



Volume 19 | Number 7 | February 20, 2012

**O**n Thursday of this seventh week of the nine-week regular session, the Senate is expected to take up and pass its \$71 billion spending plan. So both legislative chambers' budget allocations will then be ready for the conference committees, which are composed of House and Senate members who then negotiate to combine their respective budgets into one. In the higher education conference committee these negotiations are expected to be fierce since the House and Senate allocations are miles apart (see related story).

Last week, the Senate Higher Education Committee passed an amendment to SB 1752 that would create a "State Universities of Academic and Research Excellence and National Preeminence Act." The House Education Committee will tomorrow take up a similar proposal, with both bills recognizing the important role that research universities play in Florida's economic growth and vitality.

The above legislation would require state universities to meet nationally comparable criteria and allows those that do so some additional flexibility. As these bills have currently been written, Florida State University, as well as UF, would satisfy the required benchmarks. Please see the related story for more about this legislation.

With just a short time until the 2012 legislative session is scheduled to end, the committee process for substantive legislation is also winding down. While the retirement "glitch bill," HB 525, stalled in committee last week, the state employee health benefits bill is moving in the House, but not in the Senate. For additional information on this and other such legislation, please see the Spotlight on Bills section of this newsletter.

As always, legislative action can be followed live this week on the Florida Channel, local cable channel 4, including President Barron's Tuesday testimony in favor of the university preeminence bill.

Should you require copies of bills and their analysis or have questions about the budget and committee process, please feel free to contact me at **(850) 644-4453** or **kdaly@fsu.edu**.

*Kathleen*

## University Preeminence

The Senate Higher Education Committee last week passed SB 1752, the "State Universities of Academic Research Excellence and National Preeminence Act." Tomorrow the House Committee on Education will take up a similar Proposed Committee Bill (PCB) and these bills would both do the following:

- Honor the State University System (SUS) governance agreement executed on March 24, 2010, between the Board of Governors and the legislature.
- Allow partnerships to be established between SUS entities that meet benchmarks outlined in the bill in an effort to lift the academic and research excellence and national preeminence of the state's highest-performing public research universities.
- Provide for SUS institutions that meet at least 11 of 14 high-level prescribed performance metrics to establish tuition and fees at a differentiated and market rate, pending approval by their boards of trustees and the state Board of Governors.
- Honor prepaid tuition contracts for all students with an advance-payment contract purchased prior to the implementation of this legislation.

The academic and research standards of excellence state universities of national preeminence would be required to meet include: average weighted GPAs of 3.8 and average SAT scores of 1,800 for incoming freshmen; a top-50 ranking in at least two well-established and highly respected national public university rankings; a freshman retention rate of 90 percent or higher; a six-year graduation rate of 70 percent or better; 250 or more doctoral degrees awarded annually; and an endowment of \$400 million or more.

Both bills are scheduled to be taken up by their full chambers after the committee hearings this week.

# Comparison of House and Senate Budgets

Following is a comparison of issues outlined in the House and Senate proposed General Appropriations Acts impacting Florida State University:

<b>ISSUE</b>	<b>HOUSE</b>	<b>SENATE</b>
General Revenue	<b>\$176,737,672</b>	<b>\$160,281,377</b>
Student and Other Fees (includes \$3million for the Mag Lab in the House And \$3.3 million in the Senate bill)	<b>\$215,265,436</b>	<b>\$214,937,655</b>
Lottery	<b>\$53,703,481</b>	<b>\$32,256,075</b>
College of Medicine	<b>\$44,704,073</b>	<b>\$44,252,209</b>
College of Medicine Lottery	<b>\$605,115</b>	<b>\$605,115</b>
SUS Maintenance Repair & Renovation	<b>\$13,848,000</b>	<b>\$0</b>
<b>PECO</b>		
Utilities/Infrastructure/Cap. Renewal/Roofs	<b>\$7,200,000</b>	<b>\$0</b>
FAMU-FSU College of Engineering III	<b>\$13,035,336</b>	<b>\$0</b>
Applied Science Building	<b>\$6,000,000</b>	<b>\$0</b>
Earth Ocean Atmospheric Science Building	<b>\$3,850,000</b>	<b>\$0</b>
Florida Diagnostic & Learning Resources Ctr.	<b>\$396,525</b>	<b>\$396,525</b>
Autism Program	<b>\$700,693</b>	<b>\$700,693</b>
<b>Public Broadcasting</b>		
Florida Channel Closed Captioning	<b>\$340,862</b>	<b>\$340,862</b>
Florida Channel Year Round Coverage	<b>\$1,806,676</b>	<b>\$1,806,676</b>
Public Television Stations ((\$307,447 is provided for each public television station, public radio was not funded in the House. No funding for TV or radio in the Senate.)	<b>\$3,996,811</b>	<b>\$0</b>
Student Financial Assistance	<b>\$1,467,667</b>	<b>\$1,467,667</b>
Florida Catastrophic Storm Risk Management Center	<b>\$350,000</b>	<b>\$700,000</b>

