CS/SB 86 by **ED, Flores (CO-INTRODUCERS) Benacquisto**; (Similar to CS/CS/H 0113) Distribution of Materials Harmful to Minors

642270	A	S	RCS	AP, Gardiner	Delete L.28:	03/28 03:27 PM

CS/CS/SB 92 by **JU, CJ, Negron (CO-INTRODUCERS) Brandes, Evers, Bradley, Benacquisto**; (Similar to CS/CS/H 0119) Searches and Seizures

CS/SB 444 by **CA, Diaz de la Portilla (CO-INTRODUCERS) Sobel**; (Similar to CS/CS/H 0707) Domestic Wastewater Discharged Through Ocean Outfalls

CS/SB 458 by **GO, Ring, Bradley**; (Similar to CS/H 1399) Firefighter and Police Officer Pension Plans

326778	D	S	WD	AP, Ring, Bradley	Delete everything after	04/01 12:07 PM
793490	AA	S	WD	AP, Ring	Delete L.237 - 289:	04/01 12:08 PM
581538	AA	S	WD	AP, Ring	btw L.342 - 343:	04/01 12:08 PM
660680	AA	S	WD	AP, Ring	Delete L.484:	04/01 12:08 PM
206508	AA	S	WD	AP, Ring	Delete L.700 - 759:	04/01 12:08 PM
595556	D	S	RCS	AP, Ring, Bradley	Delete everything after	04/05 09:42 AM

CS/CS/SB 534 by **CA, GO, Brandes (CO-INTRODUCERS) Bradley**; (Compare to CS/H 0599) Publicly-funded Defined Benefit Retirement Plans

226110	A	S	RCS	AP, Bradley	Delete L.102 - 109:	04/03 06:21 PM
692562	A	S	RCS	AP, Bradley	Delete L.139 - 141:	04/03 06:21 PM
565978	A	S	WD	AP, Bradley	btw L.217 - 218:	04/02 03:27 PM

CS/SB 778 by **AG, Thompson (CO-INTRODUCERS) Bullard, Sobel**; (Identical to CS/H 0631) Transactions in Fresh Produce Markets

CS/SB 1076 by **ED, Legg (CO-INTRODUCERS) Stargel, Brandes, Benacquisto, Bean, Sobel**; (Compare to CS/CS/H 7057) Education

688260	PCS	S	RCS	AP		03/28 10:58 AM
834644	PCS:A	S	RCS	AP, Bean	btw L.603 - 604:	03/28 10:58 AM
488646	PCS:A	S	RCS	AP, Bean	btw L.603 - 604:	03/28 10:58 AM
375326	PCS:A	S	RCS	AP, Montford	btw L.603 - 604:	03/28 10:58 AM
136654	PCS:A	S	RCS	AP, Montford	btw L.745 - 746:	03/28 10:58 AM
679092	PCS:A	S	RCS	AP, Montford	Delete L.904 - 936:	03/28 10:58 AM
857770	PCS:A	S	RCS	AP, Montford	btw L.1036 - 1037:	03/28 10:58 AM
784300	PCS:A	S	RCS	AP, Montford	btw L.1181 - 1182:	03/28 10:58 AM
907534	PCS:A	S	RS	AP, Montford	Delete L.1311 - 1326:	03/28 10:58 AM
355650	PCS:S	S L	RCS	AP, Montford	Delete L.1311 - 1326:	03/28 10:58 AM

SB 1258 by **Grimsley**; Comprehensive Health Information System

356458	PCS	S	RCS	AP		04/03 06:21 PM

CS/SB 1392 by **GO, Simpson**; (Compare to CS/CS/H 7011) Retirement

726700	D	S		RCS	AP, Benacquisto	Delete everything after	03/28 03:40 PM
858238	AA	S		UNFAV	AP, Margolis	Delete L.36 - 42.	03/28 03:40 PM
359426	AA	S		WD	AP, Sobel	Delete L.220 - 222:	03/28 03:40 PM
401884	AA	S		UNFAV	AP, Margolis	Delete L.374 - 431.	03/28 03:40 PM
939074	AA	S		UNFAV	AP, Sobel	Delete L.432 - 1162:	03/28 03:40 PM
675968	AA	S		UNFAV	AP, Sobel	Delete L.949 - 951:	03/28 03:40 PM
782204	AA	S		UNFAV	AP, Joyner	btw L.972 - 973:	03/28 03:40 PM
249988	AA	S	L	RCS	AP, Benacquisto	Delete L.37:	03/28 03:40 PM
104692	AA	S	L	UNFAV	AP, Sobel	Delete L.686 - 697:	03/28 03:40 PM
211356	A	S		WD	AP, Margolis	Delete L.90 - 96.	03/28 03:40 PM

CS/SB 1632 by **TR, Latvala**; (Compare to CS/H 1299) Transportation

109158	A	S		RCS	AP, Latvala	Delete L.190:	04/03 06:25 PM
209672	A	S		RCS	AP, Latvala	Delete L.304 - 305:	04/03 06:25 PM
648894	A	S		RCS	AP, Latvala	Delete L.372 - 391:	04/03 06:25 PM
220380	A	S		RCS	AP, Latvala	Delete L.860:	04/03 06:25 PM
556482	A	S		RS	AP, Latvala	Delete L.1199 - 1206:	04/03 06:25 PM
342890	SA	S		RCS	AP, Latvala	Delete L.1199 - 1206:	04/03 06:25 PM
599024	A	S		RCS	AP, Latvala	Delete L.1382:	04/03 06:25 PM
495018	A	S		RCS	AP, Latvala	Delete L.1500:	04/03 06:25 PM

CS/SB 1660 by **CF, Flores (CO-INTRODUCERS) Sobel**; Quality Cancer Care and Research

742744	A	S	L	RCS	AP, Benacquisto	Delete L.81:	03/28 11:08 AM
851056	A	S	L	RCS	AP, Benacquisto	Delete L.220 - 238:	03/28 11:08 AM

CS/SB 1720 by **ED, Galvano**; (Compare to H 0299) Education

621676	PCS	S		RCS	AP		03/28 11:05 AM
619490	PCS:A	S		RCS	AP, Galvano	Delete L.347 - 520:	03/28 11:05 AM
612572	PCS:A	S		RCS	AP, Galvano	Delete L.976 - 995:	03/28 11:05 AM

SB 1762 by **GO**; State Technology

140800	PCS	S		RCS	AP		03/28 11:17 AM

SPB 7126 by **AP**; Tax Administration

257122	A	S		FAV	AP, Hukill	btw L.78 - 79:	03/28 06:09 PM
601738	A	S		FAV	AP, Hukill	Delete L.521 - 561.	03/28 06:09 PM
817878	A	S		FAV	AP, Hukill	Delete L.578:	03/28 06:09 PM

SPB 7128 by **AP**; Internal Revenue Code

SPB 7130 by **AP**; Ad Valorem Taxation

275532	A	S		FAV	AP, Hukill	Delete L.247 - 252:	03/28 04:46 PM

SPB 7132 by **AP**; Taxation

The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS
Senator Negron, Chair
Senator Benacquisto, Vice Chair

MEETING DATE: Thursday, March 28, 2013
TIME: 9:00 a.m.—12:00 noon
PLACE: *Pat Thomas Committee Room,* 412 Knott Building

MEMBERS: Senator Negron, Chair; Senator Benacquisto, Vice Chair; Senators Bean, Bradley, Galvano, Gardiner, Grimsley, Hays, Hukill, Joyner, Latvala, Lee, Margolis, Montford, Richter, Ring, Smith, Sobel, and Thrasher

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	**CS/SB 86** Education / Flores (Similar CS/CS/H 113)	Distribution of Materials Harmful to Minors; Prohibiting an adult from knowingly distributing to a minor or posting on school property certain specified materials harmful to minors; providing an exception, etc. ED 02/19/2013 Fav/CS CJ 03/11/2013 Favorable ACJ 03/19/2013 Favorable AP 03/28/2013 Fav/CS	Fav/CS Yeas 19 Nays 0
	With subcommittee recommendation - Criminal and Civil Justice		
2	**CS/CS/SB 92** Judiciary / Criminal Justice / Negron (Similar CS/CS/H 119)	Searches and Seizures; Citing this act as the "Freedom from Unwarranted Surveillance Act"; prohibiting a law enforcement agency from using a drone to gather evidence or other information; authorizing an aggrieved party to initiate a civil action in order to prevent or remedy a violation of the act; prohibiting a law enforcement agency from using in any court of law in this state evidence obtained or collected in violation of the act, etc. CJ 01/15/2013 Fav/CS CA 02/06/2013 Favorable JU 03/12/2013 Fav/CS ACJ 03/19/2013 Favorable AP 03/28/2013 Favorable	Favorable Yeas 19 Nays 0
	With subcommittee recommendation - Criminal and Civil Justice		

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
3	**CS/SB 444** Community Affairs / Diaz de la Portilla (Similar CS/CS/H 707)	Domestic Wastewater Discharged Through Ocean Outfalls; Revising the measurement standard for the wastewater flow; revising the requirements for installation of a functioning reuse system by a utility that had a permit for a domestic wastewater facility on a specified date to discharge through ocean outfall; revising plan requirements for the elimination of ocean outfalls; requiring that the Department of Environmental Protection approve certain apportionment of reuse if a facility contracts with another facility to install a functioning reuse system, etc. EP 03/07/2013 Favorable CA 03/14/2013 Fav/CS AGG 03/19/2013 Favorable AP 03/28/2013 Not Considered	Not Considered
	With subcommittee recommendation - General Government		
4	**CS/SB 458** Governmental Oversight and Accountability / Ring / Bradley (Identical H 1399)	Firefighter and Police Officer Pension Plans; Revising the legislative declaration to require all plans to meet the requirements of specified provisions, in order to receive insurance premium tax revenues; revising existing payment provisions and providing an additional mandatory payment by the municipality or special fire control district to the firefighters' pension trust fund; revising existing payment provisions and providing for an additional mandatory payment by the municipality to the police officers' retirement trust fund, etc, GO 02/06/2013 Temporarily Postponed GO 02/21/2013 Fav/CS CA 03/07/2013 Favorable AP 03/28/2013 Not Considered	Not Considered
5	**CS/CS/SB 534** Community Affairs / Governmental Oversight and Accountability / Brandes (Compare CS/H 599)	Publicly-funded Defined Benefit Retirement Plans; Deleting the requirement that required actuarial reports for retirement plans include a disclosure of the present value of the plan's benefits; providing that the state is not liable for shortfalls in local government retirement systems or plans; requiring a defined benefit system or plan to report certain information to the Department of Management Services by a certain date; requiring the plan sponsor to make certain information available on certain websites; requiring the department to provide a fact sheet specifying certain information, etc. GO 02/21/2013 Temporarily Postponed GO 03/07/2013 Fav/CS CA 03/14/2013 Temporarily Postponed CA 03/20/2013 Fav/CS AP 03/28/2013 Not Considered	Not Considered

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
6	**CS/SB 778** Agriculture / Thompson (Identical CS/H 631)	Transactions in Fresh Produce Markets; Authorizing certain owners and operators of farmers' markets, community farmers' markets, flea markets, and other open-air markets selling fresh produce to allow authorized Food and Nutrition Service groups, associations, and third-party organizations to operate electronic benefits transfer systems in such markets, etc. AG 03/04/2013 Fav/CS CF 03/18/2013 Favorable AP 03/28/2013 Favorable RC	Favorable Yeas 18 Nays 0

A proposed committee substitute for the following bill (CS/SB 1076) is available:

7	**CS/SB 1076** Education / Legg (Compare CS/H 7057, CS/CS/H 7091, CS/S 1720)	Education; Citing this act as the "Career and Professional Education Act (CAPE)"; revising the requirements that must be included in the strategic plan that the Board of Governors must develop which includes criteria for the designation of certain baccalaureate degree programs and graduate degree programs as high-demand programs; revising requirements for high school graduation and accelerated high school graduation to include financial literacy and a rigorous industry certification program of study; requiring that the Postsecondary Industry Certification Funding List be used in determining annual performance funding distributions to school districts and Florida College System institutions, etc. ED 03/06/2013 Fav/CS AED 03/13/2013 Fav/CS AP 03/28/2013 Fav/CS	Fav/CS Yeas 19 Nays 0

With subcommittee recommendation - Education

A proposed committee substitute for the following bill (SB 1258) is available:

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
8	**SB 1258** Grimsley	Comprehensive Health Information System; Renaming the Florida Center for Health Information and Policy Analysis as the Florida Health Information Transparency Initiative; revising the functions that the Agency for Health Care Information must perform in order to collect and disseminate health information and statistics; requiring the agency to implement the transparency initiative in a manner that recognizes state-collected data as an asset and rewards taxpayer investment in information collection and management; abolishing the State Consumer Health Information and Policy Advisory Council, etc. HP 03/07/2013 Favorable AHS 03/19/2013 Fav/CS AP 03/28/2013 Not Considered	Not Considered
	With subcommittee recommendation - Health and Human Services		
9	**CS/SB 1392** Governmental Oversight and Accountability / Simpson (Compare CS/CS/H 7011)	Retirement; Providing that a member initially enrolled in the Florida Retirement System after a certain date is vested in the pension plan after 10 years of creditable service; prohibiting members of the Elected Officers' Class from joining the Senior Management Service Class after a specified date; requiring certain employees initially enrolled in the Florida Retirement System on or after a specified date to be compulsory members of the investment plan; authorizing certain employees to elect to participate in the pension plan, rather than the default investment plan, within a specified time, etc. GO 03/14/2013 Fav/CS CA 03/20/2013 Favorable AP 03/28/2013 Fav/CS	Fav/CS Yeas 14 Nays 5
10	**CS/SB 1632** Transportation / Latvala (Compare CS/H 1299, H 7127)	Transportation; Authorizing the Department of Transportation to use auction services in the conveyance of certain property or leasehold interests; providing that certain programs approved by the Federal Government relating to the maintenance of highway roadside rights-of-way must be submitted to the Legislature for approval; amending provisions of ch. 479 F.S., relating to outdoor advertising signs; limiting the placement of signs in commercial or industrial zones; providing for notice to owners of intervening privately owned lands before entering upon such lands to remove an illegal sign, etc. TR 03/14/2013 Fav/CS AP 03/28/2013 Not Considered RC	Not Considered

