

Education Committee

**Thursday, March 20, 2014
9:00 a.m. – 11:00 a.m.**

102 HOB

Meeting Packet

**Will Weatherford
Speaker**

**H. Marlene O'Toole
Chair**



AGENDA

Education Committee
Thursday, March 20, 2014
9:00 a.m. – 11:00 a.m.

102 HOB

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Consideration of the following bill(s):
 - CS/HB 115 Public Meetings/University Direct-Support Organization by Pigman
 - HB 377 Educational Facilities Financing by Moraitis
 - CS/HB 7057 Career Centers and Charter Technical Career Centers by, Rodrigues, R.
- IV. Closing Remarks and Adjournment

1 A bill to be entitled
 2 An act relating to public meetings; amending s.
 3 1004.28, F.S.; providing an exemption from public
 4 meeting requirements for any portion of a meeting of
 5 the board of directors of a university direct-support
 6 organization, or of the executive committee or other
 7 committees of such board, at which any proposal seeking
 8 research funding from the organization or a plan or
 9 program for either initiating or supporting research is
 10 discussed; providing for review and repeal of the
 11 exemption; providing a statement of public necessity;
 12 providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Subsection (5) of section 1004.28, Florida
 17 Statutes, is amended to read:

18 1004.28 Direct-support organizations; use of property;
 19 board of directors; activities; audit; facilities.—

20 (5) ANNUAL AUDIT; PUBLIC RECORDS EXEMPTION; PUBLIC
 21 MEETINGS EXEMPTION.—

22 (a) Each direct-support organization shall provide for an
 23 annual financial audit of its accounts and records to be
 24 conducted by an independent certified public accountant in
 25 accordance with rules adopted by the Auditor General pursuant to
 26 s. 11.45(8) and by the university board of trustees. The annual

27 audit report shall be submitted, within 9 months after the end
28 of the fiscal year, to the Auditor General and the Board of
29 Governors for review. The Board of Governors, the university
30 board of trustees, the Auditor General, and the Office of
31 Program Policy Analysis and Government Accountability shall have
32 the authority to require and receive from the organization or
33 from its independent auditor any records relative to the
34 operation of the organization. The identity of donors who desire
35 to remain anonymous shall be protected, and that anonymity shall
36 be maintained in the auditor's report.

37 (b) All records of the organization other than the
38 auditor's report, management letter, and any supplemental data
39 requested by the Board of Governors, the university board of
40 trustees, the Auditor General, and the Office of Program Policy
41 Analysis and Government Accountability shall be confidential and
42 exempt from ~~the provisions of~~ s. 119.07(1).

43 (c) Any portion of a meeting of the board of directors of
44 the organization, or of the executive committee or other
45 committees of such board, at which any proposal seeking research
46 funding from the organization or a plan or program for either
47 initiating or supporting research is discussed is exempt from s.
48 286.011 and s. 24(b), Art. I of the State Constitution. This
49 paragraph is subject to the Open Government Sunset Review Act in
50 accordance with s. 119.15 and shall stand repealed on October 2,
51 2019, unless reviewed and saved from repeal through reenactment
52 by the Legislature.

53 Section 2. The Legislature finds that it is a public
 54 necessity that any portion of a meeting of the board of directors
 55 of a direct-support organization established under s. 1004.28,
 56 Florida Statutes, or of the executive committee or other
 57 committees of such board, at which any proposal seeking research
 58 funding from the organization or a plan or program for either
 59 initiating or supporting research is discussed should be held
 60 exempt from s. 286.011, Florida Statutes, and s. 24(b), Article I
 61 of the State Constitution. The resources raised by direct-support
 62 organizations are frequently used to initiate, develop, and fund
 63 plans and programs for research that routinely contain sensitive
 64 proprietary information, including university-connected research
 65 projects, which provide valuable opportunities for faculty and
 66 students and may lead to future commercial applications. This
 67 activity requires the direct-support organization to develop
 68 research strategies and evaluate proposals for research grants
 69 that routinely contain sensitive or proprietary information,
 70 including specific research approaches and targets of
 71 investigation, the disclosure of which could injure those
 72 conducting the research. Maintaining the confidentiality of
 73 research strategies, plans, and proposals is a hallmark of a
 74 responsible funding process, is practiced by the National Science
 75 Foundation and the National Institutes of Health, and allows for
 76 candid exchanges among reviewers. The state has recognized these
 77 realities by expressly making most of the records of direct-
 78 support organizations confidential and exempt from the state's

79 public records requirements, including proposals seeking
 80 research funding. Failure to close meetings in which these
 81 activities are discussed would significantly undermine the
 82 confidentiality of the strategies, plans, and proposals
 83 themselves. Without the exemption from public meeting
 84 requirements, the release during a public meeting of a proposal
 85 seeking research funding from the direct-support organization or
 86 a plan or program for either initiating or supporting research
 87 would defeat the purpose of the public records exemption. It is
 88 therefore the finding of the Legislature that the exemption from
 89 public meeting requirements is a public necessity.

90 Section 3. This act shall take effect October 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 115 Public Meetings/University Direct Support Organization
SPONSOR(S): Government Operations Subcommittee; Pigman
TIED BILLS: IDEN./SIM. BILLS: SB 318

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Higher Education & Workforce Subcommittee	10 Y, 1 N	Ammel	Sherry
2) Government Operations Subcommittee	10 Y, 0 N, As CS	Williamson	Williamson
3) Education Committee		Ammel <i>JA</i>	Mizereck <i>MM</i>

SUMMARY ANALYSIS

University direct-support organizations (DSO) are subject to public record and public meeting laws. Current law provides that certain records held by a DSO are confidential and exempt from public record requirements. There is no similar public meeting exemption for DSO board meetings during which confidential and exempt records are discussed.

The bill creates a public meeting exemption for any portion of a meeting of the board of directors of the DSO, or of a committee of the DSO, in which the board or committee discusses a proposal seeking research funding from the DSO or a plan or program for either initiating or supporting research. The bill provides for repeal of the exemption on October 2, 2019, unless reviewed and saved from repeal by the Legislature. It also provides a statement of public necessity as required by the State Constitution.

The bill does not appear to have a fiscal impact on state or local government.

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a newly created public record or public meeting exemption. The bill creates a public meeting exemption; thus, it requires a two-thirds vote for final passage.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

State Constitution: Open Meetings

Article I, s. 24(b) of the State Constitution sets forth the state's public policy regarding access to government meetings. The section requires that all meetings of any collegial public body of the executive branch of state government or of any collegial public body of a county, municipality, school district, or special district, at which official acts are to be taken or at which public business of such body is to be transacted or discussed, be open and noticed to the public.

Article I, s. 24(c) of the State Constitution authorizes the Legislature to provide exemptions from the open meeting requirements upon a two-thirds vote of both legislative chambers, in a bill that specifies the public necessity giving rise to the exemption.

Government in the Sunshine Law

Public policy regarding access to government meetings also is addressed in the Florida Statutes. Section 286.011, F.S., known as the "Government in the Sunshine Law" or "Sunshine Law," further requires that all meetings of any board or commission of any state agency or authority or of any agency or authority of any county, municipal corporation, or political subdivision, at which official acts are to be taken be open to the public at all times.¹ The board or commission must provide reasonable notice of all public meetings.² Public meetings may not be held at any location that discriminates on the basis of sex, age, race, creed, color, origin or economic status or which operates in a manner that unreasonably restricts the public's access to the facility.³ Minutes of a public meeting must be promptly recorded and be open to public inspection.⁴

Open Government Sunset Review Act

The Open Government Sunset Review Act⁵ provides that a public meeting exemption may be created or maintained only if it serves an identifiable public purpose and the "[l]egislature finds that the purpose is sufficiently compelling to override the strong public policy of open government and cannot be accomplished without the exemption."⁶ However, the exemption may be no broader than is necessary to meet one of the following purposes:

- Allows the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
- Protects sensitive personal information that, if released, would be defamatory or would jeopardize an individual's safety; however, only the identity of an individual may be exempted under this provision; or
- Protects trade or business secrets.⁷

University Direct-support Organizations

Current law defines "university direct-support organization" (DSO) to mean an organization that is:

- A Florida corporation not for profit incorporated under the provisions of chapter 617, F.S., and approved by the Department of State.

¹ Section 286.011(1), F.S.

² *Ibid.*

³ Section 286.011(6), F.S.

⁴ Section 286.011(2), F.S.

⁵ Section 119.15, F.S.

⁶ *Ibid.*

⁷ *Ibid.*

- Organized and operated exclusively to receive, hold, invest, and administer property and to make expenditures to or for the benefit of a state university in Florida or for the benefit of a research and development park or research and development authority affiliated with a state university and organized under part V of chapter 159, F.S.
- An organization that a state university board of trustees, after review, has certified to be operating in a manner consistent with the goals of the university and in the best interest of the state. Any organization that is denied certification by the board of trustees shall not use the name of the university that it serves.⁸

The DSO serves a role in raising private support for university academic, research, and athletic activities.⁹ The DSO may establish accounts with the State Board of Administration for investment of funds pursuant to part IV of chapter 218, F.S.¹⁰ The DSO is prohibited from giving any gift to a political committee or committee of continuous existence for any purpose other than those certified by a majority roll call vote of the governing board of the DSO at a regularly scheduled meeting as being directly related to the educational mission of the university.¹¹

DSOs are subject to public record and public meeting laws.¹² Current law provides that the following records held by the DSO are confidential and exempt¹³ from public record requirements:

- The identity of a donor who desires to remain anonymous; and
- All records of the DSO other than the auditor's report,¹⁴ management letter, and any supplemental data required by the Board of Governors, the university board of trustees, the Auditor General, and the Office of Program Policy Analysis and Government Accountability.¹⁵

There is no similar exemption for DSO board meetings during which confidential and exempt records are discussed.

Effect of Proposed Changes

This bill creates a public meeting exemption for meetings of the university DSO. Any portion of a meeting of the board of directors for the DSO, or of the executive committee or other committee of such board, in which the board or committee discusses a proposal seeking research funding from the organization or a plan or program for either initiating or supporting research is discussed is exempt from public meeting requirements.

⁸ Section 1004.28(1)(a), F.S.

⁹ State University System Board of Governors, *2013 Legislative Bill Analysis for HB 359* (Feb. 14, 2013) (on file with the Higher Education and Workforce Subcommittee).

¹⁰ Section 1004.28(2)(a), F.S.

¹¹ Section 1004.28(4), F.S.

¹² See *Palm Beach Community College Foundation, Inc. v. WTFT, Inc.*, 611 So.2d 588 (Fla. 4th DCA 1993). The Florida Attorney General opined that community college direct-support organizations are subject to Sunshine Law. Op. Att'y Gen. Fla. 05-27 (2005). See also Op. Att'y Gen. Fla. 92-53 (1992) (providing that John and Mable Ringling Museum of Art Foundation, Inc., established pursuant to statute as a not-for-profit corporation to assist the museum in carrying out its functions by raising funds for the museum, is subject to Sunshine Law by virtue of its substantial ties with the museum).

¹³ There is a difference between records the Legislature designates as exempt from public record requirements and those the Legislature deems confidential and exempt. A record classified as exempt from public disclosure may be disclosed under certain circumstances. See *WFTV, Inc. v. The School Board of Seminole*, 874 So.2d 48, 53 (Fla. 5th DCA 2004), review denied 892 So.2d 1015 (Fla. 2004); *City of Riviera Beach v. Barfield*, 642 So.2d 1135 (Fla. 4th DCA 1994); *Williams v. City of Minneola*, 575 So.2d 687 (Fla. 5th DCA 1991). If the Legislature designates a record as confidential and exempt from public disclosure, such record may not be released, by the custodian of public records, to anyone other than the persons or entities specifically designated in the statutory exemption. See Attorney General Opinion 85-62 (August 1, 1985).

