

By Senators Oelrich and Gaetz

14-02465-08

2008696\_\_

1 A bill to be entitled

2 An act relating to community college finance; 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 amending s. 1004.70, F.S.; requiring community college  
10 boards of trustees to authorize debt incurred by direct-  
11 support organizations; authorizing delegation for approval  
12 of short-term loans and lease-purchase agreements;  
13 providing restrictions; amending s. 1009.22, F.S.,  
14 relating to workforce education postsecondary student  
15 fees, and s. 1009.23, F.S., relating to community college  
16 student fees; revising provisions relating to pledge of  
17 fee revenues to repayment of debt by community college  
18 boards of trustees; providing requirements for the  
19 request, issuance, securing, and payment of bonds;  
20 revising provisions relating to validation of bonds;  
21 providing for limitation of actions; amending s. 1011.84,  
22 F.S.; correcting references; providing for transmittal of  
23 funds for amounts required for capital improvement revenue  
24 bond debt service under certain circumstances; providing  
25 restrictions; authorizing rules; providing an effective  
26 date.

27  
28 Be It Enacted by the Legislature of the State of Florida:  
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14-02465-08

2008696\_\_

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

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

34 (26) Each board of trustees is authorized to contract for  
35 the purchase, sale, lease, license, or acquisition in any manner  
36 (including purchase by installment or lease-purchase contract  
37 which may provide for the payment of interest on the unpaid  
38 portion of the purchase price and for the granting of a security  
39 interest in the items purchased, subject to the provisions of  
40 subsection (38) and ss. 1009.22 and 1009.23) of goods, materials,  
41 equipment, and services required by the community college. The  
42 board of trustees may choose to consolidate equipment contracts  
43 under master equipment financing agreements made pursuant to s.  
44 287.064.

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

14-02465-08

2008696\_\_

59 and (12), and 215.61(1). At the option of the board of trustees,  
60 bonds issued pursuant to ss. 1009.22(6) and (9) and 1009.23(11)  
61 and (12) may be ~~issued which are~~ secured by a combination of  
62 revenues authorized to be pledged to bonds pursuant to such  
63 subsections ss. 1009.22(6) and 1009.23(11) or ss. 1009.22(9) and  
64 1009.23(12). Notwithstanding the provisions of this subsection,  
65 lease-purchase agreements may be secured by a combination of  
66 revenues as specifically authorized pursuant to ss. 1009.22(7)  
67 and 1009.23(10).

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

70 1004.70 Community college direct-support organizations.--

71 (4) ACTIVITIES; RESTRICTIONS.--

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

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

85 1009.22 Workforce education postsecondary student fees.--

86 (6) (a) Each district school board and community college  
87 board of trustees may establish a separate fee for capital

14-02465-08

2008696\_\_

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

14-02465-08

2008696\_\_

117 collected by one or more community colleges, including capital  
118 improvement fees collected pursuant to s. 1009.23(11), to secure  
119 such bonds. Any project included in the approved educational  
120 plant survey pursuant to chapter 1013 is approved pursuant to s.  
121 11(f), Art. VII of the State Constitution. ~~Community colleges may~~  
122 ~~use the services of the Division of Bond Finance of the State~~  
123 ~~Board of 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 this~~  
127 ~~paragraph may the State Bond Act shall~~ be validated in the manner  
128 provided by chapter 75. The complaint for such validation shall  
129 be filed in the circuit court of the county where the seat of  
130 state government is situated, the notice required to be published  
131 by s. 75.06 shall be published only in the county where the  
132 complaint is filed, and the complaint and order of the circuit  
133 court shall be served only on the state attorney of the circuit  
134 in which the action is pending. A maximum of 15 cents per credit  
135 hour may be allocated from the capital improvement fee for child  
136 care centers conducted by the district school board or community  
137 college board of trustees. The use of capital improvement fees  
138 for such purpose shall be subordinate to the payment of any bonds  
139 secured by the 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.

14-02465-08

2008696\_\_

145           (9) (a) Community college boards of trustees and district  
146 school boards are not authorized to charge students enrolled in  
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 paragraph subsection. Any such bonds issued by the Division of  
171 Bond Finance shall be in compliance with the provisions of the  
172 State Bond Act. Bonds issued pursuant to the State Bond Act may  
173 ~~shall~~ be validated in the manner established in chapter 75. The

14-02465-08

2008696\_\_

174 | complaint for such validation shall be filed in the circuit court  
175 | of the county where the seat of state government is situated, the  
176 | notice required to be published by s. 75.06 shall be published  
177 | only in the county where the complaint is filed, and the  
178 | complaint and order of the circuit court shall be served only on  
179 | the state attorney of the circuit in which the action is pending.

