



ASSOCIATION OF FLORIDA COLLEGES

CAPITOL PERCEPTIONS

A WEEKLY DIGEST OF LEGISLATIVE NEWS

Your Weekly Legislative Update

April 17, 2017
Week Six Session Summary
April 10 - April 14, 2017
Legislative Session 2017

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2017 Legislative Session - Week 6

BUDGET SET UP FOR CONFERENCE

There is some indication a budget deal could happen and prevent an extended or special session. The House voted up an \$81 billion budget, after less than an hour debate, and largely along party lines. Democrats complain that too much money goes to charter schools and does little for state workers. The Senate unanimously approved its budget proposal which is \$4 billion more. There are three weeks left to come to agreement on a budget for the fiscal year beginning July 1.

The House and Senate also agreed to a conference committee to resolve proposed gambling legislation. House Speaker Richard Corcoran announced Rep. Jeanette Nunez will serve as one of six members of the House conference. The other House members are Reps. Jose Felix Diaz, who will serve as alternating chair, Mike LaRosa, Larry Metz, Jared Moskowitz, and Joseph Geller. The Senate conference committee is made up of Sens. Bill Galvano, who will serve as alternating chair, Lizbeth Benacquisto, Oscar Braynon II, Anitere Flores, Travis Hutson and Perry Thurston.

Schools of Hope

The GOP-controlled House passed a proposal to create privately-run “Schools of Hope” ([HB 5105](#)) to combat failing schools throughout the state. The proposal is designed to provide alternatives to chronically failing schools, often in poor areas. The schools must be located within five miles of, or in the zones of the school that has repeatedly earned low grades

performing for more than three years. The bill heads to the Senate, where leaders have said they're open to any idea that seeks to help students at low-performing schools.

State Water Plan moving

The Senate OK'd a plan to build a reservoir south of Lake Okeechobee to help curb discharges to the St. Lucie and Caloosahatchee rivers. A top priority for Senate President Joe Negron, the bill would create at least 240,000 acre feet of storage and would store about 78 billion gallons of water. It also provides \$1.5 million for the project, split between state and federal governments. The proposal was amended after pushback from the agriculture and sugar industries and both remain skeptical. In the House, where leadership is generally opposed to bonding, it might not pass budget muster.

Constitution Revision Committee

The Constitution Revision Commission has held four public hearings seeking comment about what state constitutional amendments its 37 members should approve for the 2018 ballot. Yet the commission, among many other things, hasn't agreed on rules for how it will approve or reject proposed amendments. According to Beruff, the group apparently will work from rules he proposed in March. One would allow committees — rather than the full commission — to reject proposed amendments. In 1997-98, the last time the commission convened, every proposal went to the full group.

Transparency is a concern. The first hearing, on March 29 in Orlando, had just two days notice. The commission has no long-term schedule for hearings but it has announced the venue and hours for the April 26 hearing. The commission's early start also has drawn controversy. Several members serve in the Legislature, which has been in session since early March and won't finish until early next month. Because of scheduling conflicts, it's hard for these lawmakers to attend every hearing.

Because of the commission's power, openness and clarity are vital. Its proposed amendments don't have to go before the Florida Supreme Court, as do amendments from the Legislature and citizen petition drives. Its members also can propose an unlimited number of amendments for the ballot, though passage still requires approval from 60 percent of voters.

BILLS TO WATCH

[SB 374](#) by Hukill (compare [HB 5601](#)) regarding Higher Education

What we have been following as SB 374 was amended on second reading in the Senate to add the provisions of SB 2, which includes the changes to the FCS performance funding statute and the distinguished colleges program metrics. The amendment also included all of the Senate President's priorities for Universities, Bright Futures, and financial aid. The bill passed the Senate and was then amended and passed by the House to remove everything and replace the Senate bill language with the substance of House Bill 5601, related to the prohibition of colleges using personnel services for DSO support functions. DSO's such as our college foundations raise private funds to support various things such as student scholarships and fee waivers, and construction-related projects not supported by the State. These procedural actions by the two chambers essentially postured the entirety of the higher education packages to be negotiated as part of the budget conference process which will begin once conference committees are appointed and conference allocations are agreed to by the presiding officers. We expect the budget conference process to begin sometime in the next week.

