2014 LEGISLATIVE SESSION

Budget Summary
On Friday, May 2, 2014, the Florida Legislature adjourned Sine Die, bringing the 2014 Legislative Session to a close. Prior to the end of Session the Legislature passed the fiscal year 2014 – 2015 General Appropriations Act (GAA). The FY2014-15 GAA (HB 5001) totaled $77.1 billion and contained several large scale budget priorities, including over $500 million in tax cuts, $500 million for the unfunded liability of Florida’s Retirement System, and increases in environmental preservation funding.

The SUS and Performance Funding
In the new GAA, the State University System’s (SUS) budget is set at $4.35 billion, an increase of 6.5 percent. The cornerstone of the SUS budget is $200 million in performance funding that will be allocated to qualifying institutions pursuant to the Board of Governor’s (BOG) performance funding model that was approved at the January BOG meeting. The performance funds are composed of: 1) $100 million in new funding and 2) an additional $100 million, which comes from a 3.74 percent share of each institutions base funding ($65 million), as well as the repurposing of last year’s performance funding ($20 million), and this year’s newly awarded gap analysis grant funding ($15 million).

FAU failed to achieve a score that would qualify it to receive a share of the performance funds and as a result the University will see a $5.2 million reduction to its operating budget based on the mandatory 3.74 percent contribution. However, the Legislature did include proviso language in the budget that provides an opportunity for an institution that failed to meet the Board’s benchmarks for new funding to submit an improvement plan to the Board of Governors. The plan must specify how the institution’s base funding, including the performance funds allocated by the Board during FY2013-14, will be expended to improve upon the metrics that disqualified the university from receiving new funding. The BOG will review the plans, and if approved, monitor the university’s progress on implementing the
measures specified in the plans. A university that's plan has been approved will be required to submit two monitoring reports no later than December 31, 2014 and May 31, 2015. If an institution is then determined to be making satisfactory progress on implementation it will receive a proportional share of its base funding from the BOG.

Fixed Capital Outlay (PECO):
The SUS received $254.5 million for fixed capital outlay. Within that total sum, the BOG will proportionately allocate $20 million for critical deferred maintenance and $37.6 million for regular maintenance. The state’s developmental research (lab) schools also received $4.7 million in millage equivalence funding that will be distributed to the six university lab schools, including FAU’s Boca Raton and St. Lucie campuses.

FAU’s Specific Funding Provisions
In addition to the larger education items, the GAA contained a number of provisions that are of specific importance to FAU. Some of the budget highlights include:

- $2,000,000 (nonrecurring) for Harbor Branch Oceanographic Institute’s Indian River Lagoon Observatory project;
- $2,000,000 ($1,500,000 nonrecurring) for Max Planck Scientific Fellowship Program
- $1,500,000 (nonrecurring) for AMI Experiential Education Curriculum
- $1,050,000 (nonrecurring) for the Adams Center for Entrepreneurship’s Tech Runway program;
- $1,011,807 (recurring) for FAU’s Boca Raton based CARD Center (a 41 percent funding increase);
- $500,000 (nonrecurring) for FAU's Bioscience Initiative’s Jupiter Bioscience Gateway program; and
- $537,000 (recurring) Sparsity supplement for FAU Boca Raton Lab School.

FAU’s legislative delegation was instrumental in helping to secure funding for these individual projects. Moreover, some members went above and beyond to advocate on behalf of the University, including Chairman Erik Fresen, , Senator Maria Sachs, Senator Joe Abruzzo, Representative MaryLynn Magar , Representative Bill Hager, , , Representative Mark Pafford, Representative Larry Lee, Representative George Moraitis, Representative Joe Gibbons, Representative Debbie Mayfield, Representative Lori Berman, , Senator Oscar Braynon , Chairman Bill Galvano and Chairman Joe Negron. The University also owes a debt of gratitude to the legislative aides and professional staff in both chambers who worked tirelessly throughout the Session to support the Office of University Relations as it pursued FAU’s priorities, tracked relevant legislations and sought to gain access and information.