180 |       (b) As provided in this paragraph, a community college  
181 | board of trustees may, without using the services or obtaining  
182 | the approval of the Division of Bond Finance, pledge parking fee  
183 | revenues to debt, including promissory notes, installment sales  
184 | agreements, lease-purchase agreements, certificates of  
185 | participation, and other similar financing arrangements, for an  
186 | overall term of not more than 20 years, including renewals,  
187 | extensions, refinancings, and refundings, and not exceeding the  
188 | useful life of the asset being financed as long as the interest  
189 | rate on any fixed-rate financing is lower than the interest rate  
190 | on such debt as determined by reference to the Municipal Market  
191 | Data yields listing for the debt-rating category most closely  
192 | comparable to the debt being issued immediately prior to the date  
193 | such interest rate on the debt is set. If the Municipal Market  
194 | Data yields are no longer available, the interest rate shall be  
195 | lower than the rate determined by reference to a nationally  
196 | recognized tax-exempt benchmark interest-rate index. The interest  
197 | rate on any variable-rate financing must be lower than that of a  
198 | nationally recognized tax-exempt variable-rate index.

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

201 |       1009.23 Community college student fees.--

14-02465-08

2008696\_\_

202 (11) (a) Each community college board of trustees may  
203 establish a separate fee for capital improvements, technology  
204 enhancements, or equipping student buildings which may not exceed  
205 10 percent of tuition for resident students or 10 percent of the  
206 sum of tuition and out-of-state fees for nonresident students.  
207 The fee for resident students shall be limited to an increase of  
208 \$2 per credit hour over the prior year. Funds collected by  
209 community colleges through the fee ~~these fees~~ may be bonded only  
210 as provided in this subsection for the purpose of financing or  
211 refinancing new construction and equipment, renovation, or  
212 remodeling of educational facilities. The fee shall be collected  
213 as a component part of the tuition and fees, paid into a separate  
214 account, and expended only to construct and equip, maintain,  
215 improve, or enhance the educational facilities of the community  
216 college. Projects funded through the use of the capital  
217 improvement fee shall meet the survey and construction  
218 requirements of chapter 1013. Pursuant to s. 216.0158, each  
219 community college shall identify each project, including  
220 maintenance projects, proposed to be funded in whole or in part  
221 by such fee.

222 (b) Capital improvement fee revenues may be pledged by a  
223 board of trustees as a dedicated revenue source to the repayment  
224 of debt, including lease-purchase agreements, with an overall  
225 term, including renewals, extensions, and refundings, of not more  
226 than 7 years, including renewals, extensions, and refundings, and  
227 revenue bonds with a term not exceeding ~~to exceed~~ 20 annual  
228 maturities and not exceeding ~~to exceed~~ the useful life of the  
229 asset being financed, only for financing or refinancing of the  
230 new construction and equipment, renovation, or remodeling of



14-02465-08

2008696\_\_

231 | educational facilities. Bonds authorized pursuant to ~~through the~~  
232 | ~~provisions of~~ this subsection shall be requested by the community  
233 | college board of trustees and shall be issued by the Division of  
234 | Bond Finance ~~upon the request of the community college board of~~  
235 | ~~trustees~~ in compliance with ~~the provisions of~~ s. 11(d), Art. VII  
236 | of the State Constitution and the State Bond Act. The Division of  
237 | Bond Finance may pledge fees collected by one or more community  
238 | colleges, including capital improvement fees collected pursuant  
239 | to s. 1009.22(6), to secure such bonds. Any project included in  
240 | the approved educational plant survey pursuant to chapter 1013 is  
241 | approved pursuant to s. 11 (f) ~~(d)~~, Art. VII of the State  
242 | Constitution.

243 |       ~~(c)~~ ~~(d)~~ Any validation of the Bonds issued pursuant to this  
244 | subsection may be validated ~~shall be~~ in the manner provided by  
245 | chapter 75. Only the initial series of bonds is required to be  
246 | validated. The complaint for such validation shall be filed in  
247 | the circuit court of the county where the seat of state  
248 | government is situated, the notice required to be published by s.  
249 | 75.06 shall be published only in the county where the complaint  
250 | is filed, and the complaint and order of the circuit court shall  
251 | be served only on the state attorney of the circuit in which the  
252 | action is pending.

