

1 A bill to be entitled
2 An act relating to higher education; amending s.
3 1001.706, F.S.; requiring the Board of Governors to
4 develop and annually deliver a training program for
5 state university board of trustees; providing
6 requirements for such training program; authorizing
7 specific persons to require the Office of the
8 Inspector General to investigate specified allegations
9 against a state university or its board of trustees;
10 amending s. 1004.28, F.S.; providing requirements for
11 the transfer of certain funds to a state university
12 direct-support organizations; revising public records
13 exemptions for state university direct-support
14 organizations; amending s. 1004.70, F.S.; authorizing
15 a Florida College System institution board of trustees
16 to prescribe certain rules to limit the services,
17 activities, and expenses of its direct-support
18 organizations; providing requirements for transfer of
19 state appropriations to a Florida College System
20 institution direct-support organization; providing
21 reporting requirements; prohibiting the transfer of
22 funds to certain Florida College System institution
23 direct-support organizations; prohibiting the use of
24 state funds for travel expenses by a Florida College
25 System institution direct-support organization;

26 deleting an exception to the prohibition against
 27 direct-support organizations donating gifts to a
 28 political committee; amending s. 1008.32, F.S.;
 29 requiring the Commissioner of Education to report
 30 certain audit findings to State Board of Education
 31 under certain circumstances; requiring district school
 32 boards and Florida College System institutions to
 33 document compliance with the law; amending s.
 34 1008.322, F.S.; requiring the Chancellor of the State
 35 University System to report certain audit findings to
 36 the Board of Governors under certain circumstances;
 37 requiring state universities to document compliance
 38 with the law under certain circumstances; providing an
 39 effective date.

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

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43 Section 1. Paragraph (j) is added to subsection (3) of
 44 section 1001.706, Florida Statutes, and paragraph (f) of
 45 subsection (5) of that section is amended, to read:

46 1001.706 Powers and duties of the Board of Governors.—

47 (3) POWERS AND DUTIES RELATING TO ORGANIZATION AND
 48 OPERATION OF STATE UNIVERSITIES.—

49 (j) The Board of Governors shall develop and annually
 50 deliver a training program for members of each state university

51 board of trustees that addresses the role of such boards in
52 governing institutional resources and protecting the public
53 interest. At a minimum, each trustee must participate in the
54 training program within 1 year of appointment and reappointment
55 to a university board of trustees. The program must include
56 information on trustee responsibilities relating to all of the
57 following:

58 1. Meeting the statutory, regulatory, and fiduciary
59 obligations of the board.

60 2. Establishing internal process controls and
61 accountability mechanisms for the institution's president and
62 other administrative officers.

63 3. Oversight of planning, construction, maintenance,
64 expansion, and renovation projects that impact the university's
65 consolidated infrastructure, physical facilities, and natural
66 environment, including its lands, improvements, and capital
67 equipment.

68 4. Establishing policies that promote college
69 affordability, including ensuring that the costs of university
70 fees, textbooks, and instructional materials are minimized
71 whenever possible.

72 5. The creation and implementation of institution-wide
73 rules and regulations.

74 6. Institutional ethics and conflicts of interest.

75 7. Best practices for board governance.

76 8. Understanding current national and state issues in
 77 higher education.

78 9. Any other responsibilities the Board of Governors deems
 79 necessary or appropriate.

80 (5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY.—

81 (f) If the Board of Governors of the State University
 82 System, the presiding officer of either house of the
 83 Legislature, the Chief Financial Officer, or a member of the
 84 board of trustees of the institution for which an investigation
 85 is sought, determines that a state university board of trustees
 86 is unwilling or unable to address substantiated allegations made
 87 by any person relating to waste, fraud, or financial
 88 mismanagement within the state university, the Office of the
 89 Inspector General shall investigate the allegations.

90 Section 2. Paragraph (b) of subsection (2) and paragraph
 91 (b) of subsection (5) of section 1004.28, Florida Statutes, are
 92 amended to read:

93 1004.28 Direct-support organizations; use of property;
 94 board of directors; activities; audit; facilities.—

95 (2) USE OF PROPERTY.—

96 (b) The board of trustees, in accordance with regulations
 97 and guidelines of the Board of Governors, shall prescribe by
 98 regulation conditions with which a university direct-support
 99 organization must comply in order to use property, facilities,
 100 or personal services at any state university, including that

101 personal services must comply with s. 1012.976. Such regulations
 102 shall provide for budget and audit review and oversight by the
 103 board of trustees, including thresholds for approval of
 104 purchases, acquisitions, projects, and issuance of debt.
 105 Beginning ~~No later than~~ July 1, 2019, the transfer of a state
 106 appropriation by the board of trustees to any direct-support
 107 organization may ~~only~~ include only funds pledged for capital
 108 projects and shall be transferred as authorized in s.
 109 1001.73(4). ~~Beginning July 1, 2019, and annually thereafter,~~
 110 ~~each university board of trustees shall report to the~~
 111 ~~Legislature the amount of state appropriations transferred to~~
 112 ~~any direct-support organization during the previous fiscal year,~~
 113 ~~the purpose for which the funds were transferred, and the~~
 114 ~~remaining balance of any funds transferred.~~

