



1 A bill to be entitled
2 An act relating to state universities; creating s.
3 1001.70, F.S.; establishing the Board of Governors;
4 providing membership and terms of office; amending s.
5 1001.71, F.S.; revising membership of university boards of
6 trustees and terms of office; creating s. 1010.10, F.S.;
7 creating the Florida Uniform Management of Institutional
8 Funds Act; providing definitions; providing for
9 expenditure of endowment funds by a governing board;
10 providing for a standard of conduct; providing investment
11 authority; providing for delegation of investment
12 management; providing for investment costs; providing for
13 release of restrictions on use or investment; providing
14 for uniformity of application and construction; providing
15 for retroactive effect; amending s. 1011.94, F.S.,
16 relating to the Trust Fund for University Major Gifts;
17 revising provisions relating to use of proceeds; replacing
18 references to State Board of Education with Board of
19 Governors; providing limitations on matching funds;
20 amending s. 17.076, F.S.; providing an exception to a
21 public records exemption; amending s. 20.555, F.S.;
22 deleting reference to the Board of Regents; amending s.
23 110.161, F.S.; including employees of state universities
24 in the definition of "employee" for purposes of the pretax
25 benefits program; amending s. 112.215, F.S.; including
26 employees of state university boards of trustees in the
27 definition of "employee" for purposes of the deferred
28 compensation program; amending s. 287.064, F.S.;



29 | authorizing state universities to continue to participate
30 | in the consolidated equipment financing program; amending
31 | s. 440.38, F.S.; including state universities as self-
32 | insurers for purposes of workers' compensation; amending
33 | s. 1001.74, F.S.; adding a cross reference relating to
34 | pretax benefits for state university employees; amending
35 | s. 1004.24, F.S.; deleting obsolete reference to postaudit
36 | of financial accounts; providing for financial audit
37 | pursuant to s. 11.45, F.S.; amending s. 1004.26, F.S.;
38 | conforming university oversight of student government;
39 | amending s. 1004.445, F.S.; deleting obsolete reference to
40 | postaudit of financial accounts; providing for financial
41 | audit pursuant to s. 11.45, F.S.; amending s. 1009.21,
42 | F.S.; revising provisions relating to determination of
43 | resident status for tuition purposes; providing for
44 | reclassification; providing for classification of certain
45 | graduate teaching assistants or graduate research
46 | assistants; amending s. 1009.24, F.S.; revising provisions
47 | relating to undergraduate tuition and fees; authorizing a
48 | nonrefundable admissions deposit; creating 1012.975, F.S.;
49 | defining the terms "cash-equivalent compensation," "public
50 | funds," and "remuneration"; limiting the annual
51 | remuneration of a state university president to \$225,000
52 | from public funds; providing certain limitations on
53 | benefits for state university presidents under the Florida
54 | Retirement System; authorizing a party to provide cash or
55 | cash-equivalent compensation in excess of annual limit
56 | from nonpublic funds; eliminating any state obligation to



57 | provide cash or cash-equivalent compensation for state
 58 | university presidents under certain circumstances;
 59 | providing effective dates.

61 | Be It Enacted by the Legislature of the State of Florida:

63 | Section 1. Section 1001.70, Florida Statutes, is created
 64 | to read:

65 | 1001.70 Board of Governors.--Pursuant to s. 7(d), Art. IX
 66 | of the State Constitution, the Board of Governors is established
 67 | as a body corporate comprised of 17 members as follows: 14
 68 | citizen members appointed by the Governor subject to
 69 | confirmation by the Senate; the Commissioner of Education; the
 70 | chair of the advisory council of faculty senates or the
 71 | equivalent; and the president of the Florida student association
 72 | or the equivalent. The appointed members shall serve staggered
 73 | 7-year terms. In order to achieve staggered terms, beginning
 74 | July 1, 2003, of the initial appointments, 4 members shall serve
 75 | 2-year terms, 5 members shall serve 3-year terms, and 5 members
 76 | shall serve 7-year terms.

77 | Section 2. Section 1001.71, Florida Statutes, is amended
 78 | to read:

79 | 1001.71 University boards of trustees; membership.--

80 | (1) Pursuant to s. 7(c), Art. IX of the State
 81 | Constitution, each local constituent university shall be
 82 | administered by a university board of trustees comprised of 13
 83 | members as follows: 6 citizen members appointed by the Governor
 84 | subject to confirmation by the Senate; 5 citizen members



