Florida Gulf Coast University Board of Trustees  
June 18, 2013

SUBJECT: 2013 Legislative Report

PROPOSED BOARD ACTION

Information Only

BACKGROUND INFORMATION

The report details legislation passed by the Florida Legislature in the 2013 legislative session and the Governor’s actions on the legislation.

Supporting Documentation Included: 2013 State Legislature Final Report

Prepared by: Director of Government Relations Jennifer Goen

Legal Review by: N/A

Submitted by: President Wilson Bradshaw
FGCU 2013 Session Report

The 2013 Legislative Session started its sixty day regular session in March to pass a constitutionally mandated balanced budget. Additionally, the Florida Legislature tackled several higher education issues covered in this report, as well as K-12 education, state employee, procurement, and health insurance issues.

On September 18, 2012, the FGCU Board of Trustees approved three legislative priorities for the 2013 regular session. The outcomes of the priorities are detailed in this report. Those items were:

- State Supported Funding (Recurring General Revenue) $13,000,000
- Public Capital Outlay (PECO)
  - Utilities/Infrastructure/Capital Renewals/Roofs $7,000,000
  - Classrooms/Offices/Labs Academic 9 $2,607,590
  - Innovation Hub Research Building (P,C) $7,633,807

- Courtelis Matching Funds and Major Matching Gifts
  - During the 2011 Legislative Session, SB 2150 passed, which suspends the Courtelis Matching program and Major Matching Gifts program. Legislative language allows the programs to resume after the $200 million backlog of the State University System is funded. No funding was provided to either the Courtelis Matching program or the Major Matching gifts program.

**BUDGET-Approved by the Governor with Vetoes 5/20/2013**

The Florida Legislature passed a budget that exceeds $74 billion. Nearly $27 billion of the budget is from general revenue funds with over $14 billion of that funding used for education. The budget restores funding from last year’s $300 million cut to the State University System and provides additional funding to several higher education priorities. Also included in the budget is a total of $65 million for various performance funding initiatives.

**Specifically for FGCU:**

- FGCU’s previous year’s operating budget cut of $5.2 million is restored.
- FGCU received a new appropriation of $6.5 million to be used for enhancing FGCU student success.
- The final budget presented to the Governor contained a 3% tuition increase for undergraduate students. However, the Governor vetoed the tuition increase. **Governor’s action-vetoed 5/20/2013**
- In total, our state appropriation is approximately $49.4 in General Revenue and $5.8 in lottery for FY 13-14.

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>FY 2012-2013</th>
<th>FY 2013-2014</th>
<th>Difference</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lottery E&amp;G Funds</td>
<td>$4,809,227</td>
<td>$5,790,116</td>
<td>$980,889</td>
<td>20%</td>
</tr>
<tr>
<td>General Revenue Funding</td>
<td>$36,468,671</td>
<td>$49,400,947</td>
<td>$12,932,276</td>
<td>35%</td>
</tr>
<tr>
<td>Tuition Authority Total</td>
<td>$60,749,753</td>
<td>$62,803,389</td>
<td>$2,053,636</td>
<td>3%</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>$98,073</td>
<td>$98,073</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>First Generation Grants</td>
<td>$5,308,663</td>
<td>$5,308,663</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Public Television Stations</td>
<td>$307,447</td>
<td>$307,447</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Public Radio Stations</td>
<td>0</td>
<td>$100,000</td>
<td>$100,000</td>
<td>N/A</td>
</tr>
<tr>
<td>IT Performance Funding (SUS)</td>
<td>$15,000,000</td>
<td>$45,000,000</td>
<td>$30,000,000</td>
<td>200%</td>
</tr>
<tr>
<td>SUS Performance Funding (SUS)</td>
<td>0</td>
<td>$20,000,000</td>
<td>$20,000,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Undergrad Tuition-Vetoed (SUS)</td>
<td>$103.32</td>
<td>$106.42</td>
<td>$3.10</td>
<td>3%</td>
</tr>
</tbody>
</table>
Facility Appropriations

*Capital Improvement Trust Fund (CITF)*

The State University System received an allocation of $70,000,000 from the Capital Improvement Trust Fund. This funding will be distributed based on a Board of Governors’ formula. Since the CITF funding is a cash payment and does not include any bonding, CITF funding is much lower than expected.

*Public Education Capital Outlay (PECO)*

The State University System received an allocation of $44,436,897 to be used for Maintenance, Repair, Renovation, and Remodeling of university academic buildings. The Board of Governors will determine each university's portion of this funding. In addition to funding for maintenance, the State University System received a total allocation of $69,995,391 for building projects. Included in this funding was $7,500,000 for the completion of FGCU’s Renewable Energy Institute (IHUB). However, this funding was vetoed by the Governor. Below is a chart of FGCU’s request and funding received. 

