Florida Gulf Coast University Board of Trustees
April 17, 2012

SUBJECT: 2012 Legislative Session Report

PROPOSED BOARD ACTION

Information Item only.

BACKGROUND INFORMATION

This report is a summary of the action taken by the Legislature during the 2012 Session. As of March 30, 2012, the Governor has taken action on one of the bills contained in this report.

Supporting Documentation Included: 2012 Legislative Session Report

Prepared by: Director of Government Relations Jennifer Goen

Legal Review by: N/A

Submitted by: President Wilson Bradshaw
The 2012 Session started its sixty day regular Session in January to accomplish the once a decade constitutionally required reapportioning of the State House of Representatives, State Senate and US Congressional districts and $70 billion State budget. Additionally, the Legislature tackled several higher education issues covered in this report, as well as K-12 education, state employee, veterans, and insurance issues.

On September 20, 2012, the FGCU Board of Trustees approved three Legislative priorities for the 2012 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 $3,200,000
  - Classrooms/Offices/Labs Academic 8 (E) $4,500,000
  - Innovation Hub Research Building (P,C) $12,500,000
- Courtelis Matching Funds and Major Matching Gifts
  - Courtelis Matching Funds $1,631,000
  - Major Matching Gifts $11,752,281

**BUDGET**

The Florida Legislature passed its constitutionally required balanced budget totaling $70 billion, which included a $300 million non-recurring cut to the State University System. A blended allocation was utilized as follows; $100 M was allocated based on each universities recurring state funds, $150 M was allocated based on each universities fund balance, after ensuring that universities are able to maintain a 5% reserve, $50 M was allocated based on each universities based on the legislative tuition policy. In an effort to partially offset the reduction, FGCU will receive a $2.25 million recurring funding (of the $13,000,000 recurring request) for operational support, but due to the overall reductions to the State University System it will be necessary for FGCU to reduce its operating funds by approximately $3 M.

**PECO (Public Education Capital Outlay)**

The State University System received a PECO allocation totaling $31,008,077. Of this, $7,000,000 is from PECO cash and is for minor repair and maintenance funding. The balance of $24 million, designated for specific projects, has funding proposed from the issuance of new lottery bonds. Below is FGCU’s PECO original request and actual allocation.
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.

Changes to Bright Futures

Bright Futures has also been changed substantially. Both eligibility and award amounts have been adjusted.

Changes to Bright Futures include:

- Students who receive a Bright Futures award are eligible to accept an initial award for 2 years (currently 3 years) following high school graduation and to accept a renewal award for 5 years following high school graduation. For a student who enlists in the United States Armed Forces immediately after completion of high school, the 2-year eligibility period for his or her initial award and the 5-year renewal period shall begin upon the date of separation from active duty.
- For a student who is receiving a Florida Bright Futures Scholarship award and discontinues his or her education to enlist in the United States Armed Forces, the remainder of his or her 5-year renewal period shall commence upon the date of separation from active duty. If a course of study is not completed after 5 academic years, an exception of 1 year to the renewal timeframe may be granted due to a verifiable illness or other documented emergency pursuant
- Eligible students may receive the award no more than 2 semesters or the equivalent in any fiscal year, including the summer term.

<table>
<thead>
<tr>
<th>Bright futures</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
<th>Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Scholars</td>
<td>$101</td>
<td>$100</td>
<td>($1)</td>
<td>-1%</td>
</tr>
<tr>
<td>Medallion Scholars</td>
<td>$94</td>
<td>$75</td>
<td>($19)</td>
<td>-20%</td>
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<tr>
<td>Top Scholars Stipend</td>
<td>$53</td>
<td>$43</td>
<td>($10)</td>
<td>-19%</td>
</tr>
</tbody>
</table>
Higher Education Budget Conforming Bill

