



PERCEPTIONS LEGISLATIVE E-Zine # 2
For members of the Florida Association of Community Colleges

BUDGET ALLOCATIONS AND RETIREMENT BILLS TAKE CENTER STAGE

Both the House and the Senate released preliminary budgets for the Florida College System last week.

The House budget comes in at \$1.8B which includes revenue from a proposed 8% tuition increase, \$117M from Lottery funds, and a little over \$82M from federal stimulus funds. The House budget funds the maintenance of all baccalaureate program funds (\$9.5M) but seems to cut back on start up funds. Ironically, in an era that requires more funding for online instruction, the House has reduced funding for the Florida Distance Learning Consortium by 15% to \$275,000. The total system reduction in the House budget is 3%.

The Senate budget is a bit more favorable and includes some recognition of enrollment growth, about \$50M. It also includes some nonrecurring funds not restored in the House budget, as well as some federal education stabilization funds. With the 8% tuition increase proposed the Senate budget provides an overall system increase of 5.4%.

RETIREMENT – NO REAL WINNERS HERE.....

There are now as many as six bills circulating that do something or another to change the Florida retirement system as we know it. The proposed changes are designed to save the state money by decreasing the eligibility pool over time and thus reducing the state's contribution on behalf of its employees. Although most of the changes impact only new employees hired after July 2011, there are still some provisions that remain unclear as to the extent of impact on college system employees. Your FACC legislative team is closely watching these bills. The following is a breakdown of each bill so far. It is expected that each of these five bills will be merged into one identical companion bill in both the House and the Senate. Special thanks go to Jeff Schembera, college lobbyist for Gulf Coast Community College, for the excellent analysis provided below.

HB 1543 by Zapata

- Eliminates all other retirement classes (Senior Management, Elected Officers, Judges) except “Regular Class” and “Special Risk”
- Reduces the number of positions included in “Special Risk”
- Eliminates “Senior Management Optional” Retirement program
- Retains “Community College Optional” Retirement program
- Effective on or after January 1, 1980 Pensions may not exceed 100% of highest annual base pay
- Effective on or after July 1, 2010 Pensions may not exceed 70% of highest annual base pay
- Effective July 1, 2010 overtime and other forms of compensation (leave payouts) may not be included in calculating the five year annual average compensation
- Effective July 1, 2010 elected officials convicted and/or resigning their position as a result of a plea bargain forfeit any pension benefit

HB 1319 by Grady

- Known as the “Public Employee Retirement Preservation Act”
- Employees hired on or after July 1, 2011 and employees entering DROP on or after July 1, 2011 shall pay 1% of their gross salary to the retirement system (FRS)
- Employees retiring on or after July 1, 2010 may not exceed 80% their average final compensation
- Overtime and other types of compensation (leave payouts) may not be included in pension calculations
- The definition of average final salary calculation is changed from the highest five years to the average of all years of total service and salary
- Vesting changes to be effective July 1, 2011 (eligibility for retirement) changes as follows:
 - From 6 years and age 62 to 6 years and age 65
 - From 30 years at any age to 33 years at any age
- The annual pension percentage rate of accrual effective October 1, 2011 changes from 1.6% to 1.44% for regular class employees (Not sure if this affects current employees)
- Effective between July 1, 2010 and July 1, 2011 the following annual pension percentage rate of accrual for additional service beyond 33 years is as follows:
 - 34th year 1.87%
 - 35th year 3.125%
 - 36th year and on 5%
- Effective after July 1, 2011 the annual pension percentage rate of accrual reverts to the following:
 - 34th year 1.63%
 - 35th year 1.65%
 - 36th year and on 1.68%

HB 413 by Wood, Precourt, Mayfield / SB 660 Fasono (identical)

- Eliminates “Defined Benefit” retirement plan (Pension) for all employees hired after January 1, 2011
- Creates and defines the “Defined Contribution” plan for all new hires on or after January 1, 2011
- Employer contribution to newly created “Defined Contribution” plan determined annually

