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Last Thursday, the House approved a \$76.2 billion budget plan for FY 2015-2016, clearing the way for negotiations with the Senate, even as state and federal officials continued a feud over \$2.2 billion in healthcare funds that play a major role in budget deliberations.

The House budget is significantly smaller than the Senate's, whose spending proposal totals \$80.4 billion. The Senate wants to dedicate \$5 billion to a hospital-funding program known as the Low Income Pool (LIP), and to an alternative to Medicaid expansion. The House opposes the Senate's expansion plan, and wants to only include \$2.2 billion for LIP once the federal government agrees to extend that program.

This back-and-forth could make it difficult for lawmakers to finalize next year's budget by the scheduled May 1 end of the legislative session. The last time state legislators were forced into overtime because of the state budget was in 2009, when the national recession forced the state to accept billions of dollars in temporary funding from the federal government.

After passing their respective budgets last week and setting themselves up for the annual budget negotiations known as conference, House and Senate legislators returned to their districts for the holidays on Friday. Their lawmaking resumes tomorrow and will continue this week, the sixth of the nine-week session, with a handful of committee meetings hearing substantive bills. The Spotlight on Bills section of this newsletter outlines bills of interest to Florida State that are still moving through the process.

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

Kathleen

FLORIDA Channel

Transparency in state government takes on deeper meaning with the start of the 2015 Legislative Session and The FLORIDA Channel is at the center of this increased accessibility for Floridians. For the first time, The FLORIDA Channel will televise, or stream, every committee meeting – as it's happening. A re-designed website and updated app means that users can access all meetings and events The FLORIDA Channel is covering – either live or in the archives. Simply click on what you want and the website delivers the content directly to your computer or hand-held device. FLORIDA Channel programming can be seen locally on Comcast Channel 201 and 4, on Centurylink Channel 12 and of course, at TheFLORIDACHannel.org.

SPOTLIGHT ON **BILLS**

HB 7097 – State Group Insurance Program by Representative Jason Brodeur (R – Sanford), directs the Department of Management Services (DMS) to establish employee contribution rates for the 2017 plan year which reflect the full actuarial benefit difference between the HMO and the PPO. Employees will be given a choice between paying more for the higher value HMO and paying less, compared to the prior year, for the lower value PPO. Employees will have a choice between richer benefits or greater take-home pay.

The bill adds new products and services to the program by giving DMS broad authority to contract for a wide variety of additional products and services. Employees will be able to purchase new products as optional benefits. DMS is directed to contract with at least one entity that provides comprehensive pricing and inclusive services for surgery and other types of medical procedures. The contract requires cost savings to the program, which will be shared by the state and the enrollee.

Beginning in 2016, DMS is directed to implement a 3-year price transparency pilot project in at least one, but no more than three areas of the state. The purpose of the pilot is to reward value-based pricing by publishing the prices of certain diagnostic and surgical procedures and sharing any savings generated by the enrollee's choice of providers. Participation in the project will be voluntary for state employees.

Beginning in the 2018 plan year, the bill provides that state employees

will have health plan choices at four different benefit levels. If the state's contribution for premium is more than the cost of the plan selected by the employee, then the employee may use the remainder to:

- Fund a flexible spending arrangement or a health savings account.
- Purchase additional benefits offered through the state group insurance program.
- Increase the employee's salary.

The bill directs DMS to hire an independent benefits consultant (IBC). The IBC will assist DMS in developing a plan for the implementation of the new benefit levels in the program. The plan shall be submitted to the Governor, the President of the Senate and the Speaker of the House of Representatives no later than January 1, 2017. The IBC will also provide ongoing assessments and analysis for the program.

The bill provides \$151,216 in recurring trust fund and \$507,546 in nonrecurring trust fund authority to the Department of Management Services, and 2 full-time equivalent positions to implement the administrative provision of the act. The provisions of the bill are expected to have a positive, but indeterminate, fiscal impact on the state.

The bill was filed as a committee bill and was reported favorably by the Appropriations Committee last week it is now waiting to be heard by the full House. There is no Senate companion at this time.

HB 5009 – State Group Insurance Program by Representative Richard Corcoran (R – Lutz), limits state and university employees hired after July 1, 2015 to participation in one of the high-deductible health plan options. In addition, it eliminates the employer contribution into the Health Savings Account for employees hired after July 1, 2016. However, employees may still make tax-free contributions. The primary benefit differences between the regular plan and the high-deductible plan are larger deductibles and coinsurance, which results in higher cost sharing for the employee.

The bill does not have any impact on current employees.

The bill conforms statute to the funding decisions in the 2015-2016 General Appropriations Act (GAA) and is contingent upon HB 7097 not becoming law.

The bill was temporarily postponed during the House Session last week. The Senate companion is **SB 2500**, the Senate appropriations bill.