85 appointed by the Board of Governors subject to confirmation by
86 the Senate; the chair of the faculty senate or the equivalent;
87 and the president of the student body of the university. The
88 appointed members shall serve staggered 5-year terms. In order
89 to achieve staggered terms, beginning July 1, 2003, of the
90 initial appointments by the Governor, 2 members shall serve 2-
91 year terms, 3 members shall serve 3-year terms, and 1 member
92 shall serve a 5-year term and of the initial appointments by the
93 Board of Governors, 2 members shall serve 2-year terms, 2
94 members shall serve 3-year terms, and 1 member shall serve a 5-
95 year term. University boards of trustees shall be comprised of
96 ~~12 members appointed by the Governor and confirmed by the Senate~~
97 ~~in the regular legislative session immediately following his or~~
98 ~~her appointment. In addition, the student body president elected~~
99 ~~on the main campus of the university pursuant to s. 1004.26~~
100 ~~shall serve ex officio as a voting member of his or her~~
101 ~~university board of trustees. There shall be no state residency~~
102 ~~requirement for university board members, but the Governor and~~
103 the Board of Governors shall consider diversity and regional
104 representation.

105 (2) Members of the boards of trustees shall receive no
106 compensation but may be reimbursed for travel and per diem
107 expenses as provided in s. 112.061.

108 ~~(3) The Governor may remove a trustee upon the~~
109 ~~recommendation of the State Board of Education, or for cause.~~

110 ~~(4) Boards of trustees' members shall be appointed for~~
111 ~~staggered 4-year terms, and may be reappointed for additional~~
112 ~~terms not to exceed 8 years of service.~~



113 ~~(3)(5)~~ Each board of trustees shall select its chair and
 114 vice chair from the appointed members at its first regular
 115 meeting after July 1. The chair shall serve for 2 years and may
 116 be reselected for one additional consecutive term. The duties of
 117 the chair shall include presiding at all meetings of the board
 118 of trustees, calling special meetings of the board of trustees,
 119 and attesting to actions of the board of trustees, ~~and notifying~~
 120 ~~the Governor in writing whenever a board member fails to attend~~
 121 ~~three consecutive regular board meetings in any fiscal year,~~
 122 ~~which failure may be grounds for removal.~~ The duty of the vice
 123 chair is to act as chair during the absence or disability of the
 124 chair.

125 ~~(4)(6)~~ The university president shall serve as executive
 126 officer and corporate secretary of the board of trustees and
 127 shall be responsible to the board of trustees for all operations
 128 of the university and for setting the agenda for meetings of the
 129 board of trustees in consultation with the chair.

130 Section 3. Effective upon this act becoming a law and
 131 operating retroactively to January 7, 2003, section 1010.10,
 132 Florida Statutes, is created to read:

133 1010.10 Florida Uniform Management of Institutional Funds
 134 Act.--

135 (1) POPULAR NAME.--This section shall be known by the
 136 popular name the "Florida Uniform Management of Institutional
 137 Funds Act."

138 (2) DEFINITIONS.--As used in this section:



139 (a) "Endowment fund" means an institutional fund, or any
 140 part thereof, not wholly expendable by the institution on a
 141 current basis under the terms of the applicable gift instrument.

142 (b) "Governing board" means the body responsible for the
 143 management of an institution or an institutional fund.

144 (c) "Institution" means an incorporated or unincorporated
 145 organization organized and operated exclusively for the
 146 advancement of educational purposes, or a governmental entity to
 147 the extent that it holds funds exclusively for educational
 148 purposes.

149 (d) "Institutional fund" means a fund held by an
 150 institution for its exclusive use, benefit, or purposes. The
 151 term excludes a fund held for an institution by a trustee that
 152 is not an institution. The term also excludes a fund in which a
 153 beneficiary that is not an institution has an interest other
 154 than possible rights that could arise upon violation or failure
 155 of the purposes of the fund.

156 (e) "Instrument" means a will, deed, grant, conveyance,
 157 agreement, memorandum, electronic record, writing, or other
 158 governing document, including the terms of any institutional
 159 solicitations from which an institutional fund resulted, under
 160 which property is transferred to or held by an institution as an
 161 institutional fund.

162 (3) EXPENDITURE OF ENDOWMENT FUNDS.--

163 (a) A governing board may expend so much of an endowment
 164 fund as the governing board determines to be prudent for the
 165 uses and purposes for which the endowment fund is established,
 166 consistent with the goal of conserving the purchasing power of



167 the endowment fund. In making its determination, the governing
168 board shall use reasonable care, skill, and caution in
169 considering the following:

- 170 1. Purposes of the institution.
- 171 2. Intent of the donors of the endowment fund.
- 172 3. Terms of the applicable instrument.
- 173 4. Long-term and short-term needs of the institution in
174 carrying out its purposes.
- 175 5. General economic conditions.
- 176 6. Possible effect of inflation or deflation.
- 177 7. Other resources of the institution.
- 178 8. Perpetuation of the endowment.