Conforming Bill Miscellaneous Issues

- The Board of Governors may transfer unused tuition budget authority between institutions.
- A board of trustees of a state university may not transfer funds in excess of $1 million that are appropriated to the state university from general revenue, lottery, and tuition and fees trust funds between the education and general activities category and other program categories. A board of trustees may request additional transfer authority from the Board of Governors. Upon approval of the additional transfer authority by the Board of Governors, the Board of Governors may request a budget amendment to transfer appropriations for a state university between categories in excess of $1 million. Such transfers are subject to review and approval by the Legislative Budget Commission.
- For the 2011-2012 fiscal year, state universities may make transfers between the Educational and General Activities category and other program categories up to $2 million to make necessary adjustments.
- The limitation on salaries for university presidents and administrators from state funds is continued for 1 additional year at $200,000.
- Removes provision requiring severance pay to be less than 1 year’s salary for new contract or employee agreements.
- For the 2012-2013 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.

Capital Improvement Trust Fund

Beginning with the 2012 fall term, each university board of trustees may increase the Capital Improvement Trust Fund fee. Any increase in the fee must be recommended by a Capital Improvement Trust Fund committee, at least half of whom are students appointed by the student body president. The remainder of the committee shall be appointed by the university president. A chair, appointed jointly by the university president and the student body president, shall vote only in the case of a tie. The recommendations of the committee shall take effect only after approval by the university president, after consultation with the student body president, with final approval by the university board of trustees. An increase in the fee may occur only once each fiscal year and must be implemented beginning with the fall term. The Board of Governors shall adopt regulations and timetables to implement the fee.

The fee may not exceed 10 percent of the tuition for resident students or 10 percent of the sum of tuition and out-of-state fees for nonresident students. The fee for resident students shall be limited to an increase of $2 per credit hour over the prior year. The Capital Improvement Trust Fund fee may be used to fund any project or real property acquisition that meets the requirements in current law. The Division of Bond Finance of the State Board of Administration shall analyze any proposed reductions to the Capital Improvement Trust Fund fee to ensure consistency with prudent financial management of the bond program associated with the revenues from the fee. The Board of Governors shall approve any proposed fee reductions.
**Excess Hour Surcharges**

The excess hour surcharge shall become effective for students who enter a state university for the first time and maintain continuous enrollment as follows:

- For the 2009-2010 and 2010-2011 academic years, an excess hour surcharge equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent.
- For the 2011-2012 academic year, an excess hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 115 percent.
- For the 2012-2013 academic year and thereafter, an excess hour surcharge equal to 100 percent of the tuition rate for each credit hour in excess of 110 percent.

**SUS Purchasing Savings Goal**

The Board of Governors shall adopt regulations requiring universities to use purchasing agreements or state term contracts under current law or enter into consortia and cooperative agreements to maximize the purchasing power for goods and services. A consortium or cooperative agreement may be statewide, regional, or a combination of institutions, as appropriate to achieve the lowest cost, with the goal of achieving a 5-percent savings on existing contract prices through the use of new cooperative arrangements or new consortium contracts.

**Higher Education Issues**

**HB 7129 – Relating to State Universities of Academic and Research Excellence and National Preeminence**

Beginning with the 2012-2013 academic year, a state research university that has substantially met at least 11 of the academic and research excellence standards identified below may establish student tuition and fees at differentiated and market rates in addition to the tuition differential fee as approved by the university's board of trustees and the Board of Governors. Tuition and fee increases may occur no more than once each academic year and must be implemented beginning with the fall term.

Academic and research excellence standards for state universities of national preeminence are:

- An average weighted grade point average of 3.8 or higher on a 4.0 scale and an average SAT score of 1800 or higher for fall semester incoming freshman, as reported annually.
- A top 50 ranking on at least two well-known and highly respected national public university rankings, reflecting national preeminence, using most recent rankings.
- 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).
- A 6-year graduation rate of 70 percent or higher for full-time first-time-in-college students, as reported annually to the IPEDS.
- 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.
- Total annual research expenditures, including federal research expenditures, of $200 million or more, as reported in the TARU annual report.
- Total annual research expenditures in diversified nonmedical sciences of $100 million or more, based on data reported annually by the National Science Foundation (NSF).
• 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.
• One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period.
• Two hundred fifty or more doctoral degrees awarded annually, as reported in the TARU annual report.
• Two hundred or more postdoctoral appointees annually, as reported in the TARU annual report.
• A national quality ranking higher than predicted based on available financial resources rankings, as reported annually by U.S. News and World Report.
• An endowment of $400 million or more, as reported in the TARU annual report.
• Annual giving of $50 million or more, as reported in the TARU annual report.