SB 530 -- Bullying and Harassment Policies in Schools by Senator Jeremy Ring (D – Margate), requires periodic revision of a school district's anti-bullying and harassment policy, modifies the information that must be contained in the policy, and requires schools to implement the policy.

Specifically, the bill adds the requirements that each:

- School district revise its anti-bullying and harassment policy every three years.
- School implement the school district's anti-bullying and harassment policy.
- School district's anti-bullying and harassment policy:
 - Make the reporting of bullying or harassment mandatory; and
 - Include a list of bullying prevention and intervention programs authorized by the school district to provide instruction to students, parents, teachers, school administrators, counseling staff, and school volunteers on identifying, preventing, and responding to bullying or harassment.

The bill reported favorably by the Appropriations Committee on Education last week and is now in the Fiscal Policy Committee. A comparable bill in the House, **HB 7057 by Representative Janet Adkins (R – Fernandina Beach)**, has been referred to the Education Pre-K – 12 Subcommittee, the Appropriations Subcommittee on Education, and the Appropriations Committee.

CS/HB 357 Principal Autonomy Pilot Program Initiative by Representative Manny Diaz, Jr. (R – Hialeah), establishes the Principal Autonomy Pilot Program Initiative (PAPPI) within the Department of Education to provide the principals of participating schools in participating school districts with increased autonomy and authority regarding allocation of resources and staffing. School districts selected for participation in PAPPI are exempt from the K-20 Education Code and State Board of Education rules, with exceptions. Among other exemptions, the class size compliance calculation for participating schools is the school-level average, rather than the individual classroom level.

School district participation in PAPPI is voluntary. School districts seeking to participate in PAPPI must submit a principal autonomy proposal to the State Board of Education for approval. Among other things, the proposal must identify three middle or high schools whose principals will have greater fiscal and administrative autonomy, describe the areas in which increased autonomy will be granted, and state measurable goals regarding student achievement and operational efficiency. The state board may select up to six school districts for participation in PAPPI. The initial term of the program is three years.

The bill grants the principals of participating schools greater authority regarding staffing decisions, allocation of financial resources, and budgeting. Among other things, the principal of a participating school is granted greater authority to hire qualified instructional personnel or refuse placement or transfer of such personnel. Before participation in the program may begin, such principals must complete professional development designed to enable them to implement increased autonomy. Participating school districts must guarantee participating schools at least 90 percent of the funds generated in the Florida Education Finance Program (FEFP) by that school. The current minimum guaranteed is 80 percent of such funds.

Participating school districts must annually report measures taken to implement the program and results achieved to the state board. The Commissioner of Education must submit a full evaluation of the program's effectiveness to the President of the Senate and the Speaker of the House of Representatives upon expiration of the initial three year term.

The bill passed out of the House and is waiting for hearing in the Senate. A comparable bill in the Senate, **SB 1552 by Senator Lizbeth Benacquisto (R – Ft. Myers)** reported favorably by the Appropriations Subcommittee on Education last week.

UPDATE ON BILLS

SB 7030 -- Postsecondary Education for Students with Disabilities by Senator Don Gaetz (R – Destin), establishes mechanisms and statewide coordination of information for the approval of unique postsecondary education programs tailored to the needs of students with intellectual disabilities.

The bill passed out of the Senate last week and is waiting to be heard in the House. The House companion, **HB 7091 by Representative Bob Cortes (R – Maitland)**, reported favorably by the Education Committee last week and will next be heard by the full House.

CS/SB 642 – Individuals with Disabilities by Senator Lizbeth Benacquisto (R – Ft Myers), creates the Florida Achieving a Better Life Experience (ABLE) program, which would assist individuals with disabilities in saving money without losing their eligibility for state and federal benefits, and thereby providing a pathway for economic independence and a better quality of life. ABLE accounts resemble in some respects the federal 529-college savings plans that are tax-advantaged savings accounts. The federal ABLE Act of 2014 ("ABLE Act") authorizes states to establish ABLE programs as an agency or instrumentality of the state or contract with other states to administer such accounts if certain conditions are met.

The bill was amended last week to provide funding for costs for startup, staffing, market research, marketing, banking services, investment custodian and consultant services, records administration services, and general operations of Florida ABLE, Inc. The bill passed out of the Senate and is waiting to be heard in the House. A comparable bill in the House,

HB 937 by Representative Ray Rodrigues (R – Ft. Myers), is on the House calendar.

SB 7046 – Education by Senator John Legg (R – Lutz), modifies fiscal policy aspects relating to education with respect to preeminent state research universities; intensive reading instruction; teacher bonus funding; and performance funding for state universities and Florida colleges.

Specifically, the bill:

- Requires a state university seeking designation as a preeminent state research university to enter into and maintain a formal agreement with the National Merit Scholarship Corporation.
- Extends and expands the requirement of providing an additional hour of intensive reading instruction daily to students enrolled in the 300 lowest performing elementary schools.
- Increases maximum available public school teacher bonus funding, including establishing two new tiers of bonuses available to CAPE industry certification teachers.
- Establishes performance funding models for the State University System (SUS) and Florida College System (FCS) institutions.

