

1 A bill to be entitled
2 An act relating to trust funds; creating s.
3 246.143, F.S.; creating the Institutional
4 Assessment Trust Fund within the Department of
5 Education; providing for the trust fund to be
6 used for the operations of the Commission for
7 Independent Education; providing for sources of
8 funds; providing for an annual carryforward of
9 funds; authorizing the commission to establish
10 a contingency fund and a Student Protection
11 Fund within the Institutional Assessment Trust
12 Fund; providing for sources of funds; providing
13 for funds in the Student Protection Fund to be
14 used to assist students in completing their
15 education under certain circumstances;
16 providing for future review and termination or
17 re-creation of the trust fund; providing a
18 contingent effective date.

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

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22 Section 1. Section 246.143, Florida Statutes, is
23 created to read:

24 246.143 Institutional Assessment Trust Fund.--
25 (1) There is created the Institutional Assessment
26 Trust Fund to be administered by the Department of Education
27 pursuant to this section and rules of the Commission for
28 Independent Education. The trust fund shall consist of all
29 fees and fines imposed upon independent postsecondary
30 educational institutions pursuant to chapter 246, including
31 all fees collected from such institutions for participation in

1 the common course designation and numbering system. The
2 Department of Education shall maintain all revenue collected
3 pursuant to chapter 246, in a separate account for the sole
4 use of the Commission for Independent Education. A monthly
5 accounting of this fund, including interest accrued, shall be
6 provided to the commission. The commission may use other
7 individuals or entities to administer the programs assigned to
8 the commission by law. Notwithstanding s. 216.301 and pursuant
9 to s. 216.351, any balance in the Institutional Assessment
10 Trust Fund at the end of any fiscal year shall remain in the
11 trust fund and shall be available for carrying out the
12 purposes of the trust fund. Funds from the trust fund may be
13 used for the following purposes:

14 (a) Authorized expenses of the commission in carrying
15 out its required duties.

16 (b) Financial assistance programs for students
17 attending institutions licensed by the commission.

18 (c) Educational programs for the benefit of current
19 and prospective owners, administrators, agents, authorized
20 groups of individuals, and faculty of institutions that
21 receive, seek, or hold licensure by the commission.

22 (d) Authorized expenses of the Department of Education
23 incurred as a result of the inclusion of independent
24 postsecondary educational institutions under the purview of
25 the commission in the common course designation and numbering
26 system.

27 (2) The commission may establish and maintain a
28 contingency fund within the trust fund. The contingency fund
29 may be used for unforeseen legitimate expenses incurred by the
30 commission in administering and enforcing chapter 246.

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1 (3) The Student Protection Fund is established as a
2 separate account within the Institutional Assessment Trust
3 Fund.

4 (a) The fund shall consist entirely of fees assessed
5 against licensed institutions. The fund may not be funded by
6 public funds and the commission may not make payments, and is
7 not obligated to make payments, from the fund in excess of the
8 assessments actually received from licensed institutions and
9 deposited in the Institutional Assessment Trust Fund to the
10 credit of the Student Protection Fund. The amount of fees
11 assessed to an institution shall be based upon the number of
12 students enrolled. If a licensed institution terminates a
13 program before all students complete the program, the
14 commission shall also assess that institution a fee adequate
15 to pay the full cost to the Student Protection Fund of
16 completing the training of those students.

17 (b) The commission shall use the fund as a financial
18 program to make funds available to complete the training of a
19 student who enrolls in a program at a licensed institution
20 that terminates a program or ceases operation before the
21 student has completed the program of study.

22 (c) The Student Protection Fund shall be maintained in
23 an actuarially sound condition, be audited periodically, and
24 be reviewed periodically in order to determine if additional
25 fees must be charged to maintain an appropriate balance. At
26 each commission meeting, the commission shall receive a report
27 from its staff regarding expenses incurred by the Student
28 Protection Fund since the last meeting, the current balance in
29 the fund, and notification of any impending or actual
30 institutional closure or program termination that could expose
31 the fund to liability. The commission shall determine the need

1 for any additional assessments, review the collection status
2 of unpaid assessments, and take all necessary steps to collect
3 them. The commission may, at its discretion, permit
4 institutions that have paid into the fund for 5 years or more
5 to forgo annual payment into the fund.

6 (4) In accordance with s. 19(f)(2), Art. III of the
7 State Constitution, the Institutional Assessment Trust Fund
8 shall, unless terminated sooner, be terminated on January 7,
9 2007. Before its scheduled termination, the trust fund shall
10 be reviewed as provided in s. 215.3206(1) and (2).

11 Section 2. This act shall take effect January 7, 2003,
12 if Senate Bill 2022, relating to independent postsecondary
13 educational institutions or similar legislation is adopted in
14 the same legislative session, or an extension thereof, and
15 becomes a law.