*Governor Actions- Renewable Energy Institute $7,500,000 vetoed – 5/20/ 2013*

<table>
<thead>
<tr>
<th>PECO</th>
<th>Request</th>
<th>FY 2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>$7,000,000</td>
<td>$0</td>
</tr>
<tr>
<td>Academic Building 9</td>
<td>$2,607,590</td>
<td>$0</td>
</tr>
<tr>
<td>Renewable Energy Institute</td>
<td>$7,633,807</td>
<td>$0</td>
</tr>
</tbody>
</table>

*Bright Futures*

State Legislators made a few slight adjustments to Bright Future awards. Along with removing the requirement for an awardee to submit a FAFSA application, the award amounts were increased by approximately 3%.

<table>
<thead>
<tr>
<th>Bright futures</th>
<th>FY 2012-2013</th>
<th>FY 2013-2014</th>
<th>Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Scholars</td>
<td>$100</td>
<td>$103</td>
<td>$3</td>
<td>3%</td>
</tr>
<tr>
<td>Medallion Scholars</td>
<td>$75</td>
<td>$77</td>
<td>$2</td>
<td>3%</td>
</tr>
<tr>
<td>Top Scholars Stipend</td>
<td>$43</td>
<td>$44</td>
<td>$1</td>
<td>2%</td>
</tr>
</tbody>
</table>

*State Employee Raises*

The state budget contains, for all state employees, a pay increase of $1,400 for employees with an annual salary of $40,000 or less and $1,000 for employees with an annual salary above $40,000 as of September 30, 2013. The effective date for the pay raises is October 1, 2013. The budget also provides funding for a one-time $600 merit bonus for no more than 35% of a university’s employees.

There is a requirement that the State University System institutions provide the same raise to all non-general revenue paid employees as those on state funds. The universities are not included for funding on the salary increases for law enforcement.
Student Issues

Senator Lizbeth Benacquisto and Representative Heather Fitzenhagen filed resolutions honoring the FGCU Men’s Basketball Team’s amazing NCAA Tournament run to the Sweet Sixteen. The Senate Resolution was adopted unanimously by the Senate and House and was adopted by publication without objection.

SB 1962 – Sponsored by Senator Benacquisto and Senator Richter

HB 9109 – Sponsored by Representatives Fitzenhagen, Caldwell, Eagle, Hudson, Passidomo, Roberson, Rodrigues, and Trujillo

On Wednesday, April 24, The House and Senate hosted a visit to the Capitol by members of the FGCU Men’s Basketball Team accompanied by FGCU President Wilson G. Bradshaw, Board of Trustees Chair Robbie Roepstorff, Athletic Director Ken Kavanagh, Director of Basketball Operations Joey Cantens and Azul, the Eagles’ mascot, who danced his way into everyone’s hearts. The team was recognized and praised in both the House and Senate chambers, and by Gov. Rick Scott. Legislators wearing blue and green added their personal comments of congratulations. Speaker Weatherford said, “No one in America has ever done what you did. We are so proud of you!” Later, Gov. Scott invited the visitors into his private office for a cordial meeting and photos.

Higher Education Budget Conforming Bill-Approved by the Governor 5/20/2013

SB 1514 – Related to Higher Education Funding

- The Board of Governors’ report regarding differential tuition is now due on February 1st each year instead of January 1st.
- For the 2013-2014 fiscal year, a state university may enter into a local development agreement with an affected host local government, to identify specific projects in the university’s campus master plan to be constructed by the university, for purposes of negotiating mitigation of the impact of such projects on the host local government.
- Removes sunset on $200,000 remuneration cap on state university presidents and administrative employees.
Higher Education Issues

HB 1076 – Relating to K-20 Education-Approved by the Governor 4/22/2013

Talent Retention Program

A new “Talent Retention Program”, led by the State University system (SUS) Chancellor in cooperation with the Commissioner of Education, is created by the bill. The purpose of the new program is to encourage middle and high school students who indicate an interest in or aptitude for physics or mathematics to continue their postsecondary education at a state university with excellent departments in selected fields.

Industry Certificates

- The State Board of Education shall approve, at least annually, the Postsecondary Industry Certification Funding List. The commissioner shall recommend the Postsecondary Industry Certification Funding List to the State Board of Education and may at any time recommend adding certifications. The Chancellor of the State University System, the Chancellor of the Florida College System, and the Chancellor of Career and Adult Education shall work with local workforce boards, other postsecondary institutions, businesses, and industry to identify, create, and recommend to the commissioner industry certifications to be placed on the funding list. The list shall be used to determine annual performance funding distributions to school districts or Florida College System institutions. The chancellors shall review results of the economic security report of employment and earning outcomes produced annually when determining recommended certifications for the list, as well as other reports and indicators available regarding certification needs.