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
11	**CS/SB 1660** Children, Families, and Elder Affairs / Flores	Quality Cancer Care and Research; Establishing a Cancer Center of Excellence Award for providers that excel in providing cancer care and treatment in this state; requiring the Florida Cancer Control and Research Advisory Council and the Biomedical Research Advisory Council to jointly develop performance measures, a rating system, and a rating standard in accordance with specified criteria for applicants to qualify for the award; providing that an award-winning cancer provider is granted preference in competitive solicitations for a specified period of time; revising responsibilities of the councils with regard to the Cancer Center of Excellence Award program, etc. HP 03/14/2013 Favorable CF 03/18/2013 Fav/CS AP 03/28/2013 Fav/CS	Fav/CS Yeas 19 Nays 0

A proposed committee substitute for the following bill (CS/SB 1720) is expected to be considered:

12	**CS/SB 1720** Education / Galvano (Compare H 299, CS/H 7057, CS/CS/H 7091, S 192, S 680, CS/S 1076)	Education; Revising actions to be taken by the Legislative Auditing Committee relating to audits of state universities and Florida College System institutions; requiring the Department of Economic Opportunity to create economic development zones for science, technology, engineering, arts, and mathematics; establishing a collaborative partnership between the Board of Governors and the Legislature to elevate the academic and research preeminence of this state's highest performing state research universities; establishing the Complete Florida Degree Program to recruit, recover, and retain adult learners and assist them in completing degrees aligned to high-wage, high-skill workforce needs, etc. ED 03/12/2013 Fav/CS AED 03/19/2013 Fav/CS AP 03/28/2013 Fav/CS With subcommittee recommendation - Education	Fav/CS Yeas 19 Nays 0

A proposed committee substitute for the following bill (SB 1762) is available:

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
13	**SB 1762** Governmental Oversight and Accountability (Compare S 908)	State Technology; Creating the Department of State Technology; establishing the Fletcher Shared Resource Center within the Department of Financial Services to provide enterprise information technology services to the department, co-location services to the Department of Legal Services and the Department of Agriculture and Consumer Services, and host the Legislative Appropriations System/Planning and Budgeting Subsystem; transferring the personnel, functions, and funds of the Agency for Enterprise Information Technology to the Department of State Technology, etc. AGG 03/19/2013 Fav/CS AP 03/28/2013 Fav/CS	Fav/CS Yeas 19 Nays 0
	With subcommittee recommendation - General Government		
	Consideration of proposed committee bill:		
14	**SPB 7126**	Tax Administration; Deleting a requirement for filing a tax return for a decedent who dies after a certain date; creating provisions relating to automated sales suppression devices; subjecting a person to criminal penalties and monetary penalties for knowingly selling or engaging in certain other actions involving a zapper or phantom-ware; authorizing the Department of Highway Safety and Motor Vehicles to release photographs or digital images to the Department of Revenue in order to identify individuals for purposes of tax administration, etc.	Submitted as Committee Bill
	Consideration of proposed committee bill:		
15	**SPB 7128**	Internal Revenue Code; Adopting the 2013 version of the code for the purposes of ch. 220, F.S.; incorporating a reference to a recent federal act into state law for the purpose of defining the term “adjusted federal income”; authorizing the executive director of the Department of Revenue to adopt emergency rules, etc.	Submitted as Committee Bill
	Consideration of proposed committee bill:		

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
16	**SPB 7130**	Ad Valorem Taxation; Allowing certain ad valorem communications to be sent electronically in lieu of first-class mail; clarifying that local governments that provide additional homestead exemptions to persons 65 and older may provide exemptions up to a certain amount; providing that taxes imposed by school districts in certain areas are not included in determining the taxes that must be transmitted to St. Lucie County pursuant to the transfer of property from St. Lucie County to Martin County, etc.	Submitted as Committee Bill
	Consideration of proposed committee bill:		
17	**SPB 7132**	Taxation; Reducing the service charges that are collected with an application for the original issuance, duplicate issuance, or transfer of certain specified registration certificates; reducing a surcharge on a license tax; deleting a credit based on the amount paid in salaries to employees within this state, etc.	Submitted as Committee Bill
	Other Related Meeting Documents		

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Committee

BILL: CS/CS/SB 86

INTRODUCER: Appropriations Committee; Education Committee; and Senators Flores and Benacquisto

SUBJECT: Distribution of Materials Harmful to Minors

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McLaughlin	Klebacha	ED	**Fav/CS**
2.	Clodfelter	Cannon	CJ	**Favorable**
3.	Sadberry	Sadberry	ACJ	**Favorable**
4.	Sadberry	Hansen	AP	**Fav/CS**
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 86 provides that it is a third-degree felony for an adult to knowingly distribute material harmful to a minor or to post materials harmful to a minor on public and private school property. The bill defines school property as the grounds or facility of any public or private kindergarten, elementary school, middle school, junior high school, or secondary school.

The Criminal Justice Impact Conference has determined that the bill would create an insignificant fiscal impact due to low prison bed impact.

The bill provides an effective date of October 1, 2013.

This bill amends section 847.012, Florida Statutes.

II. Present Situation:

Definition of "Harmful to Minors"

Currently, the law provides for a three-pronged test to determine whether material is harmful to minors. Florida law defines "harmful to minors" as any reproduction, imitation, characterization, description, exhibition, presentation, or representation, of whatever kind or form, depicting nudity, sexual conduct, or sexual excitement when it:

- Predominantly appeals to a prurient, shameful, or morbid interest;
- Is patently offensive to prevailing standards in the adult community as a whole with respect to what is suitable material or conduct for minors; and
- Taken as a whole, is without serious literary, artistic, political, or scientific value for minors.[1]

"Obscene Materials"

Chapter 847, F.S., addresses the regulation of obscenity and provides several definitions that are used in the chapter. An adult is defined as a person of at least 18 years of age.[2] A minor, likewise, is considered to be someone who is under the age of 18 years.[3] The term "obscene" is defined as the status of materials which:

- The average person, applying contemporary community standards, would find, taken as a whole, appeals to the prurient interest;
- Depicts or describes, in a patently offensive way, sexual conduct;[4] and
- Taken as a whole, lacks serious literary, artistic, political, or scientific value.[5]

Currently, it is a first-degree misdemeanor for a person to knowingly distribute, sell, lend, give away, transmit, transmute, or show, certain obscene materials. [6,7] It is a second-degree misdemeanor for a person to knowingly have certain obscene materials in one's possession, custody, or control. [8,9] Both offenses are elevated to third-degree felonies if a violation is based on materials that depict a minor engaged in any act or conduct that is harmful to minors.[10]

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[1] s. 847.001(6), F.S.
[2] s. 847.001(1), F.S.
[3] s. 847.001(8), F.S.
[4] s. 847.001(16), F.S., defines "sexual conduct" as actual or simulated sexual intercourse, deviate sexual intercourse, sexual bestiality, masturbation, or sadomasochistic abuse; actual lewd exhibition of the genitals; actual physical contact with a person's clothed or unclothed genitals, pubic area, buttocks, or, if such a person is a female, breast with the intent to arouse or gratify the sexual desire of either party; or any act or conduct which constitutes sexual battery or simulates that sexual battery is being or will be committed. A mother's breastfeeding of her baby does not under any circumstances constitute "sexual conduct."
[5] s. 847.001(10), F.S.
[6] A first-degree misdemeanor is punishable by a term of imprisonment not exceeding one year, and a fine not exceeding $1,000 may be imposed. *See* ss. 775.082 and 775.083, F.S.
[7] s. 847.011(1)(a), F.S.
[8] A second-degree misdemeanor is punishable by a term of imprisonment not exceeding 60 days, and a fine not exceeding $500 may be imposed. *See* ss. 775.082 and 775.083, F.S.
[9] s. 847.011(2), F.S.
[10] s. 847.011(1)(c), F.S. A third-degree felony is punishable by a state prison sentence not exceeding five years, and a fine not exceeding $5,000 may be imposed. *See* ss. 775.082 and 775.083, F.S.

Selling or Distributing Harmful Materials to Minors

Current law provides that it is a third-degree felony to knowingly sell, rent, or loan for monetary consideration to a minor:[11]

- Any picture, photograph, drawing, sculpture, motion picture film, videocassette, or similar visual representation or image of a person or portion of the human body which depicts nudity or sexual conduct, sexual excitement, sexual battery, bestiality, or sadomasochistic abuse and which is harmful to minors; or
- Any book, pamphlet, magazine, printed matter however reproduced, or sound recording which contains any matter defined in s. 847.001, F.S., explicit and detailed verbal descriptions or narrative accounts of sexual excitement, or sexual conduct and which is harmful to minors.

The term "knowingly" is defined as having the general knowledge of, reason to know, or a belief or ground for belief which warrants further inspection or inquiry of both:

- The character and content of any material (described above) which is reasonably susceptible of examination by the defendant; and
- The age of the minor.[12]

A person's ignorance of a minor's age, a minor's misrepresentation of his or her age, a bona fide belief of a minor's age, or a minor's consent may not be raised as a defense in a prosecution for a violation of s. 847.012, F.S.[13]

III. Effect of Proposed Changes:

The bill makes it a third degree felony for an adult to knowingly distribute to a minor, or to post on school property, any of the materials described in current s. 847.012(3), F.S. This includes material harmful to minors in any format: pictures, photographs, drawings, sculptures, motion picture films, videocassettes, similar visual representations or images, books, pamphlets, magazines, printed matter however reproduced, or sound recordings. The bill creates an exception for school-approved instructional materials used in the instruction of a course by personnel defined in s. 1012.01, F.S. Sale of material harmful to minors to a minor at any location is already prohibited by s. 847.012(3), F.S.

The bill defines school property as the grounds or facility of any public or private kindergarten, elementary school, middle school, junior high school, or secondary school.

As a third degree felony, this new offense would be punishable by up to five years in prison and a $5,000 fine.

[11] s. 847.012(3) & (5), F.S.
[12] s. 847.012(1), F.S.
[13] s. 847.012(2), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill creates an additional criminal offense. The Criminal Justice Impact Conference has determined that the bill would have an insignificant prison bed impact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on March 28, 2013:
The committee substitute clarifies the exception for instructional materials used in the instruction of a course by personnel defined in s. 1012.01, F.S., as "school-approved" instructional materials.

CS by Education on February 19, 2013:

- Provides an exception for instructional materials used in the instruction of a course by approved personnel as defined in s. 1012.01, F.S.
- Removes the term "career center" from the list of school properties.

- Revises the bill by changing the types of schools covered and by creating an exception for instructional materials used by approved educational personnel.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

642270

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Gardiner) recommended the following:

1 **Senate Amendment**
2
3 Delete line 28
4 and insert:
5
6 <u>school-approved instructional materials that by design serve as</u>
7 <u>a major tool for</u>

By the Committee on Education; and Senators Flores and Benacquisto

A bill to be entitled

An act relating to the distribution of materials harmful to minors; amending s. 847.012, F.S.; prohibiting an adult from knowingly distributing to a minor or posting on school property certain specified materials harmful to minors; providing that it is a third-degree felony for any person to knowingly distribute to a minor or post on school property certain materials harmful to minors; defining the term "school property"; providing an exception; providing an effective date.

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

Section 1. Present subsections (5) through (9) of section 847.012, Florida Statutes, are renumbered as subsections (6) through (10), respectively, and a new subsection (5) is added to that section, to read:

847.012 Harmful materials; sale or distribution to minors or using minors in production prohibited; penalty.—

(5) An adult may not knowingly distribute to a minor on school property, or post on school property, any material described in subsection (3). As used in this subsection, the term "school property" means the grounds or facility of any kindergarten, elementary school, middle school, junior high school, or secondary school, whether public or nonpublic. This subsection does not apply to the distribution or posting of instructional materials that by design serve as a major tool for assisting in the instruction of a subject or course by school

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

officers, instructional personnel, administrative personnel, school volunteers, educational support employees, or managers as those terms are defined in s. 1012.01.

Section 2. This act shall take effect October 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Committee

BILL: CS/CS/SB 92

INTRODUCER: Judiciary Committee; Criminal Justice Committee; and Senator Negron and others

SUBJECT: Searches and Seizures

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cellon	Cannon	CJ	**Fav/CS**
2.	Anderson	Yeatman	CA	**Favorable**
3.	Shankle	Cibula	JU	**Fav/CS**
4.	Sadberry	Sadberry	ACJ	**Favorable**
5.	Sadberry	Hansen	AP	**Favorable**
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 92 creates the "Freedom from Unwarranted Surveillance Act," which prohibits law enforcement agencies from using drones to gather evidence or other information, unless:

- The U.S. Secretary of Homeland Security determines that credible intelligence exists indicating a high risk of a terrorist attack by an individual or organization.
- The law enforcement agency first obtains a search warrant authorizing the use of a drone.
- The law enforcement agency has reasonable suspicion that swift action is necessary to prevent imminent danger to life, such as to facilitate the search for a missing person, to prevent serious damage to property, or to forestall the imminent escape of a suspect or the destruction of evidence.

This bill will not have a fiscal impact because it prohibits state and local law enforcement agencies from using drones to gather evidence or information unless the use of the drone falls under one of the bill's exceptions to the prohibition.

Evidence gathered in violation of the bill is inadmissible in a criminal prosecution in any court of law in this state. Provisions are made for civil actions by an aggrieved party against a law enforcement agency that violates the prohibitions in the bill.

The bill defines the terms "drone" and "law enforcement agencies" for the purposes of the act.

This bill has an effective date of July 1, 2013.

This bill creates an unnumbered section of the Florida Statutes.

II. Present Situation:

Drones Historically Utilized by Military in Warfare, Hostile Situations

Drones, also called Unmanned Aerial Vehicles and Unmanned Aerial Systems, will be referred to as "drones" in this bill analysis.

Although drones were utilized as far back as the war in Vietnam, the term "drone" recently became part of the vernacular since the use of drones by the U.S. military has become common knowledge among the civilian population.[1] Because drones are unmanned aircraft, they are especially useful in search and destroy missions where military personnel would otherwise be placed in harm's way.

Drones are highly capable of gathering military intelligence because drones are difficult to detect and can carry sophisticated surveillance equipment. For example, the U.S. Army recently acquired a 1.8 gigapixel camera to use on its drones which can track objects on the ground from 65 miles away while the drone is flying at an altitude of 20,000 feet.[2] Drones can be equipped with infrared cameras,[3] license plate readers,[4] and "ladar" (laser radar).[5] It has been reported that in 2011 the U.S. Army contracted with two corporations to develop facial recognition and behavioral recognition technologies for drone use.[6]

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[1] *Unmanned Aerial Vehicles Support Border Security*, Customs and Border Protection Today, July 2004, www.cbp.gov/xp/CustomsToday/2004/Aug/other/aerial_vehicles.xml.

