



Last week, the Florida House and Senate ignored their current budget impasse and instead worked on substantive legislation. Until the federal Centers for Medicare & Medicaid Services decides whether or not to approve a new version of the Low Income Pool program, the state budget for FY 2015-2016 will stay in a holding pattern.

The House opposes the Senate plan to use federal Medicaid funds for private health insurance for low-income Floridians. Last week the governor weighed in on this issue by reversing the support he gave two years ago to the Senate's current position. Governor Scott now opposes the use of Medicaid funds due to his concern about the reliability of these federal dollars.

The House Education Committee passed their version of the college affordability bill last week, making it ready for a vote by the full House. HB 7125 has themes in common with the Senate's version, which is now attached to SB 948, such as requiring state colleges and universities to publicly notice proposed increases in tuition and fees at least 28 days in advance of their trustees voting on such increases; and transferring the authority over tuition for graduate and professional programs, and out-of-state, from boards of trustees to the Board of Governors. Additional information on this and other legislation is outlined in this newsletter, particularly in the Spotlight on Bills section.

During this seventh of the nine-week session, a handful of House and Senate committees will continue to meet, probably for their final times this session, in an effort to hear as many bills as possible. Bills left unheard in committees after this week are all but dead for 2015. One such bill may be the "guns on campus" bill since it is not on a Senate committee agenda this week.

The Senate Appropriations Committee, which serves as a final stop for many bills before they can go to the full Senate, has scheduled a daylong meeting on Thursday. In another sign the final weeks of the session may be upon us, the House is scheduled to meet all day Thursday and possibly again on Friday.

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

Kathleen

College Affordability Bills Comparison

SB 948 by Senator Don Gaetz (R-Destin) and HB 7125 by Rep. Elizabeth Porter (R-Lake City, FSU Alumna) each address college affordability and are moving through the legislative process. HB 7125 is ready to be heard on the House floor, while the Senate Appropriations Committee is scheduled to take up SB 948. Below are some of each bill's provisions that would affect state universities:

1. SB 948 includes a provision that caps, in statute, the graduate and professional tuition rates set on July 1, 2015. Most of this provision is currently not in the House bill.
2. The Senate bill also requires universities to post the textbook and instructional materials that students must purchase for each course 14 days prior to the opening of the course-registration period. The House Education Committee, meanwhile, heard an amendment that would have required instructors to give their students the ISBN number for course materials 15 days in advance, but the amendment was withdrawn before a vote was taken, so the House bill now reflects current law.
3. SB 948 changes the name of the state's National Merit Scholarship Incentive Program to the Benaquisto Scholars Program (language that is not included in the House bill).
4. The Senate bill codifies the Board of Governors Performance Funding Metrics process, and adds student-loan default rates as a metric. It also revises the "bottom three" policy the BOG now follows by stating that institutions that fail to meet the Board's minimum performance funding threshold are not eligible for performance funds. This language is not included in the House bill.
5. SB 948 creates a new scholarship program to recognize Florida's Best and Brightest Teachers, based on prescribed criteria, but lab schools are not among those eligible to participate in the program. However, FSU's lab school is also a charter school and would thereby be eligible to participate. This language is not included in the House bill.
6. HB 7125 removes the requirement that 70% of revenue generated by the tuition-differential fee be spent on undergraduate education. This language is not included in the Senate bill.
7. The House bill also eliminates the need for state universities to get Board of Governors approval for increases to the tuition-differential fee, provided the benchmarks outlined in statute are met. This language is not included in the Senate bill.
8. The Senate bill includes the University of Florida (and its Online Institute) in the National Merit Scholars program. This language is currently in a half dozen different Senate bills but not included in the House bill.

SPOTLIGHT ON **BILLS**

SB 7082 – Death Benefits Under the Florida Retirement System by Senator Jeremy Ring (D – Margate), makes two primary changes to the Florida Retirement System (FRS). First, the bill increases the monthly survivor benefits available to the spouses and children

of FRS pension plan members in the Special Risk Class when killed in the line of duty from 50 percent of the member's monthly salary at the time of death to 100 percent of the member's monthly salary at the time of death. These new benefits are funded through additional employer-

paid contributions relating to the FRS pension plan.