BOG Strategic Plan

- The Board of Governors’ strategic plan must now include, for each university:
  - Percent of graduates who have attained employment, percent of graduates continuing their education, average wages of employed graduates, and average cost per graduate.
  - Criteria for designating baccalaureate degree and master’s degree programs at specified universities as high-demand programs of emphasis. Fifty percent of the criteria for designation as high-demand programs of emphasis must be based on achievement of performance outcome thresholds determined by the Board of Governors, and 50 percent of the criteria must be based on achievement of performance outcome thresholds specifically linked to:
    - Job placement in employment of 36 hours or more per week and average full-time wages of graduates of the degree programs 1 year and 5 years after graduation, based in part on data provided in the economic security report of employment and earning outcomes produced annually.
    - Data-driven gap analyses, conducted by the Board of Governors, of the state’s job market demands and the outlook for jobs that require a baccalaureate or higher degree.
University Pre-eminence

- Creates standards for pre-eminent universities. A research university that meets 11 of 12 of the following requirements will be designated a pre-eminent university.

  1. An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of 1800 or higher for fall semester incoming freshmen, as reported annually.
  2. A top-50 ranking on at least two well-known and highly respected national public university rankings, reflecting national preeminence, using most recent rankings.
  3. A freshman retention rate of 90 percent or higher for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System (IPEDS).
  4. A 6-year graduation rate of 70 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS.
  5. Six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report.
  6. Total annual research expenditures, including federal research expenditures, of $200 million or more, as reported annually by the National Science Foundation (NSF).
  7. Total annual research expenditures in diversified nonmedical sciences of $150 million or more, based on data reported annually by the NSF.
  8. A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF.
  9. One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period.
 10. Four hundred or more doctoral degrees awarded annually, as reported in the Board of Governors Annual Accountability Report.
 11. Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report.
 12. An endowment of $500 million or more, as reported in the Board of Governors Annual Accountability Report.

- A state research university that, as of July 1, 2013, meets all 12 of the academic and research excellence standards, as verified by the Board of Governors, shall establish an institute for online learning. The institute shall establish a robust offering of high-quality, fully online baccalaureate degree programs at an affordable cost.
  - The Board of Governors shall convene an advisory board to support the development of high-quality, fully online baccalaureate degree programs at the university.
  - Upon recommendation of the plan by the advisory board and approval by the Board of Governors, the Board of Governors shall award the university $10 million in nonrecurring funds and $5 million in recurring funds for fiscal year 2013-2014 and $5 million annually thereafter.
  - Beginning in January 2014, the university shall offer high-quality, fully online baccalaureate degree programs that:
    1. Accept full-time, first-time-in-college students.
    2. Have the same rigorous admissions criteria as equivalent on-campus degree programs.
    3. Offer curriculum of equivalent rigor to on-campus degree programs.
    4. Offer rolling enrollment or multiple opportunities for enrollment throughout the year.
    5. Do not require any on-campus courses. However, for courses or programs that require clinical training or laboratories that cannot be delivered online, the university shall offer...
convenient locational options to the student, which may include, but are not limited to, the option to complete such requirements at a summer-in-residence on the university campus. The university may provide a network of sites at convenient locations and contract with commercial testing centers or identify other secure testing services for the purpose of proctoring assessments or testing.

6. Apply the university’s existing policy for accepting credits for both freshman applicants and transfer applicants.
   - The university may offer a fully online Master’s in Business Administration degree program and other master’s degree programs.
   - The university may develop and offer degree programs and courses that are competency based as appropriate for the quality and success of the program.
   - The university shall periodically expand its offering of online baccalaureate degree programs to meet student and market demands.
   - The university shall establish a tuition structure for its online institute as described below, notwithstanding any other provision of law.

1. For students classified as residents for tuition purposes, tuition for an online baccalaureate degree program shall be set at no more than 75 percent of the tuition rate as specified in the General Appropriations Act and 75 percent of the tuition differential. No distance learning fee, fee for campus facilities, or fee for on-campus services may be assessed, except that online students shall pay the university’s technology fee, financial aid fee, and Capital Improvement Trust Fund fee. The revenues generated from the Capital Improvement Trust Fund fee shall be dedicated to the university’s institute for online learning.

2. For students classified as nonresidents for tuition purposes, tuition may be set at market rates in accordance with the business plan.

3. Tuition for an online degree program shall include all costs associated with instruction, materials, and enrollment, excluding costs associated with the provision of textbooks and physical laboratory supplies.

4. Tuition may be differentiated by degree program as appropriate to the instructional and other costs of the program in accordance with the business plan. Pricing must incorporate innovative approaches that incentivize persistence and completion, including, but not limited to, a fee for assessment, a bundled or all-inclusive rate, and sliding scale features.

5. The university must accept advance payment contracts and student financial aid.

6. Fifty percent of the net revenues generated from the online institute of the university shall be used to enhance and enrich the online institute offerings, and 50 percent of the net revenues generated from the online institute shall be used to enhance and enrich the university’s campus state-of-the-art research programs and facilities.

7. The institute may charge additional local user fees upon the approval of the Board of Governors.

8. The institute shall submit a proposal to the president of the university authorizing additional user fees for the provision of voluntary student participation in activities and additional student services.