[2] *Drones in Domestic Surveillance Operations*, Congressional Research Service, September 6, 2012, www.fas.org/sgp/crs/natsec/R42701.pdf.

[3] These cameras are capable of "seeing" based upon the relative levels of heat in its viewing area. For example, see http://www.draganfly.com/uav-helicopter/draganflyer-x6/features/flir-camera.php.

[4] *Drones in Domestic Surveillance Operations*, Congressional Research Service, September 6, 2012, www.fas.org/sgp/crs/natsec/R42701.pdf; *Unmanned Aerial Vehicles Support Border Security*, Customs and Border Protection Today, July 2004, www.cbp.gov/xp/CustomsToday/2004/Aug/other/aerial_vehicles.xml.

[5] "Ladar" is reported to produce three-dimensional images and has the capability to "see" through trees and foliage. *Drones in Domestic Surveillance Operations*, Congressional Research Service, September 6, 2012, www.fas.org/sgp/crs/natsec/R42701.pdf; U.S. Army, UAS Center for Excellence, *Eyes of the Army, US Army Roadmap for Unmanned Aircraft Systems 2010-2035* (2010).

[6] Clay Dillow, Popular Science, September 28, 2011, popsci.com/technology/article/2011-09/army-wants-drones-can-recognize-your-face-and-read-your-mind.

Drones range in size from wingspans of 6 inches to 246 feet and can weigh from approximately 4 ounces to over 25,600 pounds.[7] They may be controlled manually or through an autopilot which uses a data link to connect the drone's pilot to the drone.[8]

Non-Military Drone Flight in the United States

As far back as 2007, the Federal Aviation Administration (FAA) was aware of approximately 50 companies, universities, and government organizations developing and producing some 155 drone designs in the United States.[9]

Drones have been used in a multitude of tasks by U.S. government agencies. The U.S. Customs and Border Patrol began using them in 2004.[10] In February 2010, the U.S. Customs and Border Patrol began operating a center in Cocoa Beach flying eight drones along Florida's shorelines and the Gulf Coast.[11]

Other documented non-military tasks include earthquake damage assessment at Japan's Fukushima power plant, volcano activity assessment of Mount St. Helens in Washington for the U.S. Geological Survey, and surveying wild fires in Texas.[12]

At the University of Florida, over the last 12 years, the Unmanned Aerial Systems Research Group has been developing an 11 pound drone having a 9 foot wingspan, which is called "Nova 2.1." According to researchers, it can be used to safely and accurately gather data that will be helpful to wildlife biologists and many others.[13]

The drone industry is becoming motivated to move into more civilian markets.[14] Reportedly, Florida is competing to secure a position as a leading development, testing, and manufacturing site for drones.[15]

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[7] 14 CFR Part 91, Docket No. FAA-2006-25714, Department of Transportation, Federal Aviation Administration, Unmanned Aircraft Operations in the National Airspace System, February 6, 2007.
[8] *Id*.
[9] *Id*.
[10] *Unmanned Aerial Vehicles Support Border Security*, Customs and Border Protection Today, July 2004, www.cbp.gov/xp/CustomsToday/2004/Aug/other/aerial_vehicles.xml.
[11] Howard Altman, *Space Florida Probing Drone's Future Potential,* Tampa Bay Online, August 5, 2012, www2.tbo.com/news/breaking-news/2012/aug/05/space-florida-probing-drones-future-potential-ar-453511/.
[12] James Chiles, *Drones for Hire,* Air & Space Smithsonian, January 2013, www.airspacemag.com/flight-today/Drones-for-Hire-179517781.html.
[13] James Dean, *Florida Hopes to Fill Its Skies with Unmanned Aircraft,* Florida Today, June 23, 2012, http://usatoday30.usatoday.com/news/nation/story/2012-06-23/increased-drone-use-privacy-concerns/55783066/1; *UF Team's Work Pays Off With Unmanned-flight System that Captures Valuable Data,* Phys Org, October 20,2010, http://phys.org/news/2010-10-uf-team-unmanned-flight-captures-valuable.html.
[14] *Drones for Hire,* Air & Space Smithsonian, James Chiles, January 2013, www.airspacemag.com/flight-today/Drones-for-Hire-179517781.html.
[15] *Florida Vies to be America's Drone Capital,* RT, June 29, 2010, http://rt.com/usa/news/florida-drone-space-unmanned-091/print/.

Integrating Drones into the Nation's Airspace System

In February 2012, Congress passed the FAA Modernization and Reform Act of 2012 (Act), which requires the FAA to safely open the nation's airspace to drones by September 2015.[16] Under the timetable set forth by Congress, the FAA authorized government public safety agencies to operate drones under certain restrictions and made the process for approving authorization requests more efficient.[17]

However, the FAA appears to be proceeding with caution in its implementation of the 2012 Federal Act. The FAA has delayed selecting the six test sites for drones mandated by Congress. Further, although it seems to be outside the congressional mandate and beyond the scope of the FAA's airspace-safety responsibilities, the FAA notified Congress that "privacy issues" are a concern as drones are integrated into the airspace.[18]

The 2012 Act directed the FAA to "allow a government public safety agency to operate unmanned aircraft weighing 4.4 pounds or less" under certain restrictions. The Act specified that these drones must be flown within the line of sight of the operator, less than 400 feet above the ground, during daylight conditions, inside Class G (uncontrolled) airspace and more than five miles from any airport or other location with aviation activities.[19]

Prior to the passage of the Act in 2012, the FAA and the Department of Justice worked on an agreement to streamline the Certificate of Authorization (COA) process for law enforcement agencies. Initially, law enforcement organizations will receive a COA for training and performance evaluation. When the organization shows proficiency in flying its drone, it will receive an operational COA. The agreement between the FAA and the Department of Justice expands the allowable drone weight up to 25 pounds.[20]

Drone Use by Law Enforcement Agencies in Florida

The FAA issued COAs to Florida law enforcement agencies beginning in 2009. Those early COAs for training and trial purposes were issued to the Miami-Dade Police Department and the Polk County Sheriff's Office.

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[16] Public Law 112-95, February 14, 2012, The FAA Modernization and Reform Act of 2012; *Drones in Domestic Surveillance Operations*, Congressional Research Service, September 6, 2012, www.fas.org/sgp/crs/natsec/R42701.pdf.
[17] *FAA Makes Progress with UAS Integration*, Federal Aviation Administration, May 14, 2012, www.faa.gov/news/updates/?newsId=68004; Public Law 112-95, February 14, 2012, The FAA Modernization and Reform Act of 2012.
[18] A *Bloomberg* report quotes the FAA Acting Chief as having written to members of the Congressional Unmanned Systems Caucus: "However, increasing the use of UAS in our airspace also raises privacy issues, and these issues will need to be addressed as unmanned aircraft are safely integrated." Alan Levine, *FAA Going Slow on Drones as Privacy Concerns Studied*, Bloomberg, November 26, 2012, http://go.bloomberg.com/political-capital/2012-11-26/faa-going-slow-.
[19] Public Law 112-95, February 14, 2012, The FAA Modernization and Reform Act of 2012; FAA Fact Sheet, Unmanned Aircraft Systems, December 14, 2012, http://www.faa.gov/news/fact_sheets/news_story.cfm?newsId=14153.
[20] FAA Fact Sheet, Unmanned Aircraft Systems, December 14, 2012, http://www.faa.gov/news/fact_sheets/news_story.cfm?newsId=14153.

Reportedly, officials in Polk County, Florida, decided after a year of drone trials that the costs of meeting FAA regulations were too high and halted use of its fixed-wing model drone in 2010.[21]

The Miami-Dade Police Department received its COA for drone operational status in July 2011. It was renewed in December 2012 for a 2-year period. The department has two Honeywell Corporation T-Hawk Model drones. As of January 8, 2013, the T-Hawk drones had not flown an actual operation.[22]

Several Chiefs of Police in Florida have indicated that drones would benefit their agencies by reducing the risk to officers and citizens in high risk situations involving hostages, active shooters or armed, barricaded suspects.[23] One police chief suggested that drones could aid police agencies in their ability to patrol and search for persons in areas like bodies of water or a wooded area.[24] According to another police chief, drone technology provides an opportunity to conduct patrols that are normally conducted by traditional aviation at a fraction of the cost.[25] A third police chief mentioned that a drone would be useful in serving high-risk search warrants, natural disasters, and other emergencies.[26] A fourth suggested that drones could diminish public safety risks that might otherwise occur during a high-speed car-chase because a drone could more safely follow a fleeing vehicle.[27]

Federal and Other State Legislation

Senator Rand Paul filed a bill in Congress in 2012 which was essentially identical to SB 92. Neither the Senate bill nor its House companion bill made it out of committee.[28] Similar legislation is expected to be filed in California, Illinois, New Jersey, Oregon, Missouri, Michigan, Indiana, and Virginia.[29]

III. Effect of Proposed Changes:

The short title for the bill is the "Freedom from Unwarranted Surveillance Act." The bill prohibits law enforcement agencies from using drones to gather evidence or other information, except in certain narrow circumstances. Evidence obtained or collected by a law enforcement agency using a drone, unless it is permitted under one of the bill's exceptions, is not admissible in a criminal prosecution in any court of law in this state.

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[21] Howard Altman, *Space Florida Probing Drone's Future Potential*, Tampa Bay Online, August 5, 2012, www2.tbo.com/news/breaking-news/2012/aug/05/space-florida-probing-drones-future-potential-ar-453511/.
[22] Miami-Dade Police Department Fact Sheet, Special Patrol Bureau/Aviation Unit, Micro Air Vehicle "MAV" Program, provided to Senate Committee on Criminal Justice Staff, January 8, 2013.
[23] Memo provided to Senate Committee on Criminal Justice Staff on December 12, 2012, by the Florida Police Chiefs Association.
[24] *Id.*
[25] *Id.*
[26] *Id.*
[27] *Id.*
[28] *Preserving Freedom from Unwarranted Surveillance Act of 2012*, S.3287, H.R. 5925.
[29] Dave Kolpack, *New ND Lawmaker 1 of Many Drafting Drone Measures*, AP, January 4, 2013. The North Dakota bill appears to have been filed in response to a local case where the Border Patrol offered the use of its drone to verify that three armed men were no longer armed or on the premises where law enforcement was investigating an alleged cattle rustling situation. See *State v. Brossart*, No. 32-2011 CR-00049 (N.E. Cen. D., N.D. 2012).

The bill provides exceptions to the prohibition of drone use by a law enforcement agency in an information or evidence-gathering capacity. Under the exceptions, a law enforcement agency may use a drone if:

- The U.S. Secretary of Homeland Security determines that credible intelligence exists indicating a high risk of a terrorist attack by an individual or organization.
- The law enforcement agency first obtains a search warrant authorizing the use of a drone.
- The law enforcement agency has reasonable suspicion that swift action is necessary to prevent imminent danger to life, such as to facilitate the search for a missing person, to prevent serious damage to property, or to forestall the imminent escape of a suspect or the destruction of evidence.

The bill defines a drone as a powered aerial vehicle that:

- Is unmanned;
- Is capable of flying autonomously or being piloted remotely;
- Uses aerodynamic forces to provide lift;
- Can be expendable or recoverable; and
- Can carry a lethal or nonlethal payload.

This definition is consistent with the standard definition of drones used by numerous military organizations.[30]

The bill defines a law enforcement agency as a lawfully established state or local public agency which is responsible for the prevention and detection of crime, local code enforcement, and the enforcement of penal, traffic, regulatory, game, or controlled substance laws.

In addition to the inadmissibility of evidence the bill allows for an aggrieved party to initiate a civil action to prevent or remedy a violation of the prohibitions in the bill.

The bill takes effect on July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

[30] United States Army Combined Arms Center, Unmanned Aerial Vehicle, http://usacac.army.mil/cac2/call/thesaurus/toc.asp?id=31004 (last visited Mar. 7, 2012).

D. Other Constitutional Issues:

The Fourth Amendment to the United States Constitution guarantees the people in this country security in their houses, persons, papers, and possessions from unreasonable searches and seizures by government actors.[31]

Article I, Section 12 of the Constitution of Florida contains the same guarantees as the Fourth Amendment, with an additional provision extending protection to private communications. Article I, Section 12 also states that it "shall be construed in conformity with the Fourth Amendment to the United States Constitution, as interpreted by the United States Supreme Court. Articles or information obtained in violation of this right shall not be admissible in evidence if such articles or information would be inadmissible under decisions of the United States Supreme Court construing the Fourth Amendment to the United States Constitution."[32]

The U.S. Supreme Court has not heard a case that implicates the Fourth Amendment as related to a search by a drone. However, the court has heard several cases involving aerial searches by law enforcement officers in more conventional aircraft. In *Florida v. Riley* and *California v. Ciraolo*, which were cases involving surveillance from altitudes of 400 and 1,000 feet in close proximity to homes, the court found that no search had occurred.[33] Therefore it may be argued that a drone flying or hovering at an uncommon altitude, utilizing uncommon surveillance equipment could implicate the Fourth Amendment.

A court may not need to address the question of the reasonableness of a police search by use of a drone under Fourth Amendment. The protection provided in the bill could be viewed by courts as a statutorily-created citizen protection that does not implicate the Fourth Amendment.[34] Additionally, states are generally free to place even more rigorous restraints upon state governmental intrusion than federal law requires.[35]

Courts could focus on the fact that the bill *does not subject citizens* to a drone search let alone an unreasonable one, but rather the bill *prohibits or limits* certain *law enforcement conduct*, and that it is within the Legislature's power to protect citizens from police

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[31] U.S. CONST. amend. IV.

[32] FLA. CONST. art. I, s. 12 provides:

> Searches and seizures.—
> The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures, and against the unreasonable interception of private communications by any means, shall not be violated. No warrant shall be issued except upon probable cause, supported by affidavit, particularly describing the place or places to be searched, the person or persons, thing or things to be seized, the communication to be intercepted, and the nature of evidence to be obtained. This right shall be construed in conformity with the 4th Amendment to the United States Constitution, as interpreted by the United States Supreme Court. Articles or information obtained in violation of this right shall not be admissible in evidence if such articles or information would be inadmissible under decisions of the United States Supreme Court construing the 4th Amendment to the United States Constitution.

