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BUDGET UPDATE

The House State Universities and Private Colleges Appropriations Committee and the Senate Higher Education Appropriations met last week. The Chair of each committee released their proposals for the committee members to consider. Neither recommendation contained particularly good news.

IN SUMMARY FOR THE SUS:

Senate Higher Education:

- 6% GR cut to the base budget totaling \$111 M
- \$50.3 M GR added back for 'Reprogram for State Priority Areas'
- 8% across the board tuition increase
- \$10 M for USF Polytechnic Infrastructure
- \$3.9 M for UCF/FIU Medical Schools (BOG requested \$4.6 M)
- \$10.9 M in Recurring GR to replace non-recurring GR (BOG requested \$11.3 M)
- \$18.8 M in Recurring GR to replace some federal stimulus funds

House Higher Education:

- 4.6% GR cut to the base budget totaling \$92.3 M
- \$65 M cut to 'employee compensation & benefits' (it is unclear exactly what this is at the moment)
- 8% across the board tuition increase
- \$3.9 M for UCF/FIU Medical Schools (BOG requested \$4.6 M)

REVENUE UPDATE

The Revenue Estimating Conference met last week to provide updated General Revenue projections. According to Ms. Amy Baker, the state economist, since the December General Revenue Estimating Conference, underlying collections have been virtually on estimate with some sources performing above estimate and others below. In response, the Revenue Estimating Conference has made minor adjustments to its near-term forecast. Fiscal Year 2009-10 has been revised upward by \$25.3 million or less than 0.2% above the estimate from December. For Fiscal Year 2010-11, expected revenues were increased by \$56.1 million or less than 0.3% above the earlier forecast.

Overall, the adjustments to the forecast are indicative of an economy that is stabilizing.

Underlying the forecast is the assumption that the extreme financial and economic stress that began over a year ago has reached its bottom. From this point forward, months of modest growth are expected before full recovery begins in earnest in the spring of 2011. Revenue collections are not anticipated to exceed the Fiscal Year 2005-06 level until Fiscal Year 2013-14.

After the pomp that accompanied last week's opening day, the circumstance of a \$3 billion budget shortfall riveted lawmakers during the second week of this nine-week session.

The state House and the Senate released preliminary drafts of their respective budgets, an unusual occurrence during only the second week. Although major differences divide the two chambers' spending plans, even at this early stage neither draft provides anything close to what might be considered good news for public higher education and its affiliated concerns (**see related story**).

From Bright Futures to the Florida Retirement System to state employee health benefits, all face the potential of significant reductions during the 2010-11 fiscal year since lawmakers "simply don't have the money," according to the chair of the Senate Higher Education Appropriations Committee, Evelyn Lynn.

House and Senate leaders have vowed, however, to protect the coming year's budget from any tax increases or new fees during this election-year session, with the possible exception of an 8 percent across-the-board tuition increase. In addition, previous sources of money are now no longer available (as one example, the state's rainy day fund for natural disasters and emergencies has already been drained to approximately \$250,000). Consequently, the possibility of a gaming deal with the Seminole Tribe was put back on the table last week.

Several substantive bills of significance received committee hearings last week including a teacher tenure bill that includes teacher-quality provisions, and a "glitch" nursing bill that amends a previous statute to include nursing accreditation language (**see Spotlight on Bills**).

The budget will again be the primary focus during this third week of the session (i.e. expect further discussion on reductions by state lawmakers to state-employee health benefits and the FRS) and proviso and provisions for conforming bills will also be a priority. As these elected officials wrestle with next year's budget you can watch all the action live on The Florida Channel, local cable channel 4.

Please do not hesitate to contact me at **(850) 644-4453** or **kdaly@fsu.edu** for updates on bills, their analysis and amendments.

P.S. A story in The *St. Petersburg Times* last week includes President Barron's perspective on Florida's tuition policies.