- A state research university that, as of July 1, 2013, meets all 12 of the academic and research excellence standards shall submit to the Board of Governors a 5-year benchmark plan with target rankings on key performance metrics for national excellence. Upon approval by the Board of Governors, and upon the university’s meeting the benchmark plan goals annually, the Board of Governors shall award the university an
amount specified in the General Appropriations Act to be provided annually throughout the 5-year period. Funding for this purpose is contingent upon specific appropriation in the General Appropriations Act.

- A state research university that, as of July 1, 2013, meets 11 of the 12 academic and research excellence standards shall submit to the Board of Governors a 5-year benchmark plan with target rankings on key performance metrics for national excellence. Upon the university’s meeting the benchmark plan goals annually, the Board of Governors shall award the university an amount specified in the General Appropriations Act to be provided annually throughout the 5-year period for the purpose of recruiting National Academy Members, expediting the provision of a master’s degree in cloud virtualization, and instituting an entrepreneurs-in-residence program throughout its campus. Funding for this purpose is contingent upon specific appropriation in the General Appropriations Act.

- In order to provide a jointly shared educational experience, a university that is designated a preeminent state research university may require its incoming first-time-in-college students to take a 9-to-12-credit set of unique courses specifically determined by the university and published on the university’s website. The university may stipulate that credit for such courses may not be earned through any acceleration mechanism or any other transfer credit. All accelerated credits earned up to the limits shall be applied toward graduation at the student’s request.

- The Board of Governors is encouraged to identify and grant all reasonable, feasible authority and flexibility to ensure that a designated preeminent state research university is free from unnecessary restrictions.

- The Board of Governors is encouraged to establish standards and measures whereby individual programs in state universities that objectively reflect national excellence can be identified and make recommendations to the Legislature as to how any such programs could be enhanced and promoted.

- The Chancellor of the State University System shall cooperate with the Commissioner of Education to support talent retention programs that encourages middle school and high school students who indicate an interest in or aptitude for physics or mathematics to continue their education at a state university that has excellent departments in selected fields. The chancellor and the commissioner shall work with state university department chairs to enable department chairs of outstanding state university departments to send letters to students who indicate an interest in or aptitude for those subjects. At a minimum, the letter should provide an open invitation for the student to communicate with the department, at least annually, and to schedule a tour of the department and the campus.

### Adult Education

- In order to accelerate the employment of adult education students, students entering adult general education programs after July 1, 2013, must complete the following action-steps-to-employment activities before the completion of the first term:
  - Identify employment opportunities using market-driven tools.
  - Create a personalized employment goal.
  - Conduct a personalized skill and knowledge inventory.
  - Compare the results of the personalized skill and knowledge inventory with the knowledge and skills needed to attain the personalized employment goal.
  - Upgrade skills and knowledge needed through adult general education programs and additional educational pursuits based on the personalized employment goal.

- The action-steps-to-employment activities may be developed through a blended approach with assistance provided to adult general education students by teachers, employment specialists, guidance counselors, business and industry representatives, and online resources. Students may be directed to online resources
and provided information on financial literacy, student financial aid, industry certifications, and occupational services and a listing of job openings.

Degree Completion Project

- Renamed to the Complete Florida Degree Program.
- UWF continues its lead institution status.
- Participation is no longer limited to 4 specific colleges and universities and is open to all FCS, SUS, and private postsecondary institutions.
- UWF, and its partners, will present a detailed plan on major work activities, enrollment criteria, timeline, and cost to the legislative appropriations committees, by September 1, 2013.
- No longer planned to be moved to the Florida Virtual Campus.

FCS $10,000 Degree (SB 1720)

- A Florida College System institution may waive any portion of the tuition, the activity and service fee, the financial aid fee, the technology fee, the capital improvement fee, and distance learning fee for the purpose of offering a baccalaureate degree for state residents for which the cost of tuition and the fees specified in this subsection does not exceed $10,000 for the entire degree program. Waivers provided pursuant to this subsection shall be applicable for upper-level courses not to exceed 100 percent of the number of required credit hours of the baccalaureate degree program for which the student is determined eligible.

Bright Futures

- Removes FAFSA requirements to be eligible for Bright Futures.

Performance Funding

- Continues SUS Performance Funding Program from 2012-2013 through at least 2016-2017 with the following criteria:
  - Twenty-five percent of a state university's score shall be based on the percentage of employed graduates who have earned degrees which have a primary focus in the following programs:
    1. For the 2012-2013 and 2013-2014 fiscal years:
       - Computer and information science;
       - Computer engineering;
       - Information systems technology;
       - Information technology; and
       - Management information systems.
    2. The 2012-2013 award recipients shall receive the same award for 2013-2014.
    3. For the 2013-2014 and 2014-2015 fiscal years, high-demand programs determined by the Board of Governors using gap analysis data.
    4. For the 2013-2014 and 2014-2015 fiscal years, a master’s degree in cloud virtualization technology and related large data management.
  - Twenty-five percent of a state university's score shall be based on the percentage of graduates who have earned baccalaureate degrees in the specified programs and who have earned specified industry certifications, in a related field from a Florida College System institution or state university prior to graduation.
o Fifty percent of a state university’s score shall be based on factors determined by the Board of Governors which relate to increasing the probability that graduates who have earned degrees in the programs will be employed in high-skill, high-wage, and high-demand employment.

