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605-05027-08

Proposed Committee Substitute by the Committee on Higher Education
Appropriations

1 A bill to be entitled
2 An act relating to community colleges; amending s.
3 1001.64, F.S.; providing conditions for certain
4 contracting by community college boards of trustees;
5 authorizing boards of trustees to enter into certain
6 short-term loans and contracts and make payments subject
7 to appropriation; authorizing boards of trustees to incur
8 long-term debt according to specified requirements;
9 prohibiting a board of trustees from securing or repaying
10 such debt using tuition or certain other revenues;
11 amending s. 1004.70, F.S.; requiring community college
12 boards of trustees to authorize debt incurred by direct-
13 support organizations; authorizing delegation for approval
14 of short-term loans and lease-purchase agreements;
15 providing restrictions; amending s. 1009.22, F.S.,
16 relating to workforce education postsecondary student
17 fees, and s. 1009.23, F.S., relating to community college
18 student fees; revising provisions relating to the pledge
19 of fee revenues to the repayment of debt by community
20 college boards of trustees; providing requirements for the
21 request, issuance, securing, and payment of bonds;
22 providing for limitation of actions; amending s. 1000.21,
23 F.S.; renaming Daytona Beach Community College as "Daytona
24 Beach College and renaming Indian River Community College
25 as "Indian River College"; providing an effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:



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29 Section 1. Subsections (26) and (38) of section 1001.64,
30 Florida Statutes, are amended to read:

31 1001.64 Community college boards of trustees; powers and
32 duties.--

33 (26) Each board of trustees is authorized to contract for
34 the purchase, sale, lease, license, or acquisition in any manner,
35 ~~(including purchase by installment or lease-purchase contract~~
36 which may provide for the payment of interest on the unpaid
37 portion of the purchase price and for the granting of a security
38 interest in the items purchased, subject to the provisions of
39 subsection (38) and ss. 1009.22 and 1009.23, ~~+~~ of goods,
40 materials, equipment, and services required by the community
41 college. The board of trustees may choose to consolidate
42 equipment contracts under master equipment financing agreements
43 made pursuant to s. 287.064.

44 (38) Each board of trustees is authorized to enter into
45 short-term loans and installment, lease-purchase, and other
46 financing contracts for a term of not more than 5 years,
47 including renewals, extensions, and refundings. Payments on
48 short-term loans and installment, lease-purchase, and other
49 financing contracts pursuant to this subsection shall be subject
50 to annual appropriation by the board of trustees. Each board of
51 trustees is authorized to borrow funds and incur long-term debt,
52 including promissory notes, installment sales agreements, lease-
53 purchase agreements, certificates of participation, and other
54 similar long-term financing arrangements, only as specifically
55 provided entering into lease-purchase agreements and the issuance
56 of revenue bonds as specifically authorized and only for the
57 purposes authorized in ss. 1009.22(6) and (9) and 1009.23(11) and



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58 | (12). At the option of the board of trustees, bonds issued
59 | pursuant to ss. 1009.22(6) and (9) and 1009.23(11) and (12) may
60 | ~~be issued which are~~ secured by a combination of revenues
61 | authorized to be pledged to bonds pursuant to such subsections
62 | ~~ss. 1009.22(6) and 1009.23(11) or ss. 1009.22(9) and 1009.23(12).~~
63 | Revenue bonds may not be secured by or paid from, directly or
64 | indirectly, tuition, financial aid fees, the Community College
65 | Program Fund, or any other operating revenues of a community
66 | college. Lease-purchase agreements may be secured by a
67 | combination of revenues as specifically authorized pursuant to
68 | ss. 1009.22(7) and 1009.23(10).

