A bill to be entitled 1 2 An act relating to postsecondary education; amending s. 3 216.136, F.S.; revising provisions relating to student enrollment projections, and adjustments thereto, for the 4 state educational system developed by the Education 5 6 Estimating Conference; amending s. 1005.32, F.S.; revising 7 requirements for application for licensure by accreditation by an independent postsecondary educational 8 9 institution; amending s. 1007.24, F.S.; revising provisions regarding determination of equivalency of 10 courses; amending s. 1009.01, F.S.; providing definitions 11 relating to postsecondary education; amending s. 1009.21, 12 F.S.; providing that determination of resident status 13 applies to eligibility for state financial aid awards and 14 tuition assistance grants; revising definitions; revising 15 16 provisions relating to qualification as a resident for tuition purposes; providing for reclassification of 17 status; providing duties of institutions of higher 18 19 education; amending s. 1009.22, F.S.; revising provisions 20 relating to the workforce education postsecondary student capital improvement fee; amending s. 1009.23, F.S.; 21 providing an exemption relating to establishment of the 22 community college activity and service student fee; 23 24 authorizing an increase in the amount of fees collected 25 for financial aid purposes; increasing the amount of 26 financial aid fees that may be used to assist students who 27 meet specified criteria; authorizing rulemaking; amending s. 1009.24, F.S.; revising provisions relating to state 28

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university student fees; providing for the establishment of tuition and fees at the undergraduate and graduate levels and for professional programs; revising provisions relating to use of the student financial aid fee; revising provisions relating to establishment and conditions of the undergraduate tuition differential; amending s. 1009.25, F.S.; revising provisions authorizing student fee exemptions by community colleges; defining "fee-paying student"; amending s. 1009.265, F.S.; revising conditions for the use of state employee fee waivers; amending ss. 1009.98 and 1011.48, F.S.; conforming cross-references; amending s. 196.192, F.S.; specifying educational institutions as exempt entities for purposes of exemptions from ad valorem taxation for property owned by exempt entities; providing an effective date.

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

Section 1. Subsection (4) of section 216.136, Florida Statutes, is amended to read:

216.136 Consensus estimating conferences; duties and principals.--

(4) EDUCATION ESTIMATING CONFERENCE. --

(a) The Education Estimating Conference shall develop such official information relating to the state public and private educational system, including forecasts of student enrollments, the number of students qualified for state financial aid programs, and for the William L. Boyd, IV, Florida Resident

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Access Grant Program, and for the Access to Better Learning and Education Grant Program and the appropriation required to fund the full award amounts for each program, fixed capital outlay needs, and Florida Education Finance Program formula needs, as the conference determines is needed for the state planning and budgeting system.

The conference's initial projections of enrollments in public schools shall be forwarded by the conference to each school district no later than 2 months prior to the start of the regular session of the Legislature. Each school district may, in writing, request adjustments to the initial projections. Any adjustment request shall be submitted to the conference no later than 1 month prior to the start of the regular session of the Legislature and shall be considered by the principals of the conference. A school district may amend its adjustment request, in writing, during the first 3 weeks of the legislative session, and such amended adjustment request shall be considered by the principals of the conference. For any adjustment so requested, the district shall indicate and explain, using definitions adopted by the conference, the components of anticipated enrollment changes that correspond to continuation of current programs with workload changes; program improvement; program reduction or elimination; initiation of new programs; and any other information that may be needed by the Legislature. For public schools, the conference shall submit its full-time equivalent student consensus estimate to the Legislature no later than 1 month after the start of the regular session of the

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Legislature. No conference estimate may be changed without the agreement of the full conference.

The conference shall estimate a state-level demand pool for postsecondary education that includes all delivery systems, public and private. The conference shall calculate the level of public postsecondary enrollment from the initial demand value. Once the state-level public sector demand has been established, the conference shall use current policies and relationships to allocate the demand into the appropriate delivery systems within the public sector. The conference's initial projections of enrollments in public postsecondary institutions shall be forwarded by the conference to the State Board of Education and the Board of Governors no later than 2 months prior to the start of the regular session of the Legislature for distribution to their respective institutions. Each institution may, in writing, request adjustments to the initial projections. Any adjustment request shall be submitted to the conference no later than 1 month prior to the start of the regular session of the Legislature and shall be considered by the principals of the conference. A public postsecondary institution may amend its adjustment request, in writing, during the first 3 weeks of the legislative session, and such amended adjustment request shall be considered by the principals of the conference. For any adjustment so requested, the institution shall indicate and explain, using definitions adopted by the conference, the components of anticipated enrollment changes that correspond to continuation of current programs with workload changes; program improvement; program reduction or

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elimination; initiation of new programs; and any other information that may be needed by the Legislature. The conference shall submit its full-time equivalent student consensus estimate for public postsecondary education to the Legislature no later than 1 month after the start of the regular session of the Legislature. No conference estimate may be changed without the agreement of the full conference.

