

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 341 Public Educational Facilities
SPONSOR(S): Education Appropriations Subcommittee; Raschein
TIED BILLS: **IDEN./SIM. BILLS:** SB 576

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Education Appropriations Subcommittee	13 Y, 0 N, As CS	Butler	Heflin
2) Education Committee	16 Y, 0 N	Banner	Mizereck

SUMMARY ANALYSIS

A Florida College System (FCS) institution has limited authority to plan and construct facilities and acquire additional property. In 2008, the Legislature authorized the campus of a FCS institution within a municipality designated as an area of critical state concern and having a comprehensive plan and land development regulations containing a building permit allocation system that limits annual growth, to construct dormitories for up to 100 beds for FCS institution students. The bill expands authority for a Florida College System (FCS) institution to construct dormitories of up to 300 beds.

Florida Keys Community College is the only FCS institution that currently meets the criteria outlined in the bill. Florida Keys College Campus Foundation, Inc., a direct-support organization (DSO), currently operates the campus' 100-bed dormitory.

The bill specifies that state funds and tuition fees and revenues may not be used for construction, debt service, maintenance, or operation of the dormitories. Additionally, dormitory beds constructed after July 1, 2016 may not be financed through the issuance of a bond.

The bill becomes effective on July 1, 2016.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

A Florida College System (FCS) institution has limited authority to plan and construct facilities and acquire additional property.¹ In 2008, the Legislature authorized the campus of a FCS institution within a municipality designated as an area of critical state concern² and having a comprehensive plan and land development regulations containing a building permit allocation system that limits annual growth, to construct dormitories for up to 100 beds for FCS institution students. The dormitories are exempt from the building permit allocation system and may be constructed up to 45 feet in height if:

- The dormitories are otherwise consistent with the comprehensive plan;
- The FCS institution has a hurricane evacuation plan requiring all dormitory occupants to be evacuated 48 hours in advance of tropical force winds; and
- Transportation is provided for dormitory occupants during an evacuation.³

Florida Keys Community College (FKCC) in Monroe County is the only college for which this provision is applicable.

The board of trustees of a FCS institution is authorized to permit the use of property, facilities, and personal services at an institution by any FCS institution direct-support organization.⁴ The Florida Keys College Campus Foundation, Inc. (Campus Foundation) was formed on May 10, 2010 for the purpose of receiving, investing, and administering real and personal property including, but not limited to, a student housing building for the benefit of the College.⁵ During the 2010-11 fiscal year, FKCC's Board of Trustees approved agreements with the Campus Foundation which initiated the process for dormitory construction.

Florida statute prohibits a statewide direct-support organization to use public funds to acquire, construct, maintain, or operate any facilities.⁶ In addition, a Florida College System institution board of trustees must authorize all debt, including lease-purchase agreements, incurred by a direct-support organization. Revenues of the Florida College System institution may not be pledged to debt issued by direct-support organizations.⁷

On November 1, 2010, the Campus Foundation, under the approval of the college's board of trustees, issued a 30-year \$8,305,000 bond bearing a seven percent per annum interest rate to pay for the construction of a new 100-bed college dormitory. Bond payments began May 1, 2012, and are due semiannually thereafter on May 1 and November 1 in each year until maturity on November 1, 2042.

The 100 bed dormitory constructed on the FKCC campus became operational in 2011. The occupancy rate has averaged 98 percent during the past three fall terms (2012, 2013, and 2014).

¹ Section 1013.40, F.S.

² The Department of Economic Opportunity, the state land planning agency, may recommend to the Administration Commission specific areas of critical state concern. Section 380.05(2), F.S., provides the criteria for designating an area of critical state concern. Designated areas of critical state concern are provided at <http://floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/areas-of-critical-state-concern>

³ Section 1013.40(4), F.S.

⁴ Section 1004.70, F.S.

⁵ http://www.myflorida.com/audgen/pages/pdf_files/2012-145.pdf

⁶ Section 1004.71(4)(a), F.S.

⁷ Section 1004.70(4)(e), F.S.

Effect of Proposed Changes

The bill expands authority for a Florida College System (FCS) institution to construct dormitories of up to 300 beds when the campus is located within a municipality designated as an area of critical state concern and having a comprehensive plan and land development regulations containing a building permit allocation system that limits annual growth. Current law authorizes dormitory construction of up to 100 beds.⁸

Since Florida Keys Community College is the only applicable FCS institution, and currently has a 100 bed dormitory, it will be authorized to construct 200 additional dormitory beds. FKCC enrolls approximately 1,348 students. The bill clarifies that state funds and tuition and fee revenues may not be used for construction, debt service payments, maintenance, or operation of dormitories. The additional dormitory beds may not be financed through the issuance of a bond.

B. SECTION DIRECTORY:

Section 1: Amends s. 1013.40(4), F.S., modifying the number of dormitory beds that a FCS institution is authorized to construct, and providing funding and financing restrictions.

Section 2: Provides an effective date of July 1, 2016

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

⁸ Section 1013.40, F.S.
STORAGE NAME: h0341c.EDC
DATE: 1/27/2016

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The current 12-month costs to students in Lagoon Landing, the Florida Keys Community College campus dormitory, are approximately \$12,230 per year, or \$1,019 per month, which includes utilities, cable, and high-speed wireless internet. Costs are competitive with off-campus Key West accommodations. Students may enter into two-semester contracts for fall and spring terms, or a summer single semester contract.⁹ Building new dorms will increase opportunities for students to live on campus.

D. FISCAL COMMENTS:

Funding for construction, debt service, maintenance and operation of the dormitories are to be supported through the Florida Keys College Campus Foundation. The bill clarifies that state funds and tuition and fee revenues may not be used for construction, debt service payments, maintenance, or operation of such dormitories. Additional dormitory beds constructed after July 1, 2016 shall not be financed through the issuance of a bond.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Rule 6A-2.0010, F.A.C., will require a slight revision to increase the number of dormitory beds allowed from 100 to 300.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

This analysis is drafted to the strike-all amendment as adopted by the Education Appropriations Subcommittee on January 19, 2016. The bill was reported favorably as a committee substitute. The amendment revises the number of additional beds that may be constructed from 400, as provided in the original bill to 300. The amendment clarifies that state funds and tuition and fee revenues may not be used for construction, debt service payments, maintenance, or operation of dormitories. Additionally, the amendment provides that dormitory beds constructed after July 1, 2016 may not be financed through the issuance of a bond.

⁹ Lagoon Landing Residence Hall information - <https://www.fkcc.edu/future-students/housing/>
STORAGE NAME: h0341c.EDC
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