[33] *California v. Ciraolo*, 476 U.S. 207 (1986); *Florida v. Riley*, 488 U.S. 445 (1989).

[34] The bill provides that evidence obtained is not admissible in a criminal prosecution in any court of law in Florida if that evidence is obtained in violation of the bill's prohibited drone use by law enforcement, unless the drone use falls within one of the bill's exceptions.

[35] *Traylor v. State*, 596 So. 2d 957, 961 (Fla. 1992).

conduct just as it is within its power to subject citizens to police action. If the court finds that law enforcement violated the drone law, the court should rule the evidence derived as a result of that violation inadmissible.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill does not apply to the use of drones for any purposes other than state and local law enforcement use to gather evidence or other information. It does not restrict the use of drones for commercial or private research and information gathering in any way and, therefore, should have no impact on the scientific, commercial, or educational sectors.

Law enforcement agencies are not permitted to use information or evidence that is gathered through the prohibited use of a drone in a criminal prosecution. Therefore, citizens should not be subject to criminal prosecution in cases that are based upon information or evidence gathered beyond the scope of the bill's exceptions, unless the case can be prosecuted on some independent basis.

C. Government Sector Impact:

State and local law enforcement agencies are prohibited by the bill from using drones to gather evidence or information unless the use of the drone falls under one of the bill's exceptions to the prohibition. The evidence obtained or collected in violation of the prohibition, and outside the exceptions in the bill, is inadmissible as evidence in a criminal prosecution. Therefore, some criminal cases built around such evidence may be weakened or unprovable.

Law enforcement agencies may be subject to civil remedies, such as monetary damages or possibly an injunction preventing further drone activity, if sought by an aggrieved party under the provisions of the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Judiciary on March 12, 2013:

- The bill authorizes a law enforcement agency to use a drone when the law enforcement agency has reasonable suspicion that swift action is necessary to achieve purposes including, but not limited to, facilitating the search for a missing person.

CS by Criminal Justice on January 15, 2013:

- The CS includes local government code enforcement within the definition of law enforcement agency.
- The CS adopts additional exceptions to the drone-use prohibition in the bill. One of the additional exceptions allows law enforcement to use a drone if it is first authorized by a judge in a search warrant. The other exception to the prohibition occurs when a law enforcement agency possesses reasonable suspicion that under particular circumstances, swift action is necessary in order to prevent imminent danger to life or serious damage to property, or to forestall the imminent escape of a suspect or the destruction of evidence.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committees on Judiciary; and Criminal Justice; and Senators Negron, Brandes, Evers, and Bradley

590-02273-13 201392c2

A bill to be entitled

An act relating to searches and seizures; creating the "Freedom from Unwarranted Surveillance Act"; defining the terms "drone" and "law enforcement agency"; prohibiting a law enforcement agency from using a drone to gather evidence or other information; providing exceptions; authorizing an aggrieved party to initiate a civil action in order to prevent or remedy a violation of the act; prohibiting a law enforcement agency from using in any court of law in this state evidence obtained or collected in violation of the act; providing an effective date.

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

Section 1. Searches and seizure using a drone.—

(1) SHORT TITLE.—This act may be cited as the "Freedom from Unwarranted Surveillance Act."

(2) DEFINITIONS.—As used in this act, the term:

(a) "Drone" means a powered, aerial vehicle that:

1. Does not carry a human operator;

2. Uses aerodynamic forces to provide vehicle lift;

3. Can fly autonomously or be piloted remotely;

4. Can be expendable or recoverable; and

5. Can carry a lethal or nonlethal payload.

(b) "Law enforcement agency" means a lawfully established state or local public agency that is responsible for the prevention and detection of crime, local government code enforcement, and the enforcement of penal, traffic, regulatory,

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

590-02273-13 201392c2

game, or controlled substance laws.

(3) PROHIBITED USE OF DRONES.—A law enforcement agency may not use a drone to gather evidence or other information.

(4) EXCEPTIONS.—This act does not prohibit the use of a drone:

(a) To counter a high risk of a terrorist attack by a specific individual or organization if the United States Secretary of Homeland Security determines that credible intelligence indicates that there is such a risk.

(b) If the law enforcement agency first obtains a search warrant signed by a judge authorizing the use of a drone.

(c) If the law enforcement agency possesses reasonable suspicion that, under particular circumstances, swift action is needed to prevent imminent danger to life or serious damage to property, to forestall the imminent escape of a suspect or the destruction of evidence, or to achieve purposes including, but not limited to, facilitating the search for a missing person.

(5) REMEDIES FOR VIOLATION.—An aggrieved party may initiate a civil action against a law enforcement agency to obtain all appropriate relief in order to prevent or remedy a violation of this act.

(6) PROHIBITION ON USE OF EVIDENCE.—Evidence obtained or collected in violation of this act is not admissible as evidence in a criminal prosecution in any court of law in this state.

Section 2. This act shall take effect July 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Searches & Seizures

Bill Number: SB 92 (if applicable)

Name: Ron Bilbao

Amendment Barcode: (if applicable)

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Speaking: [x] For [ ] Against [ ] Information

Representing: ACLU of Florida

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/2013
Meeting Date

Topic: SEARCH & SEIZURES

Bill Number: 92 (if applicable)

Name: Nancy Daniels

Amendment Barcode: (if applicable)

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E-mail: nancy.daniels@flpd2.com

Speaking: [x] For [ ] Against [ ] Information

Representing: FLORIDA PUBLIC DEFENDER ASSOCIATION

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [ ] Yes [x] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 444

INTRODUCER: Community Affairs Committee and Senator Diaz de la Portilla

SUBJECT: Domestic Wastewater Discharged through Ocean Outfalls

DATE: April 4, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Gudeman	Uchino	EP	**Favorable**
2.	Anderson	Yeatman	CA	**Fav/CS**
3.	Howard	DeLoach	AGG	**Favorable**
4.	Howard	Hansen	AP	**Favorable**
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/SB 444 allows utilities additional flexibility to meet the 60 percent reuse requirement and to continue to discharge peak flows up to five percent of utilities' baseline flows, through ocean outfalls. The bill requires utilities to provide supplemental information on costs and options in their detailed plans in order to meet the requirements of s. 403.086(9), F.S. Finally, the bill requires the utilities, the Department of Environmental Protection (DEP) and the South Florida Water Management District (SFWMD) to evaluate the detailed plans and recommend adjustments to the Legislature, if necessary, to the reuse requirements.

The bill has no fiscal impact on the DEP or the SFWMD. Within the affected counties of Miami-Dade, Broward, and Palm Beach, significant cost reductions for wastewater utilities implementing the 60 percent reuse requirement are anticipated. See Section V.

The effective date of the bill is July 1, 2013.

This bill substantially amends section 403.086, Florida Statutes.

II. Present Situation:

There are six domestic wastewater facilities in Palm Beach, Broward, and Miami-Dade counties discharging approximately 300 million gallons per day of treated domestic wastewater directly into the Atlantic Ocean through ocean outfalls.[1] The ocean outfall providing service to the cities of Boynton Beach and Delray Beach largely ceased discharges in early 2009.[2] Exceptions for this facility are allowed to handle peak, wet weather flows, during integrity testing of deep well injection and for emergencies.

Chapter 2008-232, L.O.F., prohibits construction of new ocean outfalls and requires that all six ocean outfalls in Florida cease discharging wastewater by December 31, 2025. In addition, wastewater facilities that discharged wastewater through an ocean outfall on July 1, 2008, are required to install a reuse system no later than December 31, 2025. The reuse systems must be capable of providing a minimum of 60 percent of the wastewater facilities' actual annual flow for beneficial reuse. The actual annual flow is calculated using the annual average flow through a wastewater facility's ocean outfall from 2003 through 2007.[3]

Wastewater facilities operating ocean outfalls may receive a significant portion of their annual average flow from other wastewater facilities located outside their direct service areas. SB 550, passed during the 2010 Regular Session,[4] addressed the possibility of certain facilities not being able to comply with the 60 percent reuse requirement of s. 403.086(9)(c), F.S. The potential existed that flow received from outside their service areas could be diverted to other wastewater facilities that do not discharge through ocean outfalls, and therefore, diverting facilities would not have to comply with the 60 percent beneficial reuse requirement for ocean outfalls. In addition, current law requires discharges of wastewater through ocean outfalls after December 31, 2018, must meet advanced wastewater treatment (AWT) standards or equivalent processes.[5]

III. Effect of Proposed Changes:

Section 1 amends s. 403.086, F.S., to allow utilities to comply with the 60 percent reuse requirement from their entire service areas or by contract with another utility within Miami-Dade, Broward, or Palm Beach counties rather than just from ocean outfalls by 2025. This provision will allow utilities the flexibility to pursue the most cost-effective method to achieve 60 percent reuse for their service areas. However, it may also reduce the percentage of reuse derived from ocean outfalls. The bill specifies that only facilities which shared a common ocean outfall as of July 1, 2008, are required to meet the 60 percent reuse requirement individually but may contract to share or transfer this responsibility with other utilities. The department must approve the apportionment of the reuse generated from the new or expanded reuse system for facilities that contract with another utility and the reuse apportioned to each utility's requirement

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[1] DEP, *Implementation of Chapter 2008-232, Laws of Florida Domestic Wastewater Ocean Outfalls* (June 2010), *available at* http://www.dep.state.fl.us/water/wastewater/docs/ocean-outfall-2010.pdf (last visited March 8, 2013).
[2] David Fleshler, *Flow of sewage to ocean ending*, Sun Sentinel (April 1, 2009), *available at* http://articles.sun-sentinel.com/2009-04-01/news/0903310461_1_outfall-pipe-treatment-plant (last visited March 8, 2013).
[3] *See* s. 403.086(9)(c), F.S.
[4] *See* ch. 2010-205, s. 38, Laws of Fla.
[5] *See* s. 403.086(9)(b), F.S.

may not exceed the total reuse generated by the new or expanded reuse system. A utility must provide the department a copy of any contract with another utility that reflects an agreement between the utilities regarding the apportionment of reuse.

The bill allows utilities to continue backup discharges through ocean outfalls that are part of a functioning reuse system or other wastewater management system authorized by the DEP. Utilities may make backup discharges that:

- Do not cumulatively exceed five percent of total baseline flows measured as a five-year rolling average;
- Are subject to applicable secondary waste treatment and water-quality-based effluent limitations specified in department rules; and
- Are deemed to meet AWT when in compliance with the effluent limitations.

The bill defines "baseline flow" as "the annual average flow of domestic wastewater discharging through the facility's ocean outfall, as determined by the department, using monitoring data available for calendar years 2003 through 2007."

The bill updates the requirements for the detailed plans that utilities must develop by July 1, 2013. The new information included in the plan must identify:

- The technical, environmental and economic feasibility of various reuse options;
- An analysis of costs necessary for utilities to meet state and local water quality criteria; and
- A comparative cost estimate of achieving reuse requirements from ocean outfalls and other sources.

The plan must evaluate the demand for reuse in the context of future regional water supply demands, the availability of traditional sources of water, the need for alternative water supplies, the offset reuse will have on potable supplies, and other factors contained in the SFWMD's Lower East Coast Regional Water Supply Plan.[6] The plan is due to the department by July 1, 2013, with an update due by July 1, 2016.

Finally, the bill requires the DEP, the SFWMD and affected utilities to evaluate the detailed plans and recommend adjustments to the Legislature, if necessary, to the reuse requirements in this bill. The report is due to the Legislature by February 15, 2015.

Section 2 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

[6] SFWMD, *Lower East Coast Water Supply Plan* (2012), *available at* http://www.sfwmd.gov/portal/page/portal/xweb%20-%20release%203%20water%20supply/lower%20east%20coast%20plan (last visited March 8, 2013).

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Water utility customers will benefit from the cost saving provisions in this bill for wastewater utilities. While the savings are indeterminate, they will likely be insignificant on an individual basis when spread over time for customers served by their utilities.

C. Government Sector Impact:

Wastewater utilities may see significant cost reductions in implementing the 60 percent reuse requirements for ocean outfalls by utilizing their entire service areas rather than only flows discharged through ocean outfalls. Allowing utilities to continue backup discharges up to five percent of their peak flows will also save costs. Finally, exempting five percent of utilities' peak flows from AWT standards if those discharges meet statutory requirements and the DEP rules on effluent limitations may also result in significant savings. The City of Hollywood, Broward and Miami-Dade counties have estimated that allowing peak flow discharges of five percent will save capital costs of $150-200 million, $300 million, and $820 million, respectively.[7]

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on March 14, 2013:
The committee substitute requires a utility that contracts with another utility regarding

[7] Information provided by Broward and Miami-Dade Counties, the City of Hollywood and the City of Boca Raton (on file with the Senate Committee on Environmental Preservation and Conservation).

apportionment of reuse to provide a copy of the contract to the Department of Environmental Protection. The CS also deletes an obsolete provision of law.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Community Affairs; and Senator Diaz de la Portilla

578-02391-13 2013444c1

A bill to be entitled

An act relating to domestic wastewater discharged through ocean outfalls; amending s. 403.086, F.S.; revising the measurement standard for the wastewater flow; revising the requirements for installation of a functioning reuse system by a utility that had a permit for a domestic wastewater facility on a specified date to discharge through ocean outfall; revising the definition of the term "functioning reuse system"; changing the term "facility's actual flow on an annual basis" to "baseline flow"; revising plan requirements for the elimination of ocean outfalls; providing that certain utilities that shared a common ocean outfall on a specified date are individually responsible for meeting the reuse requirement; requiring that the Department of Environmental Protection approve certain apportionment of reuse if a facility contracts with another facility to install a functioning reuse system; requiring a facility that contracts with another facility to provide a copy of the contract to the department; revising provisions authorizing the backup discharge of domestic wastewater through ocean outfalls; requiring a holder of a department permit authorizing the discharge of domestic wastewater through an ocean outfall to submit certain information; deleting an obsolete provision; requiring the Department of Environmental Protection, the South Florida Water Management District, and affected utilities to consider certain information for

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-02391-13 2013444c1

the purpose of adjusting reuse requirements; requiring the department to submit a report to the Legislature; providing an effective date.

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

Section 1. Subsection (9) of section 403.086, Florida Statutes, is amended to read:

403.086 Sewage disposal facilities; advanced and secondary waste treatment.—

(9) The Legislature finds that the discharge of domestic wastewater through ocean outfalls wastes valuable water supplies that should be reclaimed for beneficial purposes to meet public and natural systems demands. The Legislature also finds that discharge of domestic wastewater through ocean outfalls compromises the coastal environment, quality of life, and local economies that depend on those resources. The Legislature declares that more stringent treatment and management requirements for such domestic wastewater and the subsequent, timely elimination of ocean outfalls as a primary means of domestic wastewater discharge are in the public interest.