¹⁴ Current law requires a DSO to provide for an annual financial audit of its accounts and records conducted by an independent certified public accountant in accordance with certain requirements. The annual audit report must be submitted to the Auditor General and the Board of Governors for review.

¹⁵ Section 1004.28(5), F.S.

The bill provides that the exemption is subject to the Open Government Sunset Review Act and will stand repealed on October 2, 2019, unless reviewed and saved from repeal through reenactment by the Legislature. It provides a statement of public necessity as required by the State Constitution.

B. SECTION DIRECTORY:

Section 1. Amends s. 1004.28, F.S., to create an exemption from public meeting requirements for certain meetings of the board of directors of a university DSO or of the executive committee or other committees of the board; providing for review and repeal of the exemption.

Section 2. Provides a statement of public necessity.

Section 3. Provides an effective date of October 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

Vote Requirement

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a newly created or expanded public record or public meeting exemption. The bill creates a public meeting exemption; thus, it requires a two-thirds vote for final passage.

Public Necessity Statement

Article I, s. 24(c) of the State Constitution requires a public necessity statement for a newly created or expanded public record or public meeting exemption. The bill creates a public meeting exemption; thus, it includes a public necessity statement.

Breadth of Exemption

Article I, s. 24(c) of the State Constitution requires a newly created public record or public meeting exemption to be no broader than necessary to accomplish the stated purpose of the law. The public necessity statement provides that maintaining the confidentiality of research strategies, plans, and proposals is a hallmark of a responsible funding process, and the state has recognized these realities by expressly making most of the DSO's records confidential and exempt from public record requirements. The release of a proposal seeking research funding from the DSO, or a plan or program for initiating or supporting research, during a public meeting would defeat the purpose of the public record exemption.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 5, 2014, the Government Operations Subcommittee adopted an amendment and reported the bill favorably with committee substitute. The amendment removed the public meeting exemption for those portions of DSO meetings wherein donor information is discussed.

The analysis is drafted to the committee substitute as passed by the Government Operations Subcommittee.

1 A bill to be entitled

2 An act relating to educational facilities financing;
 3 renaming chapter 243, F.S., and part II thereof to
 4 conform to changes made by the act; amending ss.
 5 243.50, 243.51, 243.52, 243.53, 243.54, 243.59,
 6 243.66, 243.67, and 243.73, F.S.; revising provisions
 7 relating to the financing of independent nonprofit
 8 higher educational facilities to include financing for
 9 private nonprofit elementary, middle, and secondary
 10 schools meeting certain criteria; revising the short
 11 title and findings to conform; revising definitions;
 12 renaming the facilities financing authority to
 13 conform; revising powers of the authority, including
 14 the issuance and payment of bonds, to conform;
 15 revising the date for submission of an annual
 16 financial report by the authority to the Governor and
 17 Legislature; providing an effective date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

20
 21 Section 1. Chapter 243, Florida Statutes, entitled "Higher
 22 Educational Facilities Bonds," is renamed "Educational
 23 Facilities Bonds." Part II of that chapter, entitled "Higher
 24 Educational Facilities Financing," is renamed "Educational
 25 Facilities Financing."

26 Section 2. Section 243.50, Florida Statutes, is amended to

HB 377

2014

27 read:

28 243.50 Short title.—Sections 243.50-243.77 may be cited as
 29 the "~~Higher~~ Educational Facilities Financing Act."

30 Section 3. Section 243.51, Florida Statutes, is amended to
 31 read:

32 243.51 Findings and declarations.—It is the purpose of ss.
 33 243.50-243.77 to provide a measure of assistance and an
 34 alternative method enabling private educational institutions in
 35 ~~of higher education of~~ this state to provide the facilities and
 36 structures that they need and to enable those institutions to
 37 coordinate their budgetary needs with the timing of receipt of
 38 tuition revenues.

39 Section 4. Subsections (3) through (8) of section 243.52,
 40 Florida Statutes, are amended to read:

41 243.52 Definitions.—As used in ss. 243.50-243.77, the
 42 term:

43 (3) "Project" means a structure suitable for use as a
 44 dormitory or other housing facility, dining hall, student union,
 45 administration building, academic building, library, laboratory,
 46 research facility, classroom, athletic facility, health care
 47 facility, or maintenance, storage, or utility facility, and
 48 other structures or facilities related thereto, or required
 49 thereto, or required or useful for the instruction of students,
 50 or the conducting of research, or the operation of an
 51 educational institution, including parking and other facilities
 52 or structures, essential or convenient for the orderly conduct

53 of such institution and includes equipment and machinery and
 54 other similar items necessary or convenient for the operation of
 55 a particular facility or structure in the manner for which its
 56 use is intended but does not include such items as books, fuel,
 57 supplies, or other items that are customarily deemed to result
 58 in a current operating charge. The term also ~~dermitory, student~~
 59 ~~service facility, parking facility, administration building,~~
 60 ~~academic building, or library and~~ includes a loan in
 61 anticipation of tuition revenues by an educational institution
 62 ~~of higher education,~~ as defined in subsection (6).

63 (4) "Cost," as applied to a project or any portion thereof
 64 financed under ss. 243.50-243.77, includes all or any part of
 65 the cost of construction and acquisition of all lands,
 66 structures, real property, rights, rights-of-way, franchises,
 67 easements, and interests acquired or used for a project; the
 68 cost of demolishing or removing any buildings or structures on
 69 land so acquired, including the cost of acquiring any lands to
 70 which the buildings or structures may be removed; the cost of
 71 all machinery and equipment, financing charges, and interest
 72 before, during, and for a period of 30 months after completion
 73 of the construction; provisions for working capital, reserves
 74 for principal, interest, and rebate; provisions for extensions,
 75 enlargements, additions, and improvements; the cost of
 76 engineering, financial, and legal services; the cost of plans,
 77 specifications, studies, surveys, estimates of costs and
 78 revenues, administrative expenses, and expenses necessary to

79 determining the feasibility or practicability of constructing
 80 the project; and other expenses necessary for constructing and
 81 acquiring the project, financing the construction, and placing
 82 the project in operation. In the case of a loan in anticipation
 83 of tuition revenues, the term "cost" means the amount of the
 84 loan in anticipation of revenues which does not exceed the
 85 amount of tuition revenues anticipated to be received by the
 86 borrowing institution ~~of higher education~~ in the 1-year period
 87 following the date of the loan, plus costs related to the
 88 issuance of the loan, or the amount of the bonds, the proceeds
 89 of which fund the loans and any related cost of debt service,
 90 reserve funds, and rebate associated therewith.

91 (5) "Bond" or "revenue bond" means a revenue bond of the
 92 authority issued under ss. 243.50-243.77, including a revenue
 93 refunding bond, notwithstanding that it may be secured by
 94 mortgage or the full faith and credit of a participating
 95 institution ~~of higher education~~ or any other lawfully pledged
 96 security of a participating institution ~~of higher education~~.

97 (6) "Educational institution of higher education" means:

98 (a) An independent nonprofit college or university that
 99 ~~which~~ is located in and chartered by the state; that ~~which~~ is
 100 accredited by the Commission on Colleges of the Southern
 101 Association of Colleges and Schools; that ~~which~~ grants
 102 baccalaureate degrees; and that ~~which~~ is not a state university
 103 or Florida College System institution ~~state community college~~.

104 (b) A private nonprofit elementary, middle, or secondary

105 school that is located in and chartered by the state and
 106 accredited by the Southern Association of Colleges and Schools.

107 (7) "Participating institution" means an educational
 108 ~~institution of higher education,~~ as defined in subsection (6),
 109 that undertakes the financing and construction or acquisition of
 110 a project or undertakes the refunding or refinancing of
 111 obligations or of a mortgage or of advances as provided in and
 112 permitted by ss. 243.50-243.77.

113 (8) "Loan in anticipation of tuition revenues" means a
 114 loan to a participating ~~an~~ ~~institution of higher education~~ under
 115 circumstances in which tuition revenues anticipated to be
 116 received by the institution in any budget year are estimated to
 117 be insufficient at any time during the budget year to pay the
 118 operating expenses or other obligations of the institution in
 119 accordance with the budget of the institution.

120 Section 5. Subsections (1) and (2) of section 243.53,
 121 Florida Statutes, are amended to read:

122 243.53 Creation of ~~Higher~~ Educational Facilities Financing
 123 Authority.-

124 (1) There is created a public body corporate and politic
 125 to be known as the ~~Higher~~ Educational Facilities Financing
 126 Authority. The authority is constituted as a public
 127 instrumentality, and the exercise by the authority of the powers
 128 conferred by ss. 243.50-243.77 is considered to be the
 129 performance of an essential public function. Chapters 119 and
 130 286 apply to the authority.

131 (2) The authority shall consist of five members to be
 132 appointed by the Governor, subject to confirmation by the
 133 Senate. One member shall be a trustee, director, officer, or
 134 employee of a participating an institution ~~of higher education~~.
 135 Of the members first appointed, one shall serve for 1 year, one
 136 for 2 years, one for 3 years, one for 4 years, and one for 5
 137 years, and in each case until his or her successor is appointed
 138 and has qualified. Thereafter, the Governor shall appoint for
 139 terms of 5 years each a member or members to succeed those whose
 140 terms expire. The Governor shall fill any vacancy for an
 141 unexpired term. A member of the authority is eligible for
 142 reappointment. Any member of the authority may be removed by the
 143 Governor for misfeasance, malfeasance, or willful neglect of
 144 duty. Each member of the authority before entering upon his or
 145 her duties shall take and subscribe to the oath or affirmation
 146 required by the State Constitution. A record of each oath must
 147 be filed in the office of the Department of State and with the
 148 authority.

149 Section 6. Section 243.54, Florida Statutes, is amended to
 150 read:

151 243.54 Powers of the authority.—The purpose of the
 152 authority is to assist participating institutions ~~of higher~~
 153 ~~education~~ in constructing, financing, and refinancing projects
 154 throughout the state, and ~~7~~ for this purpose, the authority may:

155 (1) Exercise all powers granted to corporations under the
 156 Florida Business Corporation Act, chapter 607.

157 (2) Have perpetual succession as a body politic and
 158 corporate and adopt bylaws for the regulation of its affairs and
 159 the conduct of its business.

160 (3) Adopt an official seal and alter the same at its
 161 pleasure.

162 (4) Maintain an office at any place in the state that it
 163 may designate.

164 (5) Sue and be sued in its own name, and plead and be
 165 impleaded.

166 (6) Make and execute financing agreements, leases, as
 167 lessee or as lessor, contracts, deeds, and other instruments
 168 necessary or convenient in the exercise of the powers and
 169 functions of the authority, including contracts with persons,
 170 firms, corporations, federal and state agencies, and other
 171 authorities, which state agencies and other authorities are
 172 authorized to enter into contracts and otherwise cooperate with
 173 the authority to facilitate the financing, construction,
 174 leasing, or sale of any project or the institution of any
 175 program; engage in sale-leaseback, lease-purchase, lease-
 176 leaseback, or other undertakings and provide for the sale of
 177 certificates of participation incident thereto; and enter into
 178 interlocal agreements in the manner provided in s. 163.01.