(d) (b) No later than 2 months prior to the start of the regular session of the Legislature, the conference shall forward to each eligible postsecondary education institution its initial projections of the number of students qualified for state financial aid programs and the appropriation required to fund those students at the full award amount. Each postsecondary education institution may request, in writing, adjustments to the initial projection. Any adjustment request must be submitted to the conference no later than 1 month prior to the start of the regular session of the Legislature and shall be considered by the principals of the conference. For any adjustment so requested, the postsecondary education institution shall indicate and explain, using definitions adopted by the conference, the components of anticipated changes that correspond to continuation of current programs with enrollment changes, program reduction or elimination, initiation of new programs, award amount increases or decreases, and any other information that is considered by the conference. The conference shall submit its consensus estimate to the Legislature no later than 1 month after the start of the regular session of the

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- Legislature. No conference estimate may be changed without the agreement of the full conference.
- Section 2. Subsection (1) of section 1005.32, Florida

 Statutes, is amended to read:
 - 1005.32 Licensure by means of accreditation. --
 - (1) An independent postsecondary educational institution that meets the following criteria may apply for a license by means of accreditation from the commission:
 - (a) The institution has operated legally in this state for at least 5 consecutive years.
 - (b) The institution holds institutional accreditation by an accrediting agency evaluated and approved by the commission as having standards substantially equivalent to the commission's licensure standards.
 - (c) The institution has no unresolved complaints or actions in the past 12 months.
 - (d) The institution meets minimum requirements for financial responsibility as determined by the commission.
 - (e) The institution is a Florida corporation.
- Section 3. Subsection (7) of section 1007.24, Florida

 Statutes, is amended to read:
 - 1007.24 Statewide course numbering system.--
 - (7) Any student who transfers among postsecondary institutions that are fully accredited by a regional or national accrediting agency recognized by the United States Department of Education and that participate in the statewide course numbering system shall be awarded credit by the receiving institution for courses satisfactorily completed by the student at the previous

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institutions. Credit shall be awarded if the courses are judged by the appropriate statewide course numbering system faculty committees representing school districts, public postsecondary educational institutions, and participating nonpublic postsecondary educational institutions to be academically equivalent to courses offered at the receiving institution, including equivalency of faculty credentials, regardless of the United States Department of Education recognized accrediting agency and public or nonpublic control of the previous institution. The Department of Education shall ensure that credits to be accepted by a receiving institution are generated in courses for which the faculty possess credentials that are comparable to those required by the accrediting association of the receiving institution. The award of credit may be limited to courses that are entered in the statewide course numbering system. Credits awarded pursuant to this subsection shall satisfy institutional requirements on the same basis as credits awarded to native students.

Section 4. Subsection (3) of section 1009.01, Florida Statutes, is amended, and subsections (4), (5), and (6) are added to that section, to read:

1009.01 Definitions.--The term:

- (3) "Tuition differential" means the supplemental fee charged to a student for instruction provided by a public university in this state pursuant to s. 1009.24(16)(15).
- (4) "Undergraduate tuition" means the basic fee charged to a student for instruction provided by a state university in a lower-level course or in an upper-level course.

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(5) "Graduate tuition" means the basic fee charged to a student for instruction provided by a state university in a graduate-level course. Graduate-level courses do not include courses in professional programs.

- (6) "Professional program" means a program in dentistry, law, medicine, pharmacy, or veterinary medicine.
- Section 5. Section 1009.21, Florida Statutes, is amended to read:
- 1009.21 Determination of resident status for tuition purposes and student eligibility for state financial aid awards and tuition assistance grants. -- Students shall be classified as residents or nonresidents for the purpose of assessing tuition in community colleges and state universities and for the purpose of determining student eligibility for state financial aid awards and tuition assistance grants.
 - (1) As used in this section, the term:
- (a) The term "Dependent child" means any person, whether or not living with his or her parent, who is eligible to be claimed by his or her parent as a dependent under the federal income tax code.
- (b) "Initial enrollment" means the first day of class at an institution of higher education.
- (c) (b) The term "Institution of higher education" means any public community college or state university or any institution eligible to participate in a program established pursuant to s. 1009.50, s. 1009.505, s. 1009.51, s. 1009.52, s. 1009.53, s. 1009.54, s. 1009.56, s. 1009.57, s. 1009.60, s. 1009.62, s. 1009.63, s. 1009.68, s. 1009.72, s. 1009.73, s.

