



LET THE GAMES BEGIN!

The Florida Legislature opened the 2009 session with the pomp and circumstance of prior sessions as usual, yet facing the doom and gloom of declining revenues. The House has implemented a core/critical exercise to identify programs critical to agency missions. In the Senate, "Everything is on the table." This was the statement by Senate President Jeff Atwater in his address to the Florida Senate on the opening day of the 2009 session. According to Sen. Atwater, every line item of every budget will be reviewed. Everyone agrees these are uncharted waters for Legislative members.

State tax revenues which comprise 70% of state funds, according to one member, are declining by the hour. Revenues were down \$2.1B from where they started in 2007-08. According to everyone involved, it is expected that General Revenue estimates for 2009-10 to be even more dismal. Moreover, there could be an additional cut to address the \$750M shortfall still predicted in the current fiscal year. The total 2008-09 shortfall is rumored to be about \$5B.

The difficulty for legislators will be trying to address budget issues where over 95% of the budget is in Education, Health and Human Services, and Public Safety. For community colleges, this is a real problem. Last week's ad valorem tax revenues were down, reducing the required local effort for school districts. Legislators will be forced to look to General Revenue to compensate for the loss of funds to comply with the constitutional mandate to fund every student enrolled in public schools. As a result, fewer dollars will be available to fund state universities, who can control costs by capping enrollment, and community colleges who are operating at full capacity with enrollment increases as high as 10% at some institutions. For community colleges, because enrollment is central to their mission, we would hope to minimize the impact of these cuts.

According to House Appropriations staff, the state had \$204M that it did not spend in its checking account. For fiscal year 2009-10, the state is short \$1.4B from its base. The long range projected deficit going into 2009-10, is \$3.3B, and the worse case scenario, with no new estimates, is expected to go down further with the low being possibly \$5.6-\$5.9B.

Chancellor Will Holcombe did an excellent job of presenting our case before the House and Senate Committees this past week. The House Community Colleges and Workforce Chair, Rep. Will Weatherford, offered suggestions such as merging smaller colleges and/or creating a budget stabilization fund for community colleges to address the countercyclical funding /enrollment issue.

On the Senate side, members took testimony and looked at agency-based budgets. During the Senate Committee on Higher Education Appropriations Committee budget discussion, Sen. King asked most of the presenters if they knew what their budgets would look like if they were to reduce them by 10% for 2009-10. It has been rumored that we can expect a 10 - 15% decrease.

There is still nothing definite regarding a timeline for the budget. The process remains very fluid. Also, unknown is the affect of the federal stimulus dollars on the state's funding decisions. No decision regarding what part of these funds may be used from programmatic purposes. We will have more detail when the House and Senate agree on what will need to be "cut." According to staff, we should know something more definite next week.



New members take the oath of office.



Governor's Budget Recommendations

Budget Committees from both chambers spent part of Wednesday and all day Thursday dissecting the Governor's budget with his key policy makers. The total amount of the Governor's budget is \$66.5B and approximately one-third of that is contributed to health and human services. Some key elements of the budget are:

- It calls for no major reduction to direct services
- It funds the growth in Medicaid and other programs
- \$1.1B to support increased enrollment in Medicaid
- \$16.1 M to increase fees paid to Medicaid dentists
- \$91 M to increase capitation rates paid to Medicaid prepaid health plans
- It restores Medically Needy and Meds AD program in Medicaid
- It does not fund expansion for Medicaid Reform
- It combines the Department of Health with the Agency for Health Care Administration.

The Governor's budget relies heavily on the stimulus package that is being sent from Washington, D.C. and has met some resistance by House and Senate Republicans. The Legislature now must come up with their budget since this is the only thing that is statutorily required of them to complete within the 60-day session.

As related to community colleges funding, non-recurring dollars have been deleted, both in General Revenue and Lottery funds. The biggest impact is the loss of \$7.8M in Lottery operating dollars. The Governor did not cut any of our recurring appropriations in his budget and he is recommending a 5% increase in the standard tuition. The Council of Presidents (COP) has asked for an 8% increase. The Governor also included \$70.8M in federal stimulus money in the community college appropriation budget. The COP will be working closely with the Division and the Governor to determine the best ways to utilize the federal stimulus money to be allocated, particularly if it will be the only new money available to our colleges, other than dollars from tuition increases.