In order to provide a jointly shared educational experience, a state university that has met the requirements above may require its incoming first-time-in college students to take a 9-to-12-credit set of courses specifically determined by the university. The state university may require that this set of courses be taken at the university and may stipulate that credit for such courses may not be earned through any acceleration mechanism or other transfer credit.

**HB 7135 - Relating to Postsecondary Education**

**Performance Metrics**

BOG is tasked to create performance metrics and standards common for all institutions and metrics and standards unique to institutions depending on institutional core missions, including, but not limited to:

- student admission requirements
- retention and graduation rates
- graduates employment and continued education percentages
- licensure passage
- excess hours
- student loan burden and default rates
- faculty awards
- total annual research expenditures
- patents, licenses and royalties, intellectual property, and startup companies
- annual giving and endowments
- well-known, highly respected national rankings for institutional and program achievements

The accountability plan must address institutional and system achievement of goals and objectives specified and must be submitted as part of its legislative budget request.

Beginning in the 2014-2015 academic year and annually thereafter, the Board of Governors shall require a state university to provide each enrolled student, prior to registration, electronic access to the economic security report of employment and earning outcomes prepared by the Department of Economic Opportunity. In addition, the Board of Governors shall require a state university to provide each student electronic access to the following information each year prior to registration:

1. The top 25 percent of degrees reported by the university in terms of highest full-time job placement and highest average annualized earnings in the year after earning the degree.
2. The bottom 10 percent of degrees reported by the university in terms of lowest full-time job placement and lowest average annualized earnings in the year after earning the degree.
Performance Funding

For the 2012-2013 and 2013-2014 fiscal years, the Board of Governors shall review and rank each state university that applies for performance funding based on the following formula:

- Twenty-five percent of a state university's score shall be based on the percentage of employed graduates who have earned degrees in the following programs:
  - Computer and information science;
  - Computer engineering;
  - Information systems technology;
  - Information technology; and
  - Management information systems.
- Twenty-five percent of a state university's score shall be based on the percentage of graduates who have earned baccalaureate degrees in the programs above and who have earned industry certifications in a related field from a Florida College System institution or state university prior to graduation.
- 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 described above will be employed in high-skill, high-wage, and high-demand employment.

Each year, the Board of Governors shall award up to $15 million to the highest-ranked state universities from funds appropriated. The award per state university shall be a minimum of 25 percent of the total amount appropriated.

BOG Authority Changes

The Board of Governors may request authority from the Legislature to waive or modify percentages and dollar amount limitations on differential tuition in order to reduce barriers and support the attainment of goals identified in institutional plans.

BOG will now confirm reappointment of university presidents.

Education Committees

Continues the Higher Education Coordinating Committee and requires annual reports to the legislature of their recommendations.

The Commission for Independent Education shall collect, and all institutions licensed by the commission shall report, student-level data for each student who receives state funds. At a minimum, data must be reported annually and include retention rates, transfer rates, completion rates, graduation rates, employment and placement rates, and earnings of graduates.

General Education

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 those courses that meet general education core course options. General education core course options shall consist of a maximum of five course requirements within each of the subject areas of communication, mathematics, social sciences, humanities, and natural sciences.

Beginning with students initially entering a Florida College System institution or state university in 2014-2015 and thereafter, require no more than 30 semester credit hours in general education courses.
Each general education core course option must contain high-level academic and critical thinking skills and common competencies that students must demonstrate to successfully complete the course. Beginning with students initially entering a Florida College System institution or state university in 2014-2015 and thereafter, each student must complete at least one identified core course in each subject area as part of the general education course requirements. All public postsecondary educational institutions shall offer and accept these courses as meeting general education core course requirements. The remaining general education course requirements courses shall be identified by each institution and reported to the department by their statewide course code number. The general education core course options shall be adopted in rule by the State Board of Education and in regulation by the Board of Governors.