179 (7) Determine the location and character of any project to
 180 be financed under ss. 243.50-243.77 and may:

181 (a) Construct, reconstruct, maintain, repair, and lease
 182 the project as lessee or lessor.

183 (b) Enter into contracts for any of those purposes.

184 (c) Designate a participating institution as its agent to
 185 determine the location and character of a project undertaken by
 186 a participating institution under ss. 243.50-243.77 and, as the
 187 agent of the authority, construct, reconstruct, maintain,
 188 repair, own, and lease the project as lessee or lessor.

189 (8) Issue bonds, bond anticipation notes, and other
 190 obligations of the authority for any of its corporate purposes,
 191 including the provision of funds to pay all or any part of the
 192 cost of any project and to fund or refund the cost of any
 193 project as provided in ss. 243.50-243.77.

194 (9) Establish rules for the use of a project or any
 195 portion thereof and designate a participating institution as its
 196 agent to establish rules for the use of a project undertaken by
 197 the participating institution.

198 (10) Employ consulting engineers, architects, attorneys,
 199 accountants, construction and financial experts,
 200 superintendents, managers, and other employees and agents as
 201 necessary, and fix their compensation.

202 (11) Receive and accept from any public agency loans or
 203 grants for or in aid of the construction of a project or any
 204 portion thereof, and receive and accept loans, grants, aid, or
 205 contributions from any source of money, property, labor, or
 206 other things of value, to be held, used, and applied only for
 207 the purposes for which the loans, grants, aid, and contributions
 208 are made.

209 (12) Mortgage any project and the site thereof for the
 210 benefit of the holders of revenue bonds issued to finance
 211 projects or those providing credit for that purpose.

212 (13) Make loans to any participating institution for the
 213 cost of a project, including a loan in anticipation of tuition
 214 revenues, in accordance with an agreement between the authority
 215 and the participating institution. However, a loan may not
 216 exceed the total cost of the project as determined by the
 217 participating institution and approved by the authority.

218 (14) Make loans to a participating institution to refund
 219 outstanding obligations, mortgages, or advances issued, made, or
 220 given by the participating institution for the cost of a
 221 project.

222 (15) Charge to and equitably apportion among participating
 223 institutions its administrative costs and expenses incurred in
 224 the exercise of the powers and duties conferred by ss. 243.50-
 225 243.77.

226 (16) Contract with an entity as its agent to assist the
 227 authority in screening applications of participating
 228 institutions ~~of higher education~~ for loans under ss. 243.50-
 229 243.77 and receive any recommendations the entity may make.

230 (17) Do all things necessary or convenient to carry out
 231 the purposes of ss. 243.50-243.77.

232 Section 7. Section 243.59, Florida Statutes, is amended to
 233 read:

234 243.59 Approval required to issue bonds.—The authority is

235 created for the purpose of promoting private nonprofit higher
 236 education and issuing bonds on behalf of the state, and the
 237 Governor may approve any bonds issued by the authority which
 238 require approval under federal law.

239 Section 8. Section 243.66, Florida Statutes, is amended to
 240 read:

241 243.66 Payment of bonds.—Revenue bonds issued under ss.
 242 243.50-243.77 are not a debt or liability of the authority, any
 243 municipality, the state, or any political subdivision thereof,
 244 and are not a pledge of the faith and credit of the state, the
 245 authority, any municipality, or any political subdivision
 246 thereof, but are payable solely from revenues of the authority
 247 pertaining to the project relating to the issue; payments by
 248 participating institutions ~~of higher education~~, banks, insurance
 249 companies, or others under letters of credit or purchase
 250 agreements; investment earnings from funds or accounts
 251 maintained under the bond resolution; insurance proceeds; loan
 252 funding deposits; proceeds of sales of education loans; proceeds
 253 of refunding obligations; and fees, charges, and other revenues
 254 of the authority from the project. All revenue bonds must
 255 contain on the face thereof a statement to the effect that
 256 neither the authority nor any municipality, the state, or any
 257 political subdivision thereof is obligated to pay the bond or
 258 the interest thereon except from revenues of the project or the
 259 portion thereof for which they are issued, and that neither the
 260 faith and credit nor the taxing power of the authority, any

261 municipality, the state, or any political subdivision thereof is
 262 pledged to the payment of the principal of or the interest on
 263 the bonds. The issuance of revenue bonds under ss. 243.50-243.77
 264 may not directly, indirectly, or contingently obligate the
 265 authority, any municipality, the state, or any political
 266 subdivision thereof to levy or to pledge any form of taxation
 267 therefor or to make any appropriation for their payment.

268 Section 9. Subsection (3) of section 243.67, Florida
 269 Statutes, is amended to read:

270 243.67 Rates, rents, fees, and charges.—

271 (3) The use and disposition of moneys to the credit of a
 272 sinking or other similar fund must be subject to the resolution
 273 authorizing the issuance of the bonds or of the trust agreement.
 274 Except as otherwise provided in the resolution or the trust
 275 agreement, the sinking or other similar fund must be a fund for
 276 all revenue bonds issued to finance projects at a particular
 277 participating institution ~~of higher education~~ without
 278 distinction or priority of one over another. However, the
 279 authority in any resolution or trust agreement may provide that
 280 the sinking or other similar fund be the fund for a particular
 281 project at a participating institution and for payment of the
 282 revenue bonds issued to finance that project, and may,
 283 additionally, permit and provide for the issuance of revenue
 284 bonds having a subordinate lien in respect of the security
 285 authorized to other revenue bonds of the authority, and, in such
 286 case, the authority may create separate sinking or other similar

287 funds in respect of the subordinate lien bonds.

288 Section 10. Subsection (1) of section 243.73, Florida
 289 Statutes, is amended to read:

290 243.73 Reports; audits.—

291 (1) The authority shall submit to the Governor and the
 292 presiding officers of each house of the Legislature, within 4 ~~2~~
 293 months after the end of its fiscal year, a complete and detailed
 294 report setting forth:

295 (a) Its operations and accomplishments.

296 (b) Its receipts and expenditures during its fiscal year
 297 in accordance with the categories or classifications established
 298 by the authority for its operating and capital outlay purposes.

299 (c) Its assets and liabilities at the end of its fiscal
 300 year and the status of reserve, special, or other funds.

301 (d) A schedule of its bonds outstanding at the end of its
 302 fiscal year, together with a statement of the principal amounts
 303 of bonds issued and redeemed during the fiscal year.

304 (e) Any other information the authority deems appropriate.

305 Section 11. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 377 Educational Facilities Financing
SPONSOR(S): Moraitis, Jr.
TIED BILLS: IDEN./SIM. **BILLS:** SB 628

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Choice & Innovation Subcommittee	12 Y, 0 N	Beagle	Fudge
2) Finance & Tax Subcommittee	18 Y, 0 N	Pewitt	Langston
3) Education Committee		Beagle <i>GB</i>	Mizereck <i>YK</i>

SUMMARY ANALYSIS

The Higher Educational Facilities Financing Authority (authority) is a public corporation which assists eligible institutions of higher education in financing and refinancing educational facilities construction. Among other things, the authority may issue tax-exempt or taxable revenue bonds, which are privately financed and not secured by full faith and credit of the state. Financing acquired through the authority may be used for such construction projects as dormitories, parking and student service facilities, administration and academic buildings, libraries, and loans made in anticipation of tuition revenues.

Independent nonprofit colleges or universities which are located in and chartered by the state of Florida; are accredited by the Southern Association of Colleges and Schools (SACS); grant baccalaureate degrees; and are not a state university or community college may participate in educational facilities construction financing through the authority. This includes all 31 institutions belonging to the Independent Colleges and Universities of Florida (ICUF).

The bill renames the "Higher Educational Facilities Financing Authority" as the "Educational Facilities Financing Authority" and adds authorization for private, nonprofit elementary, middle, and secondary schools that are located in and chartered by the state of Florida and accredited by SACS to participate in construction financing through the authority. Accordingly, the term "institution of higher education" is replaced by the terms "educational institution" or "participating institution" throughout Part II of ch. 243, F.S. The bill makes a number of additional nomenclature changes to conform to this expansion of eligibility.

The bill expands the types of projects that the authority may finance by adding:

- Costs for construction of dining halls; student unions; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking; and
- Certain purchases of equipment and machinery.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed.

The Revenue Estimating Conference met on February 14, 2014, and estimated that the bill would have no impact on state or local revenues.

The bill takes effect July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Higher Educational Facilities Financing Authority (authority) is a public corporation which assists eligible institutions of higher education in financing and refinancing educational facilities construction.¹ Participation in financing through the authority is limited to independent nonprofit colleges or universities which are located in and chartered by the state of Florida; are accredited by the Southern Association of Colleges and Schools (SACS); grant baccalaureate degrees; and are not a state university or community college.² This includes all 31 institutions belonging to the Independent Colleges and Universities of Florida (ICUF).³

Among other things, the authority may issue tax-exempt or taxable revenue bonds; acquire real estate; contract; and execute loans, leases, and other legal instruments.⁴ Bonds issued by the authority are privately financed, are not secured by the full faith and credit of the state, and do not constitute an obligation of the state.⁵ The authority may not enter into a financing agreement with a participating institution unless the institution demonstrates that it is financially responsible and capable of fulfilling its obligations under the agreement.⁶

The authority may only finance such projects as dormitories, parking and student service facilities, administration and academic buildings, libraries, and loans made in anticipation of tuition revenues.⁷ Financing may be provided for project costs related to construction and land acquisition; machinery and equipment; financing charges and interest; provisions for working capital; reserves for principal, interest, and rebate; provisions for extensions, enlargements, additions, and improvements; engineering, financial, and legal services; and construction planning and cost estimating.⁸

Currently, the authority and participating institutions are exempt from taxes or assessments related to a project or any property acquired for a project and any tax on income from those projects. Any bonds issued by the authority, any security for the bonds, the transfer of the bonds, and the income from the bonds (including profit on their sale) and notes, mortgages, security agreements, letters of credit, or other instruments are also exempt from taxation of any kind by the state or any local unit, political subdivision, or other instrumentality of the state. This tax exemption does not apply to income taxes imposed on corporations under ch. 220, F.S.⁹

¹ Part II, ch. 243, F.S.

² Section 243.52(6), F.S. The law defines the terms "institution of higher education" and "participating institution" to be synonymous. See s. 243.52(6) and (7), F.S.

³ See Independent Colleges and Universities of Florida, *About Us*, <http://www.icuf.org/newdevelopment/about-icuf/> (last visited Feb. 3, 2014). ICUF institutions include Adventist University of Health Sciences, Ave Maria University, Barry University, Beacon College, Bethune-Cookman University, Clearwater Christian College, Eckerd College, Edward Waters College, Embry-Riddle Aeronautical University, Everglades University, Flagler College, Florida College, Florida Institute of Technology, Florida Memorial University, Florida Southern College, Hodges University, Jacksonville University, Keiser University, Lynn University, Nova Southeastern University, Palm Beach Atlantic University, Ringling College of Art and Design, Rollins College, St. Leo University, Southeastern University, St. Thomas University, Stetson University, The University of Tampa, University of Miami, Warner University, and Webber International University. Independent Colleges and Universities of Florida, *School Websites*, <http://www.icuf.org/newdevelopment/schools/> (last visited Feb. 3, 2014).

⁴ Section 243.54, F.S.

⁵ Section 243.64, F.S.; Email, Independent Colleges and Universities of Florida, General Counsel (Feb. 3, 2014).

⁶ Section 243.58(2), F.S.

⁷ Section 243.52(3), F.S.

