

1 A bill to be entitled  
2 An act relating to independent postsecondary  
3 educational institutions; amending s. 1005.04, F.S.;  
4 requiring certain independent postsecondary  
5 educational institutions to provide students and  
6 prospective students with a disclosure containing  
7 specified financial information; amending s. 1005.21,  
8 F.S.; revising the qualifications for a specified  
9 member of the Commission for Independent Education;  
10 amending s. 1005.31, F.S.; revising the minimum  
11 standards for evaluation of institutions for licensure  
12 to include student retention and program completion  
13 plans; requiring certain institutions to maintain a  
14 surety bond, cash deposit escrow account, or  
15 irrevocable line of credit that meets certain  
16 requirements; requiring the commission to perform  
17 certain duties within a specified time period;  
18 amending s. 1005.32, F.S.; revising the criteria for  
19 licensure by means of accreditation for certain  
20 institutions; requiring institutions licensed by means  
21 of accreditation to file student retention and program  
22 completion plans with the commission; amending s.  
23 1005.37, F.S.; revising terminology; providing an  
24 effective date.

25  
26 Be It Enacted by the Legislature of the State of Florida:

27  
28 Section 1. Paragraphs (g) and (h) of subsection (1) of  
29 section 1005.04, Florida Statutes, are amended, and paragraph  
30 (i) is added to that subsection, to read:

31 1005.04 Fair consumer practices.—

32 (1) Every institution that is under the jurisdiction of  
33 the commission or is exempt from the jurisdiction or purview of  
34 the commission pursuant to s. 1005.06(1)(c) or (f) and that  
35 either directly or indirectly solicits for enrollment any  
36 student shall:

37 (g) Follow the requirements of state and federal laws that  
38 require annual reporting with respect to crime statistics and  
39 physical plant safety and make those reports available to the  
40 public; ~~and~~

41 (h) Publish and follow procedures for handling student  
42 complaints, disciplinary actions, and appeals; and

43 (i) Before enrollment, provide each student and  
44 prospective student a written disclosure, in a format prescribed  
45 by the commission, of all fees and costs that will be incurred  
46 by a student for completion of a program at the institution.

47 Section 2. Paragraph (d) of subsection (2) of section  
48 1005.21, Florida Statutes, is amended to read:

49 1005.21 Commission for Independent Education.—

50 (2) The Commission for Independent Education shall consist  
51 of seven members who are residents of this state. The commission  
52 shall function in matters concerning independent postsecondary

53 educational institutions in consumer protection, program  
54 improvement, and licensure for institutions under its purview.  
55 The Governor shall appoint the members of the commission who are  
56 subject to confirmation by the Senate. The membership of the  
57 commission shall consist of:

58 (d) One representative of a college that meets the  
59 criteria of s. 1005.06(1) ~~1005.06(1)(f)~~.

60 Section 3. Subsection (2) and present subsection (6) of  
61 section 1005.31, Florida Statutes, are amended, subsections (5)  
62 through (15) are renumbered as subsections (6) through (16),  
63 respectively, and a new subsection (5) is added to that section,  
64 to read:

65 1005.31 Licensure of institutions.—

66 (2) The commission shall develop minimum standards by  
67 which to evaluate institutions for licensure. These standards  
68 must include at least the institution's name, financial  
69 stability, purpose, administrative organization, admissions and  
70 recruitment, educational programs and curricula, retention,  
71 completion, career placement, faculty, learning resources,  
72 student personnel services, physical plant and facilities,  
73 publications, ~~and~~ disclosure statements about the status of the  
74 institution with respect to professional certification and  
75 licensure, and student retention and program completion plans.  
76 The commission may adopt rules to ensure that institutions  
77 licensed under this section meet these standards in ways that  
78 are appropriate to achieve the stated intent of this chapter,

79 including provisions for nontraditional or distance education  
80 programs and delivery.

81 (5) (a) An institution applying for a provisional license  
82 with the commission shall post and maintain a surety bond with  
83 the commission. The surety bond must:

84 1. Be executed by a surety company authorized to do  
85 business in the state with the institution as the principal.

86 2. Be submitted to the commission in a format prescribed  
87 by the commission.

88 3. Be payable to the commission to assist in aiding an  
89 enrolled student if the institution ceases operation before the  
90 student completes his or her program of enrollment.