(a) The construction of new ocean outfalls for domestic wastewater discharge and the expansion of existing ocean outfalls for this purpose, along with associated pumping and piping systems, are prohibited. Each domestic wastewater ocean outfall shall be limited to the discharge capacity specified in the department permit authorizing the outfall in effect on July 1, 2008, which discharge capacity shall not be increased. Maintenance of existing, department-authorized domestic

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wastewater ocean outfalls and associated pumping and piping systems is allowed, subject to the requirements of this section. The department is directed to work with the United States Environmental Protection Agency to ensure that the requirements of this subsection are implemented consistently for all domestic wastewater facilities in the state ~~Florida~~ which discharge through ocean outfalls.

(b) The discharge of domestic wastewater through ocean outfalls must ~~shall~~ meet advanced wastewater treatment and management requirements by ~~no later than~~ December 31, 2018. For purposes of this subsection, the term "advanced wastewater treatment and management requirements" means the advanced waste treatment requirements set forth in subsection (4), a reduction in outfall baseline loadings of total nitrogen and total phosphorus which is equivalent to that which would be achieved by the advanced waste treatment requirements in subsection (4), or a reduction in cumulative outfall loadings of total nitrogen and total phosphorus occurring between December 31, 2008, and December 31, 2025, which is equivalent to that which would be achieved if the advanced waste treatment requirements in subsection (4) were fully implemented beginning December 31, 2018, and continued through December 31, 2025. The department shall establish the average baseline loadings of total nitrogen and total phosphorus for each outfall using monitoring data available for calendar years 2003 through 2007 and ~~shall~~ establish required loading reductions based on this baseline. The baseline loadings and required loading reductions of total nitrogen and total phosphorus shall be expressed as an average annual daily loading value. The advanced wastewater treatment

and management requirements of this paragraph are ~~shall be~~ deemed ~~to be~~ met for any domestic wastewater facility discharging through an ocean outfall on July 1, 2008, which has installed by ~~no later than~~ December 31, 2018, a fully operational reuse system comprising 100 percent of the facility's baseline flow on an annual basis ~~average daily flow~~ for reuse activities authorized by the department.

(c)1. Each utility that had a permit for a domestic wastewater facility that discharged ~~discharges~~ through an ocean outfall on July 1, 2008, must ~~shall~~ install, or cause to be installed, a functioning reuse system within the utility's service area or, by contract with another utility, within Miami-Dade, Broward, or Palm Beach Counties by ~~no later than~~ December 31, 2025. For purposes of this subsection, a "functioning reuse system" means an environmentally, economically, and technically feasible system that provides a minimum of 60 percent of a ~~the~~ facility's baseline ~~actual~~ flow on an annual basis for irrigation of public access areas, residential properties, or agricultural crops; aquifer recharge; groundwater recharge; industrial cooling; or other acceptable reuse purposes authorized by the department. For purposes of this subsection, the term "baseline flow" ~~"facility's actual flow on an annual basis"~~ means the annual average flow of domestic wastewater discharging through the facility's ocean outfall, as determined by the department, using monitoring data available for calendar years 2003 through 2007.

2. Flows diverted from facilities to other facilities that provide 100 percent reuse of the diverted flows before ~~prior to~~ December 31, 2025, are ~~shall be~~ considered to contribute to

117 meeting the ~~60 percent~~ reuse requirement. For utilities
118 operating more than one outfall, the reuse requirement may ~~can~~
119 be apportioned between the ~~met if the combined actual reuse~~
120 ~~flows from~~ facilities served by the outfalls ~~is at least 60~~
121 ~~percent of the sum of the total actual flows from the~~
122 ~~facilities~~, including flows diverted to other facilities for 100
123 percent reuse before ~~prior to~~ December 31, 2025. Utilities that
124 shared a common ocean outfall for the discharge of domestic
125 wastewater on July 1, 2008, regardless of which utility operates
126 the ocean outfall, are individually responsible for meeting the
127 reuse requirement and may enter into binding agreements to share
128 or transfer such responsibility among the utilities. If ~~In the~~
129 ~~event~~ treatment in addition to the advanced wastewater treatment
130 and management requirements described in paragraph (b) is needed
131 ~~in order~~ to support a functioning reuse system, the ~~such~~
132 treatment must ~~shall~~ be fully operational by ~~no later than~~
133 December 31, 2025.
134 3. If a facility that discharges through an ocean outfall
135 contracts with another utility to install a functioning reuse
136 system, the department must approve any apportionment of the
137 reuse generated from the new or expanded reuse system that is
138 intended to satisfy all or a portion of the reuse requirements
139 pursuant to subparagraph 1. If a contract is between two
140 utilities that have reuse requirements pursuant to subparagraph
141 1., the reuse apportioned to each utility's requirement may not
142 exceed the total reuse generated by the new or expanded reuse
143 system. A utility shall provide the department a copy of any
144 contract with another utility that reflects an agreement between
145 the utilities which is subject to the requirements of this

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146 subparagraph.
147 (d) The discharge of domestic wastewater through ocean
148 outfalls is prohibited after December 31, 2025, except as a
149 backup discharge that is part of a functioning reuse system or
150 other wastewater management system authorized by the department
151 ~~as provided for in paragraph (c)~~. Except as otherwise provided
152 in this subsection, a backup discharge may occur only during
153 periods of reduced demand for reclaimed water in the reuse
154 system, such as periods of wet weather, or as the result of peak
155 flows from other wastewater management systems, and must ~~shall~~
156 comply with the advanced wastewater treatment and management
157 requirements of paragraph (b). Peak flow backup discharges from
158 other wastewater management systems may not cumulatively exceed
159 5 percent of a facility's baseline flow, measured as a 5-year
160 rolling average, and are subject to applicable secondary waste
161 treatment and water-quality-based effluent limitations specified
162 in department rules. If peak flow backup discharges are in
163 compliance with the effluent limitations, the discharges are
164 deemed to meet the advanced wastewater treatment and management
165 requirements of this subsection.
166 (e) The holder of a department permit authorizing the
167 discharge of domestic wastewater through an ocean outfall as of
168 July 1, 2008, shall submit the following to the secretary of the
169 department ~~the following~~:
170 1. A detailed plan to meet the requirements of this
171 subsection, including the identification of the technical,
172 environmental, and economic feasibility of various reuse
173 options; the ~~an~~ identification of each ~~all~~ land acquisition and
174 facility ~~facilities~~ necessary to provide for reuse of the

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

175 domestic wastewater; an analysis of the costs to meet the
176 requirements, including the level of treatment necessary to
177 satisfy state water quality requirements and local water quality
178 considerations and a cost comparison of reuse using flows from
179 ocean outfalls and flows from other domestic wastewater sources;
180 and a financing plan for meeting the requirements, including
181 identifying any actions necessary to implement the financing
182 plan, such as bond issuance or other borrowing, assessments,
183 rate increases, fees, other charges, or other financing
184 mechanisms. The plan must evaluate reuse demand in the context
185 of future regional water supply demands, the availability of
186 traditional water supplies, the need for development of
187 alternative water supplies, the degree to which various reuse
188 options offset potable water supplies, and other factors
189 considered in the Lower East Coast Regional Water Supply Plan of
190 the South Florida Water Management District. The plan must ~~shall~~
191 include a detailed schedule for the completion of all necessary
192 actions and ~~shall~~ be accompanied by supporting data and other
193 documentation. The plan must ~~shall~~ be submitted by ~~no later than~~
194 July 1, 2013.
195 2. By ~~No later than~~ July 1, 2016, an update of the plan
196 required in subparagraph 1. documenting any refinements or
197 changes in the costs, actions, or financing necessary to
198 eliminate the ocean outfall discharge in accordance with this
199 subsection or a written statement that the plan is current and
200 accurate.
201 (f) By December 31, 2009, and by December 31 every 5 years
202 thereafter, the holder of a department permit authorizing the
203 discharge of domestic wastewater through an ocean outfall shall

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204 submit to the secretary of the department a report summarizing
205 the actions accomplished to date and the actions remaining and
206 proposed to meet the requirements of this subsection, including
207 progress toward meeting the specific deadlines set forth in
208 paragraphs (b) through (e). The report shall include the
209 detailed schedule for and status of the evaluation of reuse and
210 disposal options, preparation of preliminary design reports,
211 preparation and submittal of permit applications, construction
212 initiation, construction progress milestones, construction
213 completion, initiation of operation, and continuing operation
214 and maintenance.
215 (g) By ~~No later than~~ July 1, 2010, and by July 1 every 5
216 years thereafter, the department shall submit a report to the
217 Governor, the President of the Senate, and the Speaker of the
218 House of Representatives on the implementation of this
219 subsection. In the report, the department shall summarize
220 progress to date, including the increased amount of reclaimed
221 water provided and potable water offsets achieved, and identify
222 any obstacles to continued progress, including all instances of
223 substantial noncompliance.
224 ~~(h) By February 1, 2012, the department shall submit a~~
225 ~~report to the Governor and Legislature detailing the results and~~
226 ~~recommendations from phases 1 through 3 of its ongoing study on~~
227 ~~reclaimed water use.~~
228 (h) ~~(i)~~ The renewal of each permit that authorizes the
229 discharge of domestic wastewater through an ocean outfall as of
230 July 1, 2008, must ~~shall~~ be accompanied by an order in
231 accordance with s. 403.088(2)(e) and (f) which establishes an
232 enforceable compliance schedule consistent with the requirements

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233 of this subsection.
234 (i) ~~(j)~~ An entity that diverts wastewater flow from a
235 receiving facility that discharges domestic wastewater through
236 an ocean outfall must meet the ~~60 percent~~ reuse requirement of
237 paragraph (c). Reuse by the diverting entity of the diverted
238 flows shall be credited to the diverting entity. The diverted
239 flow shall also be correspondingly deducted from the receiving
240 facility's baseline ~~actual~~ flow ~~on an annual basis~~ from which
241 the required reuse is calculated pursuant to paragraph (c), and
242 the receiving facility's reuse requirement shall be recalculated
243 accordingly.
244
245 The department, the South Florida Water Management District, and
246 the affected utilities must consider the information in the
247 detailed plan in paragraph (e) for the purpose of adjusting, as
248 necessary, the reuse requirements of this subsection. The
249 department shall submit a report to the Legislature by February
250 15, 2015, containing recommendations for any changes necessary
251 to the requirements of this subsection.
252 Section 2. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Ocean Outfalls

Bill Number: 444 (if applicable)

Name: Edgar G. Fernandez

Amendment Barcode: (if applicable)

Job Title: Gov. Affairs Asst

Address: 3071 SW 38 Ave Rm 535
Street

Phone: 786 552-8983

Miami, FL 33146
City, State, Zip

E-mail: egf@miamidadefl

Speaking: [x] For [ ] Against [ ] Information

Representing: MIAMI DADE WATER & SEWER DEPT

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: OCEAN OUTFALLS

Bill Number: 444 *(if applicable)*

Name: STEPHEN JAMES

Amendment Barcode: *(if applicable)*

Job Title:

Address: 100 S. MONROE
Street

TALLAHASSEE FL 32301
City *State* *Zip*

Phone: (850) 922-4300

E-mail:

Speaking: [✓] For [ ] Against [ ] Information

Representing: FLA. ASSOC. OF COUNTIES

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

SB4141

Topic: Domestic Wastewater Discharges

Bill Number: 4141 (if applicable)

Name: Nick Matthews

Amendment Barcode: _____ (if applicable)

Job Title: Legislative Coordinator

Address: 115 S. Andrews Ave
Street

Ft. Lauderdale
City State Zip

Phone: _____

E-mail: _____

Speaking: [X] For [ ] Against [ ] Information

Representing: Broward County - Waive Time in Support

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Ocean Outfalls

Bill Number: 444 *(if applicable)*

Name: Jason Unger

Amendment Barcode: _____ *(if applicable)*

Job Title: Atty

Address: 301 S. Branagh St
Street

_____
City *State* *Zip*

Phone: 5779090

E-mail: _____

Speaking: [X] For [ ] Against [ ] Information

Representing: City of Hollywood

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Ocean Outfalls

Bill Number: 444 *(if applicable)*

Name: Lee Killinger

Amendment Barcode: _____ *(if applicable)*

Job Title: _____

Address: 324 E. Virginia St
Street

Tallahassee, FL 32308
City *State* *Zip*

Phone: 850-322-8907

E-mail: lee@anfieldflorida.com

Speaking: [✓] For [ ] Against [ ] Information

Representing: FL Section, American Water Works Association

Appearing at request of Chair: [ ] Yes [✓] No

Lobbyist registered with Legislature: [✓] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Domestic Wastewater Discharged through Ocean Outfalls

Bill Number: SB 0444 *(if applicable)*

Name: Bob Harris

Amendment Barcode: *(if applicable)*

Job Title: Lobbyist

Address: 2618 Centennial Place
Street

Tallahassee FL 32308
City *State* *Zip*

Phone: (850) 222-0720

E-mail: bharris@lawfla.com

Speaking: [x] For [ ] Against [ ] Information

Representing: Diving Equipment & Marketing Association (DEMA)

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Ocean Outfalls

Bill Number: 444 *(if applicable)*

Name: Ryan Matthews

Amendment Barcode: *(if applicable)*

Job Title: Leg Advocate

Address: PO Box 1757
Street

Tallahassee, FL 32302
City *State* *Zip*

Phone: 222 9684

E-mail: matthews@flcities.com

Speaking: [✓] For [ ] Against [ ] Information

Representing: FL League of Cities

Appearing at request of Chair: [ ] Yes [✓] No

Lobbyist registered with Legislature: [✓] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on Criminal and Civil Justice
Appropriations Subcommittee on Finance and Tax
Banking and Insurance
Children, Families, and Elder Affairs
Ethics and Elections
Rules
Transportation

JOINT COMMITTEE:
Joint Committee on Administrative Procedures

SENATOR MIGUEL DIAZ de la PORTILLA
40th District

March 20, 2013

The Honorable Joe Negron
Chair, Senate Appropriations Committee

Via email

Dear Chairman Negron:

My Ocean Outfalls bill, SB 444, has Appropriations as its next stop. I respectfully request that you agenda the bill at the next available committee meeting.