⁸ Section 243.52(4), F.S.

⁹ Section 243.70, F.S.

The authority's board consists of five members appointed by the Governor.¹⁰ The board must submit an annual report regarding its activities to the Governor and presiding officers of each house of the Legislature within two months of the end of its fiscal year.¹¹

Similar opportunities for higher educational facilities construction financing assistance are available through County Higher Educational Facilities Authorities (CHEFFA). However, since codified in 1969, CHEFFAs exist in only seven counties.¹² The Higher Educational Facilities Financing Authority was codified in 2001, in part, to extend such assistance to eligible institutions of higher education located in counties without a CHEFFA.¹³ A more extensive list of projects may be financed through a CHEFFA. Allowable projects include:

- Costs for construction of dormitories or student housing; dining halls; student unions; administration or academic buildings; libraries; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking;
- Certain purchases of equipment and machinery; and
- A loan in anticipation of tuition revenues.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed through a CHEFFA.¹⁴

Effect of Proposed Changes

The bill renames the "Higher Educational Facilities Financing Authority" as the "Educational Facilities Financing Authority" and adds authorization for private, nonprofit elementary, middle, and secondary schools that are located in and chartered by the state of Florida and accredited by SACS to participate in construction financing through the authority. Accordingly, the term "institution of higher education" is replaced by the terms "educational institution" or "participating institution" throughout Part II of ch. 243, F.S. Under the bill, the term "chartered by the state" refers to the private school's incorporation status with the state, and not status as a charter school. Charter schools are public schools and the charter, in that context, is a performance contract with its sponsor, typically a district school board.

The bill replaces the definition of "project" currently applicable to financing of construction projects through the authority with the broader definition currently applicable to CHEFFAs. Thus, allowable projects are expanded to add:

- Costs for construction of dining halls; student unions; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking; and
- Certain purchases of equipment and machinery.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed through the authority.

Private schools that qualify to participate in construction financing through the authority will be eligible for the tax exemptions currently available to eligible institutions. Additionally, the bill extends the

¹⁰ Section 243.53(2), F.S.

¹¹ Section 243.73(1), F.S.

¹² Chapter 69-345, L.O.F., *codified as* Part I, ch. 243, F.S.; Email, Independent Colleges and Universities of Florida, General Counsel (Feb. 3, 2014).

¹³ Chapter 2001-79, L.O.F.

¹⁴ Section 243.20(5), F.S.

deadline for the authority's annual report from two months to four months after the end of the fiscal year.

B. SECTION DIRECTORY:

Section 1. Renames ch. 243, F.S., as "Educational Facilities Bonds" and Part II of ch. 243, F.S., as "Educational facilities financing."

Section 2. Amends s. 243.50, F.S., relating to Short title.

Section 3. Amends s. 243.51, F.S., relating to Findings and declarations.

Section 4. Amends s. 243.52, F.S., relating to Definitions.

Section 5. Amends s. 243.53, F.S., relating to Creation of Higher Educational Facilities Financing Authority.

Section 6. Amends s. 243.54, F.S., relating to Powers of the authority.

Section 7. Amends s. 243.59, F.S., relating to Approval required to issue bonds.

Section 8. Amends s. 243.66, F.S., relating to Payment of bonds.

Section 9. Amends s. 243.67, F.S., relating to Rates, rents, fees, and charges.

Section 10. Amends s. 243.73, F.S., relating to Reports; audits.

Section 11. Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference met on February 14, 2014, and estimated that the bill would have no impact on state revenues.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill extends opportunities to participate in tax-exempt educational facilities construction financing to private, nonprofit, SACS accredited elementary, middle, and secondary schools. This will likely reduce costs incurred for construction and financing; however, the amount of the reduction is indeterminate.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. CS/HB 7057 (2014)

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Education Committee
2 Representative Rodrigues, R. offered the following:

3
4 **Amendment**

5 Remove line 53 and insert:

6 or acquire and operate a career center previously established. A
7 center that obtains approval to change its name to "technical
8 college" pursuant to subsection (7) remains under the control of
9 the district school board of the school district in which the
10 center is located.



Amendment No.2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Education Committee
2 Representative Rodrigues, R. offered the following:

Amendment

5 Remove lines 163-166 and insert:
6 designation "technical college" if the center:

7 (a) offers college credit certificate programs or has been
8 authorized to offer associate in applied science degree programs
9 pursuant to subsection (5);

10 (b) Offers only career and technical education programs
11 that are approved by an accrediting agency recognized by the
12 United States Department of Education; and

13 (c) Confirms that at least 75 percent of the career and
14 technical education programs with enrollment during the current
15 school year lead to an industry certification or licensure.
16



Amendment No. 3

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Education Committee
 2 Representative Rodrigues, R. offered the following:

Amendment

5 Remove lines 330-344 and insert:

6 contact or credit hour shall increase at the beginning of each
 7 fall semester at a rate ~~equal to inflation, unless otherwise~~
 8 ~~provided in the General Appropriations Act. If the rate is not~~
 9 ~~provided in the General Appropriations Act The Office of~~
 10 ~~Economic and Demographic Research shall report the rate of~~
 11 ~~inflation to the President of the Senate, the Speaker of the~~
 12 ~~House of Representatives, the Governor, and the State Board of~~
 13 ~~Education each year prior to March 1. For purposes of this~~
 14 ~~paragraph, the rate of inflation shall be defined as the rate of~~
 15 ~~the 12 month percentage change in the Consumer Price Index for~~
 16 ~~All Urban Consumers, U.S. City Average, All Items, or successor~~
 17 ~~reports as reported by the United States Department of Labor,~~



Amendment No. 3

18 ~~Bureau of Labor Statistics, or its successor for December of the~~
19 ~~previous year. In the event the percentage change is negative,~~
20 the tuition and out-of-state fee shall remain at the same level
21 as the prior fiscal year.

22

1 A bill to be entitled
 2 An act relating to career centers and charter
 3 technical career centers; amending s. 1001.44, F.S.;
 4 authorizing a career center to offer college credit
 5 courses applicable toward specific certificates or
 6 degrees; providing a process for approval to offer
 7 specific degree programs; requiring the State Board of
 8 Education to adopt rules; authorizing a career center
 9 to change the institution's name; amending s. 1002.34,
 10 F.S.; authorizing a charter technical career center to
 11 offer college credit courses applicable toward
 12 specific certificates or degrees; providing an
 13 approval process; authorizing a charter technical
 14 career center to change the institution's name;
 15 amending s. 1004.02, F.S., relating to definitions;
 16 renaming the applied technology diploma program as the
 17 college credit certificate program and clarifying the
 18 program; amending ss. 1007.23 and 1007.25, F.S.;
 19 conforming provisions; amending s. 1009.22, F.S.;
 20 revising and clarifying tuition and fees for specific
 21 workforce education programs; amending ss. 1009.53,
 22 1009.532, and 1009.536, F.S.; conforming provisions;
 23 reordering and amending s. 1011.80, F.S., relating to
 24 funds for operation of workforce education programs;
 25 conforming provisions; authorizing a career center to
 26 offer associate in applied science degree programs;

27 requiring school districts and Florida College System
 28 institutions to maintain certain records; revising
 29 operational and performance funding calculation and
 30 allocation for workforce education programs; deleting
 31 provisions relating to a program to assist in
 32 responding to needs of new and expanding businesses;
 33 correcting a cross-reference; providing an effective
 34 date.

36 Be It Enacted by the Legislature of the State of Florida:

38 Section 1. Section 1001.44, Florida Statutes, is amended
 39 to read:

40 (Substantial rewording of section. See
 41 s. 1001.44, F.S., for present text.)

42 1001.44 Career centers.-

43 (1) In order to provide additional career pathways, career
 44 centers shall support and enhance a competitive workforce by
 45 offering high-quality career and technical education programs
 46 that prepare graduates for current and emerging careers.

47 (2)(a) A career center is an educational institution that
 48 offers postsecondary career and technical education programs and
 49 is under the control of the district school board of the school
 50 district in which the center is located. A district school
 51 board, after first obtaining the approval of the Commissioner of
 52 Education, may organize, establish, and operate a career center

53 or acquire and operate a career center previously established.

54 (b) The district school boards of two or more contiguous
 55 districts may, after first obtaining the approval of the
 56 commissioner, enter into an agreement to organize, establish,
 57 and operate, or acquire and operate, a career center under this
 58 section.

59 (3) A career center shall maintain an academic transcript
 60 for each student enrolled in the center. A student's transcript
 61 shall include each course completed, credit earned, and
 62 credentials earned by the student. Each course shall be
 63 delineated by the course prefix and title assigned pursuant to
 64 s. 1007.24. A career center shall make each student's transcript
 65 available to that student.

66 (4) A career center may offer college credit courses
 67 applicable toward a college credit certificate or an associate
 68 in applied science degree through a partnership with a Florida
 69 College System institution or through direct authority to award
 70 such certificates and degrees. A career center must submit a
 71 proposal to the State Board of Education for approval before
 72 offering and awarding associate in applied science degrees.

73 (5) The process for a career center to offer an associate
 74 in applied science degree program shall be as follows:

75 (a) The career center shall submit a notice of its intent
 76 to propose an associate in applied science degree program to the
 77 Division of Career and Adult Education and the Florida College
 78 System institution in its service area 45 days before submitting

79 the proposal. The notice must include a brief description of the
 80 program, the geographic region to be served, and an estimated
 81 timeframe for implementation. The notice must also include
 82 evidence that the career center engaged in need, demand, and
 83 impact discussions with the Florida College System institution
 84 in its service area.

85 (b) A proposal to offer an associate in applied science
 86 degree program shall be submitted to the Division of Career and
 87 Adult Education and, at a minimum, include:

88 1. A description of the planning process and timeline for
 89 implementation.

90 2. An analysis of workforce demand and unmet need for
 91 graduates of the program on a district or regional basis, as
 92 appropriate, including evidence from entities independent of the
 93 institution.

94 3. Identification of the facilities, equipment, and
 95 library and academic resources that will be used to deliver the
 96 program.

97 4. A cost analysis of creating a new associate in applied
 98 science degree program.

99 5. The program's admission requirements, academic content,
 100 curriculum, faculty credentials, student-to-teacher ratios, and
 101 accreditation plan.

102 6. Feedback from the Florida College System institution
 103 regarding the notice of intent pursuant to paragraph (a).

104 7. The program's enrollment projections and funding

105 requirements.

106 8. A description of outcome measures that will be used to
 107 determine success, including, but not limited to, program
 108 completions, placements, licensures, and feedback of employer
 109 satisfaction with the job performance of graduates.

110 9. A plan that describes how the career center's college
 111 credit courses will meet the equivalent faculty credential
 112 standards for inclusion in the statewide course numbering system
 113 pursuant to s. 1007.24(7).

114 10. A plan of action if the program is terminated.

115 (c) The Division of Career and Adult Education shall
 116 review the proposal, notify the career center, in writing, of
 117 any deficiencies within 30 days after receipt of the proposal,
 118 and provide the center with an opportunity to correct the
 119 deficiencies.

120 (d) Within 45 days after receipt of the finalized proposal
 121 by the Division of Career and Adult Education, the commissioner
 122 shall recommend approval or disapproval of the proposal to the
 123 state board. The state board shall consider the recommendation
 124 and the proposal at the next scheduled meeting, adhering to
 125 appropriate meeting notice requirements. If the state board
 126 disapproves the career center proposal, it shall provide the
 127 center with a written explanation for that determination. The
 128 state board's action is not subject to the provisions of the
 129 Administrative Procedure Act.

