

1 A bill to be entitled
2 An act relating to higher education; amending
3 s. 240.299, F.S.; providing reporting
4 requirements for university direct-support
5 organizations; amending s. 240.311, F.S.,
6 relating to rules of the State Board of
7 Community Colleges; requiring a community
8 college district board of trustees to annually
9 evaluate the college president; amending s.
10 240.324, F.S.; providing an additional
11 requirement for the accountability plan for
12 community colleges; amending ss. 240.331,
13 240.3315, F.S.; prescribing membership of
14 boards of directors and executive committees of
15 community college direct-support organizations
16 and statewide community college direct-support
17 organizations; restricting activities of such
18 direct-support organizations; providing
19 reporting requirements for such organizations;
20 amending s. 240.3335, F.S.; removing the
21 authority of a board of directors of a center
22 of technology innovation to acquire, lease, or
23 sublease property; amending s. 240.363, F.S.;
24 providing that a community college is not
25 responsible for the acts, debts, liabilities,
26 or obligations of a direct-support
27 organization; providing an appropriation;
28 providing an effective date.

29
30 Be It Enacted by the Legislature of the State of Florida:
31

1 Section 1. Subsection (6) is added to section 240.299,
2 Florida Statutes, to read:

3 240.299 Direct-support organizations; use of property;
4 board of directors; audit; facilities.--

5 (6) ANNUAL BUDGETS AND REPORTS.--Each direct-support
6 organization shall submit to the university president and the
7 Board of Regents its federal Internal Revenue Service
8 Application for Recognition of Exemption form (Form 1023) and
9 its federal Internal Revenue Service Return of Organization
10 Exempt from Income Tax form (Form 990).

11 Section 2. Paragraph (f) of subsection (3) of section
12 240.311, Florida Statutes, is amended to read:

13 240.311 State Board of Community Colleges; powers and
14 duties.--

15 (3) The State Board of Community Colleges shall:

16 (f) Specify, by rule, procedures to be used by the
17 boards of trustees in the annual ~~periodic~~ evaluations of
18 presidents and formally review the evaluations of presidents
19 by the boards of trustees.

20 Section 3. Present paragraph (g) of subsection (1) of
21 section 240.324, Florida Statutes, is redesignated as
22 paragraph (h) and a new paragraph (g) is added to that
23 subsection, to read:

24 240.324 Community college accountability process.--

25 (1) It is the intent of the Legislature that a
26 management and accountability process be implemented which
27 provides for the systematic, ongoing improvement and
28 assessment of the improvement of the quality and efficiency of
29 the State Community College System. Accordingly, the State
30 Board of Community Colleges and the community college boards
31 of trustees shall develop and implement a plan to improve and

1 evaluate the instructional and administrative efficiency and
2 effectiveness of the State Community College System. This
3 plan must address the following issues:

4 (g) Institutional assessment efforts related to the
5 requirements of s. III in the Criteria for Accreditation of
6 the Commission on Colleges of the Southern Association of
7 Colleges and Schools.

8 Section 4. Section 240.331, Florida Statutes, is
9 amended to read:

10 240.331 Community college direct-support
11 organizations.--

12 (1) DEFINITIONS.--For the purposes of this section:

13 (a) "Community college direct-support organization"
14 means an organization that ~~which~~ is:

15 1. A Florida corporation not for profit, incorporated
16 under the provisions of chapter 617 and approved by the
17 Department of State.

18 2. Organized and operated exclusively to receive,
19 hold, invest, and administer property and to make expenditures
20 to, or for the benefit of, a community college in this state.
21 ~~The direct support organization may, at the request of the~~
22 ~~district board of trustees, provide residency opportunities on~~
23 ~~or near the college campus for students. Community College~~
24 ~~Program Fund and Public Education Capital Outlay funds may not~~
25 ~~be used to construct, maintain, or operate such facilities.~~

26 3. An organization that ~~which~~ the board of trustees,
27 after review, has certified to be operating in a manner
28 consistent with the goals of the community college and in the
29 best interest of the state. Any organization that ~~which~~ is
30 denied certification by the board of trustees ~~may~~ shall not
31 use the name of the community college that ~~which~~ it serves.

1 (b) "Personal services" includes full-time or
2 part-time personnel as well as payroll processing.

