



HALFWAY.....

The 2014 Florida Legislative session passed the halfway mark last week. Many issues this year are coming to a head a bit earlier than usual. Regarding some issues, such as the Florida College System budget, the extra time in “conference” will benefit the process. This will allow the House and Senate plenty of time to negotiate differences in their respective bills.

Separate statewide budget plans to spend about \$75 billion passed through both chambers of the Legislature on Thursday. The House version is \$75.3 billion, slightly larger than the \$74.9 billion Senate plan. Both chambers provide record total funding of education. But this is somewhat misleading since per student funding in the House of \$6,988 for preK-12 schools is about \$50 short of the peak reached before the Great Recession in 2008.

A handful of Democrats voted against the spending plans, noting the \$1.2 billion projected surplus should have resulted in more education spending, raises for most state workers (the House budget includes raises for law enforcement officials and the Senate plan has \$9.7 million to boost court system employee pay) and the expansion of Medicaid in accordance with the federal Affordable Care Act, which the House rejected last year.

Republicans leaders in control of both chambers defended their spending plans as providing increased education funds, at least \$500 million in tax cuts and stocking away plenty in reserve funds (\$3.2 billion in reserves for the Senate, and the House put \$2.9 billion in reserves). But there are many accusations that the budget overlooked the needs of state employees, the poor and working class.

Main differences between the House and Senate include affordable housing (the Senate keeps all \$226 million in the affordable housing trust fund while the House sweeps \$137 million) and school construction funding (the House includes more funds for charter schools while the Senate has more funds for public school maintenance). The House and Senate must also work out a plan to cut \$100 million in taxes, after Gov. Rick Scott signed a \$395 million rollback of vehicle registration fees.

Florida College System Budget Summary (Source – Division of Florida Colleges)

Funding Category	2013-14	House Proposed HB 5001	Senate Proposed SB 2500
Program Fund	1,101,198,710	1,167,989,605	1,098,106,444
Performance Based Incentives	5,000,000	5,000,000	40,000,000
Comm. On Community Service	433,182	433,182	433,182
FL Virtual Campus	12,329,843	11,491,343	11,506,230
Northwest Regional Data Center	50,400	50,400	0
Total State Funds	1,119,012,135	1,184,964,530	1,150,045,856
\$ Increase over 2013-14		65,952,395	31,033,721
% Increase over 2013-14		5.9%	2.8%
Tuition Increase		0	0

HB 5101 - Higher Education Conforming Bill

A conforming bill makes permanent changes to law in conformance to budget provisions. HB 5101 was passed by the House, but when the Senate took the bill up on the Senate floor, they removed all of the House provisions and replaced it with a completely different bill. This positions the chambers to conference the differences. A brief summary of each bill is provided.

House version of 5101

Provisions related to dual enrollment (DE):

- Restricts courses to 24 college credits before completing general education coursework
- Allows exceptions to eligibility if identified in articulation agreement
- Clarifies that eligible students in public schools, private schools, or home education programs are exempt from the payment of registration, tuition, and laboratory fees
- Requires school districts to pay for instructional materials to include private postsecondary for DE students in their institutions
- Encourages school districts to enter into DE agreements with private institutions
- Requires each school district superintendent and each public or private postsecondary institution president to develop a comprehensive DE articulation agreement which must be submitted annually to the Department of Education by August 1.
- Requires documentation of transferability of course credit between public and private postsecondary institutions, so students will know if the courses they take from private institutions will transfer to state colleges and universities
- Provides that private schools are exempt from paying tuition

Provisions Related to Funding Issues:

- Requires school districts to pay standard tuition rate for DE on campus. Off college campus they pay a portion of salary and benefits. Allows agreement to offer courses on the school districts site.
- School districts must pay private postsecondary institutions what they pay the public institutions
- Public postsecondary institutions may receive payment for summer DE and courses taken in excess of 1.0 FTE. There is \$24,633,283 in the House budget this year to pay colleges for these credit hours not funded by school districts .
- Expands eligibility for independent colleges and universities to participate in DE to include CIE schools (1005.02 these are for-profit and out-of-state, not-for-profits).
- Strikes the words “not-for-profit” opening DE up to for-profit schools located in Florida.