130 (e) After approval by the state board to offer its first

131 associate in applied science degree program, the career center
 132 must obtain accreditation as an associate-in-applied-science-
 133 degree-granting institution from an accrediting agency that is
 134 recognized by the United States Department of Education.

135 (f) A career center shall notify the appropriate
 136 accrediting agency of subsequent degree programs that are
 137 approved by the state board.

138 (g) A career center shall annually, and upon request of
 139 the state board, the Chancellor of Career and Adult Education,
 140 or the Legislature, report its status using the following
 141 performance and compliance indicators:

- 142 1. Obtaining and maintaining appropriate accreditation.
- 143 2. Maintaining qualified faculty and institutional
 144 resources.
- 145 3. Maintaining enrollment in previously approved programs.
- 146 4. Managing fiscal resources appropriately.
- 147 5. Measuring program success, including program
 148 completions, placements, licensures, and employer satisfaction
 149 with the job performance of graduates.

151 The state board, upon review of the performance and compliance
 152 indicators, may require a career center to modify or terminate
 153 an associate in applied science degree program authorized under
 154 this section.

155 (6) The state board shall adopt rules providing guidelines
 156 for receiving, reviewing, and approving proposals to offer

157 associate in applied science degree programs. The rules shall
 158 establish an annual timeframe by which proposals must be
 159 received. The rules shall also require that a presentation be
 160 made to assist the state board in its decision.

161 (7) With the approval of its district school board, a
 162 career center may change the institution's name and use the
 163 designation "technical college" if the center offers college
 164 credit certificate programs or has been authorized to offer
 165 associate in applied science degree programs pursuant to
 166 subsection (5).

167 Section 2. Paragraphs (b) and (g) of subsection (11) of
 168 section 1002.34, Florida Statutes, are amended, and paragraphs
 169 (h) and (i) are added to that subsection, to read:

170 1002.34 Charter technical career centers.—

171 (11) FUNDING.—

172 (b) Each district school board and Florida College System
 173 institution that sponsors a charter technical career center
 174 shall pay directly to the center an amount stated in the
 175 charter. State funding shall be generated for the center for its
 176 student enrollment and program outcomes as provided in law. A
 177 center is eligible for funding from workforce education funds,
 178 the Florida Education Finance Program, and the Florida College
 179 System Program Fund, depending upon the programs offered
 180 ~~conducted~~ by the center, pursuant to s. 1011.80.

181 (g) A center must describe ~~define~~ in the charter agreement
 182 the delivery system in which the instructional offering of

183 educational services will be placed. The rules governing this
 184 delivery system must be applied to all of the center's students
 185 and must authorize all other sponsoring educational systems to
 186 report required enrollment and student data based solely on the
 187 rules of the offering institution. Each sponsor shall earn full-
 188 time equivalent membership for each student for funding and
 189 reporting purposes.

190 (h) A center may offer college credit courses applicable
 191 toward a college credit certificate or an associate in applied
 192 science degree through a partnership with a Florida College
 193 System institution or through direct authority to award such
 194 certificates and degrees. A center must submit a proposal to the
 195 State Board of Education for approval before offering and
 196 awarding associate in applied science degrees, as prescribed in
 197 s. 1001.44(5).

198 (i) With the approval of its board of directors, a center
 199 may change the institution's name and use the designation
 200 "technical college" if the center offers college credit
 201 certificate programs or has been authorized to offer associate
 202 in applied science degree programs pursuant to s. 1001.44(5).

203 Section 3. Subsections (8) and (26) of section 1004.02,
 204 Florida Statutes, are amended to read:

205 1004.02 Definitions.—As used in this chapter:

206 (8) "College credit certificate program" ~~"Applied~~
 207 ~~technology diploma program"~~ means a course of study that is part
 208 of a technical degree program, is less than 60 credit hours, and

209 | leads to employment in a specific occupation. ~~An applied~~
 210 | ~~technology diploma program may consist of either technical~~
 211 | ~~credit or college credit. A public school district may offer an~~
 212 | ~~applied technology diploma program only as technical credit,~~
 213 | ~~with college credit awarded to a student upon articulation to a~~
 214 | ~~Florida College System institution.~~ Statewide articulation among
 215 | public schools and Florida College System institutions is
 216 | guaranteed by s. 1007.23, and is subject to guidelines and
 217 | standards adopted by the State Board of Education pursuant to
 218 | ss. 1007.24 and 1007.25.

219 | (26) "Workforce education" means adult general education
 220 | or career education and may consist of a continuing workforce
 221 | education course or a program of study leading to an
 222 | occupational completion point, a career certificate, a college
 223 | credit certificate ~~an applied technology diploma~~, or a career
 224 | degree.

225 | Section 4. Subsections (1) and (4) of section 1007.23,
 226 | Florida Statutes, are amended to read:

227 | 1007.23 Statewide articulation agreement.—

228 | (1) The State Board of Education and the Board of
 229 | Governors shall enter into a statewide articulation agreement
 230 | which the State Board of Education shall adopt by rule. The
 231 | agreement must preserve Florida's "2+2" system of articulation,
 232 | facilitate the seamless articulation of student credit across
 233 | and among Florida's educational entities, and reinforce the
 234 | provisions of this chapter by governing:

235 (a) Articulation between secondary and postsecondary
 236 education.†

237 (b) Admission of associate in arts degree graduates from
 238 Florida College System institutions and state universities.†

239 (c) Admission of college credit certificate ~~applied~~
 240 ~~technology diploma~~ program graduates from Florida College System
 241 institutions or career centers.†

242 (d) Admission of associate in science degree and associate
 243 in applied science degree graduates from Florida College System
 244 institutions.†

245 (e) The use of acceleration mechanisms, including
 246 nationally standardized examinations through which students may
 247 earn credit.†

248 (f) General education requirements and statewide course
 249 numbers as provided for in ss. 1007.24 and 1007.25.† ~~and~~

250 (g) Articulation among programs in nursing.

251 (4) The articulation agreement must guarantee the
 252 statewide articulation of appropriate workforce development
 253 programs and courses between school districts and Florida
 254 College System institutions and specifically provide that every
 255 college credit certificate ~~applied technology diploma~~ graduate
 256 must be granted the same amount of credit upon admission to an
 257 associate in science degree or associate in applied science
 258 degree program unless it is a limited access program. Preference
 259 for admission must be given to graduates who are residents of
 260 Florida.

261 Section 5. Subsections (2) and (11) of section 1007.25,
 262 Florida Statutes, are amended to read:

263 1007.25 General education courses; common prerequisites;
 264 other degree requirements.—

265 (2) The department shall identify postsecondary career
 266 education programs offered by Florida College System
 267 institutions and district school boards. The department shall
 268 also identify career courses designated as college credit
 269 courses applicable toward a college credit certificate ~~career~~
 270 ~~education diploma~~ or degree. Such courses must be identified
 271 within the statewide course numbering system.

272 (11) The Commissioner of Education shall appoint faculty
 273 committees representing both Florida College System institution
 274 and public school faculties to recommend to the commissioner for
 275 approval by the State Board of Education a standard program
 276 length and appropriate occupational completion points for each
 277 postsecondary career certificate program, college credit
 278 certificate ~~diploma~~, and degree offered by a school district or
 279 a Florida College System institution.

280 Section 6. Subsection (3) of section 1009.22, Florida
 281 Statutes, is amended to read:

282 1009.22 Workforce education postsecondary student fees.—

283 (3)(a) Except as otherwise provided by law, fees for
 284 students who are nonresidents for tuition purposes must offset
 285 the full cost of instruction. Residency of students pursuing a
 286 career certificate, college credit certificate, or an associate

287 in applied science degree shall be determined as required in s.
 288 1009.21. Fee-nonexempt students enrolled in applied academics
 289 for adult education instruction shall be charged fees equal to
 290 the fees charged for adult general education programs. Each
 291 Florida College System institution that conducts developmental
 292 education and applied academics for adult education instruction
 293 in the same class section may charge a single fee for both types
 294 of instruction.

295 (b) Fees for continuing workforce education shall be
 296 locally determined by the district school board or Florida
 297 College System institution board. Expenditures for the
 298 continuing workforce education program provided by the Florida
 299 College System institution or school district must be fully
 300 supported by fees. Enrollments in continuing workforce education
 301 courses may not be counted for purposes of funding full-time
 302 equivalent enrollment.

303 (c) ~~Effective July 1, 2011, for programs leading to a~~
 304 ~~career certificate or an applied technology diploma, the~~
 305 ~~standard tuition shall be \$2.22 per contact hour for residents~~
 306 ~~and nonresidents and the out-of-state fee shall be \$6.66 per~~
 307 ~~contact hour.~~ For adult general education programs, a block
 308 tuition of \$45 per half year or \$30 per term shall be assessed
 309 ~~for residents and nonresidents, and the out-of-state fee shall~~
 310 ~~be \$135 per half year or \$90 per term.~~ Each district school
 311 board and Florida College System institution board of trustees
 312 shall adopt policies and procedures for the collection of and

313 accounting for the expenditure of the block tuition. All funds
 314 received from the block tuition shall be used only for adult
 315 general education programs. Students enrolled in adult general
 316 education programs may not be assessed the fees authorized in
 317 subsection (5), subsection (6), or subsection (7).

318 (d) For programs leading to a career certificate, the
 319 standard tuition shall be \$2.33 per contact hour for residents
 320 and nonresidents and the out-of-state fee shall be \$6.66 per
 321 contact hour in addition to the standard tuition of \$2.33 per
 322 contact hour. For programs leading to a college credit
 323 certificate or an associate in applied science degree, the
 324 standard tuition shall be \$71.98 per college credit hour for
 325 residents and nonresidents and the out-of-state fee shall be
 326 \$215.94 per credit hour in addition to the standard college
 327 credit hour rate of \$71.98.

328 ~~(e)(d) Beginning with the 2008-2009 fiscal year and each~~
 329 ~~year thereafter,~~ The tuition and the out-of-state fee per
 330 contact hour shall increase at the beginning of each fall
 331 semester at a rate equal to inflation, unless otherwise provided
 332 in the General Appropriations Act. The Office of Economic and
 333 Demographic Research shall report the rate of inflation to the
 334 President of the Senate, the Speaker of the House of
 335 Representatives, the Governor, and the State Board of Education
 336 each year before ~~prior to~~ March 1. For purposes of this
 337 paragraph, the rate of inflation shall be defined as the rate of
 338 the 12-month percentage change in the Consumer Price Index for

339 All Urban Consumers, U.S. City Average, All Items, or successor
 340 reports as reported by the United States Department of Labor,
 341 Bureau of Labor Statistics, or its successor for December of the
 342 previous year. In the event the percentage change is negative,
 343 the tuition and out-of-state fee shall remain at the same level
 344 as the prior fiscal year.

345 (f)~~(e)~~ Each district school board and each Florida College
 346 System institution board of trustees may adopt tuition and out-
 347 of-state fees that may vary no more than 5 percent below and 5
 348 percent above the combined total of the standard tuition and
 349 out-of-state fees established in paragraph (d)~~(e)~~.