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1009.76, s. 1009.77, s. 1009.89, or s. 1009.891.

- (d)(c) A "Legal resident" or "resident" means is a person who has maintained his or her residence in this state for the preceding year, has purchased a home which is occupied by him or her as his or her residence, or has established a domicile in this state pursuant to s. 222.17.
- (e) "Nonresident for tuition purposes" means a person who does not qualify for the in-state tuition rate.
- $\underline{\text{(f)}}$ (d) The term "Parent" means the natural or adoptive parent or legal quardian of a dependent child.
- (g) (e) A "Resident for tuition purposes" means is a person who qualifies as provided in subsection (2) for the in-state tuition rate; a "nonresident for tuition purposes" is a person who does not qualify for the in state tuition rate.
 - (2)(a) To qualify as a resident for tuition purposes:
- 1. A person or, if that person is a dependent child, his or her parent or parents must have established legal residence in this state and must have maintained legal residence in this state for at least 12 consecutive months immediately prior to his or her initial enrollment in an institution of higher education qualification. Legal residence must be established by written or electronic verification that includes two or more of the following Florida documents that demonstrate clear and convincing evidence of continuous residence in the state for at least 12 consecutive months prior to the student's initial enrollment in an institution of higher education: a voter information card pursuant to s. 97.071; a driver's license; an identification card issued by the State of Florida; a vehicle

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- registration; a declaration of domicile; proof of purchase of a permanent home; a transcript from a Florida high school; a Florida high school equivalency diploma and transcript; proof of permanent full-time employment; proof of 12 consecutive months of payment of utility bills; a domicile lease and proof of 12 consecutive months of payments; or other official state or court documents evidencing legal ties to Florida. No single piece of evidence shall be conclusive.
- 2. Every applicant for admission to an institution of higher education shall be required to make a statement as to his or her length of residence in the state and, further, shall establish that his or her presence or, if the applicant is a dependent child, the presence of his or her parent or parents in the state currently is, and during the requisite 12-month qualifying period was, for the purpose of maintaining a bona fide domicile, rather than for the purpose of maintaining a mere temporary residence or abode incident to enrollment in an institution of higher education.
- (b) However, with respect to a dependent child living with an adult relative other than the child's parent, such child may qualify as a resident for tuition purposes if the adult relative is a legal resident who has maintained legal residence in this state for at least 12 consecutive months immediately prior to the child's initial enrollment in an institution of higher education qualification, provided the child has resided continuously with such relative for the 5 years immediately prior to the child's initial enrollment qualification, during which time the adult relative has exercised day-to-day care,

supervision, and control of the child.

- (c) The legal residence of a dependent child whose parents are divorced, separated, or otherwise living apart will be deemed to be this state if either parent is a legal resident of this state, regardless of which parent is entitled to claim, and does in fact claim, the minor as a dependent pursuant to federal individual income tax provisions.
- (d) A person who is classified as a nonresident for tuition purposes may become eligible for reclassification as a resident for tuition purposes if that person or, if that person is a dependent child, his or her parent presents clear and convincing evidence that supports permanent residency in this state rather than temporary residency for the purpose of pursuing an education, such as documentation of full-time permanent employment for the prior 12 months or the purchase of a home in this state and residence therein for the prior 12 months. If a person who is a dependent child and his or her parent move to this state while such child is a high school student and the child graduates from a high school in this state, the child may become eligible for reclassification as a resident for tuition purposes when the parent qualifies for permanent residency.
- (3) (a) An individual shall not be classified as a resident for tuition purposes and, thus, shall not be eligible to receive the in-state tuition rate until he or she has provided such evidence related to legal residence and its duration or, if that individual is a dependent child, documentation of his or her parent's legal residence and its duration, as well as

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documentation confirming his or her status as a dependent child, as may be required by <u>law and by</u> officials of the institution of higher education from which he or she seeks the in-state tuition rate. The documentation shall provide clear and convincing evidence that residency in this state was for a minimum of 12 consecutive months prior to the student's initial enrollment in an institution of higher education. No single piece of evidence shall be conclusive.