Second, the bill permits the surviving spouse or children of an investment plan member in the Special Risk Class when killed in the line of duty to opt into the FRS investment plan survivor

benefits program in lieu of receiving normal retirement benefits under the FRS investment plan. By participating in the survivor benefits program, the surviving spouse and children are eligible to receive annuitized benefits much like the survivor benefits (described above) afforded to Special Risk Class members of the FRS pension plan. The investment plan survivor benefits program is funded by additional employer-paid contributions to the survivor benefits account of the FRS Trust Fund.

The new survivor benefits established by this bill are available to members in the Special Risk Class when killed in the line of duty on or after July 1, 2013.

The bill was filed last week as a Committee bill by the Government Oversight and Accountability Committee. There is not House companion at this time.

CS/SB 1252 – Higher Education by Senator Kelli Stargel (R – Lakeland), realigns the mission and roles of Florida's public postsecondary systems and institutions in meeting Florida's labor market demands and community and regional needs. Specifically, the bill:

- Clarifies the mission of state universities, Florida College System (FCS) institutions, career centers, and charter technical career centers regarding state expectations.
- Renames the Florida State College System as the Florida Community College System (FCCS).
- Clarifies Florida's "2+2" system of articulation and guaranteed transfer of credit hours earned through acceleration mechanisms, CAPE industry certifications, and courses at FCCS institutions.
- Clarifies expectations and state oversight of baccalaureate degree programs offered by FCCS institutions. The bill eliminates the one-year

moratorium on the State Board of Education's approval of new baccalaureate degree program offerings by FCCS institutions and aligns the baccalaureate degree approval process for St. Petersburg College with the approval process for other FCCS institutions.

- Prohibits the establishment of an enrollment cap in the collegiate high school program contract and requires school districts and colleges to report student enrollment information to the Florida Department of Education.
- Adds the Chancellor of Career and Adult Education as a member of the Higher Education Coordinating Council.
- Requires career education program standards and benchmarks to reflect the quality components of career and technical education.

The bill was temporarily postponed by the Appropriation Subcommittee on Education last week. A House companion, **HB 7127 by Representative Ray Rodrigues (R – Ft. Myers)** is in the Education Committee.

HB 7141 – Taxation by Representative Matt Gaetz (R – Shalimar, FSU Alum), provides for a wide range of tax reductions designed to directly impact both households and businesses.

The bill includes the following tax rate reductions: state communications services tax (CST) rate by 3.6 percentage points; state sales tax rate on rental of commercial real estate by 0.2 percentage points.

The bill includes new or expanded sales tax exemptions for the following: agricultural items, including feed for aquatic organisms, irrigation equipment, costs of maintenance and repairs of irrigation and power farm equipment, stakes, and certain trailers; sales at school

book fairs and K-12 school food and beverage concessions in support of extra-curricular activities; college textbooks and instructional materials; machinery and equipment used for metal recycling; gun club memberships or admissions; and motor vehicles brought to Florida by military service-members deployed outside of the U.S.

The bill includes the following sales tax holidays: a three-day "back-to-school" holiday for clothing, footwear, school supplies, and computers; a one day tax free period on November 28, 2015, for sales of items priced at \$1,000 or less by certain small businesses; a one day tax free period on July 4, 2015, for certain firearms, ammunition, camping tents, and fishing supplies.

With respect to property taxes, the bill: increases from \$500 to \$5,000 of value the longstanding exemption for widows, widowers, blind, or totally and permanently disabled persons; and updates and expands the current partial homestead exemption available to military service-members deployed overseas.

The bill makes the following corporate income tax changes: temporarily increases total tax credits available for voluntary brownfields clean-up; creates a corporate income tax credit for federal defense contractors that hire Florida subcontractors; revises the distribution for the current research and development tax credit and temporarily increases the annual credits that can be awarded; extends the Community Contribution Tax Credit program with \$13.3 million in tax credits for one year (also taken against sales tax).

Other changes include: creation of an alternative process for retaining homestead status in certain circumstances; elimination of the obsolete Florida estate tax and \$5 permit fee to register certain vehicles to be used to transport alcoholic beverages; equalization of the tax rates applied to apple and pear cider; a one year extension of a current title insurance premiums tax reduction;

an exemption from the aviation fuel tax for fuel used by certain Florida higher educational institutions; and clarification of CST dealer tax reporting period requirements and the sales tax exemption on prepaid college meal plans.