179
180 Expenditures made under this paragraph will be considered to be
181 prudent if the amount expended is consistent with the goal of
182 preserving the purchasing power of the endowment fund.

183 (b) A restriction upon the expenditure of an endowment
184 fund may not be implied from a designation of a gift as an
185 endowment, or from a direction or authorization in the
186 instrument to use only "income," "interest," "dividends," or
187 "rents, issues, or profits," or "to preserve the principal
188 intact," or words of similar import.

189 (c) The provisions of paragraph (a) shall not apply to an
190 instrument if the instrument so indicates by stating, "I direct
191 that the expenditure provision of paragraph (a) of subsection
192 (3) of the Florida Uniform Management of Institutional Funds Act
193 not apply to this gift" or words of similar import.



194 (d) This subsection does not limit the authority of a
195 governing board to expend funds as permitted under other law,
196 the terms of the instrument, or the charter of the institution.

197 (e) Except as otherwise provided, this subsection applies
198 to instruments executed or in effect before or after the
199 effective date of this section.

200 (4) STANDARD OF CONDUCT.--

201 (a) Members of a governing board shall invest and manage
202 an institutional fund as a prudent investor would by considering
203 the purposes, distribution requirements, and other circumstances
204 of the fund. In satisfying this standard, the governing board
205 shall exercise reasonable care, skill, and caution.

206 (b) A governing board's investment and management
207 decisions about individual assets shall be made not in isolation
208 but in the context of the institutional fund's portfolio of
209 investments as a whole and as a part of an overall investment
210 strategy having risk and return objectives reasonably suited to
211 the fund and to the institution.

212 (c) Among circumstances that a governing board shall
213 consider are:

214 1. Long-term and short-term needs of the institution in
215 carrying out its purposes.

216 2. Its present and anticipated financial resources.

217 3. General economic conditions.

218 4. Possible effect of inflation or deflation.

219 5. Expected tax consequences, if any, of investment
220 decisions or strategies.



221 6. The role that each investment or course of action plays
222 within the overall investment portfolio of the institutional
223 fund.

224 7. Expected total return from income and appreciation of
225 its investments.

226 8. Other resources of the institution.

227 9. Needs of the institution and the institutional fund for
228 liquidity, regularity of income, and preservation or
229 appreciation of capital.

230 10. An asset's special relationship or special value, if
231 any, to the purposes of the applicable gift instrument or to the
232 institution.

233 (d) A governing board shall make a reasonable effort to
234 verify the facts relevant to the investment and management of
235 institutional fund assets.

236 (e) A governing board shall diversify the investments of
237 an institutional fund unless the board reasonably determines
238 that, because of special circumstances, the purposes of the fund
239 are better served without diversifying.

240 (f) A governing board shall invest and manage the assets
241 of an institutional fund solely in the interest of the
242 institution.

243 (5) INVESTMENT AUTHORITY.--In addition to an investment
244 otherwise authorized by law or by the applicable gift
245 instrument, and without restriction to investments a fiduciary
246 may make, the governing board, subject to any specific
247 limitations set forth in the applicable gift instrument or in



248 the applicable law other than law relating to investments by a
249 fiduciary:

250 (a) Within a reasonable time after receiving property,
251 shall review the property and make and implement decisions
252 concerning the retention and disposition of the assets in order
253 to bring the portfolio of the institutional fund into compliance
254 with the purposes, terms, distribution requirements, and other
255 circumstances of the institution and with the requirements of
256 this section.

257 (b) May invest in any kind of property or type of
258 investment consistent with the standards of this section.

259 (c) May include all or any part of an institutional fund
260 in any pooled or common fund maintained by the institution.

261 (d) May invest all or any part of the institutional fund
262 in any other pooled or common fund available for investment,
263 including shares or interests in regulated investment companies,
264 mutual funds, common trust funds, investment partnerships, real
265 estate investment trusts, or similar organizations in which
266 funds are commingled and investment determinations are made by
267 persons other than the governing board.

268 (6) DELEGATION OF INVESTMENT MANAGEMENT.--

269 (a) Except as otherwise provided by applicable law
270 relating to governmental institutions or funds, a governing
271 board may delegate investment and management functions that a
272 prudent governing body could properly delegate under the
273 circumstances. A governing board shall exercise reasonable care,
274 skill, and caution in:

275 1. Selecting an agent.



276 2. Establishing the scope and terms of the delegation
277 consistent with the purposes of the institutional fund.

278 3. Periodically reviewing the agent's actions in order to
279 monitor the agent's performance and the agent's compliance with
280 the terms of the delegation.

281 (b) In performing a delegated function, an agent owes a
282 duty to the governing board to exercise reasonable care to
283 comply with the terms of the delegation.