- (b) Each institution of higher learning shall:
- 1. Determine whether an applicant who has been granted admission to that institution is a dependent child.
- 2. Affirmatively determine that an applicant who has been granted admission to that institution as a Florida resident meets the residency requirements of this section at the time of initial enrollment.
- (4) With respect to a dependent child, the legal residence of such individual's parent or parents is prima facie evidence of the individual's legal residence, which evidence may be reinforced or rebutted, relative to the age and general circumstances of the individual, by the other evidence of legal residence required of or presented by the individual. However, the legal residence of an individual whose parent or parents are domiciled outside this state is not prima facie evidence of the individual's legal residence if that individual has lived in this state for 5 consecutive years prior to enrolling or reregistering at the institution of higher education at which resident status for tuition purposes is sought.
 - (5) In making a domiciliary determination related to the Page 12 of 31

classification of a person as a resident or nonresident for tuition purposes, the domicile of a married person, irrespective of sex, shall be determined, as in the case of an unmarried person, by reference to all relevant evidence of domiciliary intent. For the purposes of this section:

- (a) A person shall not be precluded from establishing or maintaining legal residence in this state and subsequently qualifying or continuing to qualify as a resident for tuition purposes solely by reason of marriage to a person domiciled outside this state, even when that person's spouse continues to be domiciled outside of this state, provided such person maintains his or her legal residence in this state.
- (b) A person shall not be deemed to have established or maintained a legal residence in this state and subsequently to have qualified or continued to qualify as a resident for tuition purposes solely by reason of marriage to a person domiciled in this state.
- (c) In determining the domicile of a married person, irrespective of sex, the fact of the marriage and the place of domicile of such person's spouse shall be deemed relevant evidence to be considered in ascertaining domiciliary intent.
- (6) Any nonresident person, irrespective of sex, who marries a legal resident of this state or marries a person who later becomes a legal resident may, upon becoming a legal resident of this state, accede to the benefit of the spouse's immediately precedent duration as a legal resident for purposes of satisfying the 12-month durational requirement of this section.

- (7) A person shall not lose his or her resident status for tuition purposes solely by reason of serving, or, if such person is a dependent child, by reason of his or her parent's or parents' serving, in the Armed Forces outside this state.
- (8) A person who has been properly classified as a resident for tuition purposes but who, while enrolled in an institution of higher education in this state, loses his or her resident tuition status because the person or, if he or she is a dependent child, the person's parent or parents establish domicile or legal residence elsewhere shall continue to enjoy the in-state tuition rate for a statutory grace period, which period shall be measured from the date on which the circumstances arose that culminated in the loss of resident tuition status and shall continue for 12 months. However, if the 12-month grace period ends during a semester or academic term for which such former resident is enrolled, such grace period shall be extended to the end of that semester or academic term.
- (9) Any person who ceases to be enrolled at or who graduates from an institution of higher education while classified as a resident for tuition purposes and who subsequently abandons his or her domicile in this state shall be permitted to reenroll at an institution of higher education in this state as a resident for tuition purposes without the necessity of meeting the 12-month durational requirement of this section if that person has reestablished his or her domicile in this state within 12 months of such abandonment and continuously maintains the reestablished domicile during the period of enrollment. The benefit of this subsection shall not be accorded

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more than once to any one person.

- (10) The following persons shall be classified as residents for tuition purposes:
- (a) Active duty members of the Armed Services of the United States residing or stationed in this state, their spouses, and dependent children, and active members of the Florida National Guard who qualify under s. 250.10(7) and (8) for the tuition assistance program.
- (b) Active duty members of the Armed Services of the United States and their spouses and dependents attending a public community college or state university within 50 miles of the military establishment where they are stationed, if such military establishment is within a county contiguous to Florida.
- (c) United States citizens living on the Isthmus of Panama, who have completed 12 consecutive months of college work at the Florida State University Panama Canal Branch, and their spouses and dependent children.
- (d) Full-time instructional and administrative personnel employed by state public schools, community colleges, and institutions of higher education, as defined in s. 1000.04, and their spouses and dependent children.
- (e) Students from Latin America and the Caribbean who receive scholarships from the federal or state government. Any student classified pursuant to this paragraph shall attend, on a full-time basis, a Florida institution of higher education.
- (f) Southern Regional Education Board's Academic Common
 Market graduate students attending Florida's state universities.
 - (g) Full-time employees of state agencies or political

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subdivisions of the state when the student fees are paid by the state agency or political subdivision for the purpose of jobrelated law enforcement or corrections training.