69 | Section 2. Paragraph (e) is added to subsection (4) of
70 | section 1004.70, Florida Statutes, to read:

71 | 1004.70 Community college direct-support organizations.--

72 | (4) ACTIVITIES; RESTRICTIONS.--

73 | (e) A community college board of trustees must authorize
74 | all debt, including lease-purchase agreements, incurred by a
75 | direct-support organization. Authorization for approval of short-
76 | term loans and lease-purchase agreements for a term of not more
77 | than 5 years, including renewals, extensions, and refundings, for
78 | goods, materials, equipment, and services may be delegated by the
79 | board of trustees to the board of directors of the direct-support
80 | organization. Trustees shall evaluate proposals for debt
81 | according to guidelines issued by the Division of Community
82 | Colleges. Revenues of the community college may not be pledged to
83 | debt issued by direct-support organizations.

84 | Section 3. Subsections (6) and (9) of section 1009.22,
85 | Florida Statutes, are amended to read:

86 | 1009.22 Workforce education postsecondary student fees.--



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87 (6) (a) Each district school board and community college
88 board of trustees may establish a separate fee for capital
89 improvements, technology enhancements, or equipping buildings
90 which may not exceed 5 percent of tuition for resident students
91 or 5 percent of tuition and out-of-state fees for nonresident
92 students. Funds collected by community colleges through the fee
93 ~~these fees~~ may be bonded only for the purpose of financing or
94 refinancing new construction and equipment, renovation, or
95 remodeling of educational facilities. The fee shall be collected
96 as a component part of the tuition and fees, paid into a separate
97 account, and expended only to construct and equip, maintain,
98 improve, or enhance the certificate career education or adult
99 education facilities of the school district or community college.
100 Projects funded through the use of the capital improvement fee
101 must meet the survey and construction requirements of chapter
102 1013. Pursuant to s. 216.0158, each district school board and
103 community college board of trustees shall identify each project,
104 including maintenance projects, proposed to be funded in whole or
105 in part by such fee. Capital improvement fee revenues may be
106 pledged by a board of trustees as a dedicated revenue source to
107 the repayment of debt, including lease-purchase agreements, with
108 an overall term of not more than 7 years, including renewals,
109 extensions, and refundings, and revenue bonds, with a term not
110 exceeding ~~to exceed~~ 20 years, and not exceeding ~~to exceed~~ the
111 useful life of the asset being financed, only for the new
112 construction and equipment, renovation, or remodeling of
113 educational facilities. Bonds authorized pursuant to this
114 paragraph shall be requested by the community college board of
115 trustees and shall be issued by the Division of Bond Finance in
116 compliance with s. 11(d), Art. VII of the State Constitution and



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117 | the State Bond Act. The Division of Bond Finance may pledge fees
118 | collected by one or more community colleges to secure such bonds.
119 | Any project included in the approved educational plant survey
120 | pursuant to chapter 1013 is approved pursuant to s. 11(f), Art.
121 | VII of the State Constitution. ~~Community colleges may use the~~
122 | ~~services of the Division of Bond Finance of the State Board of~~
123 | ~~Administration to issue any bonds authorized through the~~
124 | ~~provisions of this subsection. Any such bonds issued by the~~
125 | ~~Division of Bond Finance shall be in compliance with the~~
126 | ~~provisions of the State Bond Act.~~ Bonds issued pursuant to the
127 | State Bond Act ~~may shall~~ be validated in the manner provided by
128 | chapter 75. The complaint for such validation shall be filed in
129 | the circuit court of the county where the seat of state
130 | government is situated, the notice required to be published by s.
131 | 75.06 shall be published only in the county where the complaint
132 | is filed, and the complaint and order of the circuit court shall
133 | be served only on the state attorney of the circuit in which the
134 | action is pending. A maximum of 15 cents per credit hour may be
135 | allocated from the capital improvement fee for child care centers
136 | conducted by the district school board or community college board
137 | of trustees. The use of capital improvement fees for such purpose
138 | shall be subordinate to the payment of any bonds secured by the
139 | fees.

140 | (b) The state does hereby covenant with the holders of the
141 | bonds issued under paragraph (a) that it will not take any action
142 | that will materially and adversely affect the rights of such
143 | holders so long as the bonds authorized by paragraph (a) are
144 | outstanding.