284 (c) The members of a governing board who comply with the
285 requirements of paragraph (a) are not liable for the decisions
286 or actions of the agent to whom the function was delegated.

287 (d) By accepting the delegation of an investment or
288 management function from a governing board of an institution
289 that is subject to the laws of this state, an agent submits to
290 the jurisdiction of the courts of this state in all actions
291 arising from the delegation.

292 (7) INVESTMENT COSTS.--In investing and managing trust
293 assets, a governing board may only incur costs that are
294 appropriate and reasonable in relation to the assets and the
295 purposes of the institution.

296 (8) RELEASE OF RESTRICTIONS ON USE OR INVESTMENT.--

297 (a) With the written consent of the donor, a governing
298 board may release, in whole or in part, a restriction imposed by
299 the applicable instrument on the use or investment of an
300 institutional fund.

301 (b) If written consent of the donor cannot be obtained by
302 reason of the donor's death, disability, unavailability, or
303 impossibility of identification, a governing board may release,



304 in whole or in part, a restriction imposed by the applicable
305 instrument on the use or investment of an institutional fund if
306 the fund has a total value of less than \$100,000 and if the
307 governing board, in its fiduciary judgment, concludes that the
308 value of the fund is insufficient to justify the cost of
309 administration as a separate institutional fund.

310 (c) If written consent of the donor cannot be obtained by
311 reason of the donor's death, disability, unavailability, or
312 impossibility of identification, a governing board may apply in
313 the name of the institution to the circuit court of the county
314 in which the institution is located for release of a restriction
315 imposed by the applicable instrument on the use or investment of
316 an institutional fund. The Attorney General shall be notified of
317 the application and shall be given an opportunity to be heard.
318 If the court finds that the restriction is unlawful,
319 impracticable, impossible to achieve, or wasteful, it may by
320 order release the restriction in whole or in part. A release
321 under this subsection may not change an endowment fund to a fund
322 that is not an endowment fund.

323 (d) A release under this subsection may not allow a fund
324 to be used for purposes other than the educational purposes of
325 the institution affected.

326 (e) This subsection does not limit the application of the
327 doctrine of cy pres.

328 (9) UNIFORMITY OF APPLICATION AND CONSTRUCTION.--This act
329 shall be so applied and construed as to effectuate its general
330 purpose to make uniform the law with respect to the subject of
331 this act among those states which enact it.



332 Section 4. Section 1011.94, Florida Statutes, is amended
333 to read:

334 1011.94 Trust Fund for University Major Gifts.--

335 (1) There is established a Trust Fund for University Major
336 Gifts. The purpose of the trust fund is to enable each
337 university and New College to provide donors with an incentive
338 in the form of matching grants for donations for the
339 establishment of permanent endowments and sales tax exemption
340 matching funds received pursuant to s. 212.08(5)(j), which must
341 be invested, with the proceeds of the investment used to support
342 university priorities as established by the university board of
343 trustees ~~libraries and instruction and research programs, as~~
344 ~~defined by the State Board of Education~~. All funds appropriated
345 for the challenge grants, new donors, major gifts, sales tax
346 exemption matching funds pursuant to s. 212.08(5)(j), or eminent
347 scholars program must be deposited into the trust fund and
348 invested pursuant to s. 18.125 until the Board of Governors
349 ~~State Board of Education~~ allocates the funds to universities to
350 match private donations. Notwithstanding s. 216.301 and pursuant
351 to s. 216.351, any undisbursed balance remaining in the trust
352 fund and interest income accruing to the portion of the trust
353 fund which is not matched and distributed to universities must
354 remain in the trust fund and be used to increase the total funds
355 available for challenge grants. Funds deposited in the trust
356 fund for the sales tax exemption matching program authorized in
357 s. 212.08(5)(j), and interest earnings thereon, shall be
358 maintained in a separate account within the Trust Fund for
359 University Major Gifts, and may be used only to match qualified



360 sales tax exemptions that a certified business designates for
361 use by state universities and community colleges to support
362 research and development projects requested by the certified
363 business. The Board of Governors ~~State Board of Education~~ may
364 authorize any university to encumber the state matching portion
365 of a challenge grant from funds available under s. 1011.45.

366 (2) The Board of Governors ~~State Board of Education~~ shall
367 specify the process for submission, documentation, and approval
368 of requests for matching funds, accountability for endowments
369 and proceeds of endowments, allocations to universities,
370 restrictions on the use of the proceeds from endowments, and
371 criteria used in determining the value of donations.

372 (3)(a) The Board of Governors ~~State Board of Education~~
373 shall allocate the amount appropriated to the trust fund to each
374 university and New College based on the amount of the donation
375 and the restrictions applied to the donation.

