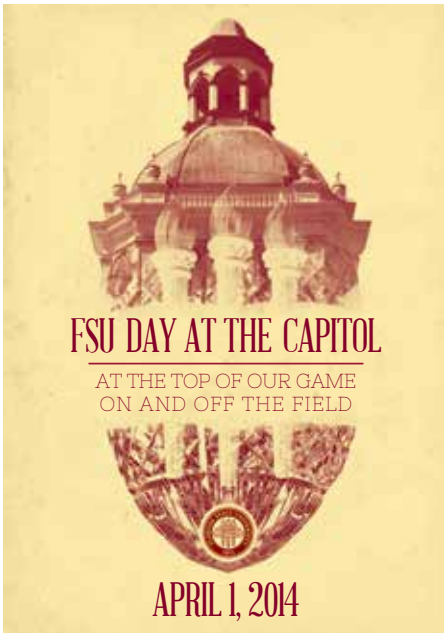
Seminole Spirit Fills the Capitol

Last Tuesday, the capitol rocked garnet and gold during FSU Day at the Capitol. Special thanks go out to those who took time from their busy schedules to share the accomplishments of their departments and programs with the legislative community. Thanks also go out to Tom Block who

served as emcee for the noontime activities in the capitol courtyard. Joining Tom was the Seminole Sound, FSU cheerleaders and Flying High Circus performers, who entertained the crowd, along with Coach Jimbo Fisher, quarterback Jameis Winston and other members of the 2013 National Championship

football team who mingled with our alumni and friends.

The festivities actually started the night before with “A Seminole Evening” reception on the 22nd floor of the capitol hosted by the Student Government Association. State lawmakers, legislative staff,



alumni and supporters gathered with students and other members of the campus community to talk and learn while the sun set over Doak Campbell Stadium in the distance.

These special events would not have been possible, of course, without the support of our generous sponsors:

- Classic Fare Catering by Aramark*
- Florida Beer Wholesalers Association*
- Tri-Eagle Sales*
- Sharkey's Capitol Café*
- Coca Cola Bottling of Tallahassee*
- 101 Restaurant / Adam Corey*
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- Strategos Public Affairs*
- Paul W. Wharton, PH.D. Consulting, Inc.*

Pictures of the festivities will be posted to the Governmental Relations website, govrel.fsu.edu, later this week.

University Priorities

1. Support for additional preeminence performance funding – \$15 million

Last session the legislature passed SB 1076, which established performance standards state universities need to meet in order to be granted preeminent status. Currently, only FSU and UF meet those criteria. Each university's annual base budget is supplemented by \$15 million recurring dollars. We are requesting an additional bump of recurring dollars to the \$15 million already in our base.

House: No additional bump at this time.
Senate: \$5 million recurring in addition to the \$15 million recurring in our base.

We prefer the Senate position at this time.

2. Support Facilities Funding

New facilities, renovations, and the expansion of existing facilities, as well as funding for general maintenance, has fallen short of the university's needs because of diminishing Public Education Capital Outlay (PECO) funds, enrollment and programmatic growth, and the impact of the recession.

The top two projects on FSU's priority list are:

1. EOAS (Earth, Ocean and Atmospheric Science) Building

– The two-phased EOAS complex will be the focus of earth, ocean and atmospheric sciences. The idea is to create an environment where earth science disciplines such as these can interact in a collaborative effort to teach, conduct research, and public service. The facility will provide space primarily for classroom/teaching labs, study and research labs, and administrative and academic support functions. \$30 million requested and approved by the Board of Governors.

House: \$30,000,000
Senate: \$0

2. FAMU-FSU College of Engineering III

– This request involves a joint-use project between Florida State University and Florida A&M University that will provide approximately 75,000 sq. ft. of space for the Colleges operations. \$15 million requested and approved by the Board of Governors.

House: \$15,000,000
Senate: \$10,000,000

We prefer the House position at this time.

Budget Update

The House on Thursday approved a \$75.3 billion spending plan for the budget year that begins July 1. The Senate countered a few hours later by approving a \$74.9 billion proposal. Both exceed the \$74.2 billion budget proposed by Governor Rick Scott in January. Leaders in both chambers said they should be able reach

agreements on allocations --- overall spending caps for broad areas of the budget --- in the coming days and start scheduling meetings to hammer out the final budget. Both chambers are touting increases in spending on education, and both chambers have included \$500 million in tax and fee cuts. The most publicized cut is a \$395

million rollback of vehicle registration fees, increased in 2009. The rollback will equate to about \$25.00 per year for the average motorist.