The total impact of the bill in fiscal year 2015-2016 is -\$642.4 million.

The bill passed out of the House last week and will now go to the Senate for hearing. A comparable bill in the Senate, **SB 140 by Senator Dorothy Hukill (R – Port Orange)** is waiting to be heard in the Appropriations Committee.

CS/CS/SB 1372 – Government Accountability by Senator Don Gaetz (R – Destin), is an omnibus government accountability bill. The bill includes changes to Florida's governmental ethics policies including broadening the water management district lobbyist registration provisions to apply to many more special districts, and applying post-employment lobbying restrictions to certain individuals with Enterprise Florida, its divisions, and the Florida Development Finance Corporation. The bill also requires local governmental entities to keep their final budgets, and any amendments thereto, on their website for a period of 2 years after adoption. The bill requires various governmental entities to adopt internal controls to prevent and detect fraud, waste, and abuse. The bill was amended to:

- Allow the Auditor General to conduct audits or other engagements of tourist development councils and county tourism promotion agencies;
- Require a governing body to withhold 25 percent of the amount of the fine from the filer's next public salary-related payment, plus any administrative costs incurred;
- Require withholding the same percentage of each successive

public salary-related payment until the fine and administrative costs are paid in full;

- **Define “public funds” for purposes of the prohibited compensation statute in s. 215.425, F.S.; including at universities**
- **Clarify that it is not prohibited compensation to pay a bonus or severance pay from sources other than public funds; including at universities**
- Provide that state or county officers making or receiving prohibited compensation may be suspended by the Governor and removed by the Florida Senate;
- Allow the Governor to suspend and remove any other officer who makes or receives prohibited compensation pursuant to s. 112.51, F.S.;
- Require the accountant's audit to be supported by the same level of detail required for the annual financial report;
- Provide that the contract period may not exceed 5 years;
- Create a 2-year period of ineligibility for a firm to get a new contract after its 5-year contract has expired;
- Require the audit report submitted pursuant to s. 218.39, F.S., to include an affidavit executed by the chair of the audit committee affirming that the committee complied with the auditor selection requirements;
- Provide that entities that fail to comply with the requirements in selecting an auditor must replace the auditor for the remaining term of the contract;
- Extend applicability of the 2 year post-service lobbying restriction to prohibit representation before a division of Enterprise

Florida, subsidiary of Enterprise Florida, or the board of directors of corporations created to carry out the missions of Enterprise Florida, Inc., or with which a division is required by law to contract to carry out its missions;

- Require Florida Virtual Schools to include a written statement describing corrective action to be taken in response to each of the independent auditor's recommendations;
- Require Florida Virtual Schools to submit its audit report in its annual report to the Governor, the Legislature, the Commissioner of Education, and the State Board of Education.

The bill is scheduled to be heard in the Rules Committee on Wednesday. The House companion, **HB 1063 by Representative Larry Metz (R – Groveland, FSU Alum)** is on the calendar to be heard in the State Affairs Committee on Wednesday.

UPDATE ON BILLS

CS/CS/SB 948 -- Education by Senator Don Gaetz (R – Destin), updates terminology and revises criteria relating to apprenticeships, modifies Florida Education Finance Program (FEFP) funding, adds a requirement for designation as a preeminent state research university, establishes postsecondary performance-based incentive funding models, creates the Rapid Response Education and Training Program and the Florida Best and Brightest Teacher Scholarship Program.

The bill was amended last week in the Appropriations Committee to make the following substantial changes:

Preeminent State Research University Designation

Add provisions requiring participation in the National Merit Scholarship Program for designation as a

preeminent state research university or as a preeminent state research university institute for online learning.