SB 1902 by Bennett

- On or after July 1, 1980 retirement may not exceed 100% of average final compensation
- On or after July 1, 2010 retirement may not exceed 70% of average final compensation
- Effective July 1, 2010 Average final compensation excludes overtime and other compensation (leave payouts)

SB 2022 Alexander

This is a “shell” bill, or a bill that has been filed and given a number but has no substance to date. Often, a shell bill is used to move agreed upon components from other bills into one bill that all parties support. This shell bill sponsored by Sen. Alexander, a leader in the Senate, and portends to be the bill to capture all aspects of the retirement system change bills contained in the others.

HIGH PRIORITY BILLS BEING MONITORED ARE LISTED BELOW

Transportation Fee. SB 208 by Oelrich; HB 0255 by Chestnut

Started as a local bill for Santa Fe College eleven years ago, this bill passed last year but was vetoed by the Governor. The current version of the bill is gaining SGA support and has passed every committee stop. It is currently on Special Order calendar for March 16 and ready for final vote.

Fire Safety SB 1074 by Wise; HB 531 by Weinstein

As reported last week, this bill is the result of colleges who have 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. In the House the bill has moved to Insurance, Business and Financial Affairs Policy Committee. The bill passed Senate Banking and Insurance committee on March 10 and will now be voted on in Education Pre K – 12 Committee on March 17.

Residency for Tuition Purposes SB 2398 by Ring; HB 1243 by Tobia

This bill will revise several issues that have been problematic regarding the determination of Resident Status for Tuition Purposes. It will allow step-parent information to be used toward residency and aligns definitions of dependency to be consistent with federal financial aid rules, among other things. Currently in State Universities and Private Colleges Appropriations Committee in the House and is awaiting action by the Senate Higher Education committee.

Charter Technical Centers SB 228 by Wise; HB 0353 by Patterson

This bill would allow certain public post-secondary technical institutes to become “technical colleges”. Specifically, First Coast Technical Institute in Flagler Co. and Lake Technical Institute in Lake Co. are seeking this designation. There has been no committee action on the bills yet.

College Name Changes HB 245 by Bernard and SB 0436 by Baker

These bills include codifying of name changes for Seminole State College (formerly SCC) and Palm Beach State College (formerly PBCC). These bills have moved unanimously through all committees and are up for final approval in the House and the Senate.

Bright Future Awards HB 1415 by Tobia; SB 2642 by Baker

Building upon the sentiment that the Bright Futures program as we have known it is not sustainable, and being that Legislation passed in 2009 decoupled tuition from the award amount, i.e., the award did not equal total tuition, the timing appears right for a total overhaul of the program. One new proposal significantly revises the program to include five levels of award, instead of three. The levels are designated by differences in academic and service achievement. The bills are awaiting action in State Universities and Private Colleges Policy committee in the House, and Pre K – 12 in the Senate.

Bright Futures Award Repayment HB 0667 by Tobia; SB 1966 by Baker

Legislation passed last year that requires Bright Futures students who drop a class after drop-add to repay that amount of the scholarship to their college. The college is then responsible to repay the total of dropped classes amounts to the state. This bill revises that to require the colleges to repay only the amounts collected. The bill is in the House State Universities and Private Colleges committee and in the Senate K-12 Policy Committee but no action has been taken yet on either side.

Nursing Programs SB 2530 by Alexander; HB 1337 by Grimsley

This is a bill related to nursing that makes numerous changes. Among other things, it revises requirements for the approval of nursing education programs by the Board of Nursing, including application requirements, procedures for the review and approval or

denial of applications, clarifies pass rates national exams , and authorizes nursing program directors to receive on pass rate for program graduates. The bill has moved through the State Universities and Private Colleges Policy committee in the House and is slated to be heard in health care Regulation Policy committee on March 16.