Taxation

On Thursday, March 5th the House unanimously passed [SB 1112](#) Relating to Corporate Income Tax by Sen. Thad Altman on a 116 – 0 vote after substituting the Senate bill for [HB 459](#) by Rep. Dean Cannon. [SB 1112](#) corrects an unintended yet expensive error included in the annual corporate income tax bill passed last session. Normally, this bill just codifies existing changes in the IRS code so that businesses in Florida don't have to keep two sets of books. Unfortunately, last year's error would have forced Florida businesses to overpay state corporate income taxes to the tune of hundreds of millions of dollars. Groups like TaxWatch, the Retail Federation, the Florida Chamber, and Association Industries of Florida association partners, of which FACC is a member, were instrumental in getting this passed. [SB 1112](#) was immediately certified and enrolled, and will now be sent to Governor Crist for his signature.

Sales Tax Exemptions

On Wednesday, March 4th the [House Finance and Tax Council](#) held a two-hour workshop to review a predetermined list of sales tax exemptions. At the beginning of the meeting, Chair Elynn Bogdanoff quipped that members of the audience had Rep. Jim Waldman to thank for this exercise. She made the comment because of the large number of lobbyists in the audience who were present to defend their particular exemptions. The committee only made it through a handful of the more than 20 exemptions on the agenda. The Council took each exemption up one by one and members of the public were called to defend the exemption and provide any historical background on each exemption. Some of the exemptions reviewed included:

- Movie theater concession rent
- Rents, subleases, or licenses in sports arenas or civic centers
- High school and college teams' sky boxes
- Tickets for non-profit theater, opera, or ballet events
- Sales of U.S. and State flags
- Boats temporarily docked in Florida



**Chair Elynn Bogdanoff,
R-Ft. Lauderdale**

The council will continue its review of these sales tax exemptions next week

Florida College System—[SB 2682](#) by Sen. Pruitt. No Companion

This bill provides that the Florida College System is a Division of the DOE in lieu of the Community College System. The System includes “Junior College” and “State College” within the institutions of the System. The bill would revise the primary mission of the Community Colleges to include providing upper level instruction and awarding baccalaureate degrees.

Fire Fighting—[HB 0693](#) by Rep. Taylor and [SB 1606](#) by Sen. Aronberg

This legislation clarifies the authority which currently exists, for community colleges to conduct their own fire safety inspections and plan reviews. The new law revises various provisions of chapter 633, F.S., relating to: requirements for fire safety plans and inspections for manufactured buildings. The bill establishes regulation and licensing of businesses engaging in servicing, inspecting, recharging, hydro-testing, or installing fire suppression equipment. It abolishes the special state fire-safety inspector classifications and provisions for certification as fire-safety inspectors. Some problems that with this bill include new requirements for re-locatable buildings, binding and non-binding dispute resolution (bureaucracy and fees), code management (optional increased education), and apprenticeship for high school students. The FACC lobbying team is continuing to work with the legislators on this bill.

FERPA/Student Records

The state’s student records law has not changed over the last several years while the federal laws, [FERPA](#), have been tweaked and revised. As a result the two laws are very inconsistent. Colleges are inadvertently violating one law or the other when complying with student records requests. The FACC lobbying team over the course of the last several months has worked with the DOE and the BOG to develop legislation that would align the state laws with the federal law. This effort will result in two related bills, one covering K-12 and another covering higher education.



**Rep. Seth McKeel,
R-Lakeland**

Public Records—[HB 0135/SB 0270](#) by Rep. McKeel and Sen. Dockery.

This bill provides exemption from public records requirements for personal identifying information of minor dependent of current or former officer or employee of state agency when dependent is insured by agency group insurance plan. It provides for retroactive application and future review and repeal of exemption. This legislation would make state law support Federal HIPAA (Health Insurance Portability and Accountability Act) laws, relating to keeping medical information confidential. Section 2 of this bill is of some concern and needs clarification. It could be in conflict with HIPAA as related to PHI (personal health information). This bill was passed in the House as a committee substitute by the Insurance, Business, and Financial Affairs Policy Committee. The next referral will be to the Government Affairs Policy Committee. The Senate version is now in Governmental Oversight and Accountability, pending review.