## COMPARISON OF BUDGET CONFORMING BILLS

ISSUE	HOUSE BILL (HB 5201)	SENATE BILL (SB 7098)
Audit		11.45(7) – NEW SECTION  Requires UBOTs to Conduct a Public Audit Overview During a Board Meeting if the Audit Contains Significant Findings. Requires the Auditor General to notify the Joint Legislative Auditing Committee of any audit review which indicates that a state university has failed to take corrective action in response to a recommendation which was included in the two preceding audit reports. The committee may take appropriate action as required including further written documentation from the governing body, committee appearance and testimony, and financial penalties
Consortia Cooperation Agreements	Authorizes BOG to transfer unused tuition appropriations from the Education/ General Student and Other Fees Trust Fund between institutions.  Requires all transfers between major institutions and their special units to be reviewed for approval by the Board of Governors if the amount exceeds \$1 million. If approved, the Legislative Budget Commission must review.	Requires coalitions to maximize purchasing power for higher education institutions
Budget Transfer Authority		Authorizes the BOG to approve transfer of unused budget authority from E&G Student and Other Fees Trust Fund
President & Administrator Salaries	Caps salaries for college and university presidents and administrative employees at \$200,000 (excluding medical school faculty & staff) for FY 2012-13	
Employment Contracts – severance pay provisions		Revise the severance package language for College and University Presidents to conform to s. 215.425, F.S.
Appropriations	\$16.9 million to support the newly established Virtual Campus, of these funds \$5 million is provided for student access and degree completion pilots	
Distance Learning Adult Completion Pilot FACTS.org	Florida Virtual Campus	Florida Degree Consortium
FCLA/CCLA	Florida Virtual Campus	Florida Education Library Resource Center

## COMPARISON OF BUDGET CONFORMING BILLS

ISSUE	HOUSE BILL (HB 5201)	SENATE BILL (SB 7098)
Bright Futures – UF Pilot	Clarifies that students enrolled in the Spring/Summer UF pilot program are authorized to receive a Bright Futures Scholarship award for only 2 semesters each year.	Clarifies that only two semester of funding are allowed.
Bright Futures - FAFSA	Clarifies the requirement for students to annually submit the FAFSA.	Clarifies that annual submission is required. Provides for an alternative form.
Bright Futures – Time to Enroll	Shortens the length of time from 3 years to 2 years that a student is eligible to accept the initial Bright Futures Scholarship after high school graduation	Allows up to 2 years after high school graduation rather than 3 years
Bright Futures - Renewal	Revises eligibility requirements for students to receive a Bright Futures Scholarship award renewal	
Bright Futures – Gold Seal	Gold Seal must be used for specific career-focused educational programs	Limits Gold Seal to job-related career programs
Bright Futures - STEM		Authorizes an additional supplement for upper division STEM fields
Excess Hours	Provides for an excess hour surcharge over 110% for students enrolling for the first time in 2012-2013, instead of 115% (Surcharge=100% of the PCH tuition rate)	Provides for an excess hour surcharge over 110% for students enrolling for the first time in 2012-2013, instead of 115% (Surcharge=100% of the PCH tuition rate)
UF A&S Fee –special authority		Authorizes UF to exceed the 5% bonding limitation on the A&S fee to fund the renovation and expansion of the student union
Minority Teacher Scholarship Program and the McKnight Doctoral Fellowship Program	<p>Requires the Florida Fund for Minority Teachers to annually report to the Department of Education the balance of the corporation's assets and cash reserves.</p> <p>Clarifies language relating to state matching funds, requiring a dollar-for-dollar state match to private contributions and requires expenditure of appropriated funds to be matched dollar-for-dollar from private sources.</p>	Requires the Florida Fund for Minority Teachers, Inc. to use collections agency to collect repayments of defaulted scholarships, and to report the annual balance of assets and cash reserves.
Jose Marti and Mary McLeod Bethune Scholarship	Revises matching requirements for the Jose Marti and Mary McLeod Bethune Scholarship	