3 (2) BOARD OF DIRECTORS.--The chairperson of the board
4 of trustees shall appoint a representative to the board of
5 directors and the executive committee of each direct-support
6 organization established under this section, including those
7 established before July 1, 1998. The president of the
8 community college for which the direct-support organization is
9 established, or the president's designee, shall also serve on
10 the board of directors and the executive committee of the
11 direct-support organization, including any direct-support
12 organization established before July 1, 1998.

13 (3)(2) USE OF PROPERTY.--

14 (a) The board of trustees is authorized to permit the
15 use of property, facilities, and personal services at any
16 state community college by any community college
17 direct-support organization, subject to the provisions of this
18 section.

19 (b) The board of trustees is authorized to prescribe
20 by rule any condition with which a community college
21 direct-support organization must comply in order to use
22 property, facilities, or personal services at any state
23 community college.

24 (c) The board of trustees may ~~shall~~ not permit the use
25 of property, facilities, or personal services at any state
26 community college by any community college direct-support
27 organization that ~~which~~ does not provide equal employment
28 opportunities to all persons regardless of race, color,
29 national origin, sex, age, or religion.

30 (4) ACTIVITIES; RESTRICTIONS.--

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1 (a) A direct-support organization may, at the request
2 of the district board of trustees, provide residency
3 opportunities on or near campus for students.

4 (b) A direct-support organization that constructs
5 facilities for use by a community college or its students must
6 comply with all requirements of this chapter relating to the
7 construction of facilities by a community college, including
8 requirements for competitive bidding.

9 (c) Any transaction or agreement between one
10 direct-support organization and another direct-support
11 organization or between a direct-support organization and a
12 center of technology innovation designated under s. 240.3335
13 must be approved by the district board of trustees.

14 (5) ANNUAL BUDGETS AND REPORTS.--Each direct-support
15 organization shall submit to the board of trustees its federal
16 Internal Revenue Service Application for Recognition of
17 Exemption form (Form 1023) and its federal Internal Revenue
18 Service Return of Organization Exempt From Income Tax form
19 (Form 990).

20 (6)(3) ANNUAL AUDIT.--Each direct-support organization
21 shall make provisions for an annual postaudit of its financial
22 accounts to be conducted by an independent certified public
23 accountant in accordance with rules to be promulgated by the
24 district board of trustees. The annual audit report must
25 ~~shall~~ be submitted to the Auditor General, the State Board of
26 Community Colleges, and the board of trustees for review. The
27 board of trustees and the Auditor General may ~~shall have the~~
28 ~~authority to~~ require and receive from the organization or from
29 its independent auditor any detail or supplemental data
30 relative to the operation of the organization. The identity
31 of donors who desire to remain anonymous shall be protected,

1 and that anonymity shall be maintained in the auditor's
2 report. All records of the organization, other than the
3 auditor's report, any information necessary for the auditor's
4 report, any information related to the expenditure of funds,
5 and any supplemental data requested by the board of trustees
6 and the Auditor General, shall be confidential and exempt from
7 the provisions of s. 119.07(1).

8 Section 5. Section 240.3315, Florida Statutes, is
9 amended to read:

10 240.3315 Statewide community college direct-support
11 organizations.--

12 (1) DEFINITIONS.--For the purposes of this section:

13 (a) "Statewide community college direct-support
14 organization" means an organization that ~~which~~ is:

15 1. A Florida corporation not for profit, incorporated
16 under the provisions of chapter 617 and approved by the
17 Department of State.

18 2. Organized and operated exclusively to receive,
19 hold, invest, and administer property and to make expenditures
20 to, or for the benefit of, the Community College System in
21 this state.

22 3. An organization that ~~which~~ the State Board of
23 Community Colleges, after review, has certified to be
24 operating in a manner consistent with the goals of the
25 Community College System and in the best interest of the
26 state. Any organization that ~~which~~ is denied certification by
27 the State Board of Community Colleges may ~~shall~~ not use the
28 name of any community college.

29 (b) "Personal services" includes full-time or
30 part-time personnel as well as payroll processing.

31

1 (2) BOARD OF DIRECTORS.--The chairperson of the State
2 Board of Community Colleges may appoint a representative to
3 the board of directors and the executive committee of any
4 statewide, direct-support organization established under this
5 section or s. 240.331. The chairperson of the State Board of
6 Community Colleges, or the chairperson's designee, shall also
7 serve on the board of directors and the executive committee of
8 any direct-support organization established to benefit the
9 State Community College System.

