Dear Carol,

After passing 95% of its bills and netting favorable action on those it worked to secure, the Florida Legislature adjourned on June 2, 2011 to await the signing of Governor Scott’s adjournment message. The Legislature faced one of the state’s most difficult budget challenges in its history. The continuing slow recovery of the Florida economy from the Great Recession, the state’s $18 billion budget shortfall, and the efforts of the 2010 Legislature to address its own $15 billion budget shortfall, all conspired to produce a state budget that was $71 million lower than the revenue estimate for the 2011-2012 fiscal year. The USF System had another highly successful year in capital construction funding. The Legislature restored the USF Polytechnic (which was profiled in a prior newsletter issue). This sum for capital projects will be necessary to support the public education delivery systems in our state, including higher education institutions.

As you are probably aware, Florida has in place several programs in which the state will provide direct financial aid to students. As stated in previous issues, if you have any concerns about how the change in state revenue 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 usfadvcomms@usf.edu. For a list of recent legislative changes, please see the Bills in Brief Section at the end of this newsletter. (SB = Senate Bill; HB = House Bill)

Legislative Wrap-Up
Changes in Student Tuition and Financial Aid
The Legislature increased the base undergraduate tuition rates in all universities by 8% for 2011-2012. The Legislature also built into the law for future fiscal years (FY 2012-2013 to 2014-2015) the assumption that each university would increase the undergraduate tuition rate in excess of $10 million of which was reduced from the USF System budget. The decision affects all state universities and includes funding for the following:

- The state will pay for the state share of instructional costs for students.
- The state will provide funding for the state share of student resources.
- The state will fund the state share of the cost of maintaining the state’s community college system.
- The state will fund the state share of the cost of maintaining the state’s university system.

The Florida Retirement System (FRS) is a 100% employer-paid pension system. Currently, the FRS is funded at 99% of its actuarial funding level, which means that the state and all other employers (employers may fund their own plans at varying levels) must pay into the FRS to cover the costs of the pensions already earned by all employees. The Legislature enacted a number of changes related to the FRS. Some of the major changes included in the FRS legislation are:

1) Repeals the University Concurrency Act of 1999, which provided that all students entering the University of Florida for the 1999-2000 academic year would be able to attend state universities and the University of Florida for the 1999-2000 academic year.
2) Allows universities to require all students who wish to take summer session courses to pay full tuition.
3) Implements a cap on the amount of state funds that may be transferred to the student trust funds at any university at the time of the end of the fiscal year.
4) Implements certain new provisions related to the trust funds at each university by deleting certain exempted programs.
5) Requires the Higher Education Coordinating Council to report proposals to be implemented at each university by no later than the end of the fiscal year.
6) Mandates that the Board of Trustees at each public university adopt a policy for each capital projects program.
7) Mandates the student membership of the Board of Trustees at each public university.
8) Increases the standards that future university faculty must meet in order to be eligible for membership on the Board of Trustees.
9) Requires the Board of Trustees to implement increased community service requirements.
10) Requires each university to establish a new state funding formula that would result in the state’s allocation to the university being based on a formula that would be developed by the Board of Trustees.
11) Increases the standards that future university faculty must meet in order to be eligible for membership on the Board of Trustees.
12) Requires a plan to address the college drop-out rates.

SECONDARY EDUCATION
The Legislature enacted a number of changes related to secondary education. Some of the major changes included in the K-12 education legislation are:

1) Repeals the Education Trust Fund.
2) Increases the standards that future teachers must meet in order to be eligible for membership on the Board of Trustees.
3) Implements a cap on the amount of state funds that may be transferred to the student trust funds at any university at the time of the end of the fiscal year.
4) Mandates that the student membership of the Board of Trustees at each public university.
5) Increases the standards that future university faculty must meet in order to be eligible for membership on the Board of Trustees.
6) Requires the Board of Trustees to implement increased community service requirements.
7) Requires a plan to address the college drop-out rates.

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BILLS IN BRIEF (AB = Assembly Bill; SB = Senate Bill)
The following bills will impact the manner of revenue changes made by the 2011 Legislature. Their impact on each of Florida’s state universities will vary. Bill specific details will be provided in the Governor Scott Summary at the end of this newsletter.

1) Frees Ag on the issue of matching funds.
2) Adjusts the state’s matching gift programs for state universities and Florida College System institutions. FHSC-FS in June 2011 until at least 2020.
3) Requires the Legislature to approve all increased community service requirements.
4) Mandates that the Board of Trustees at each public university adopt a policy for each capital projects program.
5) Mandates the student membership of the Board of Trustees at each public university.
6) Increases the standards that future university faculty must meet in order to be eligible for membership on the Board of Trustees.
7) Requires a plan to address the college drop-out rates.

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MARCH 19, 2012

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