# SPOTLIGHT ON **BILLS**

## **SB 2006 -- Retirement, by the Budget Committee,**

reduces the employer-paid shares of the allocation into the Investment Plan and employer contributions into the optional retirement plans to a level closer to the actuarial determined "blended" normal costs for the Pension Plan, as determined in the July 1, 2011 Valuation.

In addition, the bill revises the employer-paid normal cost rates for the FRS, as necessary to adequately fund the costs of retirement benefits during Fiscal Year 2012-2013 and to reflect the adjustments to the allocations for Investment Plan member accounts contained in the bill and retains, during Fiscal Year 2012-2013, the employer-paid unfunded actuarial liability (UAL) rates which are in effect during Fiscal Year 2011-2012.

The bill revises the employer-paid contribution for participants in the State University Optional Retirement Program. Effective July 1, 2012, the employer-paid contribution will be 5.15% of employee compensation. Currently, the employer-paid contribution is 7.42 percent.

Additionally, the bill establishes the employer-paid contributions for normal cost effective July 1, 2012 and July 1, 2013, and establishes the employer-paid contributions for unfunded actuarial liability effective July 1, 2012 and July 1, 2013, for all for FRS participants. The normal costs were "blended" with the proposed Investment Plan allocations to establish employer contribution rates. The bill maintains the same employer-paid contribution rates for Unfunded Actuarial Liability in effect for Fiscal Year 2011-2012.

The bill revises the contributions from the Florida Retirement System Contributions Clearing Trust Fund to individual Investment Plan members' individual member accounts. The contribution rates are reduced by 30 percent to effectuate a leveling of the normal costs of the Investment Plan with the normal costs of the Pension Plan.

## **SB 1994 -- Postsecondary Education by Senator Don Gaetz (R - Destin),**

creates the Florida Polytechnic University as a state university, thus making the new university an independent institution in the SUS. The bill substantially revises the statute that established The University of South Florida Polytechnic to repeal all requirements relating to the USF branch campus and to codify the steps required by the motion that was adopted by the BOG at its November 9-10, 2011 meeting.

By December 31, 2016, the bill requires Florida Polytechnic University to meet the institutional milestones in the Board of Governor's November 9th motion, which include:

- Achieving accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;
- Initiating the development of new programs in the fields of science, technology, engineering, and mathematics;
- Seeking discipline-specific accreditation for programs;
- Attaining a minimum full-time equivalent student enrollment (FTE) of 1,244, with a minimum 50 percent of that FTE in the fields of science, technology, engineering, and mathematics and 20 percent in programs related to those fields;
- Completing facilities and infrastructure, including the Science and Technology Building, Phase I of the Wellness Center, the 70-bed modular resident hall, and the 120-bed residence hall; and
- Having the ability to provide, either directly or where feasible through a shared services model, administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.