Below is a side-by-side comparison of where FSU allocations stand in each chamber's budget heading into the Budget conference process.

| Issue | House | Senate |
|--|--------------|----------------|
| General Revenue | 246,271,771 | 250,706,273 |
| Preeminence included | 15,000,000 | 20,000,000 |
| Includes American Legion Boy and Girls Housing | 100,000 NR | 100,000 NR |
| Includes Campus Compact | 250,000 NR | |
| Includes Pepper Center for Long Term Care | 0 | (500,000) R |
| FSU College of Engineering | 0 | 3,000,000 |
| Student and Other Fees | 227,550,703 | 227,550,703 |
| Lottery | 47,599,914 | 37,064,365 |
| SUS Performance Based Incentives | 75,000,000 R | 200,000,000 NR |
| College of Medicine | 45,874,413 | 47,899,389 |
| Includes Military ESE Early Intervention Services | 0 | 2,000,000 R |
| College of Medicine Lottery | 605,115 | 605,115 |
| SUS Fixed Capital Outlay | 31,123,760 | 41,123,760 |
| SUS Maintenance Repair & Renovation | 34,004,165 | 27,649,378 |
| PECO | | |
| FSU/FAMU College of Engineering III | 15,000,000 | 10,000,000 |
| Earth Ocean Atmospheric Sciences Building | 30,000,000 | 0 |
| SUS Critical Deferred Maintenance | 60,147,116 | 0 |
| WFSU-TV/FM Tower Renovation | 115,000 | 115,000 |
| Florida Diagnostic & Learning Resources Center (FDLRC) | 450,000 | 396,525 |
| Communication Navigator | 1,000,000 R | 1,500,000 R |
| Autism Program (CARD) | 1,578,492 | 1,056,211 |
| Public Broadcasting | | |
| Statewide Governmental & Cultural Affairs Programing | 497,522 | 497,522 |
| Florida Channel Closed Captioning | 441,756 | 340,862 |
| Florida Channel Year Round Coverage | 2,072,554 | 2,272,554 |
| Florida Channel Satellite Transponder Operations | 800,000 | 800,000 |
| Public Television Stations | 3,996,811 | 3,996,811 |
| Public Radio Stations | 1,300,000 | 1,300,000 |
| Student Financial Assistance | 1,467,667 | 1,467,667 |
| FSU College of Medicine – Immokalee | 300,000 NR | 300,000 NR |
| Florida Catastrophic Storm Risk Management Center | 1,100,000 | 1,500,000 |

SPOTLIGHT ON **BILLS**

PCB SAC 14-02 – Florida Retirement System by Senator Representative Jim Boyd (R – Bradenton, FSU Alum),

provides that members of the FRS have two plan options available for participation: the defined benefit plan, also known as the pension plan, and the defined contribution plan, also known as the investment plan. In addition to the two primary plans, some eligible members have the choice of participating in optional retirement plans, which include the Senior Management Service Optional Annuity Program, State Community College System Optional Retirement Program, and the State University System Optional Retirement Program.

This bill makes the following changes to the FRS, effective July 1, 2015, for newly hired state employees:

- Increases the vesting period for members enrolled in the pension plan from eight years to 10 years;
- Increases the disability vesting period for all new enrollees from eight years to 10 years;
- Prohibits members initially enrolled in a position covered by the Elected Officers' Class or Senior Management Service Class from participating in the pension plan and requires participation in the investment plan;
- Changes the default from the pension plan to the investment plan for members who do not affirmatively choose a plan;

- Extends the time period for member's to make a plan selection from the last day of the fifth month after the month of hire to the last day of the eighth month after the month of hire;
- Closes the Senior Management Service Optional Annuity Program to new participants; and
- Prohibits elected officials from joining the Senior Management Service Class in lieu of participation in the Elected Officers' Class.

The bill makes changes to the FRS; however, benefits of current members and retirees are not affected by changes in this bill. Rather, changes included in the bill only pertain to members initially enrolled in the system on or after July 1, 2015.

The bill provides that a proper and legitimate state purpose is served, which includes providing benefits that are managed, administered, and funded in an actuarially sound manner.

HB 5101 – Education Funding by the Education Appropriations Subcommittee, conforms statute to the funding decisions in the 2014-2015 GAA (GAA) and addresses issues relating to the education system. Specifically, the bill:

- Establishes the Florida Information Resource Network (FIRN) as the educational data transport service which school districts must use in their preparation for and implementation and

administration of the statewide, standardized assessments.

- Revises the date that a lab school must be in operation to be eligible to receive a proportional share of the sparsity supplement.
- Clarifies that McKay Scholarship payments shall not be reduced due to the 1.0 FTE cap.
- Revises the compliance calculation for public schools that fail to comply with the class size requirements.
- Repeals the undergraduate limitation on New College of Florida and establishes a Master's Degree in Data Science and Analytics.
- Provides the Department of Education authority to assess and collect fees from publishers participating in the instructional materials review and approval process and provide a stipend to be paid to instructional materials reviewers.
- Prohibits dually enrolled students from enrolling in more than 24 college credit hours before completing the college credit general education core coursework.
- Clarifies that eligible students in public schools, private schools, or home education programs are exempt from the payment of registration, tuition, and lab fees.
- Revises payment provisions required of school districts for

dual enrollment provided by public postsecondary institutions.