[SB 7022](#) by Brandes (compare [HB 5007](#)) regarding Retirement

Provides for compulsory membership in the investment plan for certain employees in the Elected Officers' Class. The bill would prohibit certain members of the Elected Officers' Class from joining Senior Management Service Class and authorizes renewed membership in retirement system for certain retirees who are reemployed in position eligible for Elected Officers' Class. It also provides for renewed membership in retirement system for certain retirees of Senior Management Service Optional Annuity Program. It requires that certain retirees re-employed on or after a specified date to be renewed members in investment plan. The bill would revise criteria for eligibility of payment of death benefits to surviving children of a Special Risk Class member killed in line of duty under specified circumstances. It provides that certain retirees eligible for State University System Optional Retirement Program or State Community College System

spouse or surviving children of member in investment plan; adjusts employer contribution rates.

SB 396 by Hukill (identical HB 867) regarding Student Loan Debt

The bill defines the term student loans to mean federal loans disbursed to pay for education. It requires that colleges beginning in 2017-18 provide students an estimate of the student's total borrowing, potential repayment amount, monthly installments, and available borrowing limit. It also specifies the institution shall not incur any liability for providing information to the student. Passed the Senate and is on Special Order in the House.

FROM THE NEWS SERVICE OF FLORIDA (used with permission)

CAPITAL, TALLAHASSEE, April 14, 2017..... It could seem at times this week like Tallahassee was being visited by the Ghost of Sessions Past. The hope is that the phantom will not bring about the same results as those old meetings. Once again, a program known as the Low Income Pool, or LIP, was in the headlines because of its potential effects on the budget --- something that helped cause a special session in 2015. Gov. Scott announced Wednesday that federal officials approved \$1.5 billion in funding through the Low Income Pool program in Florida. This will provide significant relief to the state budget proposals, which included cuts to Medicaid that hospitals have said could increase costs to patients.

And once again, lawmakers were putting some hefty policy ideas into the budget process --- something that caused the session to nearly collapse in 2011. But not every sound in Tallahassee was an echo. A crisis of recent vintage --- what to do about an Orlando-area prosecutor who refuses to seek the death penalty --- was generating headlines of its own. That was less likely to upend the session, but it was part of a battle that could last until after lawmakers have left the Capitol.

LET'S MAKE A DEAL

The chief concern for legislators over the next 2 $\frac{1}{2}$ weeks will be hammering out how to spend somewhere between \$81.2 billion and \$85.1 billion to run the state for the year beginning July 1. And the first part of that is figuring out where in that \$3.9 billion range the final budget will land. "We still have a lot of work to do," said House Appropriations Chairman Carlos Trujillo, R-Miami, specializing in understatement. Senate and House budget plans did not prove to be overly controversial on their own. The Senate approved its version unanimously Wednesday, despite some sniping among Republicans. The House followed suit on Thursday, though as a more partisan chamber, it acted on an 89-26 vote that still featured support from members of both parties.

The biggest clashes were destined to be between the chambers, despite an unexpected windfall announced Wednesday by Gov. Rick Scott and the federal government: a total of \$1.5 billion for LIP, which provides money to help care for poor and uninsured patients. That appeared to be about \$900 million more than the program will receive in the current year, and Scott was quick to applaud President Donald Trump, a fellow Republican, for the increase. "Working with the Trump administration to secure a commitment of \$1.5 billion in LIP funding for our state will truly improve the quality and access to health care for our most vulnerable populations," Scott said.

It could also ease (or exacerbate) the budget impasse between the two sides, though by how much is unclear. Federal and local funds are used in LIP, and the details were still being considered as the week ended. In any case, there were already signs that House and Senate leaders might disagree as much on how to use the money as they do on everything else. Senate President Joe Negron, R-Stuart, welcomed the agreement but said it would take time to figure out how much the funds could help other areas of the budget. "I think it's too early to tell exactly how we would do that and what the logistics would be," Negron said. "But it's a very positive development for putting our budget together." The House, which unlike the Senate did not include any LIP money in its spending plan, didn't seem eager to use the money to ease some of its proposed budget cuts. Such a move would bring the plan closer to the Senate's budget. "We would probably like to use it either (in) tax cuts or put it straight into reserves and shore up some more reserves for the out years," Trujillo said.