Postsecondary Performance-Based Funding

Adds undesignated sections of law that establish State University System and Florida College System Performance-Based Incentive funding models based on metrics adopted by the Board of Governors and the State Board of Education ("State Board"), respectively, which include, but are not limited to, metrics that measure:

- Graduation and retention rates;
- Degree production;
- Affordability;
- Post-graduation employment, salaries, or continued education;
- Student loan default rates; and
- Access

Florida Best and Brightest Teacher Scholarship Program

Add a new section creating the Florida Best and Brightest Teacher Scholarship Program ("Scholarship Program") to award teachers who demonstrate a high level of academic achievement; authorizing funding for the Scholarship Program; and requiring the State Board to adopt rules relating to reports, eligibility criteria for scholarship recipients, and distribution of scholarship funds.

The bill reported favorably by the Appropriations Subcommittee on Education last week and will next be heard in the Appropriations Committee. A House companion, **HB 7125 by Representative Elizabeth Porter (R – Lake City, FSU Alum)** reported favorably in the Education Committee. (See below)

HB 7125 – Postsecondary Access and Accountability by Representative Elizabeth Porter (R – Lake City, FSU

Alum), promotes access and affordability for students seeking a postsecondary education by:

- Promoting college affordability by:
 - Requiring each Florida College System (FCS) institution and state university to publicly notice any proposal to increase tuition or fees at least 28 days prior to consideration by the board of trustees.
 - Eliminating the ability for state universities to seek approval from the Board of Governors (BOG) for an increase in the tuition differential fee.
 - Clarifying that preeminent universities may increase the tuition differential by no more than 6 percent only if they meet specific performance benchmarks established by the BOG.
 - Removing the requirement that seventy percent of revenues generated by the tuition differential fee be spent on undergraduate education.
 - Removing the authority for the BOG to delegate the establishment of tuition for graduate and professional programs and out-of-state fees to the university boards of trustees.
 - Requiring the SBE and the BOG to annually identify strategies and initiatives to promote college affordability (including the impact of tuition and fee increases, financial aid policies, and textbook costs) and submit an annual report to the Governor, Senate President, and Speaker of the House of Representatives.
 - Enhancing the current textbook affordability

law to provide students with sufficient time and information to seek out the lowest available prices by:

- Requiring postsecondary institutions to conduct cost benefit analyses and report annually to chancellors on implementation of textbook affordability policies;
- Requiring chancellors to summarize institutional reports and submit a summary to SBE and BOG respectively; and
- Requiring Each Florida College System institution and state university to post prominently in the course registration system and on its website, as early as is feasible, but at least not less than 30 days before prior to the first day of class for each term, a hyperlink to lists of required and recommended textbooks and instructional materials for each course offered at the institution during the upcoming term.

The bill provides \$3 million in recurring general revenue to implement the FLAG Program and \$10 million in recurring general revenue to implement the Rapid Response Grant Program.

The bill was amended last week by the Education Committee to provide that the Board of Governors and the State Board of Education annually identify strategies to promote college affordability for all Floridians by evaluating the impact of tuition and fees on undergraduate, graduate and professional students at public colleges and universities. The bill reported favorably by the Education Committee last week and is waiting to be heard by the full Senate.

CS/SB 960 – Bright Futures Scholarship Program by Senator Tom Lee (R – Brandon), allows a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious

or service obligation lasting at least 18 months, to defer the 2-year initial award period and the 5-year renewal period until the student completes the religious or service obligation.

The bill was amended last week to:

- Allow a student who is eligible for a Florida Bright Futures Scholarship award, but unable to accept the award immediately following high school graduation due to a full-time religious or service obligation lasting at least 18 months, to defer the 2-year

initial award period and the 5-year renewal period until the student completes the religious or service obligation;

- Provide an exception in the volunteer service requirement for a student to earn academic credit for service-learning courses;
- Repeal references to obsolete academic eligibility requirements for the FAS and FMS awards; and

- Repeal the higher SAT or ACT score required for a student in a home education program whose parent cannot document college-preparatory curriculum to be eligible for the Florida Medallion Scholarship.

The bill is waiting to be heard by the full Senate. A similar bill in the House, **HB 747 by Representative Patrick Rooney (R – Palm Beach Gardens)** is waiting to be heard by the full House.

SESSION SCHEDULE

SENATE SESSION

TUESDAY, **APRIL 14**, 10:00 a.m. to 12:00 noon

HOUSE SESSION

WEDNESDAY, **APRIL 15**, 10:30 a.m. to completion

THURSDAY, **APRIL 16**, 10:30 a.m. to completion



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