

Dear Carol,

After passing 295 new bills and resolutions (the fewest in more than a decade), the Florida Legislature “Adjourned Sine Die” at 3:35 a.m. on Saturday morning officially ending the 2011 Legislative Session. The 2011 Legislature faced one of the state’s toughest budget challenges in our history. The continuing slow recovery of the Florida economy from the Great Recession, the expiration of federal stimulus funding assistance, and the increase in citizens’ demand for services (particularly Medicaid and other social services) driven by the economic downturn created perhaps the largest needs-to-available-resources deficit that Florida has ever faced.

In spite of these difficult circumstances, the Legislature chose to prioritize the revenues available to them towards supporting the public education delivery systems in our state, including the State University System. While nearly every entity funded in the state budget will receive a reduction of some kind next fiscal year (in some cases total elimination of funding), cuts to the USF System and the other state universities’ base operating budgets were lower than most other state-funded programs. Nonetheless, another year of reductions to USF’s institutions and campuses will necessitate making some difficult budgetary decisions in the days ahead.

The USF System had another highly successful year in capital construction funding. The Legislature provided approximately \$51 million to support USF System building and maintenance projects next year, including the \$35 million necessary to complete Phase I of the new campus for USF Polytechnic (which was profiled in a prior newsletter issue). This sum for capital projects for the USF System is more than double the amount of the next highest state university appropriation.

In this newsletter is a brief summary of some of the major issues that passed this session that will affect the USF System and higher education in general. Under the Bills in Brief Section at right, we have provided a brief summary of the two major higher education omnibus bills that passed.

Thanks for your support for USF’s institutions and campuses throughout the 2011 Legislative Session. As we move out of the legislative season, the frequency of distribution of these Government Relations newsletters will slow but we will remain in regular contact with you to keep you apprised of developments as they occur.

Thank you for your support. GO BULLS!

**Mark Walsh**

**Assistant VP & Director of Government Relations for the USF System**

<sup>1</sup> A motion to “Adjourn Sine Die” is adopted by a legislative body that wishes to permanently adjourn their current session. “Sine Die” is a Latin phrase which translates to “without day.” Typically, when a legislative body adjourns after a day’s work, the motion to adjourn includes the day in which the body intends to next convene. A motion to “Adjourn Sine Die” (without day) means that the body has no intention of reconvening. Therefore, an adopted motion to “Adjourn Sine Die” brings a legislative session to permanent closure.



## Legislative Wrap Up

### Changes in Student Tuition and Financial Aid

The Legislature increased the base undergraduate tuition at all universities by \$7.65 per credit hour (an 8% increase). The Legislature also built into their budget for Fiscal Year 2011-2012 the assumption that each university would increase the undergraduate tuition differential by an additional 7% for a 15% total year-over-year increase in undergraduate tuition. The Legislature further assumes in their budget that each university will increase graduate and professional program tuition and the out-of-state student fee by 8% as well. The decision to adjust the tuition differential, the out-of-state fee, and graduate and professional program tuition rests with each local board of trustees. Finally, the Legislature appropriated the tuition authority necessary for USF to enroll its first 50 students in the new USF College of Pharmacy next fall (which was also profiled in a prior newsletter issue).

Needs-based financial aid programs in the state were largely level-funded for next year and additional emphasis was provided in law towards ensuring that students who are eligible for a needs-based federal Pell Grant award are provided the highest priority for state financial assistance to cover any outstanding tuition and fee charges not covered by the Pell Grant. USF ranks in the top 5 nationally for the number of Pell recipients enrolled.

The Florida Bright Futures merit-based financial aid award was reduced by about 19%, which amounts to \$24 per credit hour at the higher award level (Academic Scholars) and \$18 per credit hour at the lower award level (Medallion Scholars). The Legislature also enacted a major eligibility change for the Bright Futures program beginning with the high school graduating class of 2014. In order to achieve a Medallion Scholars award, those students will have to achieve an SAT or ACT score which ranks at the 75th percentile or higher nationally instead of a score ranking near the 50th percentile.