350 ~~(f) The maximum increase in resident tuition for any~~
 351 ~~school district or Florida College System institution during the~~
 352 ~~2007-2008 fiscal year shall be 5 percent over the tuition~~
 353 ~~charged during the 2006-2007 fiscal year.~~

354 ~~(g) The State Board of Education may adopt, by rule, the~~
 355 ~~definitions and procedures that district school boards and~~
 356 ~~Florida College System institution boards of trustees shall use~~
 357 ~~in the calculation of cost borne by students.~~

358 Section 7. Subsection (1) of section 1009.53, Florida
 359 Statutes, is amended to read:

360 1009.53 Florida Bright Futures Scholarship Program.—

361 (1) The Florida Bright Futures Scholarship Program is
 362 created to establish a lottery-funded scholarship program to
 363 reward any Florida high school graduate who merits recognition
 364 of high academic achievement and who enrolls in a degree

365 program, certificate program, or college credit certificate
 366 ~~applied technology~~ program at an eligible Florida public or
 367 private postsecondary education institution within 3 years of
 368 graduation from high school.

369 Section 8. Paragraph (c) of subsection (3) of section
 370 1009.532, Florida Statutes, is amended to read:

371 1009.532 Florida Bright Futures Scholarship Program;
 372 student eligibility requirements for renewal awards.-

373 (3)

374 (c) A student who is initially eligible in the 2012-2013
 375 academic year and thereafter may receive an award for a maximum
 376 of 100 percent of the number of credit hours required to
 377 complete an associate degree program, a baccalaureate degree
 378 program, or a postsecondary career certificate program or, for a
 379 Florida Gold Seal Vocational Scholars award, may receive an
 380 award for a maximum of 100 percent of the number of credit hours
 381 or equivalent clock hours required to complete one of the
 382 following at a Florida public or nonpublic education institution
 383 that offers these specific programs: for a college credit
 384 certificate ~~an applied technology diploma~~ program as defined in
 385 s. 1004.02(8), up to 60 credit hours or equivalent clock hours;
 386 for a technical degree education program as defined in s.
 387 1004.02(14), up to the number of hours required for a specific
 388 degree not to exceed 72 credit hours or equivalent clock hours;
 389 or for a career certificate program as defined in s.
 390 1004.02(21), up to the number of hours required for a specific

391 certificate not to exceed 72 credit hours or equivalent clock
 392 hours. A student who transfers from one of these program levels
 393 to another program level becomes eligible for the higher of the
 394 two credit hour limits.

395 Section 9. Paragraph (c) of subsection (4) of section
 396 1009.536, Florida Statutes, is amended to read:

397 1009.536 Florida Gold Seal Vocational Scholars award.—The
 398 Florida Gold Seal Vocational Scholars award is created within
 399 the Florida Bright Futures Scholarship Program to recognize and
 400 reward academic achievement and career preparation by high
 401 school students who wish to continue their education.

402 (4)

403 (c) A student who is initially eligible in the 2012-2013
 404 academic year and thereafter may earn a Florida Gold Seal
 405 Vocational Scholarship for a maximum of 100 percent of the
 406 number of credit hours or equivalent clock hours required to
 407 complete one of the following at a Florida public or nonpublic
 408 education institution that offers these specific programs: for a
 409 college credit certificate ~~an applied technology diploma~~ program
 410 as defined in s. 1004.02(8), up to 60 credit hours or equivalent
 411 clock hours; for a technical degree education program as defined
 412 in s. 1004.02(14), up to the number of hours required for a
 413 specific degree not to exceed 72 credit hours or equivalent
 414 clock hours; or for a career certificate program as defined in
 415 s. 1004.02(21), up to the number of hours required for a
 416 specific certificate not to exceed 72 credit hours or equivalent

417 clock hours.

418 Section 10. Section 1011.80, Florida Statutes, is
 419 reordered and amended to read:

420 1011.80 Funds for operation of workforce education
 421 programs.—

422 (1) As used in this section, the terms "workforce
 423 education" and "workforce education program" include:

424 (a) Adult general education programs designed to improve
 425 the employability skills of the state's workforce as defined in
 426 s. 1004.02(3).

427 (b) Career certificate programs, as defined in s.
 428 1004.02(21).

429 (c) College credit certificate ~~Applied technology diploma~~
 430 programs, as defined in s. 1004.02(8).

431 (d) Continuing workforce education courses.

432 (e) Degree career education programs.

433 (f) Apprenticeship and preapprenticeship programs as
 434 defined in s. 446.021.

435 (2) A ~~Any~~ workforce education program may be conducted by
 436 a Florida College System institution or a school district,
 437 except that ~~college credit in an associate in applied science or~~
 438 an associate in science degree may be awarded only by a Florida
 439 College System institution. However, if an ~~associate in applied~~
 440 ~~science or an~~ associate in science degree program contains
 441 within it an ~~occupational completion point that confers a~~
 442 college credit certificate ~~or an applied technology diploma,~~

443 that portion of the program may be offered ~~conducted~~ by a school
 444 district career center. A career center authorized to offer an
 445 associate in applied science degree program pursuant to s.
 446 1001.44(5) may offer only those general education courses
 447 contained within the approved degree program. ~~Any~~ Instruction
 448 designed to articulate to a degree program is subject to
 449 guidelines and standards adopted by the State Board of Education
 450 pursuant to s. 1007.25.

451 (3) Each school district and Florida College System
 452 institution receiving state appropriations for workforce
 453 education programs must maintain adequate and accurate records,
 454 including a system to record school district workforce education
 455 funding and expenditures in order to maintain separation of
 456 postsecondary workforce education expenditures from secondary
 457 education expenditures. These records must be filed with the
 458 Department of Education in correct and proper form on or before
 459 the date due as fixed by law or rule for each annual or periodic
 460 report that is required by rules of the State Board of
 461 Education.

462 (4) ~~(9)~~ School districts shall report full-time equivalent
 463 students by discipline category for the programs specified in
 464 subsection (1). There shall be an annual cost analysis for the
 465 school district workforce education programs that reports cost
 466 by discipline category consistent with the reporting for full-
 467 time equivalent students. The annual financial reports submitted
 468 by the school districts must accurately report on the student

469 fee revenues by fee type according to the programs specified in
 470 subsection (1). The Department of Education shall develop a plan
 471 for comparable reporting of program, student, facility,
 472 personnel, and financial data between the Florida College System
 473 institutions and the school district workforce education
 474 programs.

475 ~~(3) If a program for disabled adults pursuant to s.~~
 476 ~~1004.93 is a workforce program as defined in law, it must be~~
 477 ~~funded as provided in this section.~~

478 ~~(4) Funding for all workforce education programs must be~~
 479 ~~based on cost categories, performance output measures, and~~
 480 ~~performance outcome measures.~~

481 ~~(a) The cost categories must be calculated to identify~~
 482 ~~high cost programs, medium cost programs, and low cost programs.~~
 483 ~~The cost analysis used to calculate and assign a program of~~
 484 ~~study to a cost category must include at least both direct and~~
 485 ~~indirect instructional costs, consumable supplies, equipment,~~
 486 ~~and standard program length.~~

487 ~~(b) The performance output measure for an adult general~~
 488 ~~education course of study is measurable improvement in student~~
 489 ~~skills. This measure shall include improvement in literacy~~
 490 ~~skills, grade level improvement as measured by an approved test,~~
 491 ~~or attainment of a State of Florida diploma or an adult high~~
 492 ~~school diploma.~~

493 ~~(c) The performance outcome measures for adult general~~
 494 ~~education programs are associated with placement and retention~~

495 ~~of students after reaching a completion point or completing a~~
 496 ~~program of study. These measures include placement or retention~~
 497 ~~in employment. Continuing postsecondary education at a level~~
 498 ~~that will further enhance employment is a performance outcome~~
 499 ~~for adult general education programs.~~

500 (5) State funding and student fees for workforce education
 501 instruction shall be established as follows:

502 (a) Expenditures for the continuing workforce education
 503 programs provided by the Florida College System institutions or
 504 school districts must be fully supported by fees. Enrollments in
 505 continuing workforce education courses shall not be counted for
 506 purposes of funding full-time equivalent enrollment.

507 (b) For all other workforce education programs, state
 508 funding shall be calculated based on weighted enrollment and
 509 program costs minus fee revenues generated to offset program
 510 operational costs ~~equal 75 percent of the average cost of~~
 511 ~~instruction with the remaining 25 percent made up from student~~
 512 ~~fees.~~ Fees for courses within a program shall not vary according
 513 to the cost of the individual program, but instead shall be as
 514 provided in s. 1009.22 ~~based on a uniform fee calculated and set~~
 515 ~~at the state level, as adopted by the State Board of Education,~~
 516 unless otherwise specified in the General Appropriations Act.

517 ~~(c) For fee-exempt students pursuant to s. 1009.25, unless~~
 518 ~~otherwise provided for in law, state funding shall equal 100~~
 519 ~~percent of the average cost of instruction.~~

520 ~~(c)(d)~~ For a public educational institution that has been
 521 fully funded by an external agency for direct instructional
 522 costs of any course or program, the FTE generated shall not be
 523 reported for state funding.

524 (6) (a) ~~A school district or a Florida College System~~
 525 ~~institution that provides workforce education programs shall~~
 526 ~~receive funds in accordance with distributions for base and~~
 527 ~~performance funding established by the Legislature in the~~
 528 ~~General Appropriations Act.~~ To ensure equitable funding for all
 529 school district workforce education programs and to recognize
 530 enrollment growth, the Department of Education shall use the
 531 funding model developed by the District Workforce Education
 532 Funding Steering Committee to determine each district's
 533 workforce education funding needs. To assist the Legislature in
 534 allocating workforce education funds in the General
 535 Appropriations Act, the funding model shall annually be provided
 536 to the legislative appropriations committees no later than March
 537 1.

538 (b) Operational funding shall be provided to school
 539 districts for workforce education programs based on weighted
 540 student enrollment and program costs determined by cost
 541 categories. The cost categories must be calculated to identify
 542 high-cost programs, medium-cost programs, and low-cost programs.
 543 The cost analysis used to calculate and assign a program of
 544 study to a cost category must include at least both direct and

545 indirect instructional costs, consumable supplies, equipment,
 546 and standard program length.

547 (7) Performance funding for workforce education programs
 548 shall be contingent upon specific appropriation in the General
 549 Appropriations Act. To assist the Legislature in determining
 550 performance funding allocations, the State Board of Education
 551 shall provide the Legislature with recommended formulas,
 552 criteria, timeframes, and mechanisms for distributing
 553 performance funds no later than March 1. These recommendations
 554 shall reward programs that:

555 (a) Prepare people to enter high-skill/high-wage
 556 occupations identified by the Workforce Estimating Conference
 557 pursuant to s. 216.136 and other programs as approved by
 558 Workforce Florida, Inc. At a minimum, performance incentives
 559 shall be calculated for adults who reach completion points or
 560 complete programs that lead to specified high-wage employment
 561 and to their placement in that employment.

562 (b) Prepare adults who are eligible for public assistance,
 563 economically disadvantaged, disabled, not proficient in English,
 564 or dislocated workers for high-wage occupations. At a minimum,
 565 performance incentives shall be calculated at an enhanced value
 566 for the completion by adults identified in this paragraph and
 567 the job placement of such adults upon completion. In addition,
 568 adjustments may be made in payments for job placements for areas
 569 of high unemployment.

570 (c) Increase student achievement in adult general
 571 education courses by measuring performance output and outcome
 572 measures.

573 1. The performance output measure for an adult general
 574 education course of study is measurable improvement in student
 575 skills. This measure shall include improvement in literacy
 576 skills, grade-level improvement as measured by an approved test,
 577 or attainment of a Florida diploma or an adult high school
 578 diploma.