253 |       ~~(d)~~ ~~(e)~~ A maximum of 15 percent may be allocated from the  
254 | capital improvement fee for child care centers conducted by the  
255 | community college. The use of capital improvement fees for such  
256 | purpose shall be subordinate to the payment of any bonds secured  
257 | by the fees.

258 |       ~~(e)~~ ~~(e)~~ The state does hereby covenant with the holders of  
259 | the bonds issued under this subsection that it will not take any

14-02465-08

2008696\_\_

260 | action that will materially and adversely affect the rights of  
261 | such holders so long as the bonds authorized by this subsection  
262 | are outstanding.

263 |       (12) (a) In addition to tuition, out-of-state, financial  
264 | aid, capital improvement, student activity and service, and  
265 | technology fees authorized in this section, each community  
266 | college board of trustees is authorized to establish fee  
267 | schedules for the following user fees and fines: laboratory fees;  
268 | parking fees and fines; library fees and fines; fees and fines  
269 | relating to facilities and equipment use or damage; access or  
270 | identification card fees; duplicating, photocopying, binding, or  
271 | microfilming fees; standardized testing fees; diploma replacement  
272 | fees; transcript fees; application fees; graduation fees; and  
273 | late fees related to registration and payment. Such user fees and  
274 | fines shall not exceed the cost of the services provided and  
275 | shall only be charged to persons receiving the service. A  
276 | community college may not charge any fee except as authorized by  
277 | law or rules of the State Board of Education. Parking fee  
278 | revenues may be pledged by a community college board of trustees  
279 | as a dedicated revenue source for the repayment of debt,  
280 | including lease-purchase agreements, with an overall term of not  
281 | more than 7 years, including renewals, extensions, and  
282 | refundings, and revenue bonds with a term ~~terms~~ not exceeding 20  
283 | years and not exceeding the useful life of the asset being  
284 | financed. Community colleges shall use the services of the  
285 | Division of Bond Finance of the State Board of Administration to  
286 | issue any revenue bonds authorized by ~~the provisions of this~~  
287 | paragraph ~~subsection~~. Any such bonds issued by the Division of  
288 | Bond Finance shall be in compliance with the provisions of the

14-02465-08

2008696\_\_

289 State Bond Act. Bonds issued pursuant to the State Bond Act may  
290 ~~shall~~ be validated in the manner established in chapter 75. The  
291 complaint for such validation shall be filed in the circuit court  
292 of the county where the seat of state government is situated, the  
293 notice required to be published by s. 75.06 shall be published  
294 only in the county where the complaint is filed, and the  
295 complaint and order of the circuit court shall be served only on  
296 the state attorney of the circuit in which the action is pending.

297 (b) As provided in this paragraph, a community college  
298 board of trustees may, without using the services or obtaining  
299 the approval of the Division of Bond Finance, pledge parking fee  
300 revenues to debt, including promissory notes, installment sales  
301 agreements, lease-purchase agreements, certificates of  
302 participation, and other similar financing arrangements, for an  
303 overall term of not more than 20 years, including renewals,  
304 extensions, refinancings, and refundings, and not exceeding the  
305 useful life of the asset being financed as long as the interest  
306 rate on any fixed-rate financing is lower than the interest rate  
307 on such debt as determined by reference to the Municipal Market  
308 Data yields listing for the debt-rating category most closely  
309 comparable to the debt being issued immediately prior to the date  
310 such interest rate on the debt is set. If the Municipal Market  
311 Data yields are no longer available, the interest rate shall be  
312 lower than the rate determined by reference to a nationally  
313 recognized tax-exempt benchmark interest-rate index. The interest  
314 rate on any variable-rate financing must be lower than that of a  
315 nationally recognized tax-exempt variable-rate index.