Thank you for your consideration.

Sincerely,

Miguel Diaz de la Portilla
Senator, District 40

Cc: Mr. Mike Hansen, Staff Director
Ms. Alicia Weiss, Committee Administrative Assistant

SENATE APPROPRIATIONS
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STAFF DIR. ____ STAFF ____

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❒ 2100 Coral Way, Suite 505, Miami, Florida 33145 (305) 643-7200
❒ 312 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5040

Senate's Website: *www.flsenate.gov*

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 458

INTRODUCER: Appropriations Committee; Governmental Oversight and Accountability Committee; and Senator Ring

SUBJECT: Firefighter and Police Officer Pension Plans

DATE: April 4, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney	GO	**Fav/CS**
2.	Toman	Yeatman	CA	**Favorable**
3.	Fournier	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 458 substantially amends provisions specifying how insurance premium tax revenues must be used in police and firefighter pension plans. Premium tax revenues equal to the amount received in 1997 must be used to fund benefits in existence in 1999. The increase in additional premium tax revenues between 1997 and 2012 must be used to fund any benefits that were not included in the base benefits of the plan. Plans with a long-term funded ratio of less than 80 percent must use 50 percent of their post-2012 increase in premium tax revenues and accumulated premium tax revenues to pay the plans' actuarial deficiencies. Twenty-five percent of the post-2012 increase must fund base benefits, and 25 percent must be placed in a defined contribution plan to fund special benefits. Plans funded greater than 80 percent must use half of the post-2012 increase in premium tax revenues for defined contribution benefits, and the other half for the base benefits.

The bill should reduce the long-term unfunded actuarial liabilities of local police and firefighter pension plans. The overall costs or savings associated with the bill are indeterminate because approximately 350 local police and firefighter pension plans are affected by the bill. The bill has no fiscal impact on state government.

The bill grandfathers certain changes or proposed changes to a plan that are/were based on the plan's reliance on a DMS interpretation, as evidenced by correspondence with the DMS between August 14, 2012, and February 1, 2013.

The bill also clarifies that a maximum of 300 hours of overtime may be included for purposes of calculating municipal police pension plan benefits.

This bill substantially amends the following sections of the Florida Statutes: 175.021, 175.032, 175.071, 175.091, 175.351, 185.01, 185.02, 185.06, 185.07, and 185.35.

II. Present Situation:

The "Marvin B. Clayton Firefighters and Police Officers Pension Trust Fund" Acts

The Marvin B. Clayton Firefighters' and Police Officers' Pension Trust Fund Acts[1] declare a legitimate state purpose of providing a uniform retirement system for the benefit of firefighters and municipal police officers. All municipal and special district firefighters and all municipal police officers retirement trust fund systems or plans must be managed, administered, operated, and funded to maximize the protection of firefighters' and police officers' pension trust funds.[2]

The Legislature enacted chapter 175, F.S., in 1939 to provide an incentive to cities—access to premium tax revenues—to encourage the establishment of firefighter retirement plans. Fourteen years later, the Legislature enacted ch. 185, F.S., which provides a similar funding mechanism for municipal police officers. Special fire control districts became eligible to participate under ch. 175, F.S., in 1993.

Four sources provide funding for these pension plans: net proceeds from an excise tax levied by a city upon property and casualty insurance companies (known as the "premium tax"); employee contributions; other revenue sources; and mandatory payments by the city of the normal cost of the plan.[3] To qualify for insurance premium tax dollars, plans must meet requirements found in ch. 175 and 185, F.S. The Division of Retirement ("division") in the Department of Management Services (DMS) is responsible for overseeing and monitoring these plans, but day-to-day operational control rests with local boards of trustees. Most firefighters and police officers participate in these plans. If the division were to deem that a firefighter or police pension plan created pursuant to ch. 175 or 185, F.S., is not in compliance with those chapters, the sponsoring municipality could be denied its insurance premium tax revenues.

An excise tax of 1.85 percent imposed on the gross premiums of property insurance covering property within boundaries of the municipality or district funds the Firefighters' Pension Trust Fund of each municipality or special fire control district.[4] The insurers pay the tax to the Department of Revenue (DOR), and the net proceeds are transferred to the appropriate fund at

[1] *See* ch. 175 and 185, F.S.
[2] *See* ss. 175.021(1) and 185.01(1), F.S.
[3] Sections 175.091(1)(a) and 185.07(1), F.S.
[4] Section 175.101(1), F.S.

the division.[5] In 2011, premium tax distributions to municipalities and special fire districts from the Firefighters' Pension Trust Fund amounted to $71.7 million.[6]

An excise tax of 0.85 percent imposed on the gross premiums on casualty insurance policies covering property within the boundaries of a municipality funds the Police Officers' Retirement Trust Fund.[7] Similar to the Firefighters' Pension Trust Fund, insurers pay the excise tax to the DOR, which transfers the net proceeds to the appropriate fund at the division.[8] In 2011, premium tax distributions to municipalities from the Police Officers' Retirement Trust Fund amounted to $59.6 million.[9]

Chapters 175 and 185, F.S., specify certain "minimum benefits" that must be provided in firefighter and police plans,[10] summarized in relevant part below:

Benefit	**Description of minimum level**
Retirement Benefit	2 percent x average final compensation x years of creditable service
Average Final Compensation (AFC)	Average annual compensation of highest 5 years of last 10 years of service
Vesting	10 years
Normal Retirement Age	Age 55 with 10 years of creditable service or Age 52 with 25 years of service
Early Retirement	Age 50 with 10 years of service Retirement benefit is reduced 3 percent for each year prior to reaching normal retirement age.
Earnings	Police = total cash remuneration Fire = fixed monthly compensation
Death Benefits	Prior to vesting - beneficiary receives employee contributions without interest earnings Vested - beneficiary receives benefit based on early or normal retirement benefits, whichever are applicable Post-retirement - beneficiary receives benefit based on retirement

[5] *See* s. 175.121, F.S.
[6] Division of Management Services, *Municipal Police Officers' and Firefighters' Retirement Forms: Facts and Figures Premium Tax Distribution History Firefighters,* available online at: https://www.rol.frs.state.fl.us/forms/Fire_2011.pdf (last visited on December 19, 2012).
[7] *See* s. 185.08, F.S.
[8] *See* s. 185.10, F.S.
[9] Division of Management Services, *Municipal Police Officers' and Firefighters' Retirement Forms: Facts and Figures Premium Tax Distribution History Police,* available online at: https://www.rol.frs.state.fl.us/forms/Police_2011.pdf (last visited on December 19, 2012).
[10] Sections 175.162 and 185.16, F.S.

	benefit option selected by member at time of retirement
Disability Benefits	Eligibility - no service requirement for in line of duty disability; 10 years of service for non service related disability Benefits - no less than 25 percent of average monthly earnings if non-service related; no less than 42 percent of average monthly earnings if service related

In 1999, the Legislature passed legislation that made virtually all provisions of ch. 175 and 185, F.S., expressly applicable to all participating police officer and firefighter pension plans, except the local law plans established by the cities of Jacksonville, Coral Gables, and Miami.[11] This legislation required all pension plans falling under these chapters to meet the specific "minimum benefit" standards. The law required that insurance premium tax revenues, over the amount received for calendar year 1997, be used to provide additional or "extra benefits" in firefighter and police officer pension plans. The term "extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality, and in addition to those in existence for firefighters and police officers on March 12, 1999.[12]

Until August 2012, the division had consistently interpreted the law to require that premium tax revenues be used first to meet any minimum benefit requirements and those other pension benefits that were in place on March 12, 1999. Once the plan was in compliance with the minimum benefits requirements, any additional premium tax revenues had to be used in their entirety to provide extra benefits. Plans were not permitted to reduce pension benefits below the minimum benefits level or the level of pension benefits in effect on March 12, 1999, if greater.

Recent Interpretation

In response to a letter from the City of Naples in August 2012, the division advised that its ongoing interpretation of s. 185.35(2), F.S., "appears inaccurate." The division was asked, in essence, whether a city that negotiated and mutually agreed with its police officers to reduce benefits below levels in place on March 12, 1999, would jeopardize its premium tax revenues. In its new interpretation, the division advised that for local law plans in effect on October 1, 1998, the law compels the plan to provide chapter minimum benefits only to the extent that those benefits can be funded with "additional premium tax revenues." So, for local law plans in effect on October 1, 1998, chapter minimum benefits must be provided only to the extent that they can be funded with premium tax revenues received in excess of the amount received for calendar year 1997.

Under the new interpretation, *it appears* that the following things are true:

- A plan sponsor may redirect, at its discretion, its pre-1997 premium tax revenues from funding minimum pension benefits to funding other non-pension retirement benefits;

[11] Sections 175.351(3) and 185.35(3), F.S.
[12] *See* ss. 175.351 and 185.35, F.S.

- The plan's pension benefits could be reduced to the level that can be funded solely by those additional premium tax revenues received in excess of the 1997 level;
- A plan sponsor could reduce the mandatory contribution it was previously making to the plan to fund minimum benefits and redirect those monies to other municipal purposes; and
- Post-1997 insurance premium tax revenues used previously to fund "extra benefits" would be used to fund the minimum benefits.

The division has subsequently provided this new interpretation to other inquiring cities, on a case by case basis. DMS has adopted neither this new interpretation, nor its previous entirely different interpretation of the exact same statutory language, as a rule.

Definition of Salary in Municipal Police Pension Plans

In 2011 a 300 hour cap on the amount of overtime hours to be included in the calculation of retirement benefits was added to ss. 112.66, 175.032, and 185.02, F.S., by ch. 2011-216, L.O.F. The provisions for general public retirement systems (ch. 112, F.S.) and firefighter pensions (ch. 175, F.S.) did not have existing stipulations allowing any overtime hours to be included in the calculation of retirement benefits. Section 185.02(4), F.S., had the following definition before the 2011 changes:

> "Compensation" or "salary" means the total cash remuneration including "overtime" paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or a special detail work performed on behalf of a second party employer. However, a local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes, but in no event shall such overtime limit be less than 300 hours per officer per calendar year.

As amended by ch. 2011-216, L.O.F., the section reads as follows:

> "Compensation" or "salary" means, for noncollectively bargained service earned before July 1, 2011, or for service earned under collective bargaining agreements in place before July 1, 2011, the total cash remuneration including "overtime" paid by the primary employer to a police officer for services rendered, but not including any payments for extra duty or special detail work performed on behalf of a second party employer. A local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes; however, such overtime limit may not be less than 300 hours per officer per calendar year. For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, the term has the same meaning except that when calculating retirement benefits, up to 300 hours per year in overtime compensation may be included as specified in the plan or collective bargaining agreement, but payments for accrued unused sick or annual leave may not be included.

The pre-2011 provision set the limit at no less than 300 hours, effectively acting as a floor or minimum of 300 hours. The current language has been interpreted to mean that after July 1, 2011, the 300 hour floor has been replaced by a 300 hour cap. After the effective date of ch. 2011-216, L.O.F., the DMS Division of Retirement appeared to take the position that the law did not *replace* the floor with a cap, but supplemented the 300 hour floor with a 300 hour cap. In other words, the employer would have had to include at least 300 hours of overtime in the calculation, but could not include more than 300 hours. Subsequently, however, the division has taken the position that the amount of overtime hours that may be included when calculating retirement benefits may be anywhere from 0 to 300 hours.[13]

III. Effect of Proposed Changes:

Definitions

The bill defines several new terms. The most relevant terms are "base benefits", "required benefits" and "special benefits". Base benefits are those retirement benefits in effect on March 12, 1999. Required benefits are the lesser of the base benefits and the minimum benefits set forth in the two chapters. (For plans created after March 1, 2013, the required benefits are the minimum benefits set forth in the two chapters.)Special benefits are those retirement benefits offered through a defined contribution plan.

Use of Insurance Premium Tax Revenues

The bill substantially changes how insurance premium tax revenues must be used in the funding of police and firefighter pension plans in ch. 175 and 185, F.S.

The bill amends parallel provisions in ch. 175 and 185, F.S., and specifies that in order to receive insurance premium tax revenues, those revenues must be used as follows:

- The amount of premium tax revenues received in 1997 must be used to fund the benefits in existence on March 12, 1999.
-
- Premium tax revenues in excess of the amount received in 2012, and any accumulations of additional premium tax revenues that have not been applied to fund extra benefits must be used as follows:
  - If the plan has a long-term funded ratio of less than 80 percent:
    - 50 percent of the revenues must be used to pay actuarial deficiencies;
    - 25 percent of the revenues must be used to fund base benefits; and
    - The remainder must be placed in a defined contribution plan to fund special benefits.
  - If the plan has a long-term funded ratio of 80 percent or greater:
    - 50 percent of the revenues must be used to fund base benefits; and
    - The remainder must be placed in a defined contribution plan to fund special benefits.

[13] Letter from the DMS Division of Retirement to City of Largo, dated April 4, 2012, on file with the Committee on Governmental Oversight and Accountability.

- Premium tax revenue not described above must be used to fund benefits that were not included in base benefits.
- Premium tax revenues may not fund new defined benefits after March 1, 2013, except for new plans created after that date which may contain a defined benefit component funded by up to 50 percent of the local insurance premium tax revenues

Plan benefits may be reduced, if the plan continues to meet the required benefits of the plan and minimum chapter standards. If the plan sponsor's mandatory contribution is reduced by reducing benefits, 25 percent of the reduction must be used to fund actuarial deficiencies.

The bill also requires plan sponsors to create defined contribution plan components within their plans by October 1, 2013, or upon the creation date of a new participating plan. Plans created by special act of the Legislature have until July 1, 2014, to create a defined contribution component.

The bill explicitly allows plans to use the insurance premium tax revenues and offer benefits below the statutorily required levels in certain instances. The plan must have relied upon the interpretation of the statute by the DMS to reduce the level of benefits or use the premium tax revenues, and such reliance must be evidenced by certain documentation. The plan may continue to offer these reduced benefits and/or use the premium tax revenues in this manner until the earlier of October 1, 2016, or another collective bargaining agreement is negotiated addressing the benefits or use of revenues.

300 Hour Cap

The bill amends s. 185.02(4), F.S., to delete the sentence that states: "A local law plan may limit the amount of overtime payments which can be used for retirement benefit calculation purposes; however, such overtime limit may not be less than 300 hours per officer per calendar year." Deleting this sentence should clarify that the definition has a maximum cap of 300 hours, with no required minimum, consistent with a recent interpretation by the division, as it applies to the inclusion of overtime hours in the calculation of police retirement benefits.