The State Board of Education shall adopt a definition of STEM and STEM-related programs. The state board shall also, in consultation with the Board of Governors and the Department of Economic Opportunity, adopt a unified state plan to improve K-20 education and prepare students for high-skill, high-wage, and high-demand employment in STEM and STEM-related fields. The unified plan must advise school districts, Florida College System institutions, and state universities to inform, advise, and recruit students into STEM and STEM-related programs and employment opportunities.

Economic Security Report

Beginning December 31, 2013, and annually thereafter, the Department of Economic Opportunity shall prepare an economic security report of employment and earning outcomes for degrees or certificates earned at public postsecondary educational institutions.

The report, by educational sector, must include:

- Average student loan debt of graduates;
- Amount and percentage of graduates employed full time in the year after graduation (beginning in 2014-2015 fiscal year, the report must include 5 years after graduation);
- Wages and earnings of graduates.

HB 1355 - Relating to Protection of Vulnerable Persons

Any Florida College System institution, state university, or nonpublic college, university, or school, whose administrators or law enforcement agency knowingly and willfully, upon receiving information from faculty, staff, or other institution employees, fail to report known or suspected child abuse, abandonment, or neglect or sexual abuse of any person, committed on the property of the university, college, or school, or during an event or function sponsored by the university, college, or school, or who knowingly and willfully prevent another person from doing so, shall be subject to fines of $1 million for each such failure.

SB 1994 - Relating to Postsecondary Education (Creation of Florida Poly-Technic University)

The bill establishes the 12th state university, the Florida Polytechnic University, previously the University of South Florida Polytechnic Campus in Lakeland, Florida. Students enrolled at the University of South Florida Polytechnic shall be afforded the opportunity to complete their degrees at the University of South Florida on the Lakeland Campus.

The Board of Trustees of the Florida Polytechnic University may certify a direct-support organization to serve the Florida Polytechnic University.

The Florida Polytechnic University shall meet the following criteria previously established by the Board of Governors by December 31, 2016:
• Achieve accreditation from the Commission on Colleges of the Southern Association of Colleges and Schools;
• Initiate the development of the new programs in the fields of science, technology, engineering, and mathematics;
• Seek discipline-specific accreditation for programs;
• Attain a minimum FTE of 1,244, with a minimum 50 percent of that FTE in the fields of science, technology, engineering, and mathematics and 20 percent in programs related to those fields;
• Complete facilities and infrastructure, including the Science and Technology Building, Phase I of the Wellness Center, and a residence hall or halls containing no fewer than 190 beds; and
• Have the ability to provide, either directly or where feasible through a shared services model, administration of financial aid, admissions, student support, information technology, and finance and accounting with an internal audit function.

**State Employee Issues**

**Florida Retirement System (FRS)**

Employer Contribution rates to the FRS Senior Management investment plan and the SUS ORP plan have been decreased, while the Regular Class and Special Risk investment plans were increased. The following chart shows the differences that will take effect on July 1st, 2012. Employee contribution rates are unchanged at this point in time. Additionally, a recent court ruling regarding employee contributions to state pensions was rendered unconstitutional, and is currently under appeal.

<table>
<thead>
<tr>
<th>Retirement Class</th>
<th>FY 2011-2012</th>
<th>FY 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Class - Investment</td>
<td>6.25%</td>
<td>6.30%</td>
</tr>
<tr>
<td>Special Risk Class - Investment</td>
<td>12.64%</td>
<td>14%</td>
</tr>
<tr>
<td>Senior Management - Investment</td>
<td>8.21%</td>
<td>7.67%</td>
</tr>
<tr>
<td>SUS ORP</td>
<td>7.43%</td>
<td>5.15%</td>
</tr>
</tbody>
</table>