Articulation—[HB 0751/SB 0920](#) by Rep. Patterson and Sen. Baker.

This bill addresses issues related to statewide articulation agreements. It will require that statewide articulation agreements govern the transfer of credit between public institutions and nonpublic institutions licensed by the Commission for Independent Education. The bill will also allow school districts to enter into inter-institutional articulation agreements with independent postsecondary institutions. The bill also increases oversight with requirements for faculty committees to review courses and transfer of credit. It may also result in new rules by establishing 1) penalties for noncompliance with procedures for transfer of credit; 2) mechanisms for reporting suspected violations; 3) fines to be paid by noncompliant institutions; and 4) how funds generated by fines would be divided. This bill would have a major impact on the transfer of credit and of institutional control over acceptance of transferred credit.

Another bill, [SB 1020](#) by Sen. Lynn, would require that the State Board of Education adopt rules establishing articulation accountability measures and a process for the formal reporting of trend data relating to the progression and transition of students from secondary education into and through postsecondary education. The bill broadens articulation activity and data that DOE would track, such as all associate transfers, not just AA; articulation and transfer to any baccalaureate program (including state college/community college baccalaureates); and also to private institutions. It could also include tracking Florida residents who transfer out of state, or who begin programs via online universities. The annual articulation reports produced in the past were more limited in their scope and this is viewed as a good bill with regard to the tracking data it would provide. There is no companion bill yet.

Accreditation/Private

A couple bills being monitored by the FACC lobbying team related to accreditation of private institutions include the following:

[SB 0156/HB 0619](#) by Sen. Ring and Rep. Heller.

This bill would require that a licensed independent postsecondary educational institution notify the Commission for Inde-

pendent Education of changes in its accreditation status. The bill also requires that institutions become accredited within a specified period after licensure. It also empowers the commission to revoke the license or authorization of an institution that does not meet requirements concerning accreditation.

[SB 2096](#) by Sen. Oelrich. There is no House companion. This bill revises the criteria for licensure by means of accreditation for an independent postsecondary educational institution. It states that, in order to maintain its license, an institution must file a report with the Commission for Independent Education which includes the results of a site visit performed by an accrediting agency. Additionally, it requires that each institution request such site visits.

Veterans/Military

[SB 0208](#) by Sen. Crist. No House companion.

The bill would require state universities and community colleges to waive 50% of the in-state tuition rate for veterans who meet specified criteria. The bill on the surface appears to shift some burden from the fed to the state with regard to accommodating veterans under the GI Bill. Although the bill provides a percentage cap on the number of required credit hours for which a tuition waiver may be received, there are several issues that could affect colleges financially if up to a 50% waiver is granted. Potential tuition losses at some schools could be as high or higher than \$1.9M. Some feel that this bill puts the burden of educating veterans on states, even though the federal government is providing a substantial GI bill.

[SB 0442](#) by Sen. Fasano and [HB 0685](#) by Rep. Proctor

This bill would revise Dollars for Duty education assistance program. It revises duties of Adjutant General by removing BOG and SBE role in developing the program. The bill adds SACS nonpublic institutions or public vocational-technical programs; removes requirement for 15 yrs service in National Guard; authorizes college prep courses; deletes State Tuition Exemption Program; authorizes Military Affairs to pay tuition and fees for current members up to the amount of public tuition and fees; and provides eligibility to use program upon enlistment. This is all subject to appropriations.



Rep. Betty Reed, D-Tampa

Residency

[HB 0421](#) by Rep. Reed and [SB 0866](#) by Sen. Hill

This bill would provide resident status for tuition for veterans of Armed Services of United States and United States Reserve Forces. The bill also includes their spouses and dependents who attend a community college or a state university. This bill would have a huge fiscal impact as there would be nothing to prevent any veteran in the world from coming to us to pay in-state tuition. Comparable bills filed include [HB 0009](#) and [SB 0238](#) which make similar provisions specifically for wounded warriors.