As was required in the BOG motion, the bill requires USF to allow current USF Polytechnic students to complete their degree at USF. The bill makes the following provisions regarding property and personnel of USF Polytechnic:

- All real and personal property, licenses and associated revenues, existing contracts, unexpended balances, appropriations, allocations, and other funds of USF Polytechnic are transferred to the Florida Polytechnic University;
- All programs, functions, offices, records, faculty positions and staff positions of USF Polytechnic are transferred to USF, thus ensuring that current USF Polytechnic faculty and staff will remain USF employees;
- USF must transfer USF Polytechnic-related foundation funds to a new Florida Polytechnic University foundation, in accordance with state statutes and BOG regulations;
- All memorandums of understanding between USF and USF Polytechnic will be cancelled upon the bill becoming law;
- USF must transfer the lease of federal communications licenses relating to Polk County to the Florida Polytechnic University;
- The Florida Polytechnic University must transfer space at the Lakeland joint-use facility to Polk State College as new space becomes available on the new campus of the Florida Polytechnic University;
- The Florida Industrial and Phosphate Research Institute, which is currently at USF Polytechnic is established within the Florida Polytechnic University; and
- The USF Doctor of Pharmacy program, which was designated to be housed at USF Polytechnic, will remain at USF.

The bill authorizes the University of Florida, using its expertise in science, technology, engineering, and mathematics, to serve in an advisory or consulting capacity to the board of trustees and the president of the Florida Polytechnic University on issues relating to accreditation and administration.

Additionally, the bill authorizes a university board of trustees to expend reserve or carry-forward balances from prior year operational and programmatic appropriations for legislatively approved fixed capital outlay projects authorized for the establishment of a new campus. This authorization extends from the 2011-2012 fiscal year through the 2022-2023 fiscal year.

The bill is waiting to be heard by the full Senate. There is no House companion at this time.

**HB 1205 – Drug-Free Workplace Act by Representative Jimmie Smith (R – Lecanto),** amends the Drug-Free Workplace Act to authorize state agencies to:

- Drug test all job applicants, instead of only those applying for a special risk or safety-sensitive position.
- Conduct random drug testing of all employees once every three months.

The bill relocates and revises requirements for the discipline, treatment, and continued employment of an employee who receives a positive drug test result. It makes the following substantive changes to such requirements:

- Removes a provision prohibiting a state agency from discharging, disciplining, or discriminating against an employee (other than a special-risk employee<sup>2</sup>) on the sole basis of the employee's first positive confirmed drug test under certain conditions.
- Consolidates the provisions relating to continued employment of employees in special risk or safety-sensitive positions.<sup>3</sup> It removes the current definition for "safety-sensitive position" and instead amends the provisions related to employees in such positions to prescribe duties an employee would be deemed unable to safely and effectively perform while participating in an employee assistance program. Such duties are those that require an employee to:

- Carry a firearm;
- Work closely with an employee who carries a firearm;
- Perform life-threatening procedures;
- Work with heavy or dangerous machinery;
- Work as a safety inspector;
- Work with children;
- Work with detainees in the correctional system;
- Work with confidential information or documents pertaining to criminal investigations;
- Work with controlled substances;
- Hold a position subject to s. 110.1127, F.S.;<sup>4</sup> or
- Hold a position in which a momentary lapse in attention could result in injury or death to another person

The bill was temporarily postponed by the Appropriations Committee last week. A similar bill in the Senate, **SB 1358 by Senator Alan Hays (R – Umatilla),** is now in the Budget Subcommittee on General Government Appropriations.

**HB 945 – Broadband Internet Services by Representative Doug Holder (R – Sarasota),**

replaces the Department of Management Services (DMS) with the Department of Economic Opportunity (DEO) as the state's single designated entity to receive and manage all federal State Broadband Initiative (SBI) funds. The bill requires DEO to establish a public-private partnership that will work collaboratively with the same list of entities that DMS currently works with (i.e., Enterprise Florida, state agencies, local governments, colleges and universities, private businesses, and community organizations), and the bill adds "nonprofit corporations" to this list of entities. The bill does not specify the type of private entity that DEO should consider in developing a public-private partnership (as opposed to those private entities with which the partnership must work collaboratively). The bill also modifies the existing legislative language to state that "that the sustainable adoption of broadband Internet service is critical to the economic, business, and community development of the state "

The bill provides that DEO's strategic plan to increase use of broadband Internet service in Florida must be "developed with the use of consumer research into

residential and business technology utilization data." Further, the bill specifies that broadband mapping efforts conducted under DEO must "at a minimum" identify transmission speeds and un-served and underserved areas. Finally, the bill outlines a process by which the Broadband Initiative Program would transfer from DMS to DEO. The bill reported favorably in the Appropriations Committee last week. A similar bill in the Senate, **SB 1242 by Senator Alan Hays (R – Umatilla)** is now in Budget Subcommittee on Transportation, Tourism, and Economic Development Appropriations.