Tuition

Codifies the current year tuition rates for workforce programs.

Excess Hours

Currently this section requires a surcharge of 100% tuition be assessed for each credit hour in excess of 110 % of the credit hours for completion of the degree. The bill clarifies that college transfer students are required to pay excess credit hours above the 110%.

HB 5101 Senate Version of FCS Baccalaureate

- Reinstates current law governing the FCS baccalaureate degrees with the provision that the State Board of Education may not approve any new proposals from March 31, 2014 through May 31, 2015

Inflation/Tuition

- The bill eliminates the option for automatic annual rate of inflation increases currently authorized for state universities, Florida colleges, and workforce education programs when a tuition increase is not in the GAA or is vetoed.
- Reduces the rate at which a university may request to increase their differential tuition to the Board of Governors from 15% to 6%.

PECO:

- Requires DOE to make monthly transfers from PECO into a separate sub-account to reserve funds for the purpose of paying debt service. Total amount required is divided into 12 equal payments and has first priority over any projects. (substance of **HB 5009**)

Other Issues:

- FL National Merit Scholarship Incentive Program; FL Personal Learning Scholarship Accounts; Students with disabilities; Road to Independence; FL Prepaid and Testing in K-12

CS/SB 1148 Postsecondary Tuition FCS Baccalaureate Degrees

This bill is still on the Senate calendar and available for action though none is expected with the Council of Presidents reaching agreement with the Senate on a one year moratorium on new degrees as reflected in the Senate version of HB 5101. The following is a summary of CS/SB 1148.

- Eliminates the authority for the Board of Trustees' to increase resident tuition based on the annual rate of inflation for colleges and state universities. Reduces the maximum aggregate sum that the tuition and tuition differential fee may increase for state universities from 15% to 6%.
- Specifies that if the resident undergraduate tuition is not provided in the General Appropriations Act, the tuition must remain the same as the prior fiscal year.
- Prohibits the State Board of Education from approving new baccalaureate degree programs at Florida College System institutions after March 31, 2014. Existing Florida College System baccalaureate degree programs remain under the authority of the State Board of Education.
- New baccalaureate degrees would require an authorization from the legislature.
- The bill emphasizes that the primary mission of Florida College System institutions is providing lower level undergraduate instruction, awarding associate degrees, and preparing students directly for careers requiring less than a baccalaureate degree, and that providing upper level instruction and awarding baccalaureate degrees is a separate and secondary role.
- Eliminates the BOT ability to change the name of the college.
- Specifies that upper division tuition and fees must be the same as lower level unless specified at a different amount in the GAA. As of this date, the GAA provides the same tuition level as last year for both upper and lower levels.
- Expands Rosewood Family Scholarships and creates the FL National Merits Scholar Incentive Program.

CS/SB 850 and HB 961 - Dual Enrollment & Early College Collegiate High School

Dual Enrollment bills are at varying stages in the legislative process. SB 850 which would require Florida College Systems to establish collegiate high schools or lose tuition funds for currently enrolled dual enrollment students has passed its last committee of reference and will go to the Senate Floor soon. Its House companion, HB 961, is still in its first committee of reference.

SB 924 expanding fee exemptions for technology fees for dual-enrolled students has not moved from any of its three committees of reference. **HB 981** also exempts the technology fee and includes a provision that home schooled students are not required to pay for instructional materials. This bill also has three committees of reference and is sitting in the House Higher Education and Workforce Committee.

Two bills, **HB 961** and **SB 1074**, include elements that repeal the requirement for school districts to pay standard tuition for dual enrollment students are not yet moving through the process. This bill is on the Senate calendar. It has no specific companion though parts are in various bills.