Spotlight on Bills

B 2282, Public Officials/Compensation/Bonuses, by Senator Rhonda Storms

(R – Brandon), reduces the salary of any elected or appointed public official in this state whose compensation from public funds in the 2009-2010 fiscal year was \$65,000 or more by 5 percent for the 2010-2011 fiscal year. Additionally, the bill prohibits such public officials from receiving a bonus for the 2010-2011 fiscal year. The bill has been referred to the Community Affairs, Governmental Oversight and Accountability committees and the Policy & Steering Committee on Ways and Means, and Rules. There is no House companion at this time.

SB 6, Education Personnel, by Senator John Thrasher (R – Jacksonville, FSU Alum)

revises the contractual requirements for classroom teachers hired beginning July 1, 2010. Additionally, the bill provides that greater than 50 percent of each instructional personnel and school-based administrator's pay would be based on student learning and gains and provides that the remainder would be based on the performance appraisal. The bill also provides for differentiated pay based on high-priority locations, critical teacher shortage areas, or additional academic responsibilities. Further, the bill revises state-approved educator preparation program and eliminates the admissions waiver for up to 10 percent of students admitted to the program, etc. The bill passed out of the Education Pre-K Committee last week and will next go to the Policy and Steering Committee on Ways and Means. The House companion, **HB 7037, by Representative Marti Coley, (R – Marianna,**

FSU Alum) has been referred to the calendar.

SB 2648, Hiring of Athletic Coaches and Directors, by Senator Tony Hill (D – Jacksonville)

defines the term "minority applicant." The bill requires each state university or Florida college to interview one or more qualified minority applicants when hiring a head athletic coach or an athletic director. Additionally, the bill authorizes the State Board of Education and the Board of Governors to adopt rules. The bill has been referred to the Higher Education and Judiciary committees. The identical bill in the House, **HB 1093, by Representative Richard Steinberg (D – Miami Beach)** is now in the State Universities & Private Colleges Policy Committee.

SB 4, Education Accountability by Senator John Thrasher (R – Jacksonville, FSU Alum)

increases the high school graduation requirements, beginning with students entering grade 9 in the following years, to include: Geometry for the 2010-2011 school year; Biology I for the 2011-2012 school year; Algebra II for the 2012-2013 school year; and Chemistry or physics for the 2013-2014 school year; and an equally rigorous science course for the 2013-2014 school year. The bill requires student passage of statewide, standardized end-of-course (EOC) assessments in the following courses for students entering grade 9 in specified school years: Algebra I and geometry, 2011-2012; Biology I, 2012-2013; and Algebra II and chemistry or physics, 2014-2015. Additionally, the bill provides for the discontinuation of the Florida Comprehensive Assessment Test (FCAT) for mathematics

(Grades 9 and 10) and science (Grade 11) as EOC assessments are implemented. Further, the bill requires high schools to offer certain acceleration courses where a student can earn college credit. The bill was amended in the amended in the Education Pre-K-12 committee. A House companion, **HB 61 by Representative Erik Fresen (R – Miami, FSU Alum)** is now in the Now in PreK-12 Policy Committee.

CS SB 1337, Nursing by Representative

Denise Grimsley (R – Sebring), provides that a nursing education program that is accredited by one of the two specialized accrediting agencies that are nationally recognized by the United States Secretary of Education to accredit nursing education programs is no longer subject to BON regulation for as long as the program maintains its accreditation. The bill's clarifies that the BON must approve or deny a nursing education program application within 90 days after receipt of a complete application. The bill provides that faculty education requirements for a nursing program may be documented by an official transcript or a written statement from an educational institution verifying that it conferred a degree.