376 (b) Donations for a specific purpose must be matched in
377 the following manner:

378 1. Each university that raises at least \$100,000 but no
379 more than \$599,999 from a private source must receive a matching
380 grant equal to 50 percent of the private contribution.

381 2. Each university that raises a contribution of at least
382 \$600,000 but no more than \$1 million from a private source must
383 receive a matching grant equal to 70 percent of the private
384 contribution.

385 3. Each university that raises a contribution in excess of
386 \$1 million but no more than \$1.5 million from a private source



387 must receive a matching grant equal to 75 percent of the private
388 contribution.

389 4. Each university that raises a contribution in excess of
390 \$1.5 million but no more than \$2 million from a private source
391 must receive a matching grant equal to 80 percent of the private
392 contribution.

393 5. Each university that raises a contribution in excess of
394 \$2 million from a private source must receive a matching grant
395 equal to 100 percent of the private contribution.

396 6. The amount of matching funds used to match a single
397 gift in any given year shall be limited to \$3 million. The total
398 amount of matching funds available for any single gift shall be
399 limited to \$15 million, to be distributed in equal amounts of \$3
400 million per year over a period of 5 years.

401 (c) The Board of Governors ~~State Board of Education~~ shall
402 encumber state matching funds for any pledged contributions, pro
403 rata, based on the requirements for state matching funds as
404 specified for the particular challenge grant and the amount of
405 the private donations actually received by the university for
406 the respective challenge grant.

407 (4) Matching funds may be provided for contributions
408 encumbered or pledged under the Eminent Scholars Act prior to
409 July 1, 1994, and for donations or pledges of any amount equal
410 to or in excess of the prescribed minimums which are pledged for
411 the purpose of this section.

412 (5)(a) Each university foundation and New College
413 Foundation shall establish a challenge grant account for each
414 challenge grant as a depository for private contributions and



415 state matching funds to be administered on behalf of the Board
416 of Governors ~~State Board of Education~~, the university, or New
417 College. State matching funds must be transferred to a
418 university foundation or New College Foundation upon
419 notification that the university or New College has received and
420 deposited the amount specified in this section in a foundation
421 challenge grant account.

422 (b) The foundation serving a university and New College
423 Foundation each has the responsibility for the maintenance and
424 investment of its challenge grant account and for the
425 administration of the program on behalf of the university or New
426 College, pursuant to procedures specified by the Board of
427 Governors ~~State Board of Education~~. Each foundation shall
428 include in its annual report to the Board of Governors ~~State~~
429 ~~Board of Education~~ information concerning collection and
430 investment of matching gifts and donations and investment of the
431 account.

432 (c) A donation of at least \$600,000 and associated state
433 matching funds may be used to designate an Eminent Scholar
434 Endowed Chair pursuant to procedures specified by the Board of
435 Governors ~~State Board of Education~~.

436 (6) The donations, state matching funds, or proceeds from
437 endowments established under this section may not be expended
438 for the construction, renovation, or maintenance of facilities
439 or for the support of intercollegiate athletics.

440 Section 5. Subsection (5) of section 17.076, Florida
441 Statutes, is amended to read:

442 17.076 Direct deposit of funds.--



443 (5) All direct deposit records made prior to October 1,
444 1986, are exempt from the provisions of s. 119.07(1). With
445 respect to direct deposit records made on or after October 1,
446 1986, the names of the authorized financial institutions and the
447 account numbers of the beneficiaries are confidential and exempt
448 from the provisions of s. 119.07(1) and s. 24(a), Art. I of the
449 State Constitution. Notwithstanding this exemption and the
450 provisions of s. 119.07(3)(dd), the department may provide a
451 state university, upon request, with that university's employee
452 or vendor direct deposit authorization information on file with
453 the department in order to accommodate the transition to the
454 university accounting system. The state university shall
455 maintain the confidentiality of all such information provided by
456 the department.

457 Section 6. Paragraph (a) of subsection (1) of section
458 20.055, Florida Statutes, is amended to read:

459 20.055 Agency inspectors general.--

460 (1) For the purposes of this section:

461 (a) "State agency" means each department created pursuant
462 to this chapter, and also includes the Executive Office of the
463 Governor, the Department of Military Affairs, ~~the Board of~~
464 ~~Regents~~, the Fish and Wildlife Conservation Commission, the
465 Public Service Commission, and the state courts system.

466 Section 7. Subsection (2) of section 110.161, Florida
467 Statutes, is amended to read:

468 110.161 State employees; pretax benefits program.--

469 (2) As used in this section, "employee" means any
470 individual filling an authorized and established position in the



471 executive, legislative, or judicial branch of the state,
472 including the employees of the State Board of Administration and
473 state universities.