10 ~~(3)~~~~(2)~~ USE OF PROPERTY.--

11 (a) The State Board of Community Colleges may is
12 ~~authorized to~~ permit the use of property, facilities, and
13 personal services of the Division of Community Colleges by any
14 statewide community college direct-support organization,
15 subject to the provisions of this section.

16 (b) The State Board of Community Colleges may is
17 ~~authorized to~~ prescribe by rule any condition with which a
18 statewide community college direct-support organization must
19 comply in order to use property, facilities, or personal
20 services of the Division of Community Colleges.

21 (c) The State Board of Community Colleges may shall
22 not permit the use of property, facilities, or personal
23 services of the Division of Community Colleges by any
24 statewide community college direct-support organization that
25 ~~which~~ does not provide equal employment opportunities to all
26 persons regardless of race, color, national origin, sex, age,
27 or religion.

28 (4) RESTRICTIONS.--

29 (a) A statewide, direct-support organization may not
30 use public funds to acquire, construct, maintain, or operate
31 any facilities.

1 (b) Any transaction or agreement between a statewide,
2 direct-support organization and any other direct-support
3 organization or between a statewide, direct-support
4 organization and a center of technology innovation designated
5 under s. 240.3335 must be approved by the State Board of
6 Community Colleges.

7 (5) ANNUAL BUDGETS AND REPORTS.--Each direct-support
8 organization shall submit to the State Board of Community
9 Colleges its federal Internal Revenue Service Application for
10 Recognition of Exemption form (Form 1023) and its federal
11 Internal Revenue Service Return of Organization Exempt From
12 Income Tax form (Form 990).

13 (6)(3) ANNUAL AUDIT.--A statewide community college
14 direct-support organization shall make provisions for an
15 annual postaudit of its financial accounts to be conducted by
16 an independent certified public accountant in accordance with
17 rules to be adopted by the State Board of Community Colleges.
18 The annual audit report shall be submitted to the Auditor
19 General and the State Board of Community Colleges for review.
20 The State Board of Community Colleges and the Auditor General
21 shall have the authority to require and receive from the
22 organization or from its independent auditor any detail or
23 supplemental data relative to the operation of the
24 organization. The identity of a donor or prospective donor who
25 desires to remain anonymous and all information identifying
26 such donor or prospective donor are confidential and exempt
27 from the provisions of s. 119.07(1) and s. 24(a), Art. I of
28 the State Constitution. Such anonymity shall be maintained in
29 the auditor's report.

30 Section 6. Subsection (7) of section 240.3335, Florida
31 Statutes, is amended to read:

1 240.3335 Centers of technology innovation.--
2 (7) Each center shall have a board of directors with
3 at least five members who shall be appointed by the district
4 board of trustees. The board of directors is ~~shall be~~
5 responsible for overseeing the operation of the center,
6 approval of the annual budget, and setting policy to guide the
7 director in the operation of the center. ~~The board of~~
8 ~~directors shall have the authority to acquire, lease, and~~
9 ~~sublease property subject to the provisions of general law.~~
10 The board of directors shall consist of at least the
11 following:
12 (a) The director of the center.
13 (b) The vice president of academic affairs, or the
14 equivalent, of the community college.
15 (c) The vice president of business affairs, or the
16 equivalent, of the community college.
17 (d) Two members designated by the president of the
18 community college.
19 Section 7. Section 240.363, Florida Statutes, is
20 amended to read:
21 240.363 Financial accounting and expenditures.--All
22 funds accruing to ~~the benefit of~~ a community college must
23 ~~shall~~ be received, accounted for, and expended in accordance
24 with rules of the State Board of Community Colleges. A
25 direct-support organization shall have sole responsibility for
26 the acts, debts, liabilities, and obligations of the
27 organization. A community college shall have no responsibility
28 for such acts, debts, liabilities, or obligations incurred or
29 assumed by a direct-support organization solely by reason of
30 certification. ~~except that~~ Each community college board of
31 trustees may adopt policies that provide procedures for

1 transferring ~~private contributions to the community college~~ to
2 the direct-support organization of that ~~the~~ community college
3 for administration by such organization contributions made to
4 the community college.

5 Section 8. There is hereby appropriated from the
6 General Revenue Fund the sum of \$1 million as a grant and aid
7 to Brevard Community College for fiscal year 1998-1999 to
8 support the acquisition of a black beam interferometer for the
9 Open Access Clean Room on the Palm Bay Campus.

10 Section 9. This act shall take effect July 1, 1998.