

Week Two on the Hill

UCAT ALERT! The Board of Governors will be meeting this week in Orlando. On the agenda is Steve Uhfelder's proposal for standardized testing of university students.

In Tallahassee-- The second week of the legislative session has flown by – along with common sense. The Florida Legislature is in a rush to get the budget process going. It's an election year... and the home front beckons.

On Monday, March 15, the **Higher Education Finance** bill will be heard in the House Committee on Education K-20, chaired by Rep. Kilmer. The bill had a troublesome beginning, but it looks like some of the kinks are being removed. At the time of this writing, the bill requires that state universities and community colleges compile annual reports examining affordability and access. It also requires state university BOTs to create plans to encourage students to complete their baccalaureate degrees in four years. It also requires that students who take over 115% of the credit hours required for their degree be subject to a surcharge. The bill standardizes residency for tuition purposes and for financial aid purposes. UFF fears some of these mandates will hurt our most vulnerable students, and some of our higher performers.

Tax Breaks—Making Florida's Economy Strong? The House Committee on Finance and Tax has passed two bills that if enacted will further deplete state funding sources.

HB 237 by Rep. Kilmer is the Sales Tax Holiday bill. If enacted, this bill would create a partial exemption that provides no sales tax will be collected upon clothing (limitations apply) having a selling price of \$50 or less, and school supplies having a selling price of \$10 or less per item. This "Tax Holiday" would be held during the summer in conjunction with "Back to School" shopping. This bill would cost the state approximately \$26.3 Million and Local Governments approximately \$5.2 Million.

HB 791 by Rep. Johnson would eliminate the Intangible Property Tax over the next three years. The Intangible Property Tax is currently paid by Floridians on the value of stocks and bonds. Exemptions are already in place to prevent an individual with a portfolio of less than \$310,000 and a couple with less than \$560,000 in taxable assets from paying the intangibles tax. If enacted, this bill would reduce state revenues by \$87.9 Million in 2004-05, \$188.8 Million in 2005-06, and \$306 Million in 2006-07 and every year thereafter.

On the National Front-- The Fight in Congress Over Money and Public Policy. Early this morning – after 50 hours of debate and 25 recorded votes plus additional voice votes -- the Senate approved a Budget Resolution (a tax and spending blueprint) for Fiscal Year 2005 that begins October 1, 2004. House action on a Budget Resolution could begin as early as next week.

The action comes on the heels of the Administration's proposed freeze for most higher education programs.

NEA, in a series of strong messages to Congress, urged Members to support amendments that invest in children and families, including expanded access to postsecondary education. NEA made clear that Congress would be held accountable for wrong-headed decisions.