Conforming Changes

Sections 3 and 9 amend ss. 175.071 and 185.06, F.S., to make conforming changes.

Important State Interest

Section 13 provides that the Legislature determines that the bill fulfills an important state interest as related to public pension plans.

The bill takes effect July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

To the extent this bill requires a local government to expend funds to comply with its terms, the provisions of s. 18(a), Art. VII, State Constitution, may apply. If those

provisions do apply, in order for the law to be binding upon the cities and counties, the Legislature must find that the law fulfills an important state interest (included in section 11 of the bill), and one of the following relevant exceptions must be met:

- Funds estimated at the time of enactment sufficient to fund such expenditures are appropriated;
- Counties and cities are authorized to enact a funding source not available for such local government on February 1, 1989, that can be used to generate the amount of funds necessary to fund the expenditures;
- The expenditure is required to comply with a law that applies to all persons similarly situated; or
- The law must be approved by two-thirds of the membership of each house of the Legislature.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill should reduce local police and firefighter pension plans' long term unfunded liabilities. The overall costs or savings associated with the bill are indeterminate, since each of the approximately 350 plans affected by the bill has a different funded status. The bill has no impact on state government.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on April 3, 2013:
The primary differences between the CS and the CS/CS are as follows:

- The CS/CS defines the term "required benefits."
- The CS/CS allows the plans to reduce benefits to the "required benefits" level without having the full insurance premium tax revenue distribution withheld.
- The CS/CS grandfathers in certain plans that relied on a statutory interpretation by DMS to reduce the plan benefits or to use the premium tax revenues in a different way. This grandfathering provision expires by October 1, 2016.
- The CS/CS specifies that a new plan created after March 1, 2013, may use a portion of its insurance premium tax revenues to fund a defined benefit component.

CS by Governmental Oversight and Accountability on February 21, 2013:
Some differences between how the committee substitute amends ch. 175 and 185, F.S., and how the bill as originally filed did so, are as follows:

- The CS does not include a provision in the bill that would require plan sponsors to continue funding the plans at 2013 levels until the plans are fully funded.
- The CS generally requires plan sponsors to fund the plans at least at the level of benefits in existence on March 12, 1999.
- Plans less than 80 percent funded must use 50 percent of their post-2012 increase in premium tax revenues, and accumulated premium tax revenues, to pay the plans' actuarial deficiency; 25 percent must fund defined contribution benefits; and 25 percent must be used to fund base benefits. Plans funded greater than 80 percent must use 50 percent the post-2012 increase in premium tax revenues for defined contribution benefits, and 50 percent to fund base benefits.
- Plan benefits may be reduced to base benefit levels; 25 percent of the plan sponsor's mandatory contribution freed up by reducing benefits must be used to fund actuarial deficiencies.
- The CS reinstates an existing statutory exclusion applicable to three cities that was inadvertently deleted in the bill.

B. Amendments:

None.

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LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/01/2013	.	
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	.	

The Committee on Appropriations (Ring and Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (2) of section 175.021, Florida Statutes, is amended to read:

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, required ~~minimum~~ benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as

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13 firefighters' pension trust funds, which must be met as a
14 condition precedent to the plan or plan sponsor receiving a
15 distribution of insurance premium tax revenues under s. 175.121.
16 The required ~~minimum~~ benefits and minimum standards for each
17 plan as set forth in this chapter may not be diminished by local
18 charter, ordinance, or resolution or by special act of the
19 Legislature, or ~~nor may the minimum benefits or minimum~~
20 ~~standards~~ be reduced or offset by any other local, state, or
21 federal law that may include firefighters in its operation,
22 except as provided under s. 112.65.
23 Section 2. Section 175.032, Florida Statutes, is amended to
24 read:
25 175.032 Definitions.—For any municipality, special fire
26 control district, chapter plan, local law municipality, local
27 law special fire control district, or local law plan under this
28 chapter, the term ~~following words and phrases have the following~~
29 ~~meanings~~:
30 (1) "Additional premium tax revenues" means revenues
31 received by a municipality or special fire control district
32 pursuant to s. 175.121 which exceed base premium tax revenues.
33 (2)~~(1)(a)~~ "Average final compensation" for:
34 (a) A full-time firefighter means one-twelfth of the
35 average annual compensation of the 5 best years of the last 10
36 years of creditable service before ~~prior to~~ retirement,
37 termination, or death, or the career average as a full-time
38 firefighter since July 1, 1953, whichever is greater. A year is
39 ~~shall be~~ 12 consecutive months or such other consecutive period
40 of time as is used and consistently applied.
41 (b) ~~"Average final compensation" for~~ A volunteer

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42 firefighter means the average salary of the 5 best years of the
43 last 10 best contributing years before a ~~prior to~~ change in
44 status to a permanent full-time firefighter or retirement as a
45 volunteer firefighter or the career average of a volunteer
46 firefighter, since July 1, 1953, whichever is greater.
47 (3) "Base benefits" means the level of benefits in
48 existence for firefighters on March 12, 1999.
49 (4) "Base premium tax revenues" means revenues received by
50 a municipality or special fire control district pursuant to s.
51 175.121 equal to the amount of such revenues received for
52 calendar year 1997.
53 (5) ~~(2)~~ "Chapter plan" means a separate defined benefit
54 pension plan for firefighters which incorporates by reference
55 the provisions of this chapter and has been adopted by the
56 governing body of a municipality or special district. Except as
57 may be specifically authorized in this chapter, the provisions
58 of a chapter plan may not differ from the plan provisions set
59 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial
60 valuations of chapter plans shall be conducted by the division
61 as provided by s. 175.261(1).
62 (6) ~~(3)~~ "Compensation" or "salary" means, for
63 noncollectively bargained service earned before July 1, 2011, or
64 for service earned under collective bargaining agreements in
65 place before July 1, 2011, the fixed monthly remuneration paid a
66 firefighter. If remuneration is based on actual services
67 rendered, as in the case of a volunteer firefighter, the term
68 means the total cash remuneration received yearly for such
69 services, prorated on a monthly basis. For noncollectively
70 bargained service earned on or after July 1, 2011, or for

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71 service earned under collective bargaining agreements entered
72 into on or after July 1, 2011, the term has the same meaning
73 except that when calculating retirement benefits, up to 300
74 hours per year in overtime compensation may be included as
75 specified in the plan or collective bargaining agreement, but
76 payments for accrued unused sick or annual leave may not be
77 included.
78 (a) Any retirement trust fund or plan that meets the
79 requirements of this chapter does not, solely by virtue of this
80 subsection, reduce or diminish the monthly retirement income
81 otherwise payable to each firefighter covered by the retirement
82 trust fund or plan.
83 (b) The member's compensation or salary contributed as
84 employee-elective salary reductions or deferrals to any salary
85 reduction, deferred compensation, or tax-sheltered annuity
86 program authorized under the Internal Revenue Code shall be
87 deemed to be the compensation or salary the member would receive
88 if he or she were not participating in such program and ~~shall be~~
89 treated as compensation for retirement purposes under this
90 chapter.
91 (c) For any person who first becomes a member in any plan
92 year beginning on or after January 1, 1996, compensation for
93 that plan year may not include any amounts in excess of the
94 Internal Revenue Code s. 401(a)(17) limitation, as amended by
95 the Omnibus Budget Reconciliation Act of 1993, which limitation
96 of $150,000 shall be adjusted as required by federal law for
97 qualified government plans and ~~shall be~~ further adjusted for
98 changes in the cost of living in the manner provided by Internal
99 Revenue Code s. 401(a)(17)(B). For any person who first became a

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100 member before the first plan year beginning on or after January
101 1, 1996, the limitation on compensation may not be less than the
102 maximum compensation amount that was allowed to be taken into
103 account under the plan in effect on July 1, 1993, which
104 limitation shall be adjusted for changes in the cost of living
105 since 1989 in the manner provided by Internal Revenue Code s.
106 401(a)(17)(1991).
107 (7) ~~(4)~~ "Creditable service" or "credited service" means the
108 aggregate number of years of service, and fractional parts of
109 years of service, of any firefighter, omitting intervening years
110 and fractional parts of years when such firefighter may not have
111 been employed by the municipality or special fire control
112 district, subject to the following conditions:
113 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
114 or fractional parts of years of service if he or she has
115 withdrawn his or her contributions to the fund for those years
116 or fractional parts of years of service, unless the firefighter
117 repays into the fund the amount he or she has withdrawn, plus
118 interest determined by the board. The member shall have at least
119 90 days after his or her reemployment to make repayment.
120 (b) A firefighter may voluntarily leave his or her
121 contributions in the fund for ~~a period of~~ 5 years after leaving
122 the employ of the fire department, pending the possibility of
123 being rehired by the same department, without losing credit for
124 the time he or she has participated actively as a firefighter.
125 If the firefighter is not reemployed as a firefighter, with the
126 same department, within 5 years, his or her contributions shall
127 be returned without interest.
128 (c) Credited service under this chapter shall be provided

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129 only for service as a firefighter~~, as defined in subsection (8),~~
130 or for military service and does not include credit for any
131 other type of service. A municipality ~~may~~, by local ordinance,
132 or a special fire control district ~~may~~, by resolution, may
133 provide for the purchase of credit for military service prior to
134 employment as well as for prior service as a firefighter for
135 some other employer as long as a firefighter is not entitled to
136 receive a benefit for such prior service ~~as a firefighter~~. For
137 purposes of determining credit for prior service as a
138 firefighter, in addition to service as a firefighter in this
139 state, credit may be given for federal, other state, or county
140 service if the prior service is recognized by the Division of
141 State Fire Marshal as provided under chapter 633, or the
142 firefighter provides proof to the board of trustees that his or
143 her service is equivalent to the service required to meet the
144 definition of a firefighter under subsection (12) ~~(8)~~.
145 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
146 local law plan retirement option in which a firefighter may
147 elect to participate. A firefighter may retire for all purposes
148 of the plan and defer receipt of retirement benefits into a DROP
149 account while continuing employment with his or her employer.
150 However, a firefighter who enters ~~the~~ DROP and who is otherwise
151 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
152 participating, or continuing to participate, in a supplemental
153 plan in existence on, or created after, March 12, 1999 ~~the~~
154 ~~effective date of this act~~.
155 (9) "Defined contribution plan" means the component of a
156 local law plan to which deposits are made to provide benefits
157 for firefighters, or for firefighters and police officers if

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158 both are included. Such component is an element of a local law
159 plan and exists in conjunction with the defined benefit
160 component that meets the required benefits and minimum standards
161 of this chapter. The retirement benefits of the defined
162 contribution plan shall be provided through individual member
163 accounts, in accordance with the applicable provisions of the
164 Internal Revenue Code and related regulations, and are limited
165 to the contributions made into each member's account and the
166 actual accumulated earnings, net of expenses, earned on the
167 member's account.
168 (10) ~~(6)~~ "Division" means the Division of Retirement of the
169 Department of Management Services.
170 (11) ~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
171 under Subtitle C of Title III of the Employee Retirement Income
172 Security Act of 1974 and who is a member of the Society of
173 Actuaries or the American Academy of Actuaries.
174 (12) ~~(8)~~(a) "Firefighter" means any person employed solely
175 by a constituted fire department of any municipality or special
176 fire control district who is certified as a firefighter as a
177 condition of employment in accordance with s. 633.35 and whose
178 duty it is to extinguish fires, to protect life, or to protect
179 property. The term includes all certified, supervisory, and
180 command personnel whose duties include, in whole or in part, the
181 supervision, training, guidance, and management responsibilities
182 of full-time firefighters, part-time firefighters, or auxiliary
183 firefighters but does not include part-time firefighters or
184 auxiliary firefighters. However, for purposes of this chapter
185 only, the term also includes public safety officers who are
186 responsible for performing both police and fire services, who

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187 are certified as police officers or firefighters, and who are
188 certified by their employers to the Chief Financial Officer as
189 participating in this chapter before October 1, 1979. Effective
190 October 1, 1979, public safety officers who have not been
191 certified as participating in this chapter are considered police
192 officers for retirement purposes and are eligible to participate
193 in chapter 185. Any plan may provide that the fire chief has an
194 option to participate~~, or not,~~ in that plan.
195 (b) "Volunteer firefighter" means any person whose name is
196 carried on the active membership roll of a constituted volunteer
197 fire department or a combination of a paid and volunteer fire
198 department of any municipality or special fire control district
199 and whose duty it is to extinguish fires, to protect life, and
200 to protect property. Compensation for services rendered by a
201 volunteer firefighter does ~~shall~~ not disqualify him or her as a
202 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
203 firefighter solely because he or she has other gainful
204 employment. Any person who volunteers assistance at a fire but
205 is not an active member of a department described herein is not
206 a volunteer firefighter within the meaning of this paragraph.
207 (13)~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
208 fund, by whatever name known, as provided under s. 175.041, for
209 the purpose of assisting municipalities and special fire control
210 districts in establishing and maintaining a retirement plan for
211 firefighters.
212 (14)~~(10)~~ "Local law municipality" is any municipality in
213 which ~~there exists~~ a local law plan exists.
214 (15)~~(11)~~ "Local law plan" means a retirement ~~defined~~
215 ~~benefit pension~~ plan, which includes both a defined benefit plan

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216 component and a defined contribution plan component, for
217 firefighters, or for firefighters or police officers if both are
218 ~~where~~ included, as described in s. 175.351, established by
219 municipal ordinance, special district resolution, or special act
220 of the Legislature, which ~~enactment~~ sets forth all plan
221 provisions. Local law plan provisions may vary from the
222 provisions of this chapter if the~~, provided that~~ required
223 ~~minimum~~ benefits and minimum standards of this chapter are met.
224 However, any such variance must ~~shall~~ provide a greater benefit
225 for firefighters. Actuarial valuations of local law plans shall
226 be conducted by an enrolled actuary as provided in s.
227 175.261(2).
228 (16)~~(12)~~ "Local law special fire control district" is any
229 special fire control district in which ~~there exists~~ a local law
230 plan exists.
231 (17) "Long-term funded ratio" or "funded ratio" means the
232 ratio of the actuarial value of assets of the plan to the
233 actuarial accrued liabilities of the plan, as reported in the
234 most recent actuarial valuation of the plan, deemed to be in
235 compliance with chapter 112 by the Department of Management
236 Services.
237 (18)~~(13)~~ "Property insurance" means property insurance as
238 defined in s. 624.604 and covers real and personal property
239 within the corporate limits of a ~~any~~ municipality, or within the
240 boundaries of a ~~any~~ special fire control district, within the
241 state. "Multiple peril" means a combination or package policy
242 that includes both property and casualty coverage for a single
243 premium.
244 (19) "Required benefits" means the lesser of the minimum

