Florida’s 60-day legislative session is just past the midway point although most of the major issues, including the completion of a constitutionally mandated budget, remain unresolved.

Last week, the House and the Senate approved their respective budget proposals for FY 2016-2017, setting the stage for the real work to begin with the start of conference negotiations. (See the related budget side-by-side for each chamber’s allocations to FSU projects.) Lawmakers are expected to agree on a final budget that includes record levels of K-12 funding, but questions remain about tax cuts and economic-development funding.

Healthcare, gambling, and the criminal-justice system are other issues that could impact the budget negotiations.

As the committee process continues to wind down, bills still needing another committee hearing or two may be lost for this session. Legislation that revises state-employee pensions and health benefits received hearings last week, as did bills that modify the funding of public-education facilities. Please see the Spotlight on Bills section of this newsletter for an overview of legislation still moving through the process.

You can watch all of the lawmaking activities live on the Florida Channel, cable channel 4. As always, please contact me with questions about specific bills or their analysis; I can be reached at (850) 644-4453 or kdaly@fsu.edu.
The House and Senate have passed their budget proposals and are now in a posture for conference.

The House recommends a budget of $79.9 billion for FY 2016-2017, and the Senate recommends $80.9 billion. The announcement of conferees and a conference schedule are expected sometime this week.

Below is a side-by-side comparison of the House and Senate final numbers for FSU projects:

<table>
<thead>
<tr>
<th>Budget Item (Entity)</th>
<th>House Proposal</th>
<th>Senate Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Revenue</td>
<td>$236,380,607</td>
<td>$237,881,519</td>
</tr>
<tr>
<td>Student and other fees</td>
<td>$238,310,768</td>
<td>$238,310,768</td>
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<tr>
<td>Lottery</td>
<td>$42,638,240</td>
<td>$41,188,087</td>
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<tr>
<td>Preeminent Universities</td>
<td>$6,900,000 – restoration of non-recurring</td>
<td>$48,000,000 recurring base</td>
</tr>
<tr>
<td></td>
<td>$20,000,000</td>
<td></td>
</tr>
<tr>
<td>Preeminent &amp; Emerging Preeminent</td>
<td>$48,000,000 recurring base</td>
<td>$15,000,000</td>
</tr>
<tr>
<td>Emerging Preeminent</td>
<td>$10,000,000</td>
<td></td>
</tr>
<tr>
<td>Performance funds (SUS)</td>
<td>$500,000,000</td>
<td>$475,000,000</td>
</tr>
<tr>
<td>College of Medicine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Revenue</td>
<td>$34,379,583</td>
<td>$34,379,583</td>
</tr>
<tr>
<td>Student &amp; Other Fees</td>
<td>$13,019,086</td>
<td>$13,019,086</td>
</tr>
<tr>
<td>Lottery</td>
<td>$605,115</td>
<td>$605,115</td>
</tr>
<tr>
<td>FAMU/FSU College of Engineering</td>
<td>$13,451,572</td>
<td>$13,241,710</td>
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<tr>
<td>SUS Capitol Improvement Fee Projects</td>
<td>$35,000,000</td>
<td>$35,000,000</td>
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<tr>
<td>SUS Maintenance, Repair, Renovation</td>
<td>$61,804,669</td>
<td>$61,804,669</td>
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<tr>
<td>SUS PECO</td>
<td>$81,791,122</td>
<td>$73,166,168</td>
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<tr>
<td>Honorably Discharged Graduate Assist.</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>FL Diagnostic &amp; Learning Resource Ctr</td>
<td>$450,000</td>
<td>$450,000</td>
</tr>
</tbody>
</table>

*Continued on next page*
HB 7107 – Public Employees by Representative Matt Caldwell (R – Lehigh Acres), revises the state retirement programs as follows:

- Effective July 1, 2016, the bill authorizes renewed membership in the investment plan for retirees of the 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 (SCCSORP). Such renewed member will be a renewed member of the appropriate membership class in the investment plan, unless employed in a position eligible for participation in the SUSORP or the SCCSORP, in which case the retiree will become a renewed member of the applicable...
optional retirement program.

- Effective July 1, 2016, the bill establishes new survivor benefits for members of the investment plan who are killed in the line of duty. It provides the same survivor benefits to the spouse and children of such member as those currently provided for pension plan members who are killed in the line of duty. The bill also provides the survivor benefits for any member of the investment plan who has been killed in the line of duty since 2002, when members were first allowed to participate in the investment plan. It also provides a process for calculating the retroactive benefit.

- Effective July 1, 2017, the bill changes the default from the pension plan to the investment plan for members who do not affirmatively choose a plan. The bill also extends the plan election period to the last business day of the eighth month of hire.

The bill was filed last week by the State Affairs Committee last week and is on the in the House Appropriations Committee agenda tomorrow afternoon. A comparable bill in the Senate, SB 7012 by Senator Joseph Abruzzo (D – Wellington) relating to the addition of death benefits for the special risk category passed out of the Senate last week.

**HB 873 – Special Facility Construction Account by Representative Manny Diaz (R – Hialeah Gardens)**, modifies requirements for education fixed capital outlay funding for school districts and public charter schools. Specifically the bill replaces the existing eligibility criteria for charter school outlay funding. The bill provides that to be eligible for charter school capital outlay funding, a charter school must:

- Be in operation for 2 or more years;
- Not have more than two consecutive school grades lower than “B” unless the school serves a student population at least 50 percent of which is eligible for free or reduced-price meals; and
- Have an annual audit with no financial emergency conditions; or
- Be part of a high-performing charter school system.

Additionally, a charter school must have received final approval from its sponsor for operation during that fiscal year and may not operate in facilities provided by the sponsor in order to receive capital outlay funding.