- Requires each college to work with their school districts to create a Collegiate High School Program (CHSP), which offers secondary and postsecondary education in a public school or public charter school
- The CHSP must include an option for public school students in grade 11 or 12 to obtain one full school year, earn industry certifications and complete the first year of college towards an AA, AS or baccalaureate degree
- College must execute contract with school district by January 1 for the 2015-16 school year. If the college does not comply, then another FCS college may do so. (penalty below)
- College must collaborate with school district to establish student eligibility and procedures for participation. Minimum requirements include a performance contract executed by the student, the parent, the school district and the FCS institution.
- School districts must include eligibility and procedures in their comprehensive student progression plan that provides info to students and parents including the “return on investment associated with participation in the program.”
- Beginning with the 2014-15 school year, and thereafter the value of the FTE may exceed the 1.0 if the student participates in the CHSP and enrolls in core courses that meet dual enrollment (DE) eligibility requirements. This would include funding for summer courses.
- Penalty--Prohibits FCS colleges from receiving any tuition for DE students nor can the college report any DE FTE unless the college establishes the CHSP.
- Allows private nonprofit SACS institutions to participate in the CHSP
- Requires that, for the purposes of calculating grade point average, a grade in a course that leads to an industry certification must be weighted the same as a grade in an Honors course.
- Provides additional, career-themed options for students in high school grades through new innovation courses and acceleration programs that, if successfully completed, are eligible to earn both high school and college credit; and
- Authorizes industry certification providers to notify students and parents about the college credits earned by the students, and the savings associated with earning the college credits, as a return on the investment of state dollars for the industry certifications earned by the student while in public school.
- Create CAPE Innovation Courses that merge academic and career content, include at least two third-party assessments, and articulate for college credit if successfully completed.
- Creates CAPE Acceleration Industry Certifications that articulate for 15 or more college credits if successfully completed.

HB 7173 - Florida Retirement System

Retirement bills have been stalled as leadership between the House and Senate disagrees on reform legislation. **HB 7173** passed the House but has not been taken up by the Senate. However, there may be a deal moving forward that involves the resurrection of Senator Simpson's 2013 Senate solution that would have incentivized new hires entering an investment plan rather than a pension plan. **SB 1392** (2013) provided that new hires could continue enrolling in the defined benefit plan, but those who did not make a choice would default into the investment plan. All new Senior Management employees and elected officials would have to go into the investment plan, and those who took the investment option would only pay 2 % of their salaries into the FRS, rather than the 3 % employees pay now – and which employees in the defined-benefit plan would continue to pay. A study has been ordered, but it won't be completed until the end of session.

House Speaker Will Weatherford has made the pension overhaul a top priority over the past two years arguing that the \$500M annually the state chooses to apply toward the unfunded actuarial liability is not sustainable and a burden of the Florida taxpayers. The fund is presently funded at 87%, well above the actuarial benchmark of 80%, and is considered one of the strongest retirement funds in the country with over \$140B in assets. Current employees in the FRS would not be affected by the changes.

The current bill is offered by Rep. Boyd bill and is summarized below. "Six out of 10 employees don't make it eight years to vesting now," Boyd told the committee. "This gives them more options." He went on to state that only 17% of FRS members work a 25 to 30 year career. Boyd said those who don't get vested would have something to take with them in the investment plan if his bill passes.

Viewing the unfunded liability as the sole measure of the health of a pension system is shortsighted, according to the Florida Public Pension Trustees Association. It is the most misunderstood number in the actuary's report. Terminating the defined benefit plan and replacing it with defined contribution accounts could be perceived as a knee-jerk reaction and potentially weaken the plan overall. An unfunded liability does not mean the plan is underfunded. It does not mean that drastic and immediate actions are needed to reduce the unfunded liability. It is being "paid down" in the same way you pay down a home mortgage. The health of the plan is not determined by the unfunded actuarial liability. The health of the plan has more to do with the ability and willingness to make the minimum required contribution.

HB 7173 is the latest attempt by the House to pass retirement system reform this session. It was filed on 4/1, heard and passed on 4/4 and will likely go to the floor next. The bill provides the following:

- Close the system to senior management employees and elected officers
- Change the "default" so new employees not making a pension choice would automatically go into the investment plan. They now default to the pension plan.
- Increase the vesting period from 8 years to 10 for vesting of those who choose the pension plan. Employees choosing the "defined contribution" plan would vest in one year.
- Current members and retirees are not affected; those impacted would be hired after 2015.