**HB 737 -- Tax on Sales, Use, and Other Transactions by Representative Elizabeth Porter (R – Lake City, FSU Alum),** establishes

a 3 day period during which certain items will be exempt from sales tax (commonly called a "sales tax holiday") beginning on August 10, 2012 and lasting through August 12, 2012. During the sales tax holiday, clothing, footwear, wallets, and bags that cost \$75 or less, and school supplies that cost \$15 or less are exempt from the state sales tax and county discretionary sales surtaxes (commonly called "local option sales taxes"). The bill also exempts "school supplies" that cost \$15 or less per item. "School supplies" are defined as pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue or paste, rulers, computer disks, protractors, compasses, and calculators. The bill was amended last week to change the dates to August 3, 2012 to August 5, 2012. The bill has passed out of the House and is waiting to be heard in the Senate. A similar bill in the **Senate, SB 982 by Senator Eilyn Bogdanoff (R – Ft Lauderdale)** is now in Budget Subcommittee on Finance and Tax.

**SB 1368 – High School Graduation Requirements by Senator Don Gaetz (R – Destin),**

provides each student the option of graduating as soon as the student has earned 24 credits that meet high school graduation requirements. Students who graduate early will still be able to participate in high school graduation activities. The bill allows school districts to receive funding for more than 24 credits if the student completed unpaid high school credit delivered by the district in the prior year

enrollment. The additional funding is up to one full-time equivalent (FTE) for students graduating one year early and up to one-half FTE for students who graduate one semester early. A student who graduates at the end of the first semester is eligible for a Bright Futures Scholarship to enter college in the spring term.

For purposes of calculating high school grades, the bill allows a school to earn bonus points for students who graduate early or who take additional science, technology, engineering, and mathematics (STEM) courses. The bill provides for performance based funding. Credit is funded based on passing the statewide end-of-course (EOC) assessment without taking the course. High school credits for courses that require an EOC assessment, after the third year of administering the assessment, will be funded only upon passing the assessment.

The bill also:

- Creates Academically Challenging Curriculum to Enhance Learning (ACCEL) options to provide academically challenging curriculum or accelerated instruction to eligible students in kindergarten through grade 12;
- Establishes student eligibility requirements for participation in the Advanced Placement (AP) program;
- Requires districts to inform parents of the opportunities and benefits of acceleration options at the time of registering for school; and
- Requires the Algebra I EOC assessment to be administered four times annually.

The bill reported favorably by the Education Pre K – 12 Committee last week.

A comparable bill in the House, **HB 7059 by Representative Kelli Stargel (R – Lakeland)** is now in the Education Committee.

#### UPDATE ON BILLS

**SB 1156 – State University Student Fees by Senator Anitere Flores (R – Miami)**, was amended last week to authorize that, “beginning with the 2012 fall term, each university board of trustees may increase the Capital Improvement Trust Fund fee and the building fee. Any increase in the fees must be recommended by a Capital Improvement Trust Fund and building fee committee.” The bill also provides that an increase in the fees may occur only once each year and must be implemented beginning with the fall term. The bill reported favorably by the Higher Education Committee. There is no House companion at this time.

## SESSION SCHEDULE

### SENATE SESSION

**THURSDAY, FEBRUARY 23, 9:45 a.m. to 6:00 p.m.**

**FRIDAY, FEBRUARY 24, 9:00 a.m. to 6:00 p.m.**

### HOUSE SESSION

**WEDNESDAY, FEBRUARY 22, 1:00 p.m. until completion**

**THURSDAY, FEBRUARY 23, 1:00 p.m. until completion**



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