The bill contains several provisions which have funds appropriated for their purpose in SB 2500, the Senate's Fiscal Year 2015-2016 proposed General Appropriations Bill. A total of \$90 million is appropriated for intensive reading instruction in the 300 lowest performing elementary schools, \$400 million is appropriated for SUS performance funding, and \$60 million is appropriated for FCS performance funding.

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

SB 590 – Flags by Senator Thad Altman (R – Cape Canaveral), requires all United States and state flags purchased on or after January 1, 2016, by the state, a county, or a municipality for public use, to be made in the United States and entirely from domestically grown, produced, and manufactured materials.

The bill is waiting to be heard by the full Senate. The identical bill in the House, **HB 225 by Representative Bob Cortes (R – Maitland)**, has been referred to the Community Affairs, Governmental Oversight and Accountability, and Fiscal Policy committees.

HB 35 -- Out-of-State Fee Waivers for Veterans and Dependents by Representative Richard Stark (D – Weston), expands the Congressman C.W. Bill Young Veteran Tuition Waiver Program to include members of the commissioned corps of the Public Health Service (PHS) and the National Oceanic and Atmospheric Administration (NOAA), thereby providing out-of-state fee waivers to all veterans of the U.S. Uniformed Services.

The bill also implements the VA Reform Bill by providing out-of-state fee waivers to individuals residing in the state and receiving U.S. Department of Veterans Affairs education benefits under chapters 30, 33 or 35. These chapters include the G.I. Bill, and the Survivors' and Dependents', Reserve, and Veterans Educational Assistance Programs.

The bill allows specified veterans and their family members to pay in-state tuition rates at state universities, Florida College System institutions, career centers, and charter technical career centers, which will result in a significant savings to these students.

The bill reported favorably by the Education Committee last week and is now waiting to be heard by the full House. A similar bill in the Senate, **SB 7028 by Senator Thad Altman (R – Port Canaveral)**, is in the Appropriations Committee.

CS/CS/HB 747 Florida Bright Futures Scholarship Program by Representative Patrick Rooney (R – Palm Beach Gardens), modifies student requirements for eligibility for the Florida Bright Futures Scholarship Program, including Florida Academic Scholars (FAS), Florida Medallion Scholars (FMS), and the Florida Gold Seal Vocational Scholars (FGSVS) awards.

The bill modifies community service requirements by:

- Clarifying that community service must be done on a volunteer basis and prohibits any student from receiving remuneration or academic credit, except for credit earned through service-learning courses;
- Expanding volunteer service areas to include a civic issue or a professional area of interest;
- Providing that volunteer work may include direct involvement in a specific volunteer or community service project with a business or nonprofit community service organization; and
- Establishing accountability requirements for student volunteer work that includes documentation in writing by the student, the student's parent, and a representative of the organization for which the student volunteered.

The number of community service hours required for each Bright Futures award remains unchanged, however the definition of what constitutes community service is expanded.

The bill also modifies the initial eligibility period for students who are unable to accept an award due to full-time religious or service obligations for at least 18 months, eliminates references to outdated eligibility requirements for the FAS and FMS awards, and removes the differentiated requirement for home education students whose

parents cannot document a college-preparatory curriculum.

The bill reported favorably in the Education Committee and is waiting to be heard by the full House. A comparable bill in the Senate, **SB 1140 by Senator Bill Montford (D – Tallahassee, FSU Alum)** is on the calendar to be heard by the full Senate on Wednesday.

CS/CS/SB 616 – Education Accountability by Senator John Legg (R – Lutz), impacts statutory

accountability provisions related to the state's public school student assessment program, the educator performance evaluation system, and the statewide public school accountability system.

The bill was laid on the table and **HB 7069 by Representative Marlene O'Toole (R – The Villages)**, was taken up. The Senate amended the bill with the language in **SB 616** and sent it back to the House for final passage.

HB 4005 -- Licenses to Carry Concealed Weapons or Firearms by Representative Gregg Steube (R – Sarasota), allows those with a valid concealed weapons or concealed firearms license to carry a concealed weapon or concealed firearm into any college or university facility. The bill reported favorably in the Judiciary Committee last week and is waiting to be heard by the full House. The identical bill in the Senate, **SB 176 by Senator Greg Evers (R – Pensacola)**, is in the Judiciary Committee.

SESSION SCHEDULE

SENATE SESSION

WEDNESDAY, **APRIL 8**, 4:00 P.M. TO 6:00 P.M.

HOUSE SESSION

WEDNESDAY, **APRIL 8**, 1:00 P.M. UNTIL COMPLETION

THURSDAY, **APRIL 9**, 1:00 P.M. UNTIL COMPLETION



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