CS/CS HB 7057 and CS/SB 1202 - School District's Technical Colleges

CS/CS HB 7057 has passed the House and is in the Senate, awaiting action. Provisions include:

- Forty-eight (48) School District Technical centers will be authorized to become Technical Colleges, offering College Credit Certificates (CCC) and Associate in Applied Science (AAS) Degrees.
- The following requirements must be met before a School Board can change the name of a Center to a College:
 - Offers career and technical education programs that are approved by an accrediting agency recognized by USDOE

- Confirms that at least 75% of the programs with enrollment during the current year lead to an industry certification or licensure.
- Should the Center/College decide to offer an AAS (there are only nine AAS degrees in the state frameworks), the Center would have to seek approval from the State Board of Education, using a process similar to what Colleges use in proposing new bachelor's degrees.
- The bill does not require accreditation to offer the CCC, only for the AAS. Since the courses in a CCC will transfer to both colleges and universities, according to the Common Course Numbering (CCN) system, the Center/College would need to meet the CCN faculty criteria. CCN requires accreditation. The bill limits the general education offerings of a College/Center to those required for an AAS.
- Establishes fees for college credit programs at career centers commensurate with Florida College System fees.
- Requires only those students pursuing a career certificate, college credit certificate, or AAS degree (not adult general education students) to meet residency requirements.
- Removes residency requirement for adult general education

CS/SB 1202 is the companion bill to **CS/CS HB 7057**

- This bill has been heard in the first committee of reference but has two more committees.
- The bills are similar, but the Senate bill does not strike the residency requirement for adult general education, leaving this requirement intact.

CS/HB 355 and CS/SB 530 - Postsecondary Textbook Affordability

These bills are similar. The House bill is on the calendar and the Senate bill has one more committee.

CS/HB 355

- Applies textbook affordability law to include instructional materials and defines same.
- Requires FCS institutions and state universities to post prominently in the course registration system and on their websites a hyperlink to lists of required and recommended textbooks and other instructional materials for each course and section at least 14 days prior to the first day of class registration.
- Requires use of the same textbook in a course for a minimum of 3 years, unless granted an exemption by the college president or designee.
- Allows postsecondary institutions that are unable to meet the fall 2014 textbook information posting deadline to submit quarterly reports to the SBD or BOG about their efforts to be in compliance with these requirements by Fall of 2015.
- Requires reports on cost, exemptions, adoption cycles and reasons for failure to comply.
- Requires the cost benefits of open-access textbooks and instructional materials, including comparison with the cost benefits of publishers' textbooks and instructional materials, to be included in guidelines that encourage course instructors and academic departments to participate in the development, adoption and review of open-access textbooks and instructional materials.

CS/SB 530

- Requires institutions to consult with school districts to identify practices that impact the cost to school districts of DE materials, including the length of time that materials should remain in use.
- The requirement to use DE materials for 5 years was amended out of the bill leaving it the same as the House bill at 3 years.

CS/HB 851 and CS/SB 1400 - Residency for Tuition Purposes

The bills are similar. The House bill has passed and is now in the Senate awaiting action. The Senate bill is now in Education Appropriations Committee and is expected to be heard soon. If it passes, it will have one more committee before a floor vote in the Senate.

CS/SB 1400

- Makes an undocumented immigrant eligible for the waiver of out-of-state fees at a public postsecondary education institution if the student attends 3 consecutive years and graduates from a Florida high school. These students would not be eligible for state financial aid and must enroll in a postsecondary institution within 24 months after graduation from high school.
- U.S. citizens who are dependents of undocumented immigrants may not be denied in-state tuition solely based on the undocumented status of their parents.
- Grants tuition waivers to combat-decorated veterans who attend career centers.
- Reduces the costs of prepaid contracts from the Florida Prepaid Program at universities.
- Eliminates the Board of Trustees' option to impose an automatic increase in tuition and fees based on the rate of inflation when a tuition increase is not in the GAA or is vetoed.
- Eliminates the automatic increase of resident undergraduate tuition for state universities based on the rate of inflation.
- Prohibits state university boards of trustees from establishing and increasing the tuition differential fee for undergraduate courses.

