

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 2508

INTRODUCER: Appropriations Committee

SUBJECT: Employee Compensation

DATE: April 1, 2021

REVISED: _____

ANALYST

Urban

STAFF DIRECTOR

Sadberry

REFERENCE

ACTION

AP Submitted as Comm. Bill/Fav

I. Summary:

SB 2508 revises limitations on compensation from appropriated state funds for Florida College System (FCS) institution and State University System (SUS) university employees, including presidents. Specifically, the bill:

- Lowers the current cap on remuneration from \$200,000 to \$180,000;
- Expands the cap to include FCS and SUS faculty and staff, rather than just administrative employees;
- Redefines the term “appropriated state funds” to exclude “other state trust funds”; and
- Restricts how salary increases for state university employees may be made when using appropriated state funds; and
- Authorizes the Board of Governors to adopt regulations.

The bill takes effect July 1, 2021.

II. Present Situation:

Florida College System Institution Limits on Compensation Paid

Sections 1012.885, F.S., sets a statutory cap of \$200,000 of state funds that may be used for compensation for a Florida College System institution president. The term “appropriated state funds” is defined to mean “funds appropriated from the General Revenue Fund or funds appropriated from state trust funds.”¹ However, a FCS institution president may receive cash or cash-equivalent compensation in excess of the statutory cap.²

Sections 1012.886, F.S., sets a statutory cap of \$200,000 of state funds that may be used for compensation for FCS institution administrative employees. The term “appropriated state funds” is defined to mean “funds appropriated from the General Revenue Fund or funds appropriated

¹ Section 1012.885(1)(a), F.S.

² Section 1012.885(2), F.S.

from state trust funds.”³ However, a FCS institution administrative employee may receive cash or cash-equivalent compensation in excess of the statutory cap.⁴ There is a specific exemption for FCS institution teaching faculty.⁵

State University System Limits on Compensation Paid

Sections 1012.975, F.S., sets a statutory cap of \$200,000 of state funds that may be used for compensation for a state university president. The term “public funds” is defined to mean “funds appropriated from the General Revenue Fund, funds appropriated from state trust funds, tuition and fees, or any funds from a state university trust fund regardless of repository.”⁶ However, a state university president may receive cash or cash-equivalent compensation in excess of the statutory cap.⁷

Sections 1012.976, F.S., sets a statutory cap of \$200,000 of state funds that may be used for compensation for state university administrative employees. The term “appropriated state funds” is defined to mean “funds appropriated from the General Revenue Fund or funds appropriated from state trust funds.”⁸ However, a state university administrative employee may receive cash or cash-equivalent compensation in excess of the statutory cap.⁹ Additionally, there is a specific exemption for state university teaching faculty or medical school faculty or staff.¹⁰

III. Effect of Proposed Changes:

This bill revises limitations on compensation from appropriated state funds for Florida College System (FCS) institution and State University System (SUS) university employees, including presidents.

The bill expands the cap to include all faculty and staff of FCS institutions and SUS universities, specifically including teaching faculty and medical school faculty and staff. The bill lowers the cap from \$200,000 to \$180,000.

The bill redefines the term “appropriated state funds” and “public funds” to mean “funds appropriated from the General Revenue Fund or the Educational Enhancement Trust Fund.” This authorizes FCS institutions or SUS universities to use funds from tuition to pay employees or presidents above the statutory cap.

The bill restricts how SUS universities may implement salaries when using appropriated state funds. Salary increases for state university employees are required to be based solely on performance, except as otherwise provided in the General Appropriations Act. Salary increases may not be issues to every employee of the university, or every employee within a cohort within the university, without regard to performance.

³ Sections 1012.886(1)(a), F.S.

⁴ Section 1012.886(2), F.S.

⁵ Section 1012.886(3), F.S.

⁶ Section 1012.975(1)(b), F.S.

⁷ Section 1012.975(2), F.S.

⁸ Sections 1012.976(1)(a), F.S.

⁹ Section 1012.976(2), F.S.

¹⁰ Section 1012.976(3), F.S.

The bill authorizes the Board of Governors of the State University System to adopt regulations to define personnel classifications and administer the provisions of relating to compensation of state university employees.

The bill takes effect July 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill does not necessitate an impact to any faculty and staff who earn a salary above \$180,000, to the extent their institution supplements their salaries from sources other than state funds.

C. Government Sector Impact:

The bill conforms applicable statutes to the appropriations provided in the Senate proposed GAA for fiscal year 2021-2022. Specifically, the Senate GAA, as proposed, includes a reduction of approximately \$39 million, due to capping state funds used for college and university faculty and staff salaries.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of Florida Statutes: 1012.885, 1012.886, 1012.975, and 1012.976.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