**Redistricting (as of 26 March 2012)**

The Senate and House passed their once a decade redistricting plan for state House and Senate districts along with congressional districts. The state Legislature plans were then reviewed by the state Supreme Court. The state Supreme Court did accept the state House map making it final but rejected the state Senate map citing 8 districts that needed to be adjusted. The state Legislature began an extraordinary apportionment session on Wednesday, March 14, 2012 to deliberate and alter the Senate map to conform to the state Supreme Court’s guidance. The extraordinary apportionment session is scheduled to conclude on March 28, 2012. At the conclusion of the extraordinary apportionment session the Senate map will be summited by the Attorney General, within 15 days, to the state Supreme Court for review. If the state Supreme Court rejects the Senate map a second time, the state Supreme Court has 60 days to create their apportionment map. The Congressional map was approved by the Governor and is awaiting approval from the U.S. Department of Justice.
**Veteran Education Issues**

**HB 45 - Relating to Postsecondary Education Course Registration for Veterans**

Each Florida College System institution and state university that offers priority course registration for a segment of the student population, or upon implementation of priority course registration for a segment of the student population, shall provide priority course registration for each veteran of the United States Armed Forces who is receiving GI Bill educational benefits or for the spouse or dependent children of the veteran to whom the GI Bill educational benefits have been transferred. Each eligible veteran, or his or her spouse or dependent children, shall be granted priority for course registration until the expiration of the GI Bill educational benefits.

**HB 347 - Relating to College Credit for Military Training and Education Courses**

The Board of Governors shall adopt regulations and the State Board of Education shall adopt rules that enable eligible members of the United States Armed Forces to earn academic college credit at public postsecondary educational institutions for college-level training and education acquired in the military. The regulations and rules shall include procedures for credential evaluation and the award of academic college credit, including, but not limited to, equivalency and alignment of military coursework with appropriate college courses, course descriptions, type and amount of college credit that may be awarded, and transfer of credit.

**Procurement Issues**

**SB 922 - Relating to Military Support (Business Enterprise Opportunities for Wartime Veterans)**

A state agency, when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified veteran business enterprise, which are equal with respect to all relevant considerations, including price, quality, and service, shall award such procurement or contract to the certified veteran business enterprise.

A certified veteran business is

- Employs 200 or fewer permanent full-time employees;
- Together with its affiliates has a net worth of $5 million or less or, if a sole proprietorship, has a net worth of $5 million or less including both personal and business investments;
- Is organized to engage in commercial transactions;
- Is domiciled in this state;
- at least 51 percent owned by one or more wartime veterans or service-disabled veterans
- The management and daily business operations of which are controlled by one or more wartime veterans or service-disabled veterans or, for a service-disabled veteran having with a permanent and total disability, by the spouse or permanent caregiver of the veteran.

A wartime veteran is a veteran of a period of war who served in the active military, naval, or air service:

- For 90 days or more during a period of war;
- During a period of war and was discharged or released from such service for a service-connected disability;
- For a period of 90 consecutive days or more and such period began or ended during a period of war; or
- For an aggregate of 90 days or more in two or more separate periods of service during more than one period of war.
HB 7087 - Relating to Economic Development (Florida Businesses in Procurement of Personal Property and Services)

When awarding a contract to have materials printed, the agency, university, college, or school district awarding the contract shall grant a preference to the lowest responsible and responsive vendor having a principal place of business within Florida. The preference shall be 5 percent if the lowest bid is submitted by a vendor whose principal place of business is located outside Florida and if the printing can be performed in Florida at a level of quality comparable to that obtainable from the vendor submitting the lowest bid located outside the state.

Student Government Issues

SB 1508 - Relating to Board of Governors/Student Member Selection Process

Currently, the student representative on the Board of governors is the chairman of the Florida Student Association (FSA). The FSA was founded to be a council of all the student body presidents from the 11 current state universities with the ability to advocate on behalf of students. The FSA charged dues and two schools have chosen to not join FSA because of this reason. There was a push to have the student BOG representative to be appointed by the Governor. However, the legislature settled for the student representative on the BOG to be the chair of a newly formed council of student body presidents. The newly formed council shall be organized by the Board of Governors and consist of all the student body presidents. This is a constitutional amendment and will need to be ratified by 60% of voters on the November 2012 general election ballot.