579 2. The performance outcome measures for adult general
 580 education programs are associated with placement and retention
 581 of students after reaching a completion point or completing a
 582 program of study. These measures include placement or retention
 583 in employment. Continuing postsecondary education at a level
 584 that will further enhance employment is a performance outcome
 585 for adult general education programs.

586 (d) ~~(b)~~ Award industry certifications. Performance funding
 587 for industry certifications ~~for school district workforce~~
 588 education programs is contingent upon specific appropriation in
 589 the General Appropriations Act and shall be determined as
 590 follows:

591 1. Occupational areas for which industry certifications
 592 may be earned, as established in the General Appropriations Act,
 593 are eligible for performance funding. Priority shall be given to
 594 the occupational areas emphasized in state, national, or
 595 corporate grants provided to Florida educational institutions.

596 2. The Chancellor of Career and Adult Education shall
 597 identify the industry certifications eligible for funding on the
 598 Postsecondary Industry Certification Funding List approved by
 599 the State Board of Education pursuant to s. 1008.44, based on
 600 the occupational areas specified in the General Appropriations
 601 Act.

602 3. Each school district shall be provided \$1,000 for each
 603 industry certification earned by a workforce education student.
 604 The maximum amount of funding appropriated for performance
 605 funding pursuant to this paragraph shall be limited to \$15
 606 million annually. If funds are insufficient to fully fund the
 607 calculated total award, such funds shall be prorated.

608 ~~(c) A program is established to assist school districts~~
 609 ~~and Florida College System institutions in responding to the~~
 610 ~~needs of new and expanding businesses and thereby strengthening~~
 611 ~~the state's workforce and economy. The program may be funded in~~
 612 ~~the General Appropriations Act. The district or Florida College~~
 613 ~~System institution shall use the program to provide customized~~
 614 ~~training for businesses which satisfies the requirements of s.~~
 615 ~~288.047. Business firms whose employees receive the customized~~
 616 ~~training must provide 50 percent of the cost of the training.~~
 617 ~~Balances remaining in the program at the end of the fiscal year~~
 618 ~~shall not revert to the general fund, but shall be carried over~~
 619 ~~for 1 additional year and used for the purpose of serving~~
 620 ~~incumbent worker training needs of area businesses with fewer~~
 621 ~~than 100 employees. Priority shall be given to businesses that~~

622 ~~must increase or upgrade their use of technology to remain~~
 623 ~~competitive.~~

624 (8)~~(7)~~(a) A school district or Florida College System
 625 institution that receives workforce education funds must use the
 626 money to benefit the workforce education programs it provides.
 627 The money may be used for equipment upgrades, program
 628 expansions, or any other use that would result in workforce
 629 education program improvement. The district school board or
 630 Florida College System institution board of trustees may not
 631 withhold any portion of the performance funding for indirect
 632 costs.

633 (b) State funds provided for the operation of
 634 postsecondary workforce programs may not be expended for the
 635 education of state or federal inmates.

636 ~~(8) The State Board of Education and Workforce Florida,~~
 637 ~~Inc., shall provide the Legislature with recommended formulas,~~
 638 ~~criteria, timeframes, and mechanisms for distributing~~
 639 ~~performance funds. The commissioner shall consolidate the~~
 640 ~~recommendations and develop a consensus proposal for funding.~~
 641 ~~The Legislature shall adopt a formula and distribute the~~
 642 ~~performance funds to the State Board of Education for Florida~~
 643 ~~College System institutions and school districts through the~~
 644 ~~General Appropriations Act. These recommendations shall be based~~
 645 ~~on formulas that would discourage low-performing or low-demand~~
 646 ~~programs and encourage through performance funding awards.~~

647 ~~(a) Programs that prepare people to enter high-wage~~
 648 ~~occupations identified by the Workforce Estimating Conference~~
 649 ~~created by s. 216.136 and other programs as approved by~~
 650 ~~Workforce Florida, Inc. At a minimum, performance incentives~~
 651 ~~shall be calculated for adults who reach completion points or~~
 652 ~~complete programs that lead to specified high-wage employment~~
 653 ~~and to their placement in that employment.~~

654 ~~(b) Programs that successfully prepare adults who are~~
 655 ~~eligible for public assistance, economically disadvantaged,~~
 656 ~~disabled, not proficient in English, or dislocated workers for~~
 657 ~~high-wage occupations. At a minimum, performance incentives~~
 658 ~~shall be calculated at an enhanced value for the completion of~~
 659 ~~adults identified in this paragraph and job placement of such~~
 660 ~~adults upon completion. In addition, adjustments may be made in~~
 661 ~~payments for job placements for areas of high unemployment.~~

662 ~~(c) Programs that are specifically designed to be~~
 663 ~~consistent with the workforce needs of private enterprise and~~
 664 ~~regional economic development strategies, as defined in~~
 665 ~~guidelines set by Workforce Florida, Inc. Workforce Florida,~~
 666 ~~Inc., shall develop guidelines to identify such needs and~~
 667 ~~strategies based on localized research of private employers and~~
 668 ~~economic development practitioners.~~

669 ~~(d) Programs identified by Workforce Florida, Inc., as~~
 670 ~~increasing the effectiveness and cost efficiency of education.~~

671 (9)~~(10)~~ A high school student dually enrolled under s.
 672 1007.271 in a workforce education program operated by a Florida

673 College System institution or school district career center
 674 generates the amount calculated for workforce education funding,
 675 including any payment of performance funding, and the
 676 proportional share of full-time equivalent enrollment generated
 677 through the Florida Education Finance Program for the student's
 678 enrollment in a high school. If a high school student is dually
 679 enrolled in a Florida College System institution program,
 680 including a program conducted at a high school, the Florida
 681 College System institution earns the funds generated for
 682 workforce education funding, and the school district earns the
 683 proportional share of full-time equivalent funding from the
 684 Florida Education Finance Program. If a student is dually
 685 enrolled in a career center operated by the same district as the
 686 district in which the student attends high school, that district
 687 earns the funds generated for workforce education funding and
 688 also earns the proportional share of full-time equivalent
 689 funding from the Florida Education Finance Program. If a student
 690 is dually enrolled in a workforce education program provided by
 691 a career center operated by a different school district, the
 692 funds must be divided between the two school districts
 693 proportionally from the two funding sources. A student may not
 694 be reported for funding in a dual enrollment workforce education
 695 program unless the student has completed the basic skills
 696 assessment pursuant to s. 1004.91. A student who is coenrolled
 697 in a K-12 education program and an adult education program may
 698 be reported for purposes of funding in an adult education

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2014



699 program. If a student is coenrolled in core curricula courses
 700 for credit recovery or dropout prevention purposes and does not
 701 have a pattern of excessive absenteeism or habitual truancy or a
 702 history of disruptive behavior in school, the student may be
 703 reported for funding for up to two courses per year. Such a
 704 student is exempt from the payment of the block tuition for
 705 adult general education programs provided in s. 1009.22(3)(c)
 706 ~~1009.22(3)(d)~~. The Department of Education shall develop a list
 707 of courses to be designated as core curricula courses for the
 708 purposes of coenrollment.

709 (10) ~~(11)~~ The State Board of Education may adopt rules to
 710 administer this section.

711 Section 11. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 7057 PCB HEWS 14-01 Career Centers and Charter Technical Career Centers
SPONSOR(S): Education Appropriations Subcommittee, Higher Education & Workforce Subcommittee, Rodrigues
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Higher Education & Workforce Subcommittee	9 Y, 0 N	Ammel	Sherry
1) Education Appropriations Subcommittee	13 Y, 0 N, As CS	Butler	Heflin
2) Education Committee		Ammel 	Mizereck 

SUMMARY ANALYSIS

The bill promotes better utilization of career centers and charter technical career centers and increases student access to programs that will prepare graduates for current and emergent careers in the following ways:

- Authorizes career centers and charter technical career centers to offer college credit certificate programs and creates a process for approval to offer associate in applied science (AAS) degree programs.
- Authorizes career centers and charter technical career centers who offer college credit certificate programs or AAS degrees to request a name change to "technical college."
- Establishes fees for college credit programs at career centers commensurate with Florida College System fees.
- Requires only those students pursuing a career certificate, college credit certificate, or associate in applied science degree (not adult general education students) to meet residency requirements.

The bill has an indeterminate fiscal impact on state or local governments (SEE FISCAL COMMENTS).

The bill has an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Career Centers

Present Situation

Current law defines a career center as an educational institution offering terminal courses of a technical nature, and courses for out-of-school youth and adults.¹ Any district school board is authorized to establish and operate a career center after obtaining approval from the Department of Education (DOE).² In addition, district school boards of contiguous districts may enter into an agreement to establish a career center after obtaining approval from DOE.³

There are currently 48 public career centers operating in 30 school districts in Florida.⁴ Forty-seven of the career centers are accredited by the Council on Occupational Education (COE). Gadsden Technical Institute became a candidate for accreditation in 2013.⁵ The COE is recognized as a national institutional accrediting agency by the United States Secretary of Education for participation in Title IV programs.⁶ COE accredits educational institutions in 35 states, the District of Columbia, and two foreign countries,⁷ and its current scope includes accreditation of non-degree-granting and applied associate degree-granting postsecondary occupational education institutions.⁸

Both school districts and Florida College System (FCS) institutions offer workforce education programs.⁹ School districts may provide workforce education programs through one or more career centers, and may provide workforce education programs by sponsoring charter technical career centers in coordination with an FCS institution.¹⁰ Workforce education programs include: adult general education programs; career certificate programs; applied technology diploma programs; continuing workforce education courses; degree career education programs; and apprenticeship and preapprenticeship programs.¹¹ The career centers enrolled 46,739 students in career and technical education programs in 2012-13.¹²

Career centers in Florida are not currently authorized to award college credit or degrees. However, if an associate in applied science (AAS) or an associate in science degree program contains within it an

¹ Section 1001.44(3), F.S.

² Section 1001.44(1), F.S.

³ Section 1001.44(2), F.S.

⁴ Department of Education, District Technical Center Directors List, available at <http://www.fldoe.org/workforce/pdf/DistrictTechnicalCenterDirectors.pdf>, last visited (Nov. 2013).

⁵ Council on Occupational Education, *Accredited Institutions – August 2013*, available at <http://www.council.org/accredited-institutions/>.

⁶ Financial Aid for Postsecondary Students, Accreditation in the United States, available at http://www2.ed.gov/admins/finaid/accred/accreditation_pg6.html.

⁷ COE, *Accredited Institutions – August 2013*, available at <http://www.council.org/accredited-institutions/>.

⁸ COE, *Handbook of Accreditation: 2013 Edition (Amended: 4-26-13)*, available at <http://www.council.org/manuals/>.

⁹ Section 1011.80(2), F.S.

¹⁰ Florida House of Representatives, Schools and Learning Council, *Use of the Designation “College” by Career Centers & Charter Technical Career Centers*, Interim Project Report (February 2008), available at <http://myfloridahouse.gov/Sections/Documents/publications.aspx?Committeed=2370>, hereafter “Interim Report”.

¹¹ Section 1011.80(1), F.S.

