



241948

576-01813-16

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Education)

A bill to be entitled

An act relating to federal student loan default rates; amending s. 1005.04, F.S.; requiring certain institutions to maintain a federal student loan cohort default rate below a specified percentage; providing that an institution is ineligible to receive certain grant payments or maintain a license, and remains ineligible, until the institution's federal student loan cohort default rate falls below a specified percentage; requiring the Commission for Independent Education to revoke the license of an institution whose federal student loan cohort default rate exceeds the threshold percentage; defining such an institution's period of ineligibility; amending s. 1005.31, F.S.; revising the minimum standards the Commission for Independent Education must use to evaluate an institution for licensure to include the institution's federal student loan cohort default rate; requiring the commission to deny a renewal license for an institution whose federal student loan cohort default rate exceeds a specified threshold; amending s. 1005.32, F.S.; revising the minimum criteria for an independent postsecondary educational institution to apply for a license by accreditation to include a maximum threshold for the institution's federal student loan cohort default rate; providing an effective date.



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

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

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

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

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

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

(c) Inform each student accurately about financial assistance and obligations for repayment of loans; describe any



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57 employment placement services provided and the limitations
58 thereof; and refrain from promising or implying guaranteed
59 placement, market availability, or salary amounts;

60 (d) Maintain a federal student loan cohort default rate,
61 released during the fall of each academic year, below 30 percent
62 for 3 consecutive years or at or below 40 percent for any given
63 year. An institution eligible for a William L. Boyd, IV, Florida
64 Resident Access Grant pursuant to s. 1009.89 and an institution
65 eligible for an Access to Better Learning and Education Grant
66 pursuant to s. 1009.891 whose federal student loan cohort
67 default rate exceeds these rates shall be ineligible to receive
68 payments from such grants for incoming students until the
69 institution's federal student loan cohort default rate falls
70 below the threshold. The commission shall revoke the license of
71 an institution under its jurisdiction whose federal student loan
72 cohort default rate exceeds the threshold. The commission may
73 not reinstate an institution's license until the institution's
74 federal student loan cohort default rate falls below the
75 threshold. An institution's ineligibility to receive such funds
76 or maintain a license is effective for the academic year
77 following the fall disclosure of the federal student loan cohort
78 default rate. The institution will remain ineligible for a
79 minimum of 1 academic year until the institution's federal
80 student loan cohort default rate falls below the threshold;

81 (e) Provide to prospective and enrolled students accurate
82 information regarding the relationship of its programs to state
83 licensure requirements for practicing related occupations and
84 professions in Florida;

85 (f) ~~(e)~~ Ensure that all advertisements are accurate and not



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86 misleading;

87 (g) ~~(f)~~ Publish and follow an equitable prorated refund
88 policy for all students, and follow both the federal refund
89 guidelines for students receiving federal financial assistance
90 and the minimum refund guidelines set by commission rule;

91 (h) ~~(g)~~ Follow the requirements of state and federal laws
92 that require annual reporting with respect to crime statistics
93 and physical plant safety and make those reports available to
94 the public; and

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

97 (2) In addition, institutions that are required to be
98 licensed by the commission shall disclose to prospective
99 students that additional information regarding the institution
100 may be obtained by contacting the Commission for Independent
101 Education, ~~Department of Education, Tallahassee.~~

102 Section 2. Subsection (2) of section 1005.31, Florida
103 Statutes, is amended, and subsection (16) is added to that
104 section, to read:

105 1005.31 Licensure of institutions.—

106 (2) The commission shall develop minimum standards by which
107 to evaluate institutions for licensure. These standards must
108 include at least the institution's name, financial stability,
109 purpose, administrative organization, admissions and
110 recruitment, educational programs and curricula, retention,
111 completion, career placement, federal student loan cohort
112 default rate as calculated by the United States Department of
113 Education, faculty, learning resources, student personnel
114 services, physical plant and facilities, publications, and



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115 disclosure statements about the status of the institution with
116 respect to professional certification and licensure. The
117 commission may adopt rules to ensure that institutions licensed
118 under this section meet these standards in ways that are
119 appropriate to achieve the stated intent of this chapter,
120 including provisions for nontraditional or distance education
121 programs and delivery.

122 (16) The commission shall deny a renewal of an annual
123 license for an institution whose federal student loan cohort
124 default rate exceeds the threshold established in s.
125 1005.04(1)(d).

126 Section 3. Present paragraph (e) of subsection (1) of
127 section 1005.32, Florida Statutes, is redesignated as paragraph
128 (f), and a new paragraph (e) is added to that subsection, to
129 read:

130 1005.32 Licensure by means of accreditation.—

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

134 (e) The institution's federal student loan cohort default
135 rate, as calculated by the United States Department of
136 Education, does not exceed the threshold established in s.
137 1005.04(1)(d).

138 Section 4. This act shall take effect July 1, 2016.