- **Florida College System Program Fund**
  o Performance funding for industry certifications for Florida College System institutions shall be determined as follows:
    1. The General Appropriations Act must specify occupational areas for which industry certifications may be earned for performance funding. Priority shall be given to the occupational areas emphasized in state, national, or corporate grants provided to Florida educational institutions.
    2. The Chancellor of the Florida College System shall identify the industry certifications eligible for funding on the Postsecondary Industry Certification Funding List, based on the occupational areas specified in the General Appropriations Act.
    3. Each Florida College System institution shall be provided $1,000 for each industry certification earned by a student. The maximum amount of funding appropriated for performance funding shall be limited to $15 million annually. If funds are insufficient to fully fund the calculated total award, they shall be prorated.

- By October 31, 2013, the State Board of Education shall recommend to the Legislature a methodology for allocating performance funding for Florida College System institutions, and the Board of Governors shall recommend to the Legislature a methodology for allocating performance funding for State University System institutions, based on the percentage of graduates employed or enrolled in further education, the average wages of employed graduates, and the average cost per graduate.

**SB 1720 – Relation to Education-Approved by the Governor 5/20/2013**

- Requires a Florida College System institution to implement a developmental education plan no later than Fall 2014 and to make annual accountability reports on developmental education beginning in 2015; specifies which students are not required to be tested or to enroll in developmental education and requires colleges to provide students with developmental education options including in-course tutoring. Allows students to elect to take developmental education testing and instruction.
- Reinstates the general education credit hour requirement to 36 semester hours from the proposed 30 hours and extends implementation of the revised core course requirements for one year, from 2014-15 to 2015-16.
- Creates a new Office of K-20 Articulation in the Department of Education to support the work of the Higher Education Coordinating Council.
- Transfers oversight of the Moffitt Cancer Center and Research Institute’s lease from the Board of Governors to the University of South Florida.
- Gives the Board of Governors stronger oversight authority over state universities in regard to laws, rules, and regulations.
  o The Board of Governors of the State University System shall oversee the performance of state university boards of trustees in the enforcement of laws, rules, and regulations. State university boards of trustees shall be primarily responsible for compliance with laws and Board of Governors’ rules and regulations.
  o The Board of Governors’ constitutional authority to operate, regulate, control, and be fully responsible for the management of the entire State University System mandates that the state universities comply with all requests by the Board of Governors for information, data, and reports. The state university presidents are responsible for the accuracy of the information and data reported to the Board of Governors.
The Chancellor of the State University System may investigate allegations of noncompliance with any law or Board of Governors’ rule or regulation and determine probable cause. The chancellor shall report determinations of probable cause to the Board of Governors, which may require the university board of trustees to document compliance with the law or Board of Governors’ rule or regulation.

If the university board of trustees cannot satisfactorily document compliance, the Board of Governors may order compliance within a specified timeframe.

If the Board of Governors determines that a state university board of trustees is unwilling or unable to comply with any law or Board of Governors’ rule or regulation or audit recommendation within the specified time, the Board of Governors, in addition to actions constitutionally authorized, may initiate any of the following actions:

- Withhold the transfer of state funds, discretionary grant funds, discretionary lottery funds, or any other funds appropriated to the Board of Governors by the Legislature for disbursement to the state university until the university complies with the law or Board of Governors’ rule or regulation.
- Declare the state university ineligible for competitive grants disbursed by the Board of Governors.
- Require monthly or periodic reporting on the situation related to noncompliance until it is remedied.
- Report to the Legislature that the state university is unwilling or unable to comply with the law or Board of Governors’ rule or regulation and recommend action to be taken by the Legislature.
- Nothing in this section may be construed to create a private cause of action or create any rights for individuals or entities in addition to those provided elsewhere in law, rule, or regulation.

- Repeals the FAFSA requirement for Bright Futures Scholarships and for FRAG and ABLE tuition assistance grants.
- For education accountability purposes, establishes dates by which licensed private postsecondary institutions must report data to the Commission for Independent Education and nonprofit independent colleges and universities must report data to the Department of Education.
- Provides rule making authority regarding penalties for not reporting child abuse at postsecondary institutions.
- Increases the cap on the number of fee exemptions a Florida College System institution may grant.
- Authorizes a Florida College System institution to establish a differential out-of-state fee for non-resident distance learners.
- Revises actions to be taken by the Legislative Auditing Committee relating to audits of state universities and FCS institutions. The Legislative Auditing Committee is now required to refer non-compliance issues to the Board of Education or Board of Governors.
- The chair of the State Board of Education and the chair of the Board of Governors, or their designees, shall jointly appoint faculty committees to identify statewide general education core course options. General education core course options shall consist of a maximum of five courses within each of the subject areas of communication, mathematics, social sciences, humanities, and natural sciences. The core courses may be revised, or the five-course maximum within each subject area may be exceeded, if approved by the State Board of Education and the Board of Governors, as recommended by the subject area faculty committee and approved by the Articulation Coordinating Committee as necessary for a subject area.
SB 1036 - Relating to Independent Living

