

October 13, 2017

MEMORANDUM

TO: District School Superintendents

FROM: Joy Frank

RE: Legislative Update – Week of October 9, 2017

General Information

The House and Senate held the first set of interim committee meetings this week. Some committees heard bills. Most of the bills were bills that were not successful last session. Committees also heard reports on the implementation of legislation that passed during the 2017 Legislative Session. This report will focus first on the bills that were considered in committee and then pertinent presentations before various committees.

The House announced a new scholarship program – Hope Scholarship. A video is attached. Legislation will be available in January, 2017. The video clip explaining the legislation is: <https://youtu.be/ZwLaLK1g-sYe/ZwLaLK1g-sY>
If this does not work, go to www.myfloridahouse.gov and it can be accessed.

Bills Considered in Committee

SB 4 by Galvano and Bradley relates to Higher Education. This is basically the higher education bill that was vetoed by the Governor. The bill establishes the “Florida Excellence in Higher Education Act of 2018” and specifically, the bill:

- Increases student financial aid and tuition assistance programs in the following ways:
 - Expands the Florida Bright Futures Scholarship Program Academic Scholars award to cover 100 percent of tuition and specified fees plus \$300 for textbooks, and authorize use of the award for summer term enrollment as funded in the General Appropriations Act.
 - Expands the Florida Bright Futures Scholarship Program Medallion Scholars award to an amount equal to 75 percent of tuition and specified fees to pay for educational expenses.
 - Extends the Benacquisto Scholarship Program to eligible students from out of state.
 - Revises the state-to-private match requirements for contributions to the First Generation Matching Grant Program from 1:1 to 2:1.
 - Establishes the Florida Farmworker Student Scholarship Program for farmworkers and the children of farmworkers.

- Requires each state university board of trustees to adopt, for implementation in the fall 2018 semester, a block tuition policy for full-time, first-time-in-college students.
- Modifies state university performance accountability metrics to promote on-time student graduation in 4 years.
- Establishes the World Class Faculty and Scholar Program to fund and support the efforts of state universities to recruit and retain exemplary faculty and research scholars.
- Establishes the State University Professional and Graduate Degree Excellence Program to enhance the quality of schools and degree programs in medicine, law, and business.
- Requires state universities to use data-driven gap analyses to identify internship opportunities in high-demand fields for students.
- Strengthens accountability of state university direct-support organizations.

The bill passed the Senate Education Committee favorably.

SB 88 by Hukill relates to High School Graduation Requirements. The bill specifies financial literacy standards and instruction for students entering 9th grade in the 2018-2019 school year. Specifically, the bill revises:

- The Next Generation Sunshine State Standards to establish requirements for financial literacy distinct from the existing financial literacy requirements specified under the economics curricular content within the standards for social studies; and
- The requirements for a student to earn a standard high school diploma to:
 - Establish a separate one-half credit requirement in personal financial literacy and specifying related instruction.
 - Reduce the number of required elective credits from eight to seven and one-half.

The bill was amended to add a whereas clause to reflect that Florida is one of 17 states to require financial literacy instruction as a prerequisite for high school graduation and a standard high school diploma. The adoption of this requirement will make Florida the sixth state to require a stand-alone course in personal financial literacy.

The bill passed the Senate Education Committee favorably as a committee substitute.

SB 96 by Steube relates to Human Trafficking Education in Schools. The bill adds information on the dangers and signs of human trafficking to the instructional requirements for middle and high school students. The bill amends s. 1003.42, F.S., relating to required instruction. The revisions add information on the dangers and signs of human trafficking to the requirements of comprehensive health education. This new requirement can include information on the warning signs of human

trafficking, terms used in trafficking, websites used by traffickers, and information on how a student can get help. A student may opt out of this instruction with a note from his or her parent.

The bill passed the Senate Committee on Children, Families, and Elder Affairs favorably.

SB 192 by Baxley relates to Public Meetings. The bill creates s. 286.011(1)(a), F.S., and defines: “de facto meeting,” “discussion,” “meeting,” “official act,” and “public business.” Those terms are defined as follows:

- “De facto meeting” means the use of board or commission staff or third parties, acting as intermediaries, to facilitate discussion of public business between board or commission members.
- “Discussion” means a conversation between or among board or commission members regardless of whether through oral, written, electronic, or any other form of communication.
- “Meeting” means a gathering, whether formal or informal, of two or more members of the same board or commission, even if they have not yet taken office.
- “Official act” means the adoption of a resolution or rule or other formal action being taken by the board or commission.
- “Public business” means any matter before, or foreseeably expected to come before, the board or commission.

The bill also specifies that members of a board may participate in “fact-finding” exercises or excursion to research public business, and may participate in meetings with a member of the Legislature if:

- The board provides reasonable notice;
- A vote, official act, or an agreement regarding a future action does not occur;
 - There is no discussion of “public business” that occurs; and
- There are appropriate records, minutes, audio recordings, or video recordings made and retained as a public record.

Finally, the bill provides that, if there is a gathering of two or more board members where no official acts are taken and no public business is discussed, then no public notice or access is required.

The bill passed the Senate Ethics and Elections Committee favorably.