- Exempts private secondary institutions from dual enrollment payment provisions.
- Provides that dual enrollment funding shall be provided, subject to annual appropriation, to public postsecondary institutions for specific credit hours not paid by school districts.
- Prohibits a school district from denying a student access to dual enrollment during the hours of instruction that would be necessary to earn 1.0 full-time equivalent student membership.
- Codifies the current standard tuition rates for workforce education programs, Florida colleges, and state universities.
- Clarifies that college transfer students are required to pay excess credit hours.
- Extends the payment provisions applicable to Florida Prepaid contracts to purchases before July 1, 2024, and establishes a maximum payment cap the Florida Prepaid College Board must pay to a state university on behalf of qualified beneficiaries.
- Expands eligibility requirements for independent colleges and universities participating in dual enrollment instruction, and increases opportunities for students to participate in dual enrollment by encouraging school districts to enter into dual enrollment agreements with eligible independent colleges and universities.
- Establishes the Technology Supplemental Allocation in the Florida Education Finance Program and prescribes the use of the funds allocated to this categorical.

The bill has an estimated state funding fiscal impact of \$25,213,283 that will be addressed in the House proposed GAA.

The bill is in returning messages to the House and will be included in the budget conference process.

HB 5009 – Education Capital Outlay by Representative Seth MeKeel (R – Lakeland), requires the Department of Education to make monthly transfers from the Public Education Capital Outlay and Debt Service Trust Fund into a separate sub-account to reserve funds for the purpose of paying debt service. Priority is placed on the transfer of funds for debt service over the expenditure of funds for project appropriations. This will ensure that sufficient cash balances within the fund are available to pay debt service for Public Education Capital Outlay bonds (PECO).

The bill requires that cash be reserved and transferred two months earlier than currently authorized to ensure there are sufficient funds to pay debt service on PECO bonds. The acceleration of the reserve (by two months into the previous fiscal year) results in a one-time loss of funds available for project appropriation in an amount equal to two twelfths of the total debt service of \$903.4 million (or \$150 million) for Fiscal Year 2014-15. The 2014-15 proposed House Budget HB 5001 reserves \$150 million in unallocated PECO funds for the May and June 2014 payments to the sub account. This bill changes statutes to conform to the use of PECO trust funds in HB 5001. The bill is in Senate messages.

CS/SB1266 – State Employees’ Prescription Drug Program by Senator Bill Montford (D – Tallahassee, FSU Alum), amends s. 110.12315(2), Florida Statutes, relating to the state employees’ prescription drug program, to allow the Department of Management

Services to negotiate a dispensing fee for 90-day maintenance drugs at retail, and to authorize a 90-day supply of maintenance prescriptions to be filled at retail. The bill also limits the reimbursement for retail and mail order purchases to the amount contracted by the department for prescriptions fulfilled by mail order.

The bill was amended last week to limit the reimbursement for retail and mail order purchases to the amount contracted by the department for prescriptions fulfilled by mail order. The bill reported favorably by the Governmental Oversight and Accountability Committee last week. A similar bill in the House, **HB 1361 by David Richardson (D – Miami Beach)**, is now in Health and Human Services Committee.

UPDATE ON BILLS

HB135 – Public Records & Public Meetings / Postsecondary Education Executive Search by Representative Dave Kerner (D – Palm Springs), provides an exemption from public records requirements for personal identifying information of applicant for president, provost, or dean of state university or Florida College System institution. The bill was amended to revise the requirement regarding the release of the names of the final applicants, requiring the state university or FCS institution to release them no later than 10 days before the date of the meeting at which final action or vote is to be taken on the employment of the applicants. The previous requirement was 21 days. The bill passed out of the Education Committee and is waiting to be heard by the full House. The Senate companion, **SB 728 by Senator Alan Hays (R – Umatilla)** has been referred to the Education, Governmental Oversight and Accountability, and Rules committees.

CS HB 391 -- Florida Hurricane Catastrophe Fund by Representative Bill Hagar (R

– **Boca Raton**), restructures the Florida Hurricane Catastrophe Fund (FHCF) to reduce the exposure of the Fund by reducing the maximum coverage of the FHCF from \$17 billion to \$14 billion.

An amendment was filed late last week that specifies that:

- Beginning with the 2014-2015 fiscal year, the State Board of Administration shall annually

transfer a portion of the investment income of the Florida Hurricane Catastrophe Fund to the Florida Catastrophic Storm Risk Management Center to fund the center's ongoing operations. The amount of the transfer for a particular fiscal year shall be the lesser of \$1 million, or percent of the fund's investment income minus \$10 million, as determined by using the most recent fiscal year-end audited financial statements.

The bill is scheduled to be heard in the Government Operations Appropriations Subcommittee tomorrow. The Senate companion, **SB 610 by Senator Tom Lee (R – Brandon)** has been referred to the Banking and Insurance, Community Affairs and Appropriations committees.

SESSION SCHEDULE

SENATE SESSION

FRIDAY, **APRIL 11**, 9:30 a.m. to 6:00 p.m.

HOUSE SESSION

WEDNESDAY, **APRIL 9**, 11:00 a.m. to 5:00 p.m.



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