Effective July 1, 2013, the Department of Children and Families shall work in collaboration with the Board of Governors, the Florida College System, and the Department of Education to help address the need for a comprehensive support structure in the academic arena to assist children and young adults who have been or continue to remain in the foster care system in making the transition from a structured care system into an independent living setting. The State University System of Florida and the Florida College System shall provide postsecondary educational campus coaching positions that will be integrated into Florida College System institutions’ and university institutions’ general support services structure to provide current and former foster care children and young adults with dedicated on-campus support. The Department of Children and Families has the sole discretion to determine which state college or university will offer a campus coaching position, based on departmental demographic data indicating greatest need. These campus coaching positions shall be employees, funded by DCF, of the selected educational institutions focused on supporting children and young adults who have been or continue to remain in the foster care system. The Chancellors of the Florida College System and the State University System shall report annually to the Department of Children and Families specific data, subject to privacy laws, about the children and young adults served by the campus coaches, including academic progress, retention rates for students enrolled in the program, financial aid requested and received, and information required by the National Youth in Transition Database.

State Employee Issues

SB 1802 – Relating to State Employee Health Insurance- Approved by the Governor 5/20/2013

Beginning January 1, 2014, an other-personal-services (OPS) employee who has worked an average of at least 30 or more hours per week during the measurement period or who is reasonably expected to work an average of at least 30 or more hours per week following his or her employment is eligible to participate in the state group insurance program.

1. For persons hired before April 1, 2013, the term includes any person paid from OPS funds who:
   a. Has worked an average of at least 30 hours or more per week during the initial measurement period from April 1, 2013, through September 30, 2013; or
   b. Has worked an average of at least 30 hours or more per week during a subsequent measurement period.

2. For persons hired after April 1, 2013, the term includes any person paid from OPS funds who:
   a. Is reasonably expected to work an average of at least 30 hours or more per week; or
   b. Has worked an average of at least 30 hours or more per week during the person’s measurement period.

Full-time state employees are eligible for health insurance coverage in calendar year 2014 as long as they remain employed by an employer participating in the state group insurance program during the year.

Employees paid from other-personal-services (OPS) funds are not eligible for coverage before January 1, 2014.

Each agency or other entity that participates in the state group insurance program shall provide information to the department on each of its employees regardless of whether the employee participates in the program. Such information must include the name of the employee, the number of hours worked by the employee, and any other information the department considers necessary for determining the eligibility of the employee to participate in the program. Such information shall be submitted as prescribed by the department.
Procurement Issues

HB 1309 - Relating to Procurement of Commodities and Contractual Services-Presented to the Governor 6/3/2013.

Agreements Funded with Federal and State Assistance

The bill requires that agreements funded with federal and state assistance contain additional provisions, which include:

- A provision specifying the financial consequences that apply if the recipient or subrecipient fails to perform the minimum level of service required in the agreement. The provision can be excluded in specified situations;
- A provision specifying that a recipient or subrecipient of federal or state financial assistance may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period;
- A provision specifying that any balance of unobligated funds which has been advanced or paid must be refunded to the state agency;
- A provision specifying that any funds paid in excess of the amount to that the recipient or subrecipient is entitled must be refunded to the state agency; and
- Any additional information required pursuant to s. 215.97, F.S., which is the Florida Single Audit Act.

The bill requires an agency to designate an employee to function as a grant manager for each agreement funded with federal or state financial assistance. The grant manager must complete the training and become a certified contract manager.

The bill requires the CFO to establish uniform procedures for grant management to ensure that services have been rendered in accordance with agreement terms before the agency processes an invoice for payment. It requires the grant manager to reconcile and verify all funds received against all funds expended during the grant period and final reconciliation report. It also requires the CFO to perform audits after the grant agreement has been executed.

Florida Accountability Contract Tracking System

The bill requires state agencies to upload contracts that have been redacted to exclude confidential or exempt information to the contract management website within 30 days after execution. The agency must provide on the website information pertaining to the contract, including the names of the contracting entities, procurement method, contract dates, nature of the commodities and services purchased, applicable unit prices, total compensation to be paid, all payments made, and applicable contract measures. Agencies must update the information in the system within 30 days of an amendment to the existing contract. Agencies also must post to the system the information required for each existing contract that was executed more than 30 days prior to July 1, 2013.

The bill provides that contracts available on the contract tracking system must not reveal information made confidential or exempt by law. If a party to the contract discovers that an electronic copy of the contract has not been properly redacted, the bill provides a process for the agency to follow, upon being notified or discovering the error. The agency must immediately remove the contract, redact the confidential or exempt information, and republish the contract to the website within seven days. Agencies must notify the CFO upon becoming aware that an electronic copy of a contract posted on the website has not been properly redacted. The contract tracking system must display a notice of the right of an affected party to request redaction of confidential or exempt information.

