

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; amending s.
39 1011.012, F.S.; revising requirements for certain
40 capital outlay budgets; requiring each university
41 board of trustees to adopt a capital improvement plan;
42 providing requirements for such plan; amending s.
43 1013.30, F.S. authorizing the Board of Governors to
44 approve certain plan elements; automatically amending
45 master plan upon adoption of capital outlay budget and
46 capital improvement plan; requiring notice and review
47 by the Board of Governors; amending s. 1013.35, F.S.;
48 conforming provisions to changes made by the act;
49 repealing s. 1013.61, F.S., relating to annual capital
50 outlay budget; providing an effective date.

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

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

1001.706 Powers and duties of the Board of Governors.—

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

(j) The Board of Governors shall develop and annually deliver a training program for members of each state university board of trustees that addresses the role of such boards in governing institutional resources and protecting the public interest. At a minimum, each trustee must participate in the training program within 1 year of appointment and reappointment to a university board of trustees. The program must include information on trustee responsibilities relating to all of the following:

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

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

3. Oversight of planning, construction, maintenance, expansion, and renovation projects that impact the university's

76 consolidated infrastructure, physical facilities, and natural
 77 environment, including its lands, improvements, and capital
 78 equipment.

79 4. Establishing policies that promote college
 80 affordability, including ensuring that the costs of university
 81 fees, textbooks, and instructional materials are minimized
 82 whenever possible.

83 5. The creation and implementation of institution-wide
 84 rules and regulations.

85 6. Institutional ethics and conflicts of interest.

86 7. Best practices for board governance.

87 8. Understanding current national and state issues in
 88 higher education.

89 9. Any other responsibilities the Board of Governors deems
 90 necessary or appropriate.

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

92 (f) If the Board of Governors of the State University
 93 System, the presiding officer of either house of the
 94 Legislature, the Chief Financial Officer, or a member of the
 95 board of trustees of the institution for which an investigation
 96 is sought, determines that a state university board of trustees
 97 is unwilling or unable to address substantiated allegations made
 98 by any person relating to waste, fraud, or financial
 99 mismanagement within the state university, the Office of the
 100 Inspector General shall investigate the allegations.

101 Section 2. Paragraph (b) of subsection (2) and paragraph
 102 (b) of subsection (5) of section 1004.28, Florida Statutes, are
 103 amended to read:

104 1004.28 Direct-support organizations; use of property;
 105 board of directors; activities; audit; facilities.—

106 (2) USE OF PROPERTY.—

107 (b) The board of trustees, in accordance with regulations
 108 and guidelines of the Board of Governors, shall prescribe by
 109 regulation conditions with which a university direct-support
 110 organization must comply in order to use property, facilities,
 111 or personal services at any state university, including that
 112 personal services must comply with s. 1012.976. Such regulations
 113 shall provide for budget and audit review and oversight by the
 114 board of trustees, including thresholds for approval of
 115 purchases, acquisitions, projects, and issuance of debt.

116 Beginning ~~No later than~~ July 1, 2019, the transfer of a state
 117 appropriation by the board of trustees to any direct-support
 118 organization may ~~only~~ include only funds pledged for capital
 119 projects and shall be transferred as authorized in s.
 120 1001.73(4). ~~Beginning July 1, 2019, and annually thereafter,~~
 121 ~~each university board of trustees shall report to the~~
 122 ~~Legislature the amount of state appropriations transferred to~~
 123 ~~any direct support organization during the previous fiscal year,~~
 124 ~~the purpose for which the funds were transferred, and the~~
 125 ~~remaining balance of any funds transferred.~~

126 (5) ANNUAL AUDIT; PUBLIC RECORDS EXEMPTION; PUBLIC
 127 MEETINGS EXEMPTION.—

128 (b) ~~Other than the auditor's report, management letter,~~
 129 ~~any records related to the expenditure of state funds, and any~~
 130 ~~financial records related to the expenditure of private funds~~
 131 ~~for travel,~~ All records of the organization, other than the
 132 auditor's report, management letter, any information necessary
 133 for the auditor's report, any information related to expenditure
 134 of funds, and any supplemental data requested by the Board of
 135 Governors, the university board of trustees, the Auditor
 136 General, and the Office of Program Policy Analysis and
 137 Government Accountability shall be confidential and exempt from
 138 s. 119.07(1).