316 Section 5. Section 1011.84, Florida Statutes, is amended to  
317 read:

14-02465-08

2008696\_\_

318 1011.84 Procedure for determining state financial support  
319 and annual apportionment of state funds to each community college  
320 district.--The procedure for determining state financial support  
321 and the annual apportionment to each community college district  
322 authorized to operate a community college under ~~the provisions of~~  
323 s. 1001.61 shall be as follows:

324 (1) DETERMINING THE AMOUNT TO BE INCLUDED IN THE COMMUNITY  
325 COLLEGE PROGRAM FUND FOR THE CURRENT OPERATING PROGRAM.--

326 (a) The Department of Education shall determine annually  
327 from an analysis of operating costs, prepared in the manner  
328 prescribed by rules of the State Board of Education, the costs  
329 per full-time equivalent student served in courses and fields of  
330 study offered in community colleges. This information and current  
331 college operating budgets shall be submitted to the Executive  
332 Office of the Governor with the legislative budget request prior  
333 to each regular session of the Legislature.

334 (b) The allocation of funds for community colleges shall be  
335 based on advanced and professional disciplines, college-  
336 preparatory programs, and other programs for adults funded  
337 pursuant to s. 1011.80.

338 (c) The category of lifelong learning is for students  
339 enrolled pursuant to s. 1004.93. A student shall also be reported  
340 as a lifelong learning student for his or her enrollment in any  
341 course that he or she has previously taken, unless it is a credit  
342 course in which the student earned a grade of D or F.

343 (d) If an adult student has been determined to be a  
344 disabled student eligible for an approved educational program for  
345 disabled adults provided pursuant to s. 1004.93 and rules of the  
346 State Board of Education and is enrolled in a class with

14-02465-08

2008696\_\_

347 curriculum frameworks developed for the program, state funding  
348 for that student shall be provided at a level double that of a  
349 student enrolled in a special adult general education program  
350 provided by a community college.

351 (e) All state inmate education provided by community  
352 colleges shall be reported by program, FTE expenditure, and  
353 revenue source. These enrollments, expenditures, and revenues  
354 shall be reported and projected separately. Instruction of state  
355 inmates shall not be included in the full-time equivalent student  
356 enrollment for funding through the Community College Program  
357 Fund.

358 (f) When a public educational institution has been fully  
359 funded by an external agency for direct instructional costs of  
360 any course or program, the FTE generated shall not be reported  
361 for state funding.

362 (g) The State Board of Education shall adopt rules to  
363 implement s. 9(d)(8)g.f., Art. XII of the State Constitution.  
364 These rules shall provide for the use of the funds available  
365 under s. 9(d)(8)g.f., Art. XII by an individual community college  
366 for operating expense in any fiscal year during which the State  
367 Board of Education has determined that all major capital outlay  
368 needs have been met. Highest priority for the use of these funds  
369 for purposes other than financing approved capital outlay  
370 projects shall be for the proper maintenance and repair of  
371 existing facilities for projects approved by the State Board of  
372 Education. However, in any fiscal year in which funds from this  
373 source are authorized for operating expense other than approved  
374 maintenance and repair projects, the allocation of community  
375 college program funds shall be reduced by an amount equal to the

14-02465-08

2008696\_\_

376 sum used for such operating expense for that community college  
377 that year, and that amount shall not be released or allocated  
378 among the other community colleges that year.

379 (2) DETERMINING THE AMOUNT TO BE INCLUDED FOR CAPITAL  
380 OUTLAY AND DEBT SERVICE.--The amount included for capital outlay  
381 and debt service shall be as determined and provided in s. 18,  
382 Art. XII of the State Constitution of 1885, as adopted by s.  
383 9(d), Art. XII of the 1968 revised State Constitution and State  
384 Board of Education rules.

385 (3) REDUCTION FOR AMOUNTS REQUIRED FOR CAPITAL IMPROVEMENT  
386 REVENUE BOND DEBT SERVICE.--

387 (a) If amounts sufficient to fully fund all debt service  
388 payments with respect to bonds pledging capital improvement fee  
389 revenues under s. 1009.22 or s. 1009.23 which have become due and  
390 payable have not been forwarded to the State Board of  
391 Administration as otherwise required by the proceedings  
392 authorizing such bonds, the State Board of Administration,  
393 pursuant to its powers and duties under s. 215.69, shall direct  
394 the Department of Education to transmit legally available funds  
395 remaining in the Community College Program Fund appropriated to  
396 the community college that has insufficient capital improvement  
397 fees to pay debt service to the State Board of Administration for  
398 such purpose. The Department of Education may adopt rules to  
399 allocate such debt service liability among the community  
400 colleges.