Add that to a list of disagreements about local education property taxes, whether to authorize bonding in future years to

negotiations. "Neither side --- the House or the Senate --- has the right to dictate unilateral terms of surrender to the other side," Negron said.

It was too early for either side to blink, but it was also getting late in the session for both chambers to be holding their ground. If they hope to end the legislative session on time May 5, lawmakers will have to work out their differences by May 2 because of a legally required cooling-off period for the budget.

THE CONFORMING BILLS STRIKE BACK

Six years ago, the session was almost derailed by cramming broad swaths of policy into "conforming bills" --- legislation meant to tweak state law to bring it in line with the budget. Senators rebelled and the session went into overtime, with the whole thing crashing to an end in the predawn hours of a Saturday. There is not, as of yet, quite as much policy being sent to the negotiating table. And Senate leaders --- including Appropriations Chairman Jack Latvala, a Clearwater Republican who has himself been a rebel --- indicated no heartburn so far. Still, there are a few big-ticket items heading to the budget conference, such as a sweeping set of changes to education policy.

The most controversial proposal ([HB 5105](#)) would create the "Schools of Hope" program, meant to encourage charter schools to set up near academically troubled traditional schools. The House budget sets aside \$200 million for qualifying charter schools, making the issue eligible for the budget talks. The Senate has yet to take up the "Schools of Hope" proposal in a substantive way, but the House approved it Thursday on a party-line vote, 77-40, after about three hours of debate. Opponents slammed the legislation as part of a long-running trend toward giving charter-school operators greater influence in the state's public education system. "This is not a school of hope," said Rep. Barbara Watson, D-Miami Gardens. "This is a Band-Aid that has a sore festering underneath it."

But Republicans argued that Democrats were in the thrall of the state's main teachers union, the Florida Education Association, and were less interested in looking out for children and parents. "They want an option," Rep. Ross Spano, R-Dover, said of parents in the areas affected by the program. "They don't care what it is. ... They just want education for their kids." Only slightly less controversial are bills that could lead to local school districts sharing construction dollars raised from local property taxes with charter schools, and an overhaul of the contentious Best and Brightest bonus program for teachers.

401K Default

It's possible, and perhaps likely, to see the Senate going along with some version of those education bills. It's far harder to see the Senate considering a measure that would place new public employees who don't select a retirement plan into the state's 401(k)-style investment plan rather than into the traditional pension system.

The House legislation would also bar newly elected officials, including state lawmakers, Cabinet members, judges, county commissioners and school board members, from joining the traditional pension plan after July 1, 2018. They would receive retirement benefits through the investment plan. Rep. Lorraine Ausley, D-Tallahassee, pushed an amendment would have eliminated the controversial revisions while authorizing changes in the annual pension contributions paid by state government, school districts, county governments and other public agencies.

The Senate in past years has rejected attempts to limit the traditional pension plan. The new House bill would tie such revisions to the annual contribution changes that are required to make sure the pension system is fiscally sound for the long term. Ausley warned that if the House bill is rejected by the Senate, it could hurt the financial stability of the \$149 billion pension fund. The Senate version ([SB 7022](#)) only has the contribution changes and would bolster the fund by \$149.5 million. "The Florida retirement system is at risk of being underfunded," Ausley warned. "This (the House approach) is a very risky move." Rep. Matt Caldwell, the sponsor of the bill, defended the legislation, said it would protect employees who don't make a selection by placing them in the investment plan, where they could keep their contributions and investments if they left government jobs. "The odds are it will be to the benefit of the employee," said Caldwell, R-North Fort Myers.

very dear to the hearts of women."---Barbara DeVane, a lobbyist who represents the Florida chapter of the National Organization for Women, urging the Constitution Revision Commission to preserve the Constitution's privacy clause, which has been used to strike down legislation restricting abortion.

Capitol Perceptions is compiled weekly during the Florida Legislative Session and distributed to AFC members.

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