### State Employee Pension Changes

The largest single reduction to USF’s institutions’ and campuses’ budgets was enacted to reflect a change in policy made by the Legislature with regard to state employees’ pensions. Currently, the Florida Retirement System (FRS) is a 100% employer-paid pension system. The state provides USF with funding that USF subsequently pays into the FRS on behalf of each of our employees for their retirement benefits. Beginning July 1, 2011, every active employee will be required to contribute 3% of his/her gross pretax compensation towards his/her retirement plan, which will result in a reduction of net take-home pay for all USF employees (and all other state, county and school district employees). Because the state will no longer be making the full payment for retirement for each state employee, the state reduced the General Revenue appropriation to the State University System by \$71 million in total, approximately \$10 million of which was reduced from the USF System budget.

### State Matching Gifts Programs

As you are probably aware, Florida has in place several programs in which the state will match private donations made to state universities and Florida Colleges if the donation meets certain criteria. However, for the past several years, the state has not had the revenue available to provide its matching funds. This has resulted in a backlog of unmatched gifts in excess of \$500 million statewide. Due to the significant backlog of unmatched gifts, the 2011 Legislature decided to enact a freeze on matching any new donations received on or after June 30, 2011, until at least \$200 million of the existing backlog has been paid down. Donations already received, or those received between now and June 29, 2011, will remain eligible for state matching funds once those funds become available.

As stated in previous issues, if you have any concerns about how this change in state law will affect a gift you have previously made or one you intend to make in the future, please feel free to contact the USF Office of Donor Relations at 813-974-2035 or [donorrelations@usf.edu](mailto:donorrelations@usf.edu).

Locate contact information for your local Florida State Senator and Representative using your home address at: <http://www.flsenate.gov/Senators/Find>

TO SEND FEEDBACK: [govrelations@usf.edu](mailto:govrelations@usf.edu)

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## BILLS IN BRIEF

(SB = Senate Bill; HB = House Bill)

The following two bills contain the majority of statutory changes enacted by the 2011 Legislature that will affect Florida’s state universities. Neither bill has been signed into law by Governor Scott as of yet.

### SB 2150 BY THE SENATE BUDGET COMMITTEE RE: POSTSECONDARY EDUCATION FUNDING

This bill enacts numerous statutory changes related to state universities. Some of the major changes included in the bill are that it:

- 1) Provides for an 8% increase in the cost of base undergraduate tuition;
- 2) Temporarily suspends the state’s matching gifts programs for state universities and Florida Colleges effective June 30, 2011 until at least \$200 million of the current backlog in unmatched gifts is matched;
- 3) Implements a cap on the amount of state funds that may be used to pay for the compensation of state university and Florida College presidents and other administrators during FY 2011-12;
- 4) Repeals the University Concurrency Trust Fund;
- 5) Increases the amount of funds available to construct and maintain university facilities through the PECO program;
- 6) Allows universities to use carry-forward balances from prior year’s appropriations towards construction projects that meet certain criteria;
- 7) Provides additional flexibility to universities to expend the revenue generated by the tuition differential on core services at the undergraduate level once the tuition and fee needs of all Pell Grant recipients are met in full;
- 8) Makes various changes regarding access to distance learning classes and open-access textbooks by students;
- 9) Increases the Excess Hours surcharge for students who take more than 115% of the number of credit hours required to complete their degree program;
- 10) Increases the standards that future high school graduates will have to meet in order to be eligible to receive a Bright Futures award by raising the qualifying SAT and ACT scores and implementing increased community service requirements;
- 11) Requires each student to complete a Free Application for Federal Student Aid (FAFSA) in order to be eligible to receive a Bright Futures award; and
- 12) Requires a plan to address the collaboration of academic library resources across all higher education institutions in Florida.

### HB 7151 BY THE HOUSE EDUCATION COMMITTEE RE: POSTSECONDARY EDUCATION

This bill enacts the following changes related to state universities:

- 1) Repeals the University Concurrency Trust Fund;
- 2) Allows universities to require all students to attend a summer session at the university by deleting certain exempted groups of students from statute;
- 3) Modernizes the statutes related to disposal of abandoned property by state universities by no longer requiring each of those abandoned items to be sold at a public auction;
- 4) Implements certain new provisions regarding articulation of course credit across all public higher educational institutions;
- 5) Requires the Higher Education Coordinating Council to develop and report proposals to be implemented by the Legislature next session on issues such as determining primary missions of each higher education institution in Florida, the role various types of institutions should play in providing access to baccalaureate degrees, and proposed outcome measures for institutions; and
- 6) Allows university boards of trustees to locally develop regulations governing certain practices instead of undergoing the more rigorous and time-consuming Administrative Rule development process.