145 | (9) Community college boards of trustees and district
146 | school boards are not authorized to charge students enrolled in



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147 workforce development programs any fee that is not specifically
148 authorized by statute. In addition to tuition, out-of-state,
149 financial aid, capital improvement, and technology fees, as
150 authorized in this section, community college boards of trustees
151 and district school boards are authorized to establish fee
152 schedules for the following user fees and fines: laboratory fees;
153 parking fees and fines; library fees and fines; fees and fines
154 relating to facilities and equipment use or damage; access or
155 identification card fees; duplicating, photocopying, binding, or
156 microfilming fees; standardized testing fees; diploma replacement
157 fees; transcript fees; application fees; graduation fees; and
158 late fees related to registration and payment. Such user fees and
159 fines shall not exceed the cost of the services provided and
160 shall only be charged to persons receiving the service. Parking
161 fee revenues may be pledged by a community college board of
162 trustees as a dedicated revenue source for the repayment of debt,
163 including lease-purchase agreements, with an overall term of not
164 more than 7 years, including renewals, extensions, and
165 refundings, and revenue bonds with a term ~~terms~~ not exceeding 20
166 years and not exceeding the useful life of the asset being
167 financed. Community colleges shall use the services of the
168 Division of Bond Finance of the State Board of Administration to
169 issue any revenue bonds authorized by ~~the provisions of~~ this
170 subsection. Any such bonds issued by the Division of Bond Finance
171 shall be in compliance with the provisions of the State Bond Act.
172 Bonds issued pursuant to the State Bond Act may ~~shall~~ be
173 validated in the manner established in chapter 75. The complaint
174 for such validation shall be filed in the circuit court of the
175 county where the seat of state government is situated, the notice
176 required to be published by s. 75.06 shall be published only in



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177 | the county where the complaint is filed, and the complaint and
178 | order of the circuit court shall be served only on the state
179 | attorney of the circuit in which the action is pending.

180 | Section 4. Subsections (11) and (12) of section 1009.23,
181 | Florida Statutes, are amended to read:

182 | 1009.23 Community college student fees.--

183 | (11) (a) Each community college board of trustees may
184 | establish a separate fee for capital improvements, technology
185 | enhancements, or equipping student buildings which may not exceed
186 | 10 percent of tuition for resident students or 10 percent of the
187 | sum of tuition and out-of-state fees for nonresident students.
188 | The fee for resident students shall be limited to an increase of
189 | \$2 per credit hour over the prior year. Funds collected by
190 | community colleges through the fee ~~these fees~~ may be bonded only
191 | as provided in this subsection for the purpose of financing or
192 | refinancing new construction and equipment, renovation, or
193 | remodeling of educational facilities. The fee shall be collected
194 | as a component part of the tuition and fees, paid into a separate
195 | account, and expended only to construct and equip, maintain,
196 | improve, or enhance the educational facilities of the community
197 | college. Projects funded through the use of the capital
198 | improvement fee shall meet the survey and construction
199 | requirements of chapter 1013. Pursuant to s. 216.0158, each
200 | community college shall identify each project, including
201 | maintenance projects, proposed to be funded in whole or in part
202 | by such fee.

203 | (b) Capital improvement fee revenues may be pledged by a
204 | board of trustees as a dedicated revenue source to the repayment
205 | of debt, including lease-purchase agreements, with an overall
206 | ~~term, including renewals, extensions, and refundings,~~ of not more



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207 | than 7 years, including renewals, extensions, and refundings, and
208 | revenue bonds with a term not exceeding ~~to exceed~~ 20 annual
209 | maturities and not exceeding ~~to exceed~~ the useful life of the
210 | asset being financed, only for financing or refinancing of the
211 | new construction and equipment, renovation, or remodeling of
212 | educational facilities. Bonds authorized pursuant to ~~through the~~
213 | ~~provisions of~~ this subsection shall be requested by the community
214 | college board of trustees and shall be issued by the Division of
215 | Bond Finance ~~upon the request of the community college board of~~
216 | ~~trustees~~ in compliance with ~~the provisions of~~ s. 11(d), Art. VII
217 | of the State Constitution and the State Bond Act. The Division of
218 | Bond Finance may pledge fees collected by one or more community
219 | colleges to secure such bonds. Any project included in the
220 | approved educational plant survey pursuant to chapter 1013 is
221 | approved pursuant to s. 11 (f) ~~(d)~~, Art. VII of the State
222 | Constitution.

