



2014 State Legislative Agenda

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Context:

Last year's "Aim Higher" campaign, a student-led effort that our universities rallied behind, was a huge success that helped erase the debilitating budget cuts Tallahassee put to our schools in spring 2012. Despite the positive outcome (which was the State's restoration of \$300 million in operating funding to our university system for the current year), our institutions still face ongoing challenges. The good news for students is that increasing tuition is no longer seen as the primary way to meet our universities' operational budget needs, as it was during the years of the recession. The governor and many prominent members of the Florida Legislature have been outspoken about preventing sharp increases in costs to our students and families, and we should applaud and appreciate those efforts. However, there are still several issues that need addressing in Tallahassee.

Funding for new facilities, renovations and expansions of existing facilities (and especially funds for maintaining our existing facilities) have fallen behind our needs due to three main factors:

1. **Diminishing PECO (Public Education Capital Outlay) funds**
 - The PECO trust fund is the main source of construction funding for our universities, state colleges and the K-12 system. It is a fund composed of several state taxes on energy and communications, and since 2011 has not yielded enough statewide revenue to adequately fund public education projects. It is not projected to provide adequate funding to such projects until the 2016-17 fiscal year.
2. **Enrollment and programmatic growth**
 - Full-time enrollment system-wide has increased 11% since the recession began. Meanwhile, state funding per full-time student has decreased more than 30%. This simultaneous increase in students and decrease in funding is unsustainable, and many of our campuses are experiencing infrastructure shortfalls as a result.



3. The impacts of the recession.

It is projected that there will be more new nonrecurring (or one-time) funds than recurring (or ongoing) available in the 2014 session. Specifically, Florida's Legislative Office of Economic and Demographic Research projects that there will be a state budget surplus of \$845.7 million, \$449 million of which is nonrecurring. Since nonrecurring funds are only available in the year in which they are appropriated, they are meant for one-time projects (much like A&S special and travel requests). Recurring funds are ongoing, so these types of funds can be built into multi-year budgets (much like the A&S budgeting process). Now that you have some background information on where we are and how we got there, here's what we're proposing to do about it.

Issue 1: Hard Hats for Higher Education

This initiative is a partnership between students, university administrators and several other advocacy groups including the Florida Chamber of Commerce and various builders' associations. Its purpose is to revitalize the state university system through strategic investments in our institutions' facilities, both new and old. We are seeking to achieve this through a combination of state financial support and the modernization of regulations that govern how our universities are able to finance construction projects. The end result would be universities that are ultimately less dependent on state financial support for construction projects, which could allow the State to continue managing its overall debt levels responsibly and in a way that doesn't significantly hindering the progress of Florida's higher education mission. There are essentially four parts to this:

1. **Use nonrecurring money to compensate for the lack of PECO funding.** Because the PECO trust fund (explained on page 1) is not projected to have the ability to adequately fund university projects until FY2016-17, we support using a portion of this year's nonrecurring GR (or General Revenue, which is generated from Florida's general state tax collections) to fund our university's critical maintenance needs as well as fund the completion of renovations and capital projects (the "321 Plan").
2. **Bond the CITF Fee.** We support the state allowing us to leverage the Capital Improvement Trust Fund (CITF) Fee. Created statewide in the 1980s, this fee has historically been bonded to finance extracurricular construction projects on campuses. This has allowed the fee's relatively small annual cash receipts to result in multi-million dollar facilities through the use of responsible, easily-repaid debt (Wellness Complex', Student Unions, etc.). This past year marked the first time that the state government



denied universities the ability to leverage the fee, and universities lost several million dollars' worth of construction projects as a result.

3. **Allow state universities to engage in public private partnerships to help finance construction projects.** Currently, universities are the only public education unit in Florida that can't form agreements with private entities for the purposes of financing construction. Giving the SUS the ability to share the construction costs of certain projects with interested third-parties (and also, for example, to share future revenue from such facilities with those parties) will allow the university greater flexibility and opportunities when it comes to building future structures on campus.



Issue 2: Tuition Equity

This initiative seeks to harness the human capital in our state and transform it into the next generation of educated citizens and highly qualified members of Florida's workforce. The FSA voted unanimously to support the extension of in-state tuition benefits to several groups:

1. Honorably discharged veterans of the U.S. armed forces, including its reserve components and the National Guard,
2. Children who are U.S. citizens and reside in Florida, but were born to undocumented immigrant parents, and
3. Graduates from Florida high schools who reside in the state but are undocumented immigrants.

The cost of extending such privileges to the aforementioned groups would, like similar programs in place at certain Florida universities, become the responsibility of each individual institution to absorb. The Florida Senate estimates that tuition equity for honorably discharged veterans would cost Florida universities a total of \$8.2 million next year. There is currently no estimated figure for the cost of extending in-state tuition rates to the remaining two groups.

For more information on the Florida Student Association's 2014 legislative agenda, please contact:

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