474 Section 8. Subsection (2) of section 112.215, Florida
475 Statutes, is amended to read:

476 112.215 Government employees; deferred compensation
477 program.--

478 (2) For the purposes of this section, the term "employee"
479 means any person, whether appointed, elected, or under contract,
480 providing services for the state; any state agency or county or
481 other political subdivision of the state; any municipality; any
482 state university board of trustees; or any constitutional county
483 officer under s. 1(d), Art. VIII of the State Constitution for
484 which compensation or statutory fees are paid.

485 Section 9. Subsections (1) through (6) of section 287.064,
486 Florida Statutes, are amended to read:

487 287.064 Consolidated financing of deferred-payment
488 purchases.--

489 (1) The Division of Bond Finance of the State Board of
490 Administration and the Comptroller shall plan and coordinate
491 deferred-payment purchases made by or on behalf of the state or
492 its agencies or by or on behalf of state universities or state
493 community colleges participating under this section pursuant to
494 s. 1001.74(5) or s. 1001.64(26), respectively. The Division of
495 Bond Finance shall negotiate and the Comptroller shall execute
496 agreements and contracts to establish master equipment financing
497 agreements for consolidated financing of deferred-payment,
498 installment sale, or lease purchases with a financial



499 institution or a consortium of financial institutions. As used
500 in this act, the term "deferred-payment" includes installment
501 sale and lease-purchase.

502 (a) The period during which equipment may be acquired
503 under any one master equipment financing agreement shall be
504 limited to not more than 3 years.

505 (b) Repayment of the whole or a part of the funds drawn
506 pursuant to the master equipment financing agreement may
507 continue beyond the period established pursuant to paragraph
508 (a).

509 (c) The interest rate component of any master equipment
510 financing agreement shall be deemed to comply with the interest
511 rate limitation imposed in s. 287.063 so long as the interest
512 rate component of every interagency, state university, or
513 community college agreement entered into under such master
514 equipment financing agreement complies with the interest rate
515 limitation imposed in s. 287.063. Such interest rate limitation
516 does not apply when the payment obligation under the master
517 equipment financing agreement is rated by a nationally
518 recognized rating service in any one of the three highest
519 classifications, which rating services and classifications are
520 determined pursuant to rules adopted by the Comptroller.

521 (2) Unless specifically exempted by the Comptroller, all
522 deferred-payment purchases, including those made by a state
523 university or community college that is participating under this
524 section, shall be acquired by funding through master equipment
525 financing agreements. The Comptroller is authorized to exempt
526 any purchases from consolidated financing when, in his or her



527 judgment, alternative financing would be cost-effective or
528 otherwise beneficial to the state.

529 (3) The Comptroller may require agencies to enter into
530 interagency agreements and may require participating state
531 universities or community colleges to enter into systemwide
532 agreements for the purpose of carrying out the provisions of
533 this act.

534 (a) The term of any interagency or systemwide agreement
535 shall expire on June 30 of each fiscal year but shall
536 automatically be renewed annually subject to appropriations and
537 deferred-payment schedules. The period of any interagency or
538 systemwide agreement shall not exceed the useful life of the
539 equipment for which the agreement was made as determined by the
540 Comptroller.

541 (b) The interagency or systemwide agreements may include,
542 but are not limited to, equipment costs, terms, and a pro rata
543 share of program and issuance expenses.

544 (4) Each state university or community college may choose
545 to have its purchasing agreements involving administrative and
546 instructional materials consolidated under this section.

547 (5) The Comptroller is authorized to automatically debit
548 each agency's or state university's funds and each community
549 college's portion of the Community College Program Fund
550 consistently with the deferred-payment schedules.

551 (6) There is created the Consolidated Payment Trust Fund
552 in the Comptroller's office for the purpose of implementing the
553 provisions of this act. All funds debited from each agency,
554 state university, and ~~each~~ community college may be deposited in



555 the trust fund and shall be used to meet the financial
556 obligations incurred pursuant to this act. Any income from the
557 investment of funds may be used to fund administrative costs
558 associated with this program.

559 Section 10. Subsection (6) of section 440.38, Florida
560 Statutes, is amended to read:

561 440.38 Security for compensation; insurance carriers and
562 self-insurers.--

563 (6) The state and its boards, bureaus, departments, and
564 agencies and all of its political subdivisions which employ
565 labor, and the state universities, shall be deemed self-insurers
566 under the terms of this chapter, unless they elect to procure
567 and maintain insurance to secure the benefits of this chapter to
568 their employees; and they are hereby authorized to pay the
569 premiums for such insurance.