The bill also eliminates provisions granting priority for funding to charter schools that received capital outlay funding in FY 2005-06 and revises the methodology for calculating the amount of state funding for charter school capital outlay from 1/15th to 1/40th of the cost per student station. If state funds for charter school capital outlay do not fully fund 1/40th of the cost per student station or the amount of per student funding generated by the district school board’s discretionary ad valorem tax levy for capital outlay, whichever is less, then the school district must share discretionary ad valorem tax revenues to make up the difference.

The bill also modifies current law regarding the Special Facility Construction Account (SFCA), which provides construction funds to school districts which have urgent construction needs but lack sufficient resources, to

- Modify school district participation requirements pertaining to new construction funding and discretionary capital improvement millage funding.
- Change the annual deadline for district school boards to certify final phase construction plans as complete and in compliance with the required codes.
• Specify that a representative of the department must chair the Special Facility Construction Committee (SFCC); and

• Modify requirements relating to application review, student enrollment projections, educational plant surveys, and project cost overruns.

Changes are also made to the requirements for school district construction costs. The bill:

• Changes the revenue sources which are not allowed to be expended in amounts above the statutory costs per student station to include all capital outlay revenue sources available to school districts;

• Restricts school district eligibility for state Public Capital Outlay and Debt Service Trust Fund (PECO) appropriations for three years if the district exceeds the statutory cost per student station for school construction projects; and

• Requires the Department of Education (DOE) and the Office of Economic and Demographic Research (EDR) to work in consultation to study the actual costs of construction and submit recommendations to the legislation on new statutory costs per student station for school construction projects.

The bill was amended last week to allow that a charter school shall be provided funding equal to the remaining balance of funds needed to achieve the amount of the state’s funding allocation from the school district. Annually, the department shall calculate the amount of payments to eligible charter schools using the certified taxable value and millage rate as provided in the TRIM notice and certify to each school district the amount the school district must pay to each charter school based on the remaining balance of funding needed to achieve the amount of the state funding allocation. The bill reported favorably by the Appropriations Committee. A similar bill in the Senate, SB 1064 by Senator Anitere Flores (R – Miami) is waiting to be heard in the Appropriations Subcommittee on Education.

CS/SB 216 – Tuition and Fee Exemptions by Senator Nancy Detert (R – Venice), clarifies for certain students (e.g., foster care children), and establishes for all students provisions relating to exemptions from the payment of tuition and fees at public postsecondary education institutions and for workforce education programs provided by school districts. Specifically, the bill:

• Exempts students who were adopted from the Department of Children and Families or who were in the custody of the department under specified circumstances from the payment of tuition and fees.

• Provides for the adoption of rules and regulations and the application of such rules and regulations to all students who are granted tuition and fee exemptions, which:
  o Prohibit or eliminate restrictions on courses that such students may take, and
  o Expand student access to tuition and fee exemption eligibility information.

The bill reported favorably by the Higher Education Subcommittee last week and is now in the Appropriations Subcommittee on Education. The House companion, HB 809 by Representative Charles McBurney (R – Jacksonville) is awaiting its first hearing in the Higher Education and Workforce Subcommittee.

UPDATE ON BILLS

HB 669 – Educational Choice by Representative Chris Sprowls (R – Clearwater), enhances K-20 fiscal transparency and revises provisions relating to public and private educational choice options. The bill was amended last week to provide that parents of students in grades 6-12 be provided a course syllabus with a complete list, by title, of instructional materials to be used in the course. The amendment requires the syllabus to identify any material containing mature or adult content and provide the parent procedures to object to his or her child’s use of said materials. The amended bill reported favorably by the Education Committee and has been placed on the full House calendar. A comparable bill in the Senate, SB 886 by Senator Lizbeth Benacquisto (R – Ft. Myers) is waiting to be heard in the Appropriations Committee.

CS/HB 1157 – Postsecondary Education for Veterans by Representative Jake Raburn (R – Valrico), allows eligible members of the United States Armed Forces to earn college credit at public postsecondary institutions for college-level training and education acquired in the military. The bill passed out of Education Committee, its last committee of reference and is waiting to be heard by the full House. The identical bill in the Senate, SB 1638 by Senator Tom Lee (R – Brandon) reported favorably by the Appropriations Subcommittee on Education last week.
CS/SB 350 – Online Procurement by Senator Bill Montford (D – Tallahassee, FSU Alum), authorizes district school boards, Florida College System institution boards of trustees and university boards of trustees to make purchases through an online procurement system, electronic auction service, or other efficient procurement tool. The bill was amended last week to clarify that Section 1001.451(3) F.S. does not apply to services that are eligible for reimbursement under the federal E-rate program administered by the Universal Service Administrative Company. The bill passed out of the Senate last week and will now go to the House. The House companion, HB 305 by Representative Brad Drake (R – Marianna) is waiting to be heard by the full House.

HB 7089 – State Group Insurance Program by Representative Jason Brodeur (R – Sanford), adds new products and services to the program by giving the Department of Management Services broad authority to contract for a wide variety of additional products and services. Formerly known as HHSC-1, which was last reported on in the January 25th newsletter passed out of the Appropriations Committee last week and is waiting to be heard by the full House. A similar bill in the Senate, SB 1434 by Senator Jeff Brandes (R – St. Petersburg) is still awaiting its first hearing.

SESSION SCHEDULE

SENATE SESSION  
THURSDAY, FEBRUARY 18, 9:30 a.m. to 12:00 noon

HOUSE SESSION  
WEDNESDAY, FEBRUARY 17, 1:00 p.m. until completion  
THURSDAY, FEBRUARY 18, 1:00 p.m. until completion