91 4. Be in an amount of at least \$20,000 but not more than  
92 50 percent of the institution's projected revenue for the first  
93 year.

94 5. Remain in effect until the institution applies for and  
95 receives its first annual licensure renewal from the commission  
96 and demonstrates financial stability, as determined by the  
97 commission.

98 (b) Upon approval from the commission, and in place of the  
99 surety bond required under paragraph (a), an institution  
100 applying for a provisional license with the commission may  
101 establish and maintain a cash deposit escrow account or an  
102 irrevocable letter of credit payable to the commission. The  
103 amount in the cash deposit escrow account or the amount of the  
104 irrevocable letter of credit shall be the same amount as

105 required for the surety bond.

106 (7)+(6) The commission shall ensure through an  
107 investigative process that applicants for licensure meet the  
108 standards as defined in rule. Within 60 days after receipt of an  
109 application, the commission shall examine the application,  
110 notify the applicant of any apparent errors or omissions, and  
111 request any additional information. When the investigative  
112 process is not completed within the time set out in s. 120.60(1)  
113 and the commission has reason to believe that the applicant does  
114 not meet licensure standards, the commission or the executive  
115 director of the commission may issue a 90-day licensure delay,  
116 which shall be in writing and sufficient to notify the applicant  
117 of the reason for the delay. The provisions of this subsection  
118 shall control over any conflicting provisions of s. 120.60(1).

119 Section 4. Paragraph (e) of subsection (1) and subsection  
120 (3) of section 1005.32, Florida Statutes, are amended to read:

121 1005.32 Licensure by means of accreditation.—

122 (1) An independent postsecondary educational institution  
123 that meets the following criteria may apply for a license by  
124 means of accreditation from the commission:

125 ~~(e) The institution is a Florida corporation.~~

126 (3) The commission may not require an institution granted  
127 a license by means of accreditation to submit reports that  
128 differ from the reports required by its accrediting association,  
129 except that each institution must file with the commission an  
130 annual audit report and the student retention and program

131 completion plans required under s. 1005.31 and follow the  
132 commission's requirements for orderly closing, including  
133 provisions for trainout or refunds and arranging for the proper  
134 disposition of student and institutional records.

135 Section 5. Subsections (1), (2), (3), (4), (6), and (7) of  
136 section 1005.37, Florida Statutes, are amended to read:

137 1005.37 Student Protection Fund.—

138 (1) The commission shall establish and administer a  
139 statewide, fee-supported financial program through which funds  
140 will be available to complete the training of a student who  
141 enrolls in a nonpublic licensed institution ~~school~~ that  
142 terminates a program or ceases operation before the student has  
143 completed his or her program of study. The financial program is  
144 named the Student Protection Fund.

145 (2) The commission is authorized to assess a fee from the  
146 licensed institutions ~~schools~~ within its jurisdiction for such  
147 purpose. The commission shall assess a licensed institution  
148 ~~school~~ an additional fee for its eligibility for the Student  
149 Protection Fund.

150 (3) If a licensed institution ~~school~~ terminates a program  
151 before all students complete it, the commission shall also  
152 assess that institution ~~school~~ a fee adequate to pay the full  
153 cost to the Student Protection Fund of completing the training  
154 of students.

155 (4) The fund shall consist entirely of fees assessed to  
156 licensed institutions ~~schools~~ and shall not be funded under any

157 | circumstances by public funds, nor shall the commission make  
158 | payments or be obligated to make payments in excess of the  
159 | assessments actually received from licensed institutions ~~schools~~  
160 | and deposited in the Institutional Assessment Trust Fund to the  
161 | credit of the Student Protection Fund.

162 |         (6) Staff of the commission must immediately inform the  
163 | commission upon learning of the closing of a licensed  
164 | institution ~~school~~ or the termination of a program that could  
165 | expose the fund to liability.

166 |         (7) The Student Protection Fund must be actuarially sound,  
167 | periodically audited by the Auditor General in connection with  
168 | his or her audit of the Department of Education, and reviewed to  
169 | determine if additional fees must be charged to institutions  
170 | ~~schools~~ eligible to participate in the fund.

171 |         Section 6. This act shall take effect July 1, 2016.