CS/HB 851

- Exempts out-of-state fees for students who attend a Florida high school for 4 consecutive years and enroll in a postsecondary institution within 24 months after graduation, provided they submit their high school transcript as documentary evidence of attendance and graduation.
- The bill eliminates the option for automatic annual rate of inflation increases currently authorized for state universities, Florida colleges, and workforce education programs.
- Reduces the rate at which a university may request to increase their differential tuition to the Board of Governors from 15 % to 6 %.
- As one of the residency verification requirements for a person claiming residence, the bill allows the acceptance of an affidavit attesting to specific information.
- Once any institution in the state classifies a student as a resident for tuition purposes or verifies that a student meets criteria, they would not be required to reevaluate the classification status, if there is no break in the student's enrollment of 12 months or longer.
- Clarifies that a student is a resident for tuition purposes when they marry a person who qualifies as a resident.
- Reduces the amount of time a child must live with a relative from 5 years to 3 years in order to use the relative's documentation to establish residency for tuition purposes.

CS/CS/SB 1036 and CS/CS/HB 1059 - Nursing Education Programs

The two nursing education bills that impact Florida College System institutions are SB 1036 and HB 1059. The major impact is that the definition of clinical training now includes "simulation" training and expands the cap on simulation training from 25 % to 50 % to accommodate the lack of clinical training sites. These bills, SB 1036 and HB 1059, also expand clinical sites to other states, Washington D.C., and United States possessions and territories. SB 1036 is retained on the special order calendar of the Senate floor for April 3, 2014. HB 1059 has passed two committees and now resides in Education Appropriations.

CS/CS/SB 1036 and CS/CS/HB 1059 are similar. The Senate has passed their bill and it is now in the House awaiting action. The House bill has one more committee of reference.

CS/CS/SB 1036

- The bills establish a schedule for all registered nurse pre-licensure programs approved by the Board of Nursing (BON) to become accredited by a specialized nursing accrediting agency that is recognized by the U.S. Secretary of Education.

- Revises the definition of “clinical training” to include clinical simulation and the definition of “practice of professional nursing” to include “the teaching of general principles of health and wellness to the public and to students other than nursing students.”
- Increases the percentage of clinical training that may consist of simulation from 25 % to 50 %
- Requires the BON to adopt rules to administer the documentation of the accreditation of nursing education programs.
- Exempts a nurse who is certified by a health care specialty program that is accredited by the National Commission for Certifying Agencies (NCCA) or Accreditation Board for Specialty Nursing Certification (ABSNC) from the biennial continuing education requirement.
- Provides an exemption from the nursing education program accreditation requirement for an institution exempted from licensure by the Commission for Independent Education.

CS/CS HB 1059

- Restricts the accountability measure of exam passage rates to only first-time test takers who take the exam within six months of graduation and requires students who wait more than six months to take the exam to successfully complete a licensure examination preparatory course.
- It also allows the Board of Nursing to grant a one-year extension for a program that is set for termination due to low licensure passage rates.

CS/HB 753 and CS/SB 968 - School Safety (Guns on Campus)

The bills are similar with the key difference the definition of “school.” The House bill has completed three out of five committees of references, but the Senate bill has only been heard in one of four referenced committees.

- The House bill restores/maintains original definition of “school” to include postsecondary and private schools.
- The Senate version (CS SB 968) does not include postsecondary in the definition of school. This creates a problem for colleges who have relied on s. 790.115 as authority for prohibiting firearms on college property. Eliminating postsecondary institutions from the definition of “schools” has many unintended consequences, including causing certain firearms/weapons offenses on campuses to lose felony status due to 790.115 no longer being applicable to colleges. Amendments are being sought for the Senate bill.
- Both bills authorize school superintendents and principals to designate one or more individuals, including volunteers, to carry a concealed weapon or firearm on school property.
- Requires board policies and procedures for emergencies and drills to include active shooter and hostage situations.
- Fingerprinting, background checks, licensure and training required. The Criminal Justice Standards and Training Commission will establish the training.