223 | ~~(c)(d)~~ Any validation of the Bonds issued pursuant to this
224 | subsection may be validated ~~shall be~~ in the manner provided by
225 | chapter 75. Only the initial series of bonds is required to be
226 | validated. The complaint for such validation shall be filed in
227 | the circuit court of the county where the seat of state
228 | government is situated, the notice required to be published by s.
229 | 75.06 shall be published only in the county where the complaint
230 | is filed, and the complaint and order of the circuit court shall
231 | be served only on the state attorney of the circuit in which the
232 | action is pending.

233 | ~~(d)(e)~~ A maximum of 15 percent may be allocated from the
234 | capital improvement fee for child care centers conducted by the
235 | community college. The use of capital improvement fees for such



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236 | purpose shall be subordinate to the payment of any bonds secured
237 | by the fees.

238 | (e)~~(e)~~ The state does hereby covenant with the holders of
239 | the bonds issued under this subsection that it will not take any
240 | action that will materially and adversely affect the rights of
241 | such holders so long as the bonds authorized by this subsection
242 | are outstanding.

243 | (12) In addition to tuition, out-of-state, financial aid,
244 | capital improvement, student activity and service, and technology
245 | fees authorized in this section, each community college board of
246 | trustees is authorized to establish fee schedules for the
247 | following user fees and fines: laboratory fees; parking fees and
248 | fines; library fees and fines; fees and fines relating to
249 | facilities and equipment use or damage; access or identification
250 | card fees; duplicating, photocopying, binding, or microfilming
251 | fees; standardized testing fees; diploma replacement fees;
252 | transcript fees; application fees; graduation fees; and late fees
253 | related to registration and payment. Such user fees and fines
254 | shall not exceed the cost of the services provided and shall only
255 | be charged to persons receiving the service. A community college
256 | may not charge any fee except as authorized by law or rules of
257 | the State Board of Education. Parking fee revenues may be pledged
258 | by a community college board of trustees as a dedicated revenue
259 | source for the repayment of debt, including lease-purchase
260 | agreements, with an overall term of not more than 7 years,
261 | including renewals, extensions, and refundings, and revenue bonds
262 | with a term ~~terms~~ not exceeding 20 years and not exceeding the
263 | useful life of the asset being financed. Community colleges shall
264 | use the services of the Division of Bond Finance of the State
265 | Board of Administration to issue any revenue bonds authorized by



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266 ~~the provisions of~~ this subsection. Any such bonds issued by the
267 Division of Bond Finance shall be in compliance with the
268 provisions of the State Bond Act. Bonds issued pursuant to the
269 State Bond Act may ~~shall~~ be validated in the manner established
270 in chapter 75. The complaint for such validation shall be filed
271 in the circuit court of the county where the seat of state
272 government is situated, the notice required to be published by s.
273 75.06 shall be published only in the county where the complaint
274 is filed, and the complaint and order of the circuit court shall
275 be served only on the state attorney of the circuit in which the
276 action is pending.

277 Section 5. Paragraphs (e) and (k) of subsection (3) of
278 section 1000.21, Florida Statutes, are amended to read:

279 1000.21 Systemwide definitions.--As used in the Florida K-
280 20 Education Code:

281 (3) "Community college," except as otherwise specifically
282 provided, includes the following institutions and any branch
283 campuses, centers, or other affiliates of the institution:

284 (e) Daytona Beach ~~Community~~ College.

285 (k) Indian River ~~Community~~ College.

286 Section 6. This act shall take effect July 1, 2008.