The bill provides that the CFO, DFS, and any officer, employee, or contractor thereof, is not liable for failure of a state agency to redact confidential or exempt information. It provides that posting the contract on the contract tracking
system does not supersede the duty of an agency to respond to a public records request or to a subpoena. The bill provides that the CFO may adopt rules to administer the section. In addition, the bill requires the CFO to use appropriate Internet security measures to ensure that no person has the ability to alter or modify records available on the website.

**Joint Agreements**

The bill authorizes DMS to lead, rather than solely enter into, joint agreements with governmental entities for the purchase of commodities or contractual services that can be used by multiple agencies.

**Required Agency Agreement Terminology**

The bill deletes repetitive language that requires agencies to include in contracts a provision specifying a scope of work that clearly establishes all tasks that the contractor is required to perform, and a provision dividing the contract into quantifiable, measurable, and verifiable units of deliverables that must be received and accepted in writing by the contract manager before payment. Each deliverable must be directly related to the scope of work and specify the required minimum level of service to be performed and the criteria for evaluating the successful completion of each deliverable.

**Invitations to Bid**

The bill provides that a contract awarded in a procurement initiated with an invitation to bid must be awarded to the responsible and responsive vendor that submits the lowest responsive bid.

**Exemptions from Competitive Solicitation**

*Emergency Action Exception*

The bill provides that the agency head must sign a written determination that immediate danger to the public health, safety, or welfare or other substantial loss to the state requires emergency action. The bill provides that the agency must furnish copies of all written determinations relating to the emergency to DMS and the CFO. The bill removes the requirement that the determination be certified under oath.

*Single Source Contracts*

The bill deletes provisions that require agencies to submit forms for approval from DMS for specified single source contracts prior to entering into contracts with vendors. According to DMS, these requirements were established to verify that agencies were noticing intent to enter into single source contracts and DMS has never utilized this provision to deny an agency’s request to enter into such an agreement.

**Contract Renewals and Extensions**

The bill permits a contract extension and renewal to include written amendments signed by the parties. The bill also provides that an agency may negotiate a lower price in solicitations for contract renewals.

**Training**

The bill requires each contract manager who is responsible for contracts in excess of the threshold amount for Category Two ($35,000) to be a certified contract manager. DMS is responsible for establishing and disseminating the
requirements for certification, which includes completing the training conducted by the CFO for accountability in contracts and grant management.

MyFloridaMarketPlace

Current law requires DMS, in consultation with the Agency for Enterprise Information Technology and the Comptroller, to develop a program for online procurement of commodities and contractual services. Because MyFloridaMarketPlace is developed already, the bill provides that DMS and the CFO must maintain, rather than develop, a program for online procurement of commodities and contractual services.

Audits of Executed Contracts

The bill requires the CFO to perform audits of executed contract documents and a contract manager’s records to ensure that adequate internal controls are in place for complying with the terms and conditions of the contract and for the validation and receipt of goods and services. It provides that the CFO must discuss the audit and potential findings with the official whose office is subject to the audit and that the final audit must be submitted to the agency head. The agency head must submit a written response to the final audit within 30 days.

Economic Development Issues

Economic Development Issues

Small Business Support Services; Agreement

The statewide director, in consultation with the advisory board, shall develop support services that are delivered through regional small business development centers. Support services must target the needs of businesses that employ fewer than 100 persons and demonstrate an assessed capacity to grow in employment or revenue.

Support services must include, but need not be limited to, providing information or research, consulting, educating, or assisting businesses in the following activities:

- Planning related to the start-up, operation, or expansion of a small business enterprise in this state. Such activities include providing guidance on business formation, structure, management, registration, regulation, and taxes.
- Developing and implementing strategic or business plans. Such activities include analyzing a business’s mission, vision, strategies, and goals; critiquing the overall plan; and creating performance measures.
- Developing the financial literacy of existing businesses related to their business cash flow and financial management plans. Such activities include conducting financial analysis health checks, assessing cost control management techniques, and building financial management strategies and solutions.
- Developing and implementing plans for existing businesses to access or expand to new or existing markets. Such activities include conducting market research, researching and identifying expansion opportunities in international markets, and identifying opportunities in selling to units of government.
- Supporting access to capital for business investment and expansion. Such activities include providing technical assistance relating to obtaining surety bonds; identifying and assessing potential debt or equity investors or other financing opportunities; assisting in the preparation of applications, projections, or pro forma or other support documentation for surety bond, loan, financing, or investment requests; and facilitating conferences with lenders or investors.
• Assisting existing businesses to plan for a natural or man-made disaster, and assisting businesses when such an event occurs. Such activities include creating business continuity and disaster plans, preparing disaster and bridge loan applications, and carrying out other emergency support functions.

