



## PERCEPTIONS LEGISLATIVE E-Zine # 4

March 29, 2010

For members of the Florida Association of Community Colleges

This week, we are providing you a comprehensive update on the substantive legislative issues your FACC team has been working since the beginning of the 2010 Legislative Session.

### RETIREMENT

Over the past two weeks, we have reported on several bills, that if passed and signed into law by the Governor, would change the Florida Retirement System as we know it. There is good news and bad news here. First, the good news is that only one bill, [SB 2022](#) by Sen. Alexander, has moved through a committee of reference, but there remains no House-side companion bill. The major impact of this bill is that it may require you to make a “co-pay” toward your state retirement of .25% (One quarter of one percent). Among the other bills, one ([HB 1543](#)) has been withdrawn and it has been reported to us that [HB 1319](#) will not see any movement.

[HB 5701](#) by the Full Appropriations Council on Education and Economic Development (Chair David Rivera, R, Miami) contains a provision that would **eliminate the health insurance subsidy for current retirees. This could cost retirees up to \$1800 annually and purportedly would save the State \$43M this year.** Those members contact information is:

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Today's Tallahassee Democrat features an article by well-known Capitol reporter Bill Cotterell. It contains many references that may shed some light on where the Legislature is getting its information. The link to that article is provided below.

<http://www.tallahassee.com/article/20100329/COLUMNIST03/3290306/-1/columnists>

Your FACC legislative team is doing everything it can. We are fortunate to be in the mix with every organization in the state that participates in the Florida Retirement System. This includes state workers, municipalities, county governments, police, sheriff, and fire departments and more. **NOTHING HAS PASSED YET AND NO CHANGES ARE MADE UNTIL THE GOVERNOR SIGNS PASSED BILLS INTO LAW.**

**In summary, the most critical retirement changes included in the proposals are:**

- **Requiring employee contributions to their own retirement.** Currently employees contribute zero to their FRS plans, but proposals would have employees pay from .25% to 1% of their gross salary into their retirement, basically a salary reduction. (For example, at 1%, an employee with a \$20,000 annual salary would pay a \$200 contribution, annually.)
- **Eliminating the Health Insurance Subsidy (HIS) for retirees.** Current and future thirty year retirees will lose an \$1800 annual subsidy to pay for health insurance.

- **Changes to the “average final compensation” calculations.**
  - One proposal amends the calculation so that pensions are based on the life-time earnings, rather than the average the highest five years. This would be dramatic. If this moves forward, it is possible it would be applied only to new employees, or those not vested, but could apply to all employees. **As of today, the feeling at the Capitol is that this will not pass this year.**
  - Additional proposals disallow including overloads (e.g. overtime, leave payouts, sick leave payout, contract payouts) in the calculation.
- **Reducing the “multiplier” in the calculation for all classes of employees.** For example, for “regular class” employees, the current 1.6 factor for every year of service would be lowered to 1.44.
- **Extending the time to retirement.** Proposals would require FRS regular class employees reach 33 years, instead of the current 30 years and the retirement age at 65 instead of the current 62. Total elimination of the Defined Retirement Benefit Plan (FRS) after 1/1/2011.
- **Eliminate DROP as a future option**
- **Changing annual increases in retiree pensions.** Current law increases the pension by 3% each year. Proposals would change that to a rate linked to the Consumer Price Index.

## **OTHER SUBSTANTIVE LEGISLATIVE ISSUES BEING WATCHED BY THE FACC TEAM**

### **College Funding**

Appropriations bills and the related conforming bills will be ready for floor vote this week. The Senate Appropriations bill increases funding to the Florida College System by 5.8%, plus an 8% tuition increase. The House Appropriations bill decreases funding by 4.5%, but also increases tuition by 8%. Differing bills will go to “conference” to be negotiated by representatives from both the House and the Senate.

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### **Bright Futures Scholarship**

The Senate proposes several changes: eligibility, deletes restoration option, reducing credits to 100% of requirements, keeping flat rate award at this year’s level, and requiring the FASFA to be completed. The Senate also proposes limiting use of the award to four years, from seven. Colleges are have determined that 27% of the Bright Futures recipients in our institutions would be impacted by the change in years of eligibility. The House proposes continued flat awards for another year.

### **College and Workforce Fees**

The Senate proposes that Continuing Workforce Education be fully supported by fees.

### **Open Access Textbooks**

The Senate proposes “encouraging open access” textbooks.

### **Possible Merger study**

The Senate proposes an OPPAGA study of the pros and cons of a merger of Adult Public School Workforce into College System.

### **Library Automation**

Both Senate and House encourage consolidated purchasing and universal search.

### **College System Baccalaureates**

The Senate proposes new baccalaureates NOT be funded with CCPF, only with specific baccalaureate funds, foundation funds or other revenue. The Senate did NOT roll the baccalaureate funds into the Community College Program Fund (CCPF). The House did roll the funds in to the CCPF, which is the preference of the College System Council of Presidents.

### **Residency**

Related bills would provide clarification to several sections of current law, and provide options for recent high school graduates to have a transcript serve as a single method of proving residency. In addition, students determined to be

residents at another Florida institution could carry that determination with them to another. [HB 1243](#) passed a committee hearing on 3/26 but is expected to be amended to only handle the last issue. [SB 2398](#) has not been put on an agenda.

### **Strategic Plan for Higher Education.**

The newly released agreement between the Board of Governors and the Legislature drops the lawsuit filed by the BOG. In doing so, the parties agreed to establish a Higher Education Coordinating Council. Legislation to implement the Council is anticipated. The Colleges supported the concept of planning, but not stopping progress as the planning process is created. Data used by College System to support new programs and degrees should be model for planning at all levels. The Colleges do not want the Coordinating Council to impinge on the ability of local Boards of Trustees to make local decisions on operational and programmatic issues. We are waiting to see the draft legislation.

### **Fire Code**

The College System has collaborated with K-12 and the State Fire Marshal to reach agreement on legislation that will provide cost efficiencies, eliminate unnecessary reports, eliminate duplicative inspections, clarify fire code inspection responsibilities and provide site plan documents needed by local fire officials. The bills are [HB 531](#) by Weinstein and [SB 1074](#) by Wise. The Senate Bill has moved along well, but the House bill has not been heard.

### **Transportation Fee**

Started as a local bill for Santa Fe students to access to local bus services in cooperation with the University of Florida, the legislation could support other Colleges if similar bus service is available. [SB 208](#) by Oelrich is ready for floor action and [HB 255](#) by Chestnut passed the House on 3/24.

### **Nursing**

The Colleges have worked closely with other providers to address “glitch” issues from last year’s bills. [HB 1337](#) by Grimsley and [SB 2530](#) by Alexander have moved through several committees and are looking like they might pass.

### **College Name Changes**

Community Colleges that have changed their names now seek statutory codification of those changes. Initially Palm Beach State College and Seminole State College are included. Central Florida Community College Lake City Community College are changing names as well, and may be added. [HB 245](#) by Bernard and [SB 436](#) by Baker have both passed all committees and are ready for floor action.

### **Bright Futures repayment for dropped classes**

Legislation passed in 2009 requires students to repay the scholarship for any class dropped. The Colleges refund the cost to the State whether or not the student actually repays. Legislation has been filed in the House that would require the Colleges to send the State only those funds actually collected by the College. [HB 667](#) by Tobia and [SB 1966](#) by Baker have not moved.

### **Charter Technical Schools becoming Colleges**

[SB 228](#) by Wise or [HB 353](#) by Patterson allowing certain public technical schools to become “colleges” have not been heard in committee.