401 (b) A community college may not obligate the state to  
402 appropriate funds pursuant to this subsection. Such funds are  
403 available only to the extent appropriated, and nothing in this

14-02465-08

2008696\_\_

404 subsection constitutes a pledge of the state to continue such  
405 appropriations.

406 (4) ~~(3)~~ DETERMINING THE APPORTIONMENT FROM STATE FUNDS.--

407 (a) By December 15 of each year, the Department of  
408 Education shall estimate the annual enrollment of each community  
409 college for the current fiscal year and for the 6 subsequent  
410 fiscal years. These estimates shall be based upon prior years'  
411 enrollments, upon the initial fall term enrollments for the  
412 current fiscal year for each college, and upon each college's  
413 estimated current enrollment and demographic changes in the  
414 respective community college districts.

415 (b) The apportionment to each community college from the  
416 Community College Program Fund shall be determined annually in  
417 the General Appropriations Act. In determining each college's  
418 apportionment, the Legislature shall consider the following  
419 components:

420 1. Base budget, which includes the state appropriation to  
421 the Community College Program Fund in the current year plus the  
422 related student tuition and out-of-state fees assigned in the  
423 current General Appropriations Act.

424 2. The cost-to-continue allocation, which consists of  
425 incremental changes to the base budget, including salaries, price  
426 levels, and other related costs allocated through a funding model  
427 approved by the Legislature which may recognize differing  
428 economic factors arising from the individual educational  
429 approaches of the various community colleges, including, but not  
430 limited to:

431 a. Direct Instructional Funding, including class size,  
432 faculty productivity factors, average faculty salary, ratio of

14-02465-08

2008696\_\_

433 full-time to part-time faculty, costs of programs, and enrollment  
434 factors.

435 b. Academic Support, including small colleges factor,  
436 multicampus factor, and enrollment factor.

437 c. Student Services Support, including headcount of  
438 students as well as FTE count and enrollment factors.

439 d. Library Support, including volume and other  
440 materials/audiovisual requirements.

441 e. Special Projects.

442 f. Operations and Maintenance of Plant, including square  
443 footage and utilization factors.

444 g. District Cost Differential.

445 3. Students enrolled in a recreation and leisure program  
446 and students enrolled in a lifelong learning program who may not  
447 be counted as full-time equivalent enrollments for purposes of  
448 enrollment workload adjustments.

449 4. Operating costs of new facilities adjustments, which  
450 shall be provided, from funds available, for each new facility  
451 that is owned by the college and is recommended in accordance  
452 with s. 1013.31.

453 5. New and improved program enhancements, which shall be  
454 determined by the Legislature.

455

456 Student fees in the base budget plus student fee revenues  
457 generated by increases in fee rates shall be deducted from the  
458 sum of the components determined in subparagraphs 1.-5. The  
459 amount remaining shall be the net annual state apportionment to  
460 each college.



14-02465-08

2008696\_\_

461 (c) No community college shall commit funds for the  
462 employment of personnel or resources in excess of those required  
463 to continue the same level of support for either the previously  
464 approved enrollment or the revised enrollment, whichever is  
465 lower.

466 (d) The apportionment to each community college district  
467 for capital outlay and debt service shall be the amount  
468 determined in accordance with subsection (2). This amount, less  
469 any amount determined as necessary for administrative expense by  
470 the State Board of Education and any amount necessary for debt  
471 service on bonds issued by the State Board of Education pursuant  
472 to s. 9(d), Art. XII of the 1968 revised State Constitution,  
473 shall be transmitted to the community college board of trustees  
474 to be expended in a manner prescribed by rules of the State Board  
475 of Education.

476 (e) If at any time the unencumbered balance in the general  
477 fund of the community college board of trustees approved  
478 operating budget goes below 5 percent, the president shall  
479 provide written notification to the State Board of Education.

480 (f) Expenditures for apprenticeship programs shall be  
481 reported separately.

482 (5)~~(4)~~ EXPENDITURE OF ALLOCATED FUNDS.--Subject to the  
483 provisions of subsection (3), any funds allocated herein to any  
484 community college shall be expended only for the purpose of  
485 supporting that community college.

486 (6)~~(5)~~ REPORT OF REMEDIAL EDUCATION.--Each community  
487 college board of trustees shall report the volume and cost of  
488 remedial education activities as a separate item in its annual  
489 cost accounting system.

14-02465-08

2008696\_\_

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