570 Section 11. Subsection (19) of section 1001.74, Florida
571 Statutes, is amended to read:

572 1001.74 Powers and duties of university boards of
573 trustees.--

574 (19) Each board of trustees shall establish the personnel
575 program for all employees of the university, including the
576 president, pursuant to the provisions of chapter 1012 and, in
577 accordance with rules and guidelines of the State Board of
578 Education, including: compensation and other conditions of
579 employment, recruitment and selection, nonreappointment,
580 standards for performance and conduct, evaluation, benefits and
581 hours of work, leave policies, recognition and awards,
582 inventions and works, travel, learning opportunities, exchange



583 programs, academic freedom and responsibility, promotion,
584 assignment, demotion, transfer, tenure and permanent status,
585 ethical obligations and conflicts of interest, restrictive
586 covenants, disciplinary actions, complaints, appeals and
587 grievance procedures, and separation and termination from
588 employment. The Department of Management Services shall retain
589 authority over state university employees for programs
590 established in ss. 110.123, 110.1232, 110.1234, ~~and~~ 110.1238,
591 and 110.161 and in chapters 121, 122, and 238.

592 Section 12. Subsection (5) of section 1004.24, Florida
593 Statutes, is amended to read:

594 1004.24 State Board of Education authorized to secure
595 liability insurance.--

596 (5) Each self-insurance program council shall make
597 provision for an annual financial audit pursuant to s. 11.45
598 ~~postaudit~~ of its ~~financial~~ accounts to be conducted by an
599 independent certified public accountant. The annual audit report
600 must include a management letter and shall be submitted to the
601 State Board of Education for review. The State Board of
602 Education shall have the authority to require and receive from
603 the self-insurance program council or from its independent
604 auditor any detail or supplemental data relative to the
605 operation of the self-insurance program.

606 Section 13. Subsections (1) and (5) of section 1004.26,
607 Florida Statutes, are amended to read:

608 1004.26 University student governments.--

609 (1) A student government is created on the main campus of
610 each state university. In addition, each university board of



611 trustees may establish a student government on any branch campus
612 or center. Each student government is a part of the university
613 at which it is established.

614 ~~(5) Each student government is a part of the university at~~
615 ~~which it is established. If an internal procedure of the~~
616 ~~university student government is disapproved by the university~~
617 ~~president under s. 229.0082(15), a member of the university~~
618 ~~board of trustees may request a review of the disapproved~~
619 ~~procedure at the next meeting of the board of trustees.~~

620 Section 14. Paragraph (d) of subsection (3) of section
621 1004.445, Florida Statutes, is amended to read:

622 1004.445 Florida Alzheimer's Center and Research
623 Institute.--

624 (3) The State Board of Education shall provide in the
625 agreement with the not-for-profit corporation for the following:

626 (d) Preparation of an annual financial audit pursuant to
627 s. 11.45 ~~postaudit~~ of the not-for-profit corporation's ~~financial~~
628 ~~accounts~~ and the ~~financial~~ accounts of any subsidiaries to be
629 conducted by an independent certified public accountant. The
630 annual audit report shall include management letters and shall
631 be submitted to the Auditor General and the State Board of
632 Education for review. The State Board of Education, the Auditor
633 General, and the Office of Program Policy Analysis and
634 Government Accountability shall have the authority to require
635 and receive from the not-for-profit corporation and any
636 subsidiaries, or from their independent auditor, any detail or
637 supplemental data relative to the operation of the not-for-
638 profit corporation or subsidiary.



639 Section 15. Paragraphs (a) and (b) of subsection (2) of
640 section 1009.21, Florida Statutes, are amended, paragraph (d) is
641 added to said subsection, and paragraph (k) is added to
642 subsection (10) of said section, to read:

643 1009.21 Determination of resident status for tuition
644 purposes.--Students shall be classified as residents or
645 nonresidents for the purpose of assessing tuition in community
646 colleges and state universities.

647 (2)(a) To qualify as a resident for tuition purposes:

648 1. A person or, if that person is a dependent child, his
649 or her parent or parents must have established legal residence
650 in this state and must have maintained legal residence in this
651 state for at least 12 months immediately prior to his or her
652 initial enrollment at a Florida postsecondary educational
653 institution. For purposes of this section, the term "initial
654 enrollment" is defined as the first day of class ~~qualification~~.

655 2. Every applicant for admission to an institution of
656 higher education shall be required to make a statement as to his
657 or her length of residence in the state and, further, shall
658 establish that his or her presence or, if the applicant is a
659 dependent child, the presence of his or her parent or parents in
660 the state currently is, and during the requisite 12-month
661 qualifying period was, for the purpose of maintaining a bona
662 fide domicile, rather than for the purpose of maintaining a mere
663 temporary residence or abode incident to enrollment in an
664 institution of higher education.

