

1 A bill to be entitled
2 An act relating to postsecondary educational
3 institutions; amending s. 1005.04, F.S.; revising
4 provisions relating to disclosure requirements of
5 institutions under the jurisdiction of the Commission
6 for Independent Education; requiring certain
7 institutions to provide each student a disclosure
8 statement; requiring the commission to develop the
9 disclosure statement; requiring certain information to
10 be included on the disclosure statement; requiring
11 certain institutions to maintain a federal student
12 loan cohort default rate below a specified percentage;
13 providing that an institution is ineligible to receive
14 certain grant payments or maintain a license, and
15 remains ineligible, until the institution's federal
16 student loan cohort default rate falls below a
17 specified percentage; requiring the commission to
18 revoke the license of an institution whose federal
19 student loan cohort default rate exceeds the threshold
20 percentage; defining such an institution's period of
21 ineligibility; amending s. 1005.31, F.S.; revising the
22 minimum standards the commission must use to evaluate
23 an institution for licensure to include the
24 institution's federal student loan cohort default
25 rate; requiring the commission to deny a renewal
26 license for an institution whose federal student loan

27 cohort default rate exceeds a specified percentage;
 28 amending s. 1005.32, F.S.; revising the minimum
 29 criteria for an independent postsecondary educational
 30 institution to apply for a license by accreditation to
 31 include a maximum percentage for the institution's
 32 federal student loan cohort default rate; amending s.
 33 1011.81, F.S.; requiring Florida College System
 34 institution performance funding for industry
 35 certifications to take into consideration an
 36 institution's federal student loan cohort default
 37 rate; amending s. 1011.905, F.S.; requiring State
 38 University System institution performance funding
 39 calculations to take into consideration an
 40 institution's federal student loan cohort default
 41 rate; providing an effective date.

42

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

44

45 Section 1. Section 1005.04, Florida Statutes, is amended
 46 to read:

47 1005.04 Fair consumer practices; federal student loan
 48 default rates.—

49 (1) Every institution that is under the jurisdiction of
 50 the commission or is exempt from the jurisdiction or purview of
 51 the commission pursuant to s. 1005.06(1)(c) or (f) and that
 52 either directly or indirectly solicits for enrollment any

53 student shall:

54 (a) Provide each student with an accurate, stand-alone
55 disclosure statement in the format prescribed by the commission
56 as a condition of any financial obligation of the student to the
57 institution. The disclosure statement shall be provided
58 individually to each student at least 1 week before enrollment
59 or collection of tuition from the student. The disclosure
60 statement shall include, at a minimum, the following
61 information:

62 1. The purpose of the institution, its educational
63 programs and curricula, and a description of its physical
64 facilities.

65 2. The institution's licensure status with the commission
66 and its status as an accredited institution or program, as
67 applicable, by an accrediting agency recognized by the United
68 States Department of Education, and any effect that
69 accreditation or lack of accreditation will have on the
70 student's ability to sit for a professional examination or
71 qualify for financial aid.

72 3. The institution's fee schedule, all fees required to be
73 paid by the student, including tuition, laboratory fees,
74 graduation fees, and any other nonrefundable fees, and the
75 institution's policies regarding the retention of student fees
76 if a student withdraws.

77 4. The transferability of credits to other institutions
78 and from other institutions.

79 5. Requirements or limitations, such as physical or
80 language capabilities or lack of a criminal record, that will
81 limit career options related to the student's course of study.

82 ~~(a) Disclose to each prospective student a statement of~~
83 ~~the purpose of such institution, its educational programs and~~
84 ~~curricula, a description of its physical facilities, its status~~
85 ~~regarding licensure, its fee schedule and policies regarding~~
86 ~~retaining student fees if a student withdraws, and a statement~~
87 ~~regarding the transferability of credits to and from other~~
88 ~~institutions. The institution shall make the required~~
89 ~~disclosures in writing at least 1 week prior to enrollment or~~
90 ~~collection of any tuition from the prospective student. The~~
91 ~~required disclosures may be made in the institution's current~~
92 ~~catalog;~~

93 (b) Use a reliable method to assess, before accepting a
94 student into a program, the student's ability to complete
95 successfully the course of study for which he or she has
96 applied;

97 (c) Inform each student accurately about financial
98 assistance and obligations for repayment of loans; describe any
99 employment placement services provided and the limitations
100 thereof; and refrain from promising or implying guaranteed
101 placement, market availability, or salary amounts;

102 (d) Maintain a federal student loan cohort default rate,
103 released during the fall of each academic year, below 30 percent
104 for 3 consecutive years or at or below 40 percent for any given

105 year. An institution eligible for a William L. Boyd, IV, Florida
106 resident access grant pursuant to s. 1009.89, an Access to
107 Better Learning and Education grant pursuant to s. 1009.891, or
108 a Florida postsecondary student assistance grant pursuant to s.
109 1009.52 whose federal student loan cohort default rate exceeds
110 these rates shall be ineligible to receive payments from such
111 grants for incoming students until the institution's federal
112 student loan cohort default rate falls below the threshold. The
113 commission shall revoke the license of an institution under its
114 jurisdiction whose federal student loan cohort default rate
115 exceeds the threshold. The commission may not reinstate an
116 institution's license until the institution's federal student
117 loan cohort default rate falls below the threshold. An
118 institution's ineligibility to receive such funds or maintain a
119 license is effective for the academic year following the fall
120 disclosure of the federal student loan cohort default rate. The
121 institution will remain ineligible for a minimum of 1 academic
122 year until the institution's federal student loan cohort default
123 rate falls below the threshold;