In the coming weeks, the Legislature will present the GAA to Governor Scott for his approval. Once the Governor receives the bill he will have 15 days to issue line item vetoes and approve the budget.

-General Appropriations Act - Full Text
-SUS Executive Summary
Tuition and Fees at SUS Institutions – HB 851

On Friday, May 2, 2014, in the final hours of the Legislative Session, the Legislature considered and approved HB 851. The measure makes significant changes to several areas of higher education policy, including granting out-of-state fee waivers for undocumented students who have attended high school in Florida; eliminating the automatic annual rate of inflation increase for undergraduate tuition; eliminating the ability for non-preeminent SUS institutions to collect any new tuition differential; and amending the Florida Prepaid Tuition Program to reflect the new tuition calculations.

Out-of-State Tuition Waivers for Undocumented Students

Current law requires students to be classified as residents or nonresidents for the purpose of assessing tuition in postsecondary educational programs. Applicants to a postsecondary institution must meet certain qualifying standards in order to be classified as a resident of Florida for tuition purposes. The applicant, or in the case of a dependent child, his or her parents, must establish legal residence in Florida and must have maintained legal residence for at least 12 consecutive months immediately prior to the applicant's enrollment in a postsecondary institution.

The measure addresses several areas of law related to the determination of residency, including:

- Stating that a United States citizen who is considered a dependent child may not be denied classification as a resident based solely upon the immigration status of his/her parent.
- Explaining that a student who resides in Florida may be classified as a resident for tuition purposes if he/she marries a person who qualifies as a resident for tuition purposes.
- Granting an out-of-state fee waiver for students, who have attended a Florida high school for 3 consecutive years and enroll in a postsecondary institution within 24 months after graduation, provided they submit their high school transcripts as evidence.

Tuition Increase and Tuition Differential

Currently, a student who enrolls in a college credit course at a state university is charged tuition and other fees, unless the student is eligible for an exemption or a waiver. The amount of resident undergraduate tuition per credit hour is established by the Legislature. The undergraduate tuition increases automatically at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the General Appropriations Act. In addition to the resident undergraduate tuition, the Legislature also establishes the financial aid fee, Capital Improvement Trust Fund fee, technology fee, and distance learning course fee as a specified dollar amount or percent of tuition. Additionally, the board of trustees for each state university may establish the following fees subject to the approval of the Board of Governors (BOG): activity and service fee, health fee, athletic fee, and tuition differential fee.

HB 851 eliminates the automatic annual rate of inflation increase for undergraduate tuition
and removes the ability of non-preeminent SUS institutions to apply for or collect any new tuition differential. Under the new law, a preeminent institution can seek only up to a six percent tuition differential increase based on the attainment of three performance metrics (increases in: six year graduation rates, total research expenditures, and patents awarded to the institution).

**Florida Prepaid Tuition Program**

Lastly, the Florida Prepaid College Tuition Program must take into account the original 15 percent tuition differential fee cap when calculating the cost of a four year prepaid tuition plan. The passage of this legislation results in a recalculation and lowering of prepaid plan costs. As a result, families who recently purchased prepaid plans at higher costs would be eligible to receive a refund for the portion of the plan that exceeds the new cost.

- **HB 851**

**Going Forward**

Now that the 2014 Legislative Session has come to a close, the Office of University Relations will be transitioning the Legislative Update from a weekly summary of our state’s legislative activities to a monthly update focused on the University’s community outreach efforts.

As mentioned last week, the Office of University Relations will be composing a 2014 Legislative Session Final Report that will be released after the Governor has taken final actions on the pieces of legislation that are currently awaiting his approval. Please contact the Office of University Relations if there is a specific topic or piece of legislation that you would like to see addressed in the Final Report.

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Please Contact the University Relations staff with any questions and/or comments: universityrelations@fau.edu

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