HB 7 by Burton relates to Local Government Fiscal Transparency. The bill requires easy public access to local government governing boards’ voting records related to tax increases and issuance of tax-supported debt (phased in over 4 years). The bill also requires easy online access to property tax TRIM notices and a 4-year history of property tax rates and amounts at the parcel level. This requirement is phased in over 3 years. Further, a 4-year history of property tax rates and total

revenue generated at the jurisdiction level must be provided on government websites.

The bill requires additional public meetings and expands public notice requirements for local option tax increases, other than property taxes, and new long-term, tax-supported debt issuances. Public notices for proposed tax increases must contain information regarding the rate and total annual amount of revenue expected, the annual additional revenue expressed as a percent of annual general fund revenue, detailed explanation of intended uses of the levy, and an indication of whether or not the tax proceeds will be used to secure debt. Public notices for proposed new, long-term debt issuance must disclose the total lifetime costs of the debt, annual debt service, and effects of the new debt on a government's debt affordability measures.

Local governments must conduct a debt affordability analysis prior to approving the issuance of new, long-term tax-supported debt. The analysis would, at a minimum, calculate a debt affordability ratio for the most recent five years and at least two projected years to gauge the effects of the new debt issuance on the government's debt service to revenue profile. The debt affordability ratio is the annual debt service for outstanding tax supported debt divided by total annual revenues available to pay debt service on outstanding debt.

Currently, local governments are required to have a CPA conduct an annual financial audit, if the Auditor General has not already scheduled an audit. The bill requires the auditor to include an affidavit signed by the chair of the local government governing board stating that it is in compliance with the provisions of the new "Local Government Fiscal Transparency Act" contained in Part VIII of ch. 218, F.S., created by the bill. The Auditor General must request evidence of corrective action from local governments found not to be in compliance with the Act. Local governments must provide evidence that corrective action has been initiated within 45 days and evidence of completion within 180 days of such request. The Auditor General must report to the Legislative Auditing Committee local governments that do not take corrective action.

This bill may be a county or municipality mandate requiring a two-thirds vote of the membership of the House.

The bill passed the House Ways & Means Committee and has been placed on the Calendar on second reading.

Committee Presentations

The Senate Education Committee had a presentation on emergency coordination efforts of state and local entities by Commissioner Stewart. I testified at the committee and identified some of the issues pertaining the operating shelters including sheltering special needs populations, individuals with mental illness and

homeless individuals. I also brought up the difficulties in sheltering pets including special needs pets, comfort pets and companion pets. I also stressed the hard work and sacrifice made on behalf of school personnel who operated, staffed, and cleaned up shelters. Finally, I thanked the Commissioner and her staff for their assistance during the storms and recovery.

Hurricane recovery issues will be discussed in the Senate Appropriations Committee and Senate Education Appropriations Subcommittee at the next committee meeting in two weeks. The House has a select committee addressing the same issues.

Several House Committees (House Education Committee, House Education Appropriations Subcommittee, and House PreK-12 Innovation Subcommittee) discussed the turnaround process in Jefferson County. Representative Bileca, chair of the House Education Committee, announced that the committee members may be visiting Jefferson County Schools in the next few weeks.

At the House PreK-12 Qualify Subcommittee, Chancellor Lyons and other representatives from DOE presented a PowerPoint containing an update on the implementation of legislation passed in 2017. The PowerPoint is attached.

At the Senate Education Appropriations Subcommittee, members were presented with a budget recap. The PowerPoint is attached.

Finally, during the Senate Appropriations Committee meeting, Amy Baker, the Coordinator of the Office of Economic and Demographic Research (EDR) presented the Long Range Financial Outlook to the committee.

The most significant new insights offered at this presentation include the following:

The economic impacts of Hurricane Irma are beginning to be felt in the Florida Economy, reducing the General Revenue (GR) projections particularly for FY 2018-2019. In FY 2018-2019 the original Outlook projected a surplus of \$52 million from a General Revenue Budget of about \$32 billion. Since the original outlook was adopted about \$141.7 million was transferred from the state's reserves for Hurricane Irma costs, reducing available non-recurring GR by a like amount. FY 2018-2019 expenses have been increased \$55.4 million due to a change in the forecast costs for the Florida Retirement System. Currently FY 2018-2019 is now projected to have a balance of -\$145.1 million rather than +\$52 million.

More negative impacts to General Revenue are expected. It was pointed out that most of the recent major gains in General Revenue have come from the tourism industry, and Hurricane Irma is expected to have a negative impact on tourism and related tax collections. Expenses related to Hurricane Irma are expected to further deplete reserves.

Ms. Baker suggested that to spread the impacts of the projected shortfalls over the next three years, each year's General Revenue expenditures will have to be reduced by about \$560 million. That means that the projected FY 2018-2019 General Revenue expenditure budget will be \$560 million less than projected. That \$560 million smaller budget would be rolled up for FY 2019-2020, and reduced another \$560 million. The FY 2020-2021 General Revenue expenditure budget, which would now be \$1.12 billion smaller than originally projected, would be reduced about \$560 million, for a total reduction of \$1.680 billion of the budget originally projected for FY 2020-2021. Given the projection of increasing transfers from reserves to pay for Hurricane Irma expenses, the reductions may be larger.

I hope this information is helpful. If you have any questions, please give me a call.