- (h) McKnight Doctoral Fellows and Finalists who are United States citizens.
- (i) United States citizens living outside the United States who are teaching at a Department of Defense Dependent School or in an American International School and who enroll in a graduate level education program which leads to a Florida teaching certificate.
- (j) Active duty members of the Canadian military residing or stationed in this state under the North American Air Defense (NORAD) agreement, and their spouses and dependent children, attending a community college or state university within 50 miles of the military establishment where they are stationed.
- (k) Active duty members of a foreign nation's military who are serving as liaison officers and are residing or stationed in this state, and their spouses and dependent children, attending a community college or state university within 50 miles of the military establishment where the foreign liaison officer is stationed.
- (11) The State Board of Education and the Board of Governors shall adopt rules to implement this section.
- Section 6. Subsection (6) of section 1009.22, Florida Statutes, is amended to read:
 - 1009.22 Workforce education postsecondary student fees.--
- (6) Each district school board and community college board of trustees may establish a separate fee for capital

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improvements, technology enhancements, or equipping buildings which may not exceed 5 percent of tuition for resident students or 5 percent of tuition and out-of-state fees for nonresident students. Funds collected by community colleges through these fees may be bonded only for the purpose of financing or refinancing new construction and equipment, renovation, or remodeling of educational facilities. The fee shall be collected as a component part of the tuition and fees, paid into a separate account, and expended only to construct and equip, maintain, improve, or enhance the certificate career education or adult education facilities of the school district or community college. Projects funded through the use of the capital improvement fee must meet the survey and construction requirements of chapter 1013. Pursuant to s. 216.0158, each district school board and community college board of trustees shall identify each project, including maintenance projects, proposed to be funded in whole or in part by such fee. Capital improvement fee revenues may be pledged by a board of trustees as a dedicated revenue source to the repayment of debt, including lease-purchase agreements and revenue bonds, with a term not to exceed 20 years, and not to exceed the useful life of the asset being financed, only for the new construction and equipment, renovation, or remodeling of educational facilities. Community colleges may use the services of the Division of Bond Finance of the State Board of Administration to issue any bonds authorized through the provisions of this subsection. Any such bonds issued by the Division of Bond Finance shall be in compliance with the provisions of the State Bond Act. Bonds

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issued pursuant to the State Bond Act shall be validated in the manner provided by chapter 75. The complaint for such validation shall be filed in the circuit court of the county where the seat of state government is situated, the notice required to be published by s. 75.06 shall be published only in the county where the complaint is filed, and the complaint and order of the circuit court shall be served only on the state attorney of the circuit in which the action is pending. A maximum of 15 percent cents per credit hour may be allocated from the capital improvement fee for child care centers conducted by the district school board or community college board of trustees.

Section 7. Subsection (7), paragraphs (a) and (c) of subsection (8), and subsection (12) of section 1009.23, Florida Statutes, are amended to read:

1009.23 Community college student fees.--

(7) Each community college board of trustees may establish a separate activity and service fee not to exceed 10 percent of the tuition fee, according to rules of the State Board of Education. The student activity and service fee shall be collected as a component part of the tuition and fees. The student activity and service fees shall be paid into a student activity and service fund at the community college and shall be expended for lawful purposes to benefit the student body in general. These purposes include, but are not limited to, student publications and grants to duly recognized student organizations, the membership of which is open to all students at the community college without regard to race, sex, or religion. No community college shall be required to lower any

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activity and service fee approved by the board of trustees of the community college and in effect prior to October 26, 2007, in order to comply with the provisions of this subsection.

- (8) (a) Each community college board of trustees is authorized to establish a separate fee for financial aid purposes in an additional amount up to, but not to exceed, 5 percent of the total student tuition or out-of-state fees collected. Each community college board of trustees may collect up to an additional 2 percent if the amount generated by the total financial aid fee is less than \$500,000 \$250,000. If the amount generated is less than \$500,000 \$250,000, a community college that charges tuition and out-of-state fees at least equal to the average fees established by rule may transfer from the general current fund to the scholarship fund an amount equal to the difference between \$500,000 \$250,000 and the amount generated by the total financial aid fee assessment. No other transfer from the general current fund to the loan, endowment, or scholarship fund, by whatever name known, is authorized.
- (c) Up to 25 percent or \$600,000 \$300,000, whichever is greater, of the financial aid fees collected may be used to assist students who demonstrate academic merit; who participate in athletics, public service, cultural arts, and other extracurricular programs as determined by the institution; or who are identified as members of a targeted gender or ethnic minority population. The financial aid fee revenues allocated for athletic scholarships and fee exemptions provided pursuant to s. 1009.25(3) for athletes shall be distributed equitably as required by s. 1000.05(3)(d). A minimum of 75 percent of the

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balance of these funds for new awards shall be used to provide financial aid based on absolute need, and the remainder of the funds shall be used for academic merit purposes and other purposes approved by the boards of trustees. Such other purposes shall include the payment of child care fees for students with financial need. The State Board of Education shall develop criteria for making financial aid awards. Each college shall report annually to the Department of Education on the revenue collected pursuant to this paragraph, the amount carried forward, the criteria used to make awards, the amount and number of awards for each criterion, and a delineation of the distribution of such awards. The report shall include an assessment by category of the financial need of every student who receives an award, regardless of the purpose for which the award is received. Awards which are based on financial need shall be distributed in accordance with a nationally recognized system of need analysis approved by the State Board of Education. An award for academic merit shall require a minimum overall grade point average of 3.0 on a 4.0 scale or the equivalent for both initial receipt of the award and renewal of the award.