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

141 1004.70 Florida College System institution direct-support
 142 organizations.—

143 (3) USE OF PROPERTY.—

144 (a) The board of trustees may authorize ~~is authorized to~~
 145 ~~permit~~ the use of property, facilities, and personal services at
 146 any Florida College System institution by any Florida College
 147 System institution direct-support organization, subject to the
 148 provisions of this section.

149 (b) The board of trustees is authorized to prescribe by
 150 rule any condition with which a Florida College System

151 institution direct-support organization must comply in order to
152 use property, facilities, or personal services at any Florida
153 College System institution, including that personal services
154 must comply with s. 1012.976. Such rules shall provide for
155 budget and audit review and oversight by the board of trustees,
156 including thresholds for approval of purchases, acquisitions,
157 projects, and the issuance of debt. Beginning July 1, 2019, the
158 transfer of a state appropriation by the board of trustees to
159 any direct-support organization with a fund balance of greater
160 than \$50 million may include only funds pledged for capital
161 projects. Each Florida College System institution board of
162 trustees shall report annually to the Legislature the amount of
163 state appropriations transferred to any direct-support
164 organization during the previous fiscal year, the purpose for
165 which the funds were transferred, and the remaining balance of
166 any funds transferred.

167 (c) The board of trustees may not transfer any funds to,
168 and may not authorize ~~permit~~ the use of property, facilities, or
169 personal services at any Florida College System institution by
170 any Florida College System institution direct-support
171 organization that does not provide equal employment
172 opportunities to all persons regardless of race, color, national
173 origin, gender, age, or religion.

174 (d) The board of trustees may not authorize the use of
175 state funds for travel expenses by any Florida College System

176 | institution direct-support organization.

177 | (4) ACTIVITIES; RESTRICTIONS.—

178 | (d) A Florida College System institution direct-support
179 | organization is prohibited from giving, either directly or
180 | indirectly, any gift to a political committee as defined in s.
181 | 106.011 for any purpose ~~other than those certified by a majority~~
182 | ~~roll call vote of the governing board of the direct-support~~
183 | ~~organization at a regularly scheduled meeting as being directly~~
184 | ~~related to the educational mission of the Florida College System~~
185 | ~~institution.~~

186 | Section 4. Subsection (2) of section 1008.32, Florida
187 | Statutes, is amended to read:

188 | 1008.32 State Board of Education oversight enforcement
189 | authority.—The State Board of Education shall oversee the
190 | performance of district school boards and Florida College System
191 | institution boards of trustees in enforcement of all laws and
192 | rules. District school boards and Florida College System
193 | institution boards of trustees shall be primarily responsible
194 | for compliance with law and state board rule.

195 | (2) (a) The Commissioner of Education may investigate
196 | allegations of noncompliance with law or state board rule and
197 | determine probable cause. The commissioner shall report
198 | determinations of probable cause to the State Board of Education
199 | which shall require the district school board or Florida College
200 | System institution board of trustees to document compliance with

201 law or state board rule.

202 (b) The Commissioner of Education shall report to the
 203 State Board of Education any findings by the Auditor General
 204 that a district school board or Florida College System
 205 institution is acting without statutory authority or contrary to
 206 general law. The State Board of Education shall require the
 207 district school board or Florida College System institution
 208 board of trustees to document compliance with such law.

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

211 1008.322 Board of Governors oversight enforcement
 212 authority.—

213 (3) (a) The Chancellor of the State University System may
 214 investigate allegations of noncompliance with any law or Board
 215 of Governors' rule or regulation and determine probable cause.
 216 The chancellor shall report determinations of probable cause to
 217 the Board of Governors, which may require the university board
 218 of trustees to document compliance with the law or Board of
 219 Governors' rule or regulation.

220 (b) The Chancellor of the State University System shall
 221 report to the Board of Governors any findings by the Auditor
 222 General that a university is acting without statutory authority
 223 or contrary to general law. The Board of Governors shall require
 224 the university board of trustees to document compliance with
 225 such law.