¹² Florida Department of Education Presentation, *Postsecondary Education in District Technical Centers*, available at http://flsenate.gov/PublishedContent/Committees/2012-2014/AED/MeetingRecords/MeetingPacket_2435.pdf

occupational completion point that confers a certificate or applied technology diploma, that portion of the program may be conducted by a school district career center.¹³

For some time, career centers have advocated for a name change from “technical center” to “technical college”, to create a positive image and perception of the programs, services, staff, and students. However, there was concern that the designation “college” may be perceived as inappropriate for an educational institution that is not authorized to award college credit or college degrees.¹⁴

Charter Technical Career Centers

Present Situation

Current law defines a charter technical career center as a public school or a public technical center operated under a charter granted by a district school board, FCS institution board of trustees, or consortium of the above entities, and managed by a board of directors.¹⁵ The purpose of a charter technical center is to:

- develop a competitive workforce to support local business and industry and economic development;
- create a training and education model that is reflective of marketplace realities;
- offer a continuum of career educational opportunities using a school-to-work, tech-prep, technical, academy, and magnet school model; and
- provide career pathways for lifelong learning and career mobility.¹⁶

Charter technical career centers are authorized, through charters with their school district or FCS institution, to offer workforce education programs.¹⁷ Charter technical career centers are not currently authorized to award college credit or degrees. However, if an associate in applied science or an associate in science degree program contains within it an occupational completion point that confers a certificate or applied technology diploma, that portion of the program may be conducted by a school district career center.¹⁸

There are currently two charter technical career centers operating in Florida, Lake Technical Center in Eustis and First Coast Technical College in St. Augustine. Both are accredited by COE.¹⁹

Effect of Proposed Changes

The bill authorizes career centers and charter technical career centers to offer college credit certificate programs and establishes a process by which they can seek approval from the State Board of Education (state board) to offer AAS degrees. The center must submit a notice of its intent to propose an AAS degree program to the Division of Career and Adult Education (DCAE) within the DOE and to the FCS institution within its service area. Among other requirements, the intent must include evidence that the center engaged in need, demand, and impact discussions with the FCS institution in its service area. The notice must be submitted 45 days before the proposal to offer an AAS degree program is submitted to the state board. The proposal must be submitted to DCAE, and include, at a minimum, the following:

¹³ Section 1011.80(2), F.S.

¹⁴ Interim Report, pg. 1

¹⁵ Section 1002.34(3)(a), F.S.

¹⁶ Section 1002.34(2), F.S.

¹⁷ Section 1002.34(3)(a), F.S.

¹⁸ Section 1011.80(2), F.S., Although the subsection states school district career center, charter technical center is implied through its authorization by the school district career center under s. 1002.34(3)(a), F.S.

¹⁹ Office of Program Policy and Governmental Accountability, *Technical Centers*, presentation to Higher Education and Workforce Subcommittee (Jan. 8, 2014), available at <http://www.oppaga.state.fl.us/Presentations.aspx>.

- a description of the planning process and timeline for implementation;
- an analysis of workforce demand and unmet need for graduates of the program on a district or regional basis, as appropriate;
- identification of the facilities, equipment, and library and academic resources to be used;
- a cost analysis of creating a new AAS degree program;
- the program's admission requirements, academic content, curriculum, faculty credentials, student-to-teacher ratios, and accreditation plan;
- feedback from the FCS institution regarding the notice of intent to propose an AAS program;
- the program's enrollment projections and funding requirements;
- a description of outcome measures used to determine success;
- a plan that describes how the career center's college credit courses will meet the equivalent faculty credentials for inclusion in the statewide course numbering system; and
- a plan of action if the program is terminated.

DCAE shall review the proposal, and the Commissioner of Education shall make a recommendation to the state board. If approved by the state board, the center must obtain accreditation as an associate-in-applied-science-degree-granting institution from an accrediting agency that is recognized by the United States Department of Education.

The center must annually, and upon request of the state board, the Chancellor of DCAE, or the Legislature, submit a status report regarding the center's AAS degree programs. The bill outlines specific performance and compliance indicators that must be included in the report.

The bill authorizes a career center or a charter technical career center that offers college credit certificates or AAS degree programs to use the designation "technical college" with appropriate approval of their local school boards and accrediting agency.

Applied Technology Diploma

Present Situation

An applied technology diploma (ATD) is currently defined as a course of study that is part of a technical degree program, is less than 60 credit hours, and leads to employment in a specific occupation. It may consist of either technical (clock hour) or college credit; however a public school district (through a career center or charter technical career center), may offer the ATD only as technical credit, and college credit can be awarded to the student only upon articulation to an FCS institution.²⁰ As of October 2013, ten of the 30 districts in which career centers operate, were offering ATD programs with a statewide enrollment of 1,301 students.²¹

Effect of Proposed Changes

The bill renames and redefines "applied technology diploma" to "college credit certificate" to align with the centers' authority to offer college credit. ATDs, currently offered as clock hour programs, will be converted to college credit. College credit courses may be offered by a career center only as part of a college credit certificate or AAS degree program, and faculty credentials must meet guidelines required in the state course numbering system to ensure appropriate transfer of credit.

²⁰ Section 1004.02(8), F.S.

²¹ Email, Florida Department of Education, Division of Career and Adult Education (Jan. 28, 2014).

Workforce Education Postsecondary Student Fees

Present Situation

In 2011, the Legislature established block tuition for adult general education (AGE) at \$45 per half year or \$30 per term for residents and nonresidents, and an additional out-of-state fee of \$135 per half year or \$90 per term for non-residents. Fee exemptions previously outlined in s. 1009.25(1), F.S., for students enrolled in adult basic, adult secondary, and career-preparatory instruction from payment of tuition and fees were repealed, creating an additional requirement to verify the residency status of all students enrolling in AGE programs. The legislation required AGE students to meet the residency documentation requirements outlined in s. 1009.21, F.S.²²

Effect of Proposed Changes

The bill specifies that, for tuition purposes, residency determinations for students in workforce education programs apply only to students pursuing a career certificate, college credit certificate, or an AAS degree. Associated out-of-state block tuition fees for non-resident students in AGE programs are eliminated. Eliminating cumbersome documentation requirements for AGE students and the out-of-state fee will promote access and affordability for students. Eliminating residency determination/verification for this population will also reduce administrative costs to institutions.

The bill also establishes fees for college credit courses at career centers commensurate with those charged at FCS institutions.

Workforce Education Funding

Present Situation

Funds provided for career and charter technical centers are appropriated separately in the General Appropriations Act (GAA) from other K-12 programs. Proviso language included in the GAA specifies that the funds appropriated shall not be used to support K-12 programs or district K-12 administrative indirect costs. The Auditor General is required to verify compliance with this requirement during scheduled audits of these institutions.²³ As part of the school district, career and charter technical centers benefit from the use of school district personnel and services for many activities which may include: payroll/human resources; building maintenance and repair; pest control; lawn care; risk management and liability insurance; marketing; financial and legal services; professional development; school police; technology and MIS; transportation for limited high school students; and utilities. By sharing services, the centers do not have to hire additional full-time staff, or contract for these activities. School districts, in turn, charge their center(s) associated indirect and administrative fees for usage. Currently the Department of Education's financial data system does not separate secondary expenditures from postsecondary expenditures; thus, it has been difficult to obtain data or ascertain how the career education centers' indirect service charges are calculated. The indirect costs charged by school districts to the 48 centers vary in percentage of total allocations.

Postsecondary education, including workforce education programs, once conformed to a calculated percentage of the average cost of instruction funded with 75 percent from state general revenue and 25 percent from student fees. This ratio is no longer applicable, as tuition and fee revenues currently make up a larger percentage of total funding. Funding for workforce education is currently calculated based on weighted enrollment minus fee revenues generated to offset program operational costs.

²² Section 11, ch. 2011-63, L.O.F.

²³ Chapter 2013-40, L.O.F., see Specific Appropriation 117 proviso referencing Specific Appropriations 10, 115, 117 and 117A

Effect of Proposed Changes

The bill requires each school district and Florida College System institution receiving state appropriations for workforce education programs to maintain adequate and accurate records including a system to record school district workforce education funding and expenditures in order to maintain separation of postsecondary workforce education expenditures from secondary education expenditures.

The bill revises the calculation methodology for determining state funding for workforce education programs consistent with the current method used to allocate funds, and removes obsolete references for programs that are no longer funded.

The bill clarifies the requirements for workforce performance funding to reward all types of workforce education programs, including those that:

- prepare people to enter high-skill/high wage occupations;
- increase student achievement in Adult General Education courses; and
- award industry certifications

B. SECTION DIRECTORY:

Section 1. Amends s. 1001.44 F.S., authorizing a career center to offer college credit certificate programs and providing a process for approval to offer associate in applied science (AAS) degree programs upon approval of the State Board of Education and their accrediting agency; outlining the application and approval process for offering such programs; and allowing a career center that does offer college credit certificate programs or AAS programs to use the designation "technical college" with appropriate approval.

Section 2. Amends s. 1002.34, F.S., authorizing a charter technical career center to offer college credit certificate programs and providing a process for approval to offer AAS degree programs; and allowing a center that does offer college credit certificate or AAS programs to use the designation "charter technical college" with appropriate approval.

Section 3. Amends s. 1004.02, F.S., renaming the applied technology diploma program as the college credit certificate program to provide clarification and reflect that a career center or charter technical career center can now offer college credit in such programs.

Section 4. Amends s. 1007.23, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 5. Amends s. 1007.25, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 6. Amends s. 1009.22, F.S., requiring only those students pursuing a career certificate, college credit certificate, or associate in applied science degree (not adult general education students) to meet residency requirements, and removes the associated out-of-state fee requirements for adult general education students; updates the standard tuition rates per contact hour for career certificate programs to current rates authorized by the Legislature; and provides a new tuition fee structure for college credit certificate and AAS degree programs at the same rates as those charged by the Florida College System for college credit programs.

Section 7. Amends s. 1009.53, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 8. Amends s. 1009.532, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 9. Amends s. 1009.536, F.S., correcting a cross reference from applied technology diploma to college credit certificate.

Section 10. Amends s. 1011.80, F.S., authorizing a career center or charter technical career center to offer AAS degree programs and college credit certificates; clarifying that a career center authorized to offer AAS degree programs may only offer those general education courses contained within the approved degree program; requiring school districts and colleges to maintain adequate and accurate records, separating postsecondary workforce education expenditures from secondary education expenditures; clarifying the requirements for funding calculations to align with the current methodology for determining workforce education funding; clarifying the requirements for workforce performance funding.

Section 11. Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

By retooling applied technology degree programs to include credit courses and converting the tuition rates from contact hour to credit hour, the cost for students would increase by a minimal amount. The student does, however, receive an upgraded product with college credit that is more easily transferrable.

D. FISCAL COMMENTS:

The bill has an indeterminate fiscal impact. Repealing residency verification requirements for students enrolled in adult education courses could encourage increased student enrollment in adult general education programs. Authorizing career centers and charter technical centers to offer college credit certificate programs and AAS degree programs, as well as authorizing approved career centers to change the name to "technical college" could also encourage increased student enrollment in these programs. Increased enrollment in these programs is indeterminate.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill requires the State Board of Education to adopt rules providing guidelines for receiving, reviewing, and approving proposals to offer associate in applied science degree programs.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 5, 2014, the Education Appropriations Subcommittee adopted 2 amendments and reported the bill favorable as a committee substitute.

The amendments:

Include "career certificates" in the list of workforce education programs for which residency for tuition purposes must be determined.

Clarify the requirements for funding calculations to align with the current methodology for determining workforce education funding.

Increase transparency and accountability for workforce education funds by requiring school districts and FCS institutions that receive workforce funds to maintain separation of postsecondary workforce expenditures from secondary education expenditures.

Clarify the requirements for workforce performance funding to reward all types of workforce education programs, including those that:

- prepare people to enter high-skill/high wage occupations;
- increase student achievement in Adult General Education courses; and
- award industry certifications.