115 (5) ANNUAL AUDIT; PUBLIC RECORDS EXEMPTION; PUBLIC
 116 MEETINGS EXEMPTION.—

117 (b) ~~Other than the auditor's report, management letter,~~
 118 ~~any records related to the expenditure of state funds, and any~~
 119 ~~financial records related to the expenditure of private funds~~
 120 ~~for travel,~~ All records of the organization, other than the
 121 auditor's report, management letter, any information necessary
 122 for the auditor's report, any information related to expenditure
 123 of funds, and any supplemental data requested by the Board of
 124 Governors, the university board of trustees, the Auditor
 125 General, and the Office of Program Policy Analysis and

126 Government Accountability shall be confidential and exempt from
 127 s. 119.07(1).

128 Section 3. Subsection (3) and paragraph (d) of subsection
 129 (4) of section 1004.70, Florida Statutes, are amended to read:

130 1004.70 Florida College System institution direct-support
 131 organizations.—

132 (3) USE OF PROPERTY.—

133 (a) The board of trustees may authorize ~~is authorized to~~
 134 ~~permit~~ the use of property, facilities, and personal services at
 135 any Florida College System institution by any Florida College
 136 System institution direct-support organization, subject to the
 137 provisions of this section.

138 (b) The board of trustees is authorized to prescribe by
 139 rule any condition with which a Florida College System
 140 institution direct-support organization must comply in order to
 141 use property, facilities, or personal services at any Florida
 142 College System institution, including that personal services
 143 must comply with s. 1012.976. Such rules shall provide for
 144 budget and audit review and oversight by the board of trustees,
 145 including thresholds for approval of purchases, acquisitions,
 146 projects, and the issuance of debt. Beginning July 1, 2019, the
 147 transfer of a state appropriation by the board of trustees to
 148 any direct-support organization with a fund balance of greater
 149 than \$50 million may include only funds pledged for capital
 150 projects. Each Florida College System institution board of

151 trustees shall report annually to the Legislature the amount of
152 state appropriations transferred to any direct-support
153 organization during the previous fiscal year, the purpose for
154 which the funds were transferred, and the remaining balance of
155 any funds transferred.

156 (c) The board of trustees may not transfer any funds to,
157 and may not authorize ~~permit~~ the use of property, facilities, or
158 personal services at any Florida College System institution by
159 any Florida College System institution direct-support
160 organization that does not provide equal employment
161 opportunities to all persons regardless of race, color, national
162 origin, gender, age, or religion.

163 (d) The board of trustees may not authorize the use of
164 state funds for travel expenses by any Florida College System
165 institution direct-support organization.

166 (4) ACTIVITIES; RESTRICTIONS.—

167 (d) A Florida College System institution direct-support
168 organization is prohibited from giving, either directly or
169 indirectly, any gift to a political committee as defined in s.
170 106.011 for any purpose ~~other than those certified by a majority~~
171 ~~roll call vote of the governing board of the direct-support~~
172 ~~organization at a regularly scheduled meeting as being directly~~
173 ~~related to the educational mission of the Florida College System~~
174 ~~institution.~~

175 Section 4. Subsection (2) of section 1008.32, Florida

176 Statutes, is amended to read:

177 1008.32 State Board of Education oversight enforcement
 178 authority.—The State Board of Education shall oversee the
 179 performance of district school boards and Florida College System
 180 institution boards of trustees in enforcement of all laws and
 181 rules. District school boards and Florida College System
 182 institution boards of trustees shall be primarily responsible
 183 for compliance with law and state board rule.

184 (2) (a) The Commissioner of Education may investigate
 185 allegations of noncompliance with law or state board rule and
 186 determine probable cause. The commissioner shall report
 187 determinations of probable cause to the State Board of Education
 188 which shall require the district school board or Florida College
 189 System institution board of trustees to document compliance with
 190 law or state board rule.

191 (b) The Commissioner of Education shall report to the
 192 State Board of Education any findings by the Auditor General
 193 that a district school board or Florida College System
 194 institution is acting without statutory authority or contrary to
 195 general law. The State Board of Education shall require the
 196 district school board or Florida College System institution
 197 board of trustees to document compliance with such law.

198 Section 5. Subsection (3) of section 1008.322, Florida
 199 Statutes, is amended to read:

200 1008.322 Board of Governors oversight enforcement

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201 authority.—

202 (3) (a) The Chancellor of the State University System may
203 investigate allegations of noncompliance with any law or Board
204 of Governors' rule or regulation and determine probable cause.
205 The chancellor shall report determinations of probable cause to
206 the Board of Governors, which may require the university board
207 of trustees to document compliance with the law or Board of
208 Governors' rule or regulation.

209 (b) The Chancellor of the State University System shall
210 report to the Board of Governors any findings by the Auditor
211 General that a university is acting without statutory authority
212 or contrary to general law. The Board of Governors shall require
213 the university board of trustees to document compliance with
214 such law.

215 Section 6. This act shall take effect July 1, 2019.