Financial Aid

[HB 0719/SB 1364](#) by Rep. Stargel and Sen. Pruitt. Florida Bright Futures Scholarship Program

This bill revises provisions relating to refunds provided by an educational institution to the DOE pertaining to funds received for courses dropped by students after the end of the drop and add period. It would require colleges to return Bright Futures money to the state for a course WD issued after drop/add, and bill student for the difference. The bill also includes revisions to the credit-hour requirements for scholarship renewal. The renewal requirements appear to be more stringent and may eliminate summer courses as counting to renewal. This bill may be difficult for colleges administratively and puts restrictions on Bright Futures students that are not on other financial aid recipients. The bill raises the completion hours from 12 to 24 a year, eliminating a BF'er from attending part time or dropping a course. FACC is not supportive of this measure.

Early Voting

Several bills related to Early Voting ([SB 0472](#), [HB 0837](#), [SB 0990](#), [HB 1469](#), [SB 2204](#)) will authorize the county Supervisor of Elections to designate any public community college facility as an early voting site. Requires that the Supervisor for each county establish early voting hours. The bill provides a minimum and a maximum daily duration for such early voting hours. Although we are generally supportive of this measure, the FACC lobbying team is trying to assure college consent is included in the final provisions.

Retirement/DROP

[HB 0479](#) by Rep. Schenck and [SB 1852](#) by Senate Governmental Oversight and Accountability Committee.

This "double-dipper" bill will redefine the term "termination". It also significantly changes provisions relating to participation in Elected Officers' Class and Senior Management Service Class. The bill also repeals provisions relating to authori-

zation of charter schools to reemploy instructional personnel after retirement and provides that certain persons are ineligible for renewed membership in FRS. The bill repeals provisions relating to interstate compacts for pension portability and revises term "eligible employee." The bill prohibits certain persons holding public office from electing to retire while continuing employment in that elected office and provides for suspension of DROP benefits to participant who is re-employed. Comparable bills filed include [SB 1214](#) and [HB 1182](#).

[SB 0534](#) by Sen. Fasano. No companion. Defined Contribution Retirement Program

This bill being run again would change state retirement system as we know it. It would require the employee to instruct the state how to invest his/her portion of the defined contribution. The name will change from the Public Employee Optional Retirement Program to the Public Employee Retirement Investment Program. It basically limits the option of enrolling in the State Retirement System's "defined benefit program" to public employees employed before January 1, 2010. All persons hired after that date would be enrolled in a the new defined contribution program.

[HB 0605](#) by Rep. Snyder and [SB 1072](#) by Sen. Baker. Special Risk Class Retirement Benefits

The bill prohibits certain members of a Special Risk Class from being reemployed or contracting with same employing agency from which member retired. It extends the period of time during which certain Special Risk Class members may participate in FRS DROP. The bill deletes obsolete provisions and provides legislative findings with respect to state's interest in protecting the public's safety and welfare by extending retirement benefits for officers.

Workforce Education

[HB 0993](#) by Rep. Ray and [SB 2428](#) by Sen. Wise. Charter Technical Career Center Pilot Project

This bill would establish a Charter Technical Career Center Associate in Applied Science Degree Pilot Project. The bill would actually authorize each charter technical career center participating in pilot project to offer programs that lead to specified associate degrees. The bill provides requirements for centers to collaborate with DOE to make recommendations for approval of associate degree programs. The language of this bill is parallel to the State College bill language. Includes provisions that refer to the St. Augustine Center as a "college" and allows them to use it now. FACC will not oppose this bill if the technical centers desiring this designation are appropriately SACS accredited as colleges.

Excess Hours

[SB 2318](#) by Sen. Constantine. No companion. Postsecondary Tuition Rates

Cites this act as the "Access to Higher Education Act." Requires that a student who is enrolled at a State University System institution pay the out-of-state tuition rate per credit hour if the student exceeds 120% of the number of credit hours required to complete a degree program. The bill requires that an educational plan be developed for a student who exceeds the required credit hours. Community colleges are not included directly but our transfer students would be.

Credit Card Fees

[SB 0394](#) by Sen. Baker. No companion. Related to Credit Cards Marketing

This bill would protect students by requiring universities, community colleges and related DSO's to obtain a student's written consent before providing a student's contact information to a credit card provider. The bill would also prevent the same entities from entering into an agreement with a card issuer to offer or facilitate the marketing of credit cards to undergraduate students.



House Speaker Larry Cretul, R-Ocala