SESSION SCHEDULE

SENATE SESSION

Tuesday, March 16, 2010
1:50 p.m. to 3:50 p.m.
Thursday, March 18, 2010
10:00 a.m. to 12:00 noon

HOUSE SESSION

Tuesday, March 16, 2010
12:50 p.m. to 2:00 p.m.
Thursday, March 18, 2010
9:00 a.m. to 12:00 noon

Additionally, the bill provides that the graduate passage rate on the National Council Licensure Examination (NCLEX), which must be achieved by approved programs, is 10 percentage points, rather than 10 percent below, the national average passage rate and clarifies that the requirements for NCLEX graduate passage rates, as adopted in last year's legislation for approved programs, should only be applied prospectively beginning with the 2010 calendar year, etc. The bill was amended and reported favorably in the State Universities & Private Colleges Policy Committee and, is scheduled to be heard in the Health Care Regulation Policy Committee later this week. A similar bill in the Senate, **SB 2530 by Senator J.D. Alexander (R – Lake Wales)** has been referred to the Health Regulation; Higher Education; Governmental Oversight and Accountability; Health and Human Services Appropriations committees.

SB 2498, State Employee Benefits by Senator Thad Altman (R – Melbourne), provides that no state agency shall contribute a greater dollar amount of the premium cost for its officers or employees for any plan option under the state group insurance program than any other agency for similar officers and employees. Nor shall any greater dollar amount of premium cost be made for employees in on estate collective bargaining unit than for those in any other state collective bargaining unit. The bill provides an exemption for State University System employees. The bill has been referred to the Governmental Oversight and Accountability Committee and the Policy & Steering Committee on Ways and Means. The identical bill in the House, **HB 1231 by Representative Marlene O'Toole (R – The Villages)** has been referred to the Governmental Affairs Policy Committee, the Full Appropriations Council on Education & Economic Development, and the Economic Development & Community Affairs Policy Council.

SB 160, Sales Tax Exemption, by Senator Carey Baker (R – Eustis), specifies that sale of books clothing, and school supplies shall be exempt from the tax on sales, use, and other transactions for the period of July 31, 2010 through August 10, 2010. The bill has been referred to the Finance and Tax Committee and the Policy & Steering Committee on Ways and Means. A similar bill in the House, **SB 469 by Representative Anitere Flores (R – Miami)** is now in the Finance and Tax Council.

HB 175, Public Broadcasting Program System, by Representative Hazelle Rogers (D – Lauderhill), expands the eligibility of stations that qualify for support and funding to include nondenominational stations that are licensed by the FCC July 1, 2010. The bill is now in the PreK-12 Policy Committee. The identical bill in the Senate, **SB 472 by Senator Eleanor Sobel (D – Hollywood)** has been referred to the Education Pre-K – 12 and Education Pre-K - 12 Appropriations committees.

SB 2468, Florida Retirement System/ Credible Service Years, by Senator Al Lawson, redefines the term "average final compensation" to reduce the number of years of creditable service used to calculate such compensation from 5 years to 3 years. The bill has been referred to the Community Affairs, Education Pre-K – 12, and Governmental Oversight and Accountability committees, and the Policy & Steering Committee on Ways and Means. There is no House companion at this time.

UPDATE ON BILLS

SB 778, State Universities, by Senator Lee Constantine (R – Altamont Springs), authorizes university boards of trustees to establish a renewable energy fee to be paid by all students, provided the student body of a university approved the fee as well. The fee would be limited to a maximum of \$1 per credit hour during its first year of implementation. The bill does not cap the fee after the first year. The fee would not be covered by Bright Futures Scholarships. A university assessing the fee would have to establish a renewable energy fee committee to determine how the fee would be spent. Use of the fee would be limited to renewable energy technologies or energy efficiencies that directly lower the university's greenhouse gas emissions, waste, or energy costs. A university would have to hold a referendum three years after the implementation of a renewable energy fee to determine if the students were interested in continuing the fee. The bill reported favorably out of the Finance and Tax committee last week and is now in the Higher Education Appropriations Committee. The identical bill in the House, **HB 505 by Representative Robert Schenck (R – Springhill)** has been referred to the State Universities & Private Colleges Policy Committee, the Energy & Utilities Policy Committee, the State Universities & Private Colleges Appropriations Committee, and the Education Policy Council.



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