CS/CS HB 433 and CS/SB 950 - Educator Certification

The bills are very similar in modifying provisions related to teacher education programs. This bill was critical for the FCS baccalaureates in Early Childhood Education online program. Students who take a baccalaureate degree in education must complete an internship as a degree requirement. Current law requires the student’s supervisor for the field experience to have a FL teaching certificate, which would not be feasible for out-of-state or out-of-country, online students. The following specifies the credentials required of instructional personnel to supervise a student in the field.

- Instructional personnel in another state must have received “clinical educator” training or its equivalent in that state, hold a valid professional certificate issued by that state, and have at least three years of teaching experience in PreK through grade 12.
- Instructional personnel on a U.S. military base outside the U.S. must have received “clinical educator” training or its equivalent; hold a valid professional certificate issued by a state, U.S. territory, or the Department of Defense; and have at least 3 years teaching experience in PreK through grade 12.

The bill also:

- Requires the State Board of Education to adopt rules that would expand training for renewal of professional certificates for educators who must complete training in teaching students with disabilities.
- Revises K-12 educator certification requirements to authorize the use of additional assessment options, align competencies across preparation program types, and provide flexibility for training and in-service requirements.
- Allows additional examinations that may be used by teacher certification applicants to demonstrate mastery of subject area knowledge.
- Effective date of July 1, 2014.

CS/CS/SB 612 and CS/HB 801 Preference in Awarding State Contracts

The bills are identical.

- Requires disclosure in the competitive solicitation for construction services to specify whether payment will come from funds appropriated by the state and, if known, the amount or proportion of such funds. This means colleges would be required to advise all bidders in the solicitation the size of the colleges' construction budget.
- The bills were amended to remove the requirement for colleges to pay a 5% premium to a Florida based construction contractor for construction services.

CS/CS/HB 7015 - Florida GI Bill – Signed by the Governor

The first bill to pass the 2014 Legislative Session is the Florida GI Bill, CS/CS HB 7015. The Legislature used this bill as a means to “welcome home” military, veterans and their families. The bill provides education and employment opportunities, including:

- Increases funding for Educational Dollars for Duty, EDD.
- Allows National Guard training funds (EDD) to cover training for industry certifications and continuing education to maintain licensure.
- Provides for public higher education to waive out-of-state fees for an honorably discharged veteran who physically resides in Florida while enrolled in the institutions.
- Creates the “Veterans Employment and Training Services Program” (VETS) in the Department of Veterans Affairs. Florida Is For Veterans, Inc. (FIV) is to run the program, and will create a grant program to fund specialized training specific to a business. The grants can be allocated to any training provider, including FCS institutions.

CS/SB 1292 and CS/HB 7165 - Florida Virtual Campus: Postsecondary Education

The bill restructures governance and functionality of the Florida Virtual Campus' online student support services for libraries, online courses/catalog, and online student advising systems by moving it to the University of West Florida (UWF) within the Innovation Institute at UWF.

- Establishes the Florida Center for Library Automation (formerly the Florida Virtual Campus)
- Creates the Complete Florida Plus Program (formerly Complete Florida Degree Program)
- Establishes the Complete Florida Degree Initiative and restructures related functions.
- The bill requires transfer of all records, personnel, property, existing contracts, and unexpended balance of appropriations, allocations, grants, and other funds of the FLVC to UWF. The bill also designates UWF as the successor in interest to the FLVC and be responsible for the provision of all authorized services.
- All current functions remain intact

Contributors: Special thanks to Susan Lehr, Director of Governmental Relations at FSCJ for preparing the bulk of this mid-session summary. Other contributors include Sharon Crow (DSC), Michael Brawer (AFC), the Division of Florida Colleges, and the News Service of Florida.