124 (e)~~(d)~~ Provide to prospective and enrolled students
125 accurate information regarding the relationship of its programs
126 to state licensure requirements for practicing related
127 occupations and professions in Florida;

128 (f)~~(e)~~ Ensure that all advertisements are accurate and not
129 misleading;

130 (g)~~(f)~~ Publish and follow an equitable prorated refund

131 policy for all students, and follow both the federal refund
 132 guidelines for students receiving federal financial assistance
 133 and the minimum refund guidelines set by commission rule;

134 (h)~~(g)~~ Follow the requirements of state and federal laws
 135 that require annual reporting with respect to crime statistics
 136 and physical plant safety and make those reports available to
 137 the public; and

138 (i)~~(h)~~ Publish and follow procedures for handling student
 139 complaints, disciplinary actions, and appeals.

140 (2) In addition, institutions that are required to be
 141 licensed by the commission shall disclose to prospective
 142 students that additional information regarding the institution
 143 may be obtained by contacting the Commission for Independent
 144 Education,~~Department of Education, Tallahassee.~~

145 Section 2. Subsection (2) of section 1005.31, Florida
 146 Statutes, is amended, and subsection (16) is added to that
 147 section, to read:

148 1005.31 Licensure of institutions.—

149 (2) The commission shall develop minimum standards by
 150 which to evaluate institutions for licensure. These standards
 151 must include at least the institution's name, financial
 152 stability, purpose, administrative organization, admissions and
 153 recruitment, educational programs and curricula, retention,
 154 completion, career placement, federal student loan cohort
 155 default rate as calculated by the United States Department of
 156 Education, faculty, learning resources, student personnel

157 services, physical plant and facilities, publications, and
 158 disclosure statements about the status of the institution with
 159 respect to professional certification and licensure. The
 160 commission may adopt rules to ensure that institutions licensed
 161 under this section meet these standards in ways that are
 162 appropriate to achieve the stated intent of this chapter,
 163 including provisions for nontraditional or distance education
 164 programs and delivery.

165 (16) The commission shall deny a renewal of an annual
 166 license for an institution whose federal student loan cohort
 167 default rate exceeds 30 percent.

168 Section 3. Present paragraph (e) of subsection (1) of
 169 section 1005.32, Florida Statutes, is redesignated as paragraph
 170 (f), and a new paragraph (e) is added to that subsection, to
 171 read:

172 1005.32 Licensure by means of accreditation.—

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

176 (e) The institution's federal student loan cohort default
 177 rate, as calculated by the United States Department of
 178 Education, does not exceed 30 percent.

179 Section 4. Subsection (2) of section 1011.81, Florida
 180 Statutes, is amended to read:

181 1011.81 Florida College System Program Fund.—

182 (2) Performance funding for industry certifications for

183 Florida College System institutions must take into consideration
 184 an institution's federal student loan cohort default rate and is
 185 contingent upon specific appropriation in the General
 186 Appropriations Act and shall be determined as follows:

187 (a) Occupational areas for which industry certifications
 188 may be earned, as established in the General Appropriations Act,
 189 are eligible for performance funding. Priority shall be given to
 190 the occupational areas emphasized in state, national, or
 191 corporate grants provided to Florida educational institutions.

192 (b) The Chancellor of the Florida College System shall
 193 identify the industry certifications eligible for funding on the
 194 CAPE Postsecondary Industry Certification Funding List approved
 195 by the State Board of Education pursuant to s. 1008.44, based on
 196 the occupational areas specified in the General Appropriations
 197 Act.

198 (c) Each Florida College System institution shall be
 199 provided \$1,000 for each industry certification earned by a
 200 student. The maximum amount of funding appropriated for
 201 performance funding pursuant to this subsection shall be limited
 202 to \$15 million annually. If funds are insufficient to fully fund
 203 the calculated total award, such funds shall be prorated.

204 Section 5. Paragraph (c) of subsection (1) of section
 205 1011.905, Florida Statutes, is amended to read:

206 1011.905 Performance funding for state universities.—

207 (1) State performance funds for the State University
 208 System shall be based on indicators of system and institutional

209 attainment of performance expectations. For the 2012-2013
210 through at least the 2016-2017 fiscal year, the Board of
211 Governors shall review and rank each state university that
212 applies for performance funding, as provided in the General
213 Appropriations Act, based on the following formula:

214 (c) Fifty percent of a state university's score shall be
215 based on:

216 1. Factors determined by the Board of Governors which
217 relate to increasing the probability that graduates who have
218 earned degrees in the programs described in paragraph (a) will
219 be employed in high-skill, high-wage, and high-demand
220 employment; ~~and~~

221 2. An institution's federal student loan cohort default
222 rate.

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