(12) (a) In addition to tuition, out-of-state, financial aid, capital improvement, student activity and service, and technology fees authorized in this section, each community college board of trustees is authorized to establish fee schedules for the following user fees and fines: laboratory fees; parking fees and fines; library fees and fines; fees and fines relating to facilities and equipment use or damage; access

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or identification card fees; duplicating, photocopying, binding, or microfilming fees; standardized testing fees; diploma replacement fees; transcript fees; application fees; graduation fees; and late fees related to registration and payment. Such user fees and fines shall not exceed the cost of the services provided and shall only be charged to persons receiving the service. A community college may not charge any fee except as authorized by law or rules of the State Board of Education. Parking fee revenues may be pledged by a community college board of trustees as a dedicated revenue source for the repayment of debt, including lease-purchase agreements and revenue bonds with terms not exceeding 20 years and not exceeding the useful life of the asset being financed. Community colleges shall use the services of the Division of Bond Finance of the State Board of Administration to issue any revenue bonds authorized by the provisions of this subsection. Any such bonds issued by the Division of Bond Finance shall be in compliance with the provisions of the State Bond Act. Bonds issued pursuant to the State Bond Act shall be validated in the manner established in chapter 75. The complaint for such validation shall be filed in the circuit court of the county where the seat of state government is situated, the notice required to be published by s. 75.06 shall be published only in the county where the complaint is filed, and the complaint and order of the circuit court shall be served only on the state attorney of the circuit in which the action is pending.

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to ss. 120.536(1) and 120.54 to administer the provisions of

The State Board of Education may adopt rules pursuant

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Section 8. Subsections (4), (7), and (16) of section 1009.24, Florida Statutes, as amended by chapter 2007-329, Laws of Florida, are amended to read:

1009.24 State university student fees.--

- (4)(a)1. Effective January 1, 2008, the resident undergraduate tuition for lower level and upper level coursework shall be \$77.39 per credit hour.
- 2. (b) Beginning with the 2008-2009 fiscal year and each year thereafter, the resident undergraduate tuition per credit hour shall increase at the beginning of each fall semester at a rate equal to inflation, unless otherwise provided in the General Appropriations Act. The Office of Economic and Demographic Research shall report the rate of inflation to the President of the Senate, the Speaker of the House of Representatives, the Governor, and the Board of Governors each year prior to March 1. For purposes of this subparagraph paragraph, the rate of inflation shall be defined as the rate of the 12-month percentage change in the Consumer Price Index for All Urban Consumers, U.S. City Average, All Items, or successor reports as reported by the United States Department of Labor, Bureau of Labor Statistics, or its successor for December of the previous year. In the event the percentage change is negative, the resident undergraduate tuition shall remain at the same level as the prior fiscal year.
- 3. The Board of Governors, or the board's designee, may establish the out-of-state fee for undergraduate courses. The sum of the undergraduate tuition and the out-of-state fee

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assessed to nonresident students for undergraduate courses must be sufficient to offset the full instructional cost of serving such students. However, adjustments to the out-of-state fee pursuant to this subparagraph may not exceed 10 percent in any year.

- (b) (c) The Board of Governors, or the board's designee, may establish tuition for graduate tuition and professional programs, and the out-of-state fee fees for graduate-level courses all programs. The sum of graduate tuition and the out-of-state fee fees assessed to nonresident students for graduate-level courses must be sufficient to offset the full instructional cost of serving such students. However, adjustments to the out-of-state fee fees or graduate tuition for graduate and professional programs pursuant to this paragraph section may not exceed 10 percent in any year.
- (c) Each university board of trustees may establish tuition and the out-of-state fee for each professional program offered by the university. The sum of tuition and the out-of-state fee assessed to nonresident students in professional programs must be sufficient to offset the full instructional cost of serving such students. Adjustments to tuition or the out-of-state fee for any student who was enrolled in a professional program prior to the Fall 2008 term and maintains continuous enrollment in good academic standing in such program as determined by the university may not exceed 10 percent in any year.
- (d) The sum of the activity and service, health, and athletic fees a student is required to pay to register for a