665 (b) However, with respect to a dependent child living with
666 an adult relative other than the child's parent, such child may



667 qualify as a resident for tuition purposes if the adult relative
668 is a legal resident who has maintained legal residence in this
669 state for at least 12 months immediately prior to the child's
670 initial enrollment at a Florida postsecondary educational
671 institution ~~qualification~~, provided the child has resided
672 continuously with such relative for the 5 years immediately
673 prior to the child's initial enrollment ~~qualification~~, during
674 which time the adult relative has exercised day-to-day care,
675 supervision, and control of the child.

676 (d) A person who is classified as a nonresident for
677 tuition purposes may become eligible for reclassification as a
678 resident for tuition purposes if that person, or if that person
679 is a dependent child, his or her parent, presents documentation
680 that supports permanent residency in this state, such as
681 documentation of permanent full-time employment for the previous
682 12 months or the purchase of a home in this state and residence
683 therein for the prior 12 months.

684 (10) The following persons shall be classified as
685 residents for tuition purposes:

686 (k) A graduate teaching assistant or graduate research
687 assistant while employed by a state university, when such
688 employment is at least one-half time in a teaching or research
689 assistant position that relates to the graduate assistant's
690 degree program.

691 Section 16. Subsections (3) and (13) of section 1009.24,
692 Florida Statutes, are amended to read:

693 1009.24 State university student fees.--



694 (3) Within proviso in the General Appropriations Act and
695 law, each board of trustees shall set university tuition and
696 fees. The sum of the activity and service, health, and athletic
697 fees a student is required to pay to register for a course shall
698 not exceed 40 percent of the tuition established in law or in
699 the General Appropriations Act. No university shall be required
700 to lower any fee in effect on the effective date of this act in
701 order to comply with this subsection. Within the 40 percent cap,
702 universities may not increase the aggregate sum of activity and
703 service, health, and athletic fees more than 5 percent per year
704 unless specifically authorized in law or in the General
705 Appropriations Act. This subsection does not prohibit a
706 university from increasing or assessing optional fees related to
707 specific activities if payment of such fees is not required as a
708 part of registration for courses. Except as otherwise provided
709 by law, the sum of nonresident tuition and out-of-state fees
710 charged to undergraduates shall be sufficient to defray the full
711 cost of undergraduate education.

712 (13) Each university board of trustees is authorized to
713 establish a nonrefundable admissions deposit for undergraduate,
714 graduate, and professional degree programs in an amount not to
715 exceed \$200. The admissions deposit shall be imposed at the time
716 of an applicant's acceptance to the university and shall be
717 applied toward tuition upon enrollment. In the event the
718 applicant does not enroll in the university, the admissions
719 deposit shall be deposited in an auxiliary account of the
720 university and used to expand financial assistance,
721 scholarships, and student academic and career counseling



722 services at the university. A university board of trustees that
 723 establishes an admissions deposit pursuant to this subsection
 724 must also adopt policies that provide for the waiver of such
 725 deposit on the basis of financial hardship. ~~The board of~~
 726 ~~trustees of the University of Florida is authorized to establish~~
 727 ~~an admissions deposit fee for the University of Florida College~~
 728 ~~of Dentistry in an amount not to exceed \$200.~~

729 Section 17. Section 1012.975, Florida Statutes, is created
 730 to read:

731 1012.975 Remuneration of state university presidents;
 732 limitations.--

733 (1) DEFINITIONS.--As used in this section, the term:

734 (a) "Cash-equivalent compensation" means any benefit that
 735 may be assigned an equivalent cash value.

736 (b) "Public funds" means funds appropriated from the
 737 General Revenue Fund, funds appropriated from state trust funds,
 738 tuition and fees, or any funds from a state university trust
 739 fund regardless of repository.

740 (c) "Remuneration" means salary, bonuses, and cash-
 741 equivalent compensation paid to a state university president by
 742 his or her employer for work performed, excluding health
 743 insurance benefits and retirement benefits.

744 (2) LIMITATION ON COMPENSATION.--Notwithstanding any other
 745 law, resolution, or rule to the contrary, a state university
 746 president may not receive more than \$225,000 in remuneration
 747 annually from public funds. Only compensation, as such term is
 748 defined in s. 121.021(22), provided to a state university
 749 president may be used in calculating benefits under chapter 121.



750 (3) EXCEPTIONS.--This section does not prohibit any party
751 from providing cash or cash-equivalent compensation from funds
752 that are not public funds to a state university president in
753 excess of the limit in subsection (2). If a party is unable or
754 unwilling to fulfill an obligation to provide cash or cash-
755 equivalent compensation to a state university president as
756 permitted under this subsection, public funds may not be used to
757 fulfill such obligation.

758 Section 18. Except as otherwise provided herein, this act
759 shall take effect July 1, 2003.

760