226 Section 6. Section 1011.012, Florida Statutes, is amended
 227 to read:

228 1011.012 Annual capital outlay budget.—

229 (1) Each district school board, Florida College System
 230 institution board of trustees, and university board of trustees
 231 shall, each year, adopt a capital outlay budget for the ensuing
 232 year in order that the capital outlay needs of the board for the
 233 entire year may be well understood by the public. This capital
 234 outlay budget shall be a part of the annual budget and shall be
 235 based upon and in harmony with all applicable planning and
 236 survey requirements of subpart A of part III of chapter 1013 ~~the~~
 237 ~~educational plant and ancillary facilities plan~~. This budget
 238 shall designate the proposed capital outlay expenditures by
 239 project for the year from all fund sources. The board may not
 240 expend any funds on any project not included in the budget, as
 241 amended.

242 (2) Each district school board must prepare its tentative
 243 district facilities work program as required by s. 1013.35
 244 before adopting the capital outlay budget.

245 (3) The Board of Governors shall ensure that each
 246 university board of trustees adopts a 5-year capital improvement
 247 plan that meets the requirements of s. 216.043 and includes
 248 anticipated funding from all funding sources in all years for
 249 all capital outlay projects. The 5-year capital improvement plan
 250 shall be in harmony with all applicable planning and survey

251 requirements of subpart A of part III of chapter 1013. A
252 university's capital outlay budget shall be based upon the most
253 recent capital improvement plan and state appropriations.

254 Section 7. Subsections (4) and (6) of section 1013.30,
255 Florida Statutes, are amended to read:

256 1013.30 University campus master plans and campus
257 development agreements.—

258 (4) (a) Campus master plans may contain additional elements
259 at the discretion of the Board of Governors; however, such
260 elements are not subject to review under this section. These
261 additional elements may include the academic mission of the
262 institution, academic program, utilities, public safety,
263 architectural design, landscape architectural design, and
264 facilities maintenance. By regulation, the Board of Governors
265 may require its approval of the capital improvement element or
266 any element added under this subsection.

267 (b) The adoption of an annual capital outlay budget and a
268 capital improvement plan pursuant to s. 1011.012 shall be deemed
269 to amend the capital improvements element of the campus master
270 plan except as provided in subsection (9).

271 (6) Before a campus master plan is adopted, a copy of the
272 draft master plan must be sent for review or made available
273 electronically to the Board of Governors, the host and any
274 affected local governments, the state land planning agency, the
275 Department of Environmental Protection, the Department of

276 Transportation, the Department of State, the Fish and Wildlife
277 Conservation Commission, and the applicable water management
278 district and regional planning council. At the request of a
279 governmental entity, a hard copy of the draft master plan shall
280 be submitted within 7 business days of an electronic copy being
281 made available. These agencies must be given 90 days after
282 receipt of the campus master plans in which to conduct their
283 review and provide comments to the university board of trustees.
284 The commencement of this review period must be advertised in
285 newspapers of general circulation within the host local
286 government and any affected local government to allow for public
287 comment. Following receipt and consideration of all comments and
288 the holding of an informal information session and at least two
289 public hearings within the host jurisdiction, the university
290 board of trustees shall adopt the campus master plan. It is the
291 intent of the Legislature that the university board of trustees
292 comply with the notice requirements set forth in s. 163.3184(11)
293 to ensure full public participation in this planning process.
294 The informal public information session must be held before the
295 first public hearing. The first public hearing shall be held
296 before the draft master plan is sent to the agencies specified
297 in this subsection. The second public hearing shall be held in
298 conjunction with the adoption of the draft master plan by the
299 university board of trustees. Campus master plans developed
300 under this section are not rules and are not subject to chapter

301 120 except as otherwise provided in this section.

302 Section 8. Subsection (5) of section 1013.35, Florida
 303 Statutes, is amended to read:

304 1013.35 School district educational facilities plan;
 305 definitions; preparation, adoption, and amendment; long-term
 306 work programs.—

307 (5) EXECUTION OF ADOPTED DISTRICT EDUCATIONAL FACILITIES
 308 PLAN.—The first year of the adopted district educational
 309 facilities plan shall constitute the capital outlay budget
 310 required in s. 1011.012 ~~s. 1013.61~~. The adopted district
 311 educational facilities plan shall include the information
 312 required in subparagraphs (2) (b)1., 2., and 3., based upon
 313 projects actually funded in the plan.

314 Section 9. Section 1013.61, Florida Statutes, is repealed.

315 Section 10. This act shall take effect July 1, 2019.