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course shall not exceed 40 percent of the tuition established in law or in the General Appropriations Act. No university shall be required to lower any fee in effect on the effective date of this act in order to comply with this paragraph subsection. Within the 40 percent cap, universities may not increase the aggregate sum of activity and service, health, and athletic fees more than 5 percent per year unless specifically authorized in law or in the General Appropriations Act. A university may increase its athletic fee to defray the costs associated with changing National Collegiate Athletic Association divisions. Any such increase in the athletic fee may exceed both the 40 percent cap and the 5 percent cap imposed by this paragraph subsection. Any such increase must be approved by the athletic fee committee in the process outlined in subsection (12) and cannot exceed \$2 per credit hour. Notwithstanding the provisions of ss. 1009.534, 1009.535, and 1009.536, that portion of any increase in an athletic fee pursuant to this paragraph subsection that causes the sum of the activity and service, health, and athletic fees to exceed the 40 percent cap or the annual increase in such fees to exceed the 5 percent cap shall not be included in calculating the amount a student receives for a Florida Academic Scholars award, a Florida Medallion Scholars award, or a Florida Gold Seal Vocational Scholars award.

- (e) This subsection does not prohibit a university from increasing or assessing optional fees related to specific activities if payment of such fees is not required as a part of registration for courses.
 - (7) A university board of trustees is authorized to

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collect for financial aid purposes an amount not to exceed 5 percent of the tuition and the out-of-state fee. The revenues from fees are to remain at each campus and replace existing financial aid fees. Such funds shall be disbursed to students as quickly as possible. A minimum of 75 percent of funds from the student financial aid fee for new financial aid awards shall be used to provide financial aid based on absolute need. A student who has received an award prior to July 1, 1984, shall have his or her eligibility assessed on the same criteria that were used at the time of his or her original award. The Board of Governors shall develop criteria for making financial aid awards. Each university shall report annually to the Board of Governors and the Department of Education on the revenue collected pursuant to this subsection, the amount carried forward, the criteria used to make awards, the amount and number of awards for each criterion, and a delineation of the distribution of such awards. The report shall include an assessment by category of the financial need of every student who receives an award, regardless of the purpose for which the award is received. Awards which are based on financial need shall be distributed in accordance with a nationally recognized system of need analysis approved by the Board of Governors. An award for academic merit shall require a minimum overall grade point average of 3.0 on a 4.0 scale or the equivalent for both initial receipt of the award and renewal of the award.

(16) The Board of Governors may establish a uniform maximum undergraduate tuition differential that does not exceed 40 percent of tuition for all universities that meet the

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criteria for Funding Level 1 under s. 1004.635(3), and may establish a uniform maximum undergraduate tuition differential that does not exceed 30 percent of tuition for all universities that have total research and development expenditures for all fields of at least \$100 million per year as reported annually to the National Science Foundation meet the criteria for Funding Level 2 under s. 1004.635(3). However, the board shall ensure that the maximum tuition differential it establishes for universities meeting the Funding Level 1 criteria is at least 30 percent greater than the maximum tuition differential the board establishes for universities that meet the required Funding Level 2 criteria for research and development expenditures. The tuition differential is subject to the following conditions:

- (a) The sum of tuition and the tuition differential may not be increased by more than 15 percent of the total charged for these fees in the preceding fiscal year.
- (b) The tuition differential may not be calculated as a part of the scholarship programs established in ss. 1009.53-1009.537.
- (c) Beneficiaries having prepaid tuition contracts pursuant to s. 1009.98(2)(b) which were in effect on July 1, 2008 2007, and which remain in effect, are exempt from the payment of the tuition differential.
- (d) The tuition differential may not be charged to any student who was in attendance at the university before July 1, 2007, and who maintains continuous enrollment.
- (e) The tuition differential may be waived by the university for students who meet the eligibility requirements

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for the Florida public student assistance grant established in s. 1009.50.

- (f) A university board of trustees that has been authorized by the Board of Governors to establish a tuition differential pursuant to this subsection may establish the tuition differential at a rate lower than the maximum tuition differential established by the board, but may not exceed the maximum tuition differential established by the board.
- (g) The revenue generated from the tuition differential must be spent solely for improving the quality of direct undergraduate instruction and support services.
- (h) Information relating to the annual receipt and expenditure of the proceeds from the assessment of the tuition differential shall be reported by the university in accordance with guidelines established by the Board of Governors.
- Section 9. Subsection (3) of section 1009.25, Florida Statutes, is amended to read:

1009.25 Fee exemptions.--

trustees, each community college is authorized to grant student fee exemptions from all fees authorized in s. 1009.23 adopted by the State Board of Education and the community college board of trustees for up to 0.5 percent of the community college's prior year fee-paying full-time equivalent students or 54 40 full-time equivalent students, whichever is greater at each institution. A "fee-paying student" means a student enrolled in college-preparatory courses, an associate in arts degree program, an associate in science degree program, career-preparatory

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instruction, an educator preparation institute, or a baccalaureate degree program.