A business receiving support services must agree to participate in assessments of such services. The agreement, at a minimum, must request the business to report demographic characteristics, changes in employment and sales, debt and equity capital attained, and government contracts acquired. The host institution may require additional reporting requirements for funding.

Additional State Funds; Uses; Pay-Per-Performance Incentives; Statewide Service; Service Enhancements; Best Practices; Eligibility

The statewide director, in coordination with the host institution, shall establish a pay-per-performance incentive for regional small business development centers. Such incentive shall be funded from half of any state appropriation received directly by the host institution, which appropriation is specifically designated for the network. These funds shall be distributed to the regional small business development centers based upon data collected from the businesses. The distribution formula must provide for the distribution of funds in part on the gross number of jobs created annually by each center and in part on the number of jobs created per support service hour. The pay-per-performance incentive must supplement the operations and support services of each regional small business development center.

Half of any state funds received directly by the host institution which are specifically designated for the network shall be distributed by the statewide director, in coordination with the advisory board, for the following purposes:

• Ensuring that support services are available statewide, especially in underserved and rural areas of the state, to assist eligible businesses;
• Enhancing participation in the network among state universities and colleges; and
• Facilitating the adoption of innovative small business assistance best practices by the regional small business development centers.

The statewide director, in coordination with the advisory board, shall develop annual programs to distribute funds for each of the purposes. The network shall announce the annual amount of available funds for each program, performance expectations, and other requirements. For each program, the statewide director shall present applications and recommendations to the advisory board. The advisory board shall make the final approval of applications. Approved applications must be publicly posted. At a minimum, programs must include:

• New regional small business development centers; and
• Awards for the top six regional small business development centers that adopt best practices, as determined by the advisory board. Detailed information about best practices must be made available to regional small business development centers for voluntary implementation.

A regional small business development center that has been found by the statewide director to perform poorly, to engage in improper activity affecting the operation and integrity of the network, or to fail to follow the rules and procedures set forth in the laws, regulations, and policies governing the network, is not eligible for funds under this subsection.

Funds awarded under this subsection may not reduce matching funds dedicated to the regional small business development centers.
Statewide Advisory Board

The network shall maintain a statewide advisory board to advise, counsel, and confer with the statewide director on matters pertaining to the operation of the network.

The statewide advisory board shall consist of 19 members from across the state. At least 12 members must be representatives of the private sector who are knowledgeable of the needs and challenges of small businesses. The members must represent various segments and industries of the economy in this state and must bring knowledge and skills to the statewide advisory board which would enhance the board’s collective knowledge of small business assistance needs and challenges. Minority and gender representation must be considered when making appointments to the board. The board must include the following members:

1. Three members appointed from the private sector by the President of the Senate.
2. Three members appointed from the private sector by the Speaker of the House of Representatives.
3. Three members appointed from the private sector by the Governor.
4. Three members appointed from the private sector by the network’s statewide director.
5. One member appointed by the host institution.
6. The President of Enterprise Florida, Inc., or his or her designee.
7. The Chief Financial Officer or his or her designee.
8. The President of the Florida Chamber of Commerce or his or her designee.
9. The Small Business Development Center Project Officer from the U.S. Small Business Administration at the South Florida District Office or his or her designee.
10. The executive director of the National Federation of Independent Businesses, Florida, or his or her designee.
11. The executive director of the Florida United Business Association or his or her designee.

The term of an appointed member shall be for 4 years, beginning August 1, 2013, except that at the time of initial appointments, two members appointed by the Governor, one member appointed by the President of the Senate, one member appointed by the Speaker of the House of Representatives, and one member appointed by the network’s statewide director shall be appointed for 2 years. An appointed member may be reappointed to a subsequent term. Members of the statewide advisory board may not receive compensation but may be reimbursed for per diem and travel.

Required Match

The network must provide a match equal to the total amount of any direct legislative appropriation which is received directly by the host institution and is specifically designated for the network. The match may include funds from federal or other non-state funding sources designated for the network. At least 50 percent of the match must be cash. The remaining 50 percent may be provided through any allowable combination of additional cash, in-kind contributions, or indirect costs.

Reporting

The statewide director shall quarterly update the Board of Governors, the department, and the advisory board on the network’s progress and outcomes, including aggregate information on businesses assisted by the network.

The statewide director, in coordination with the advisory board, shall annually report, on October 1, to the President of the Senate and the Speaker of the House of Representatives on the network’s progress and outcomes for the previous fiscal year. The report must include aggregate information on businesses assisted by the network; network
services and programs; the use of all federal, state, local, and private funds received by the network and the regional small business development centers, including any additional funds specifically appropriated by the Legislature; and the network's economic benefit to the state. The report must contain specific information on performance-based metrics and contain the methodology used to calculate the network's economic benefit to the state.

Appropriation

The 2013-14 Appropriations Act provides to the Small Business Development Centers for $4 million in recurring funding for the Florida Small Business Development Center Network.