Section 10. Subsection (1) of section 1009.265, Florida Statutes, is amended to read:

1009.265 State employee fee waivers.--

(1) As a benefit to the employer and employees of the state, subject to approval by an employee's agency head or the equivalent, each state university and community college shall waive tuition and fees for state employees to enroll for up to 6 credit hours of courses, including distance learning or online courses, per term on a space-available basis. The employee must have the approval of his or her supervisor to use the waiver to take a course or courses during normal work hours. For purposes of implementing this section, the space available in a course is to be determined based on the number of seats or capacity remaining in the course at the end of the drop-add period. State employee fee waivers may not be used for dissertation, thesis, directed individual study (DIS), or other one-to-one instruction.

Section 11. Paragraph (b) of subsection (2) of section 1009.98, Florida Statutes, is amended to read:

1009.98 Stanley G. Tate Florida Prepaid College Program. --

(2) PREPAID COLLEGE PLANS.--At a minimum, the board shall make advance payment contracts available for two independent plans to be known as the community college plan and the university plan. The board may also make advance payment contracts available for a dormitory residence plan. The board may restrict the number of participants in the community college

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plan, university plan, and dormitory residence plan, respectively. However, any person denied participation solely on the basis of such restriction shall be granted priority for participation during the succeeding year.

- (b)1. Through the university plan, the advance payment contract shall provide prepaid registration fees for a specified number of undergraduate semester credit hours not to exceed the average number of hours required for the conference of a baccalaureate degree. Qualified beneficiaries shall bear the cost of any laboratory fees associated with enrollment in specific courses. Each qualified beneficiary shall be classified as a resident for tuition purposes pursuant to s. 1009.21, regardless of his or her actual legal residence.
- 2. Effective July 1, 1998, the board may provide advance payment contracts for additional fees delineated in s. 1009.24(9)-(12)(8)-(11), for a specified number of undergraduate semester credit hours not to exceed the average number of hours required for the conference of a baccalaureate degree, in conjunction with advance payment contracts for registration fees. Such contracts shall provide prepaid coverage for the sum of such fees, to a maximum of 45 percent of the cost of registration fees. University plan contracts purchased prior to July 1, 1998, shall be limited to the payment of registration fees as defined in s. 1009.97.
- 3. Effective July 1, 2007, the board may provide advance payment contracts for the tuition differential authorized in s. $1009.24 \underline{(16)} \underline{(15)}$ for a specified number of undergraduate semester credit hours, which may not exceed the average number of hours

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required for the conference of a baccalaureate degree, in conjunction with advance payment contracts for registration fees.

- Section 12. Subsection (5) of section 1011.48, Florida Statutes, is amended to read:
- 1011.48 Establishment of educational research centers for child development.--
- (5) Each educational research center for child development shall be funded by a portion of the Capital Improvement Trust Fund fee established by the Board of Governors pursuant to s. 1009.24(8)(7). Each university that establishes a center shall receive a portion of such fees collected from the students enrolled at that university, usable only at that university, equal to 22.5 cents per student per credit hour taken per term, based on the summer term and fall and spring semesters. This allocation shall be used by the university only for the establishment and operation of a center as provided by this section and rules adopted hereunder. Said allocation may be made only after all bond obligations required to be paid from such fees have been met.
- Section 13. Section 196.192, Florida Statutes, is amended to read:
- 196.192 Exemptions from ad valorem taxation.--Subject to the provisions of this chapter:
- (1) All property owned by an exempt entity, including educational institutions, and used exclusively for exempt purposes shall be totally exempt from ad valorem taxation.
 - (2) All property owned by an exempt entity, including

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educational institutions, and used predominantly for exempt purposes shall be exempted from ad valorem taxation to the extent of the ratio that such predominant use bears to the nonexempt use.

(3) All tangible personal property loaned or leased by a natural person, by a trust holding property for a natural person, or by an exempt entity to an exempt entity for public display or exhibition on a recurrent schedule is exempt from ad valorem taxation if the property is loaned or leased for no consideration or for nominal consideration.

For purposes of this section, each use to which the property is being put must be considered in granting an exemption from ad valorem taxation, including any economic use in addition to any physical use. For purposes of this section, property owned by a limited liability company, the sole member of which is an exempt entity, shall be treated as if the property were owned directly by the exempt entity. This section does not apply in determining the exemption for property owned by governmental units pursuant to s. 196.199.

Section 14. This act shall take effect July 1, 2008.