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245 benefits set forth in this chapter and the base benefits of the
246 plan. For local law plans created after March 1, 2013, the
247 required benefits are the minimum benefits set forth in this
248 chapter.
249 (20) ~~(14)~~ "Retiree" or "retired firefighter" means a
250 firefighter who has entered retirement status. For the purposes
251 of a plan that includes a Deferred Retirement Option Plan
252 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
253 a retiree for all purposes of the plan. However, a firefighter
254 who enters ~~the~~ DROP and who is otherwise eligible to participate
255 may ~~shall~~ not ~~thereby~~ be precluded from participating, or
256 continuing to participate, in a supplemental plan in existence
257 on, or created after, March 12, 1999 ~~the effective date of this~~
258 ~~act~~.
259 (21) ~~(15)~~ "Retirement" means a firefighter's separation from
260 city or fire district employment as a firefighter with immediate
261 eligibility for ~~receipt of~~ benefits under the plan. For purposes
262 of a plan that includes a Deferred Retirement Option Plan
263 (DROP), "retirement" means the date a firefighter enters ~~the~~
264 DROP.
265 (22) "Special benefits" means benefits provided in a
266 defined contribution plan for firefighters.
267 (23) ~~(16)~~ "Special fire control district" means a special
268 district, as defined in s. 189.403~~(1)~~, established for the
269 purposes of extinguishing fires, protecting life, and protecting
270 property within the incorporated or unincorporated portions of a
271 ~~any~~ county or combination of counties, or within any combination
272 of incorporated and unincorporated portions of a ~~any~~ county or
273 combination of counties. The term does not include any dependent

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274 or independent special district, as those terms are defined in
275 s. 189.403~~(2) and (3), respectively~~, the employees of which are
276 members of the Florida Retirement System pursuant to s.
277 121.051(1) or (2).
278 (24)~~(17)~~ "Supplemental plan" means a plan to which deposits
279 are made to provide extra benefits for firefighters, or for
280 firefighters and police officers if both are ~~where~~ included
281 ~~under this chapter~~. Such a plan is an element of a local law
282 plan and exists in conjunction with a defined benefit component
283 ~~plan~~ that meets the required ~~minimum~~ benefits and minimum
284 standards of this chapter. Any supplemental plan in existence on
285 March 1, 2013, shall be deemed to be a defined contribution plan
286 in compliance with s. 175.351(8).
287 (25)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local
288 law municipality in which ~~there existed~~ a supplemental plan
289 existed, of any type or nature, as of December 1, 2000.
290 Section 3. Paragraph (b) of subsection (7) of section
291 175.071, Florida Statutes, is amended to read:
292 175.071 General powers and duties of board of trustees.—For
293 any municipality, special fire control district, chapter plan,
294 local law municipality, local law special fire control district,
295 or local law plan under this chapter:
296 (7) To assist the board in meeting its responsibilities
297 under this chapter, the board, if it so elects, may:
298 (b) Employ an independent enrolled actuary, as defined in
299 s. 175.032~~(7)~~, at the pension fund's expense.
300
301 If the board chooses to use the municipality's or special
302 district's legal counsel or actuary, or chooses to use any of

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303 the municipality's or special district's other professional,
304 technical, or other advisers, it must do so only under terms and
305 conditions acceptable to the board.
306 Section 4. Paragraphs (d) through (g) of subsection (1) of
307 section 175.091, Florida Statutes, are amended, and a new
308 paragraph (e) is added to that subsection, to read:
309 175.091 Creation and maintenance of fund.—For any
310 municipality, special fire control district, chapter plan, local
311 law municipality, local law special fire control district, or
312 local law plan under this chapter:
313 (1) The firefighters' pension trust fund in each
314 municipality and in each special fire control district shall be
315 created and maintained in the following manner:
316 (d) By mandatory payment by the municipality or special
317 fire control district of a sum equal to the normal cost of and
318 the amount required to fund any actuarial deficiency shown by an
319 actuarial valuation as provided in part VII of chapter 112 after
320 taking into account the amounts described in paragraphs (b),
321 (c), (f), (g), and (h) and the amounts of the tax proceeds
322 described in paragraph (a) which must be used to fund defined
323 benefit plan benefits, except as otherwise excluded from
324 consideration in determining the mandatory payment.
325 (e) For local law plans, and in addition to the mandatory
326 payment specified in paragraph (d), by mandatory payment by the
327 municipality or special fire control district of the amount
328 specified in s. 175.351(3), if the long-term funded ratio of the
329 plan is less than 80 percent.
330 (f) ~~(e)~~ By all gifts, bequests, and devises when donated to
331 the fund.

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332 (g) ~~(f)~~ By all accretions to the fund by way of interest or
333 dividends on bank deposits, or otherwise.
334 (h) ~~(g)~~ By all other sources or income now or hereafter
335 authorized by law for the augmentation of such firefighters'
336 pension trust fund.
337
338 Nothing in this section shall be construed to require
339 adjustment of member contribution rates in effect on the date
340 this act becomes a law, including rates that exceed 5 percent of
341 salary, provided that such rates are at least one-half of 1
342 percent of salary.
343 Section 5. Section 175.351, Florida Statutes, is amended to
344 read:
345 175.351 Municipalities and special fire control districts
346 that have ~~having~~ their own pension plans for firefighters. ~~For~~
347 ~~any municipality, special fire control district, local law~~
348 ~~municipality, local law special fire control district, or local~~
349 ~~law plan under this chapter,~~ In order for a municipality or
350 ~~municipalities and~~ special fire control district that has its
351 ~~districts with their~~ own pension plan ~~plans~~ for firefighters, or
352 for firefighters and police officers if both are included, to
353 participate in the distribution of the tax fund established
354 under ~~pursuant to~~ s. 175.101, a local law plan and its plan
355 sponsor ~~plans~~ must meet the required ~~minimum~~ benefits and
356 minimum standards set forth in this chapter.
357 (1) If a municipality has a pension plan for firefighters,
358 or ~~a pension plan~~ for firefighters and police officers if both
359 are included, which in the opinion of the division meets the
360 required ~~minimum~~ benefits and minimum standards set forth in

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361 this chapter, the board of trustees of the pension plan, must ~~as~~
362 ~~approved by a majority of firefighters of the municipality, may:~~
363 ~~(a)~~ place the income from the premium tax in s. 175.101 in
364 such ~~pension~~ plan for the sole and exclusive use of its
365 firefighters, or for firefighters and police officers if both
366 are included, where it shall become an integral part of that
367 ~~pension~~ plan and ~~shall~~ be used to fund benefits for firefighters
368 as follows:
369 (a) The base premium tax revenues must be used to fund base
370 benefits.
371 (b) Of the premium tax revenues received which are in
372 excess of the amount received for the 2012 calendar year, and
373 any accumulations of additional premium tax revenues that have
374 not been applied to fund extra benefits:
375 1. If the plan has a long-term funded ratio of less than 80
376 percent:
377 a. Fifty percent must be used as additional contributions
378 to pay the plan's actuarial deficiency and may not be considered
379 in the determination of the mandatory payment described in s.
380 175.091(1)(d);
381 b. Twenty-five percent must be used to fund base benefits;
382 and
383 c. The remainder must be placed in a defined contribution
384 plan to fund special benefits.
385 2. If the plan has a long-term funded ratio of 80 percent
386 or greater:
387 a. Fifty percent must be used to fund base benefits; and
388 b. The remainder must be placed in a defined contribution
389 plan to fund special benefits.

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390 (c) Additional premium tax revenues not described in
391 paragraph (b) must be used to fund benefits that were not
392 included in the base benefits ~~to pay extra benefits to the~~
393 ~~firefighters included in that pension plan; or~~
394 ~~(b) Place the income from the premium tax in s. 175.101 in~~
395 ~~a separate supplemental plan to pay extra benefits to~~
396 ~~firefighters, or to firefighters and police officers if~~
397 ~~included, participating in such separate supplemental plan~~.
398 (2) Insurance premium tax revenues may not be used to fund
399 benefits provided in a defined benefit plan which were not
400 provided by the plan as of March 1, 2013; however, for a local
401 law plan created after March 1, 2013, up to 50 percent of the
402 insurance premium tax revenues may be used to fund defined
403 benefit plan component benefits and the remainder used to fund
404 defined contribution plan component benefits.
405 (3) If a plan offers benefits in excess of its required
406 benefits, such benefits may be reduced if the plan continues to
407 meet the required benefits of the plan and the minimum standards
408 set forth in this chapter. The amount of insurance premium tax
409 revenues previously used to fund benefits in excess of the
410 plan's required benefits before the reduction must be used as
411 provided in subsection (1)(b). Twenty-five percent of the amount
412 of any mandatory contribution paid by the municipality or
413 special fire control district which was previously used to fund
414 benefits above the level of required benefits provided before
415 the reduction must be used as additional contributions as
416 specified in s. 175.091 to fund the plan's actuarial deficiency.
417 (4) ~~(2)~~ The premium tax provided by this chapter shall ~~in~~
418 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~

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419 benefits to firefighters, or to firefighters and police officers
420 if both are included. ~~However, local law plans in effect on~~
421 ~~October 1, 1998, must comply with the minimum benefit provisions~~
422 ~~of this chapter only to the extent that additional premium tax~~
423 ~~revenues become available to incrementally fund the cost of such~~
424 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
425 ~~compliance with such minimum benefit provisions, as subsequent~~
426 ~~additional premium tax revenues become available, they must be~~
427 ~~used to provide extra benefits.~~ Local law plans created by
428 special act before May 27, 1939, are deemed to comply with this
429 chapter. ~~For the purpose of this chapter, the term:~~
430 ~~(a) "Additional premium tax revenues" means revenues~~
431 ~~received by a municipality or special fire control district~~
432 ~~pursuant to s. 175.121 which exceed that amount received for~~
433 ~~calendar year 1997.~~
434 ~~(b) "Extra benefits" means benefits in addition to or~~
435 ~~greater than those provided to general employees of the~~
436 ~~municipality and in addition to those in existence for~~
437 ~~firefighters on March 12, 1999.~~
438 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
439 may not be proposed for adoption unless the proposed plan or
440 amendment contains an actuarial estimate of the costs involved.
441 Such proposed plan or proposed plan change may not be adopted
442 without the approval of the municipality, special fire control
443 district, or, where permitted, the Legislature. Copies of the
444 proposed plan or proposed plan change and the actuarial impact
445 statement of the proposed plan or proposed plan change shall be
446 furnished to the division before the last public hearing
447 thereon. Such statement must also indicate whether the proposed

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448 plan or proposed plan change is in compliance with s. 14, Art. X
449 of the State Constitution and those provisions of part VII of
450 chapter 112 which are not expressly provided in this chapter.
451 Notwithstanding any other provision, only those local law plans
452 created by special act of legislation before May 27, 1939, are
453 deemed to meet the minimum benefits and minimum standards only
454 in this chapter.
455 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
456 any supplemental plan municipality:
457 (a) A local law plan and a supplemental plan may continue
458 to use their definition of compensation or salary in existence
459 on March 12, 1999.
460 (b) Section 175.061(1)(b) does not apply, and a local law
461 plan and a supplemental plan shall continue to be administered
462 by a board or boards of trustees numbered, constituted, and
463 selected as the board or boards were numbered, constituted, and
464 selected on December 1, 2000.
465 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
466 ~~have been made.~~
467 (7) ~~(5)~~ The retirement plan setting forth the benefits and
468 the trust agreement, if any, covering the duties and
469 responsibilities of the trustees and the regulations of the
470 investment of funds must be in writing, and copies made
471 available to the participants and to the general public.
472 (8) In addition to the defined benefit component of the
473 local law plan, each plan sponsor must have a defined
474 contribution plan component within the local law plan by October
475 1, 2013, or upon the creation date of a new participating plan.
476 However, the plan sponsor of any plan established by special act

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477 of the Legislature has until July 1, 2014, to create a defined
478 contribution component within the plan.
479 (9) Notwithstanding any other provision of this chapter, a
480 municipality or special fire control district that has
481 implemented or proposed changes to a local law plan based on the
482 municipality's or district's reliance on an interpretation of
483 this chapter by the department on or after August 14, 2012, and
484 before March 1, 2013, may continue the implemented changes or
485 continue to implement proposed changes. Such reliance must be
486 evidenced by formal correspondence between the municipality or
487 district and the department which describes the specific changes
488 to the local law plan, with the initial correspondence from the
489 municipality or district dated prior to March 1, 2013. The
490 changes to the local law plan that are otherwise contrary to the
491 provisions of this chapter may continue in effect until the
492 earlier of October 1, 2016, or the effective date of a
493 collective bargaining agreement that is contrary to the changes
494 to the local law plan.
495 Section 6. Subsection (2) of section 185.01, Florida
496 Statutes, is amended to read:
497 185.01 Legislative declaration.—
498 (2) This chapter hereby establishes, for all municipal
499 pension plans ~~now or hereinafter~~ provided for under this
500 chapter, including chapter plans and local law plans, required
501 ~~minimum~~ benefits and minimum standards for the operation and
502 funding of such plans, hereinafter referred to as municipal
503 police officers' retirement trust funds, which must be met as a
504 condition precedent to the plan or plan sponsor receiving a
505 distribution of insurance premium tax revenues under s. 185.10.

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506 The required ~~minimum~~ benefits and minimum standards for each
507 plan as set forth in this chapter may not be diminished by local
508 ordinance or by special act of the Legislature, or ~~nor may the~~
509 ~~minimum benefits or minimum standards be~~ reduced or offset by
510 any other local, state, or federal plan that may include police
511 officers in its operation, except as provided under s. 112.65.
512 Section 7. Section 185.02, Florida Statutes, is amended to
513 read:
514 185.02 Definitions.—For any municipality, chapter plan,
515 local law municipality, or local law plan under this chapter,
516 the term ~~following words and phrases as used in this chapter~~
517 ~~shall have the following meanings, unless a different meaning is~~
518 ~~plainly required by the context~~:
519 (1) "Additional premium tax revenues" means revenues
520 received by a municipality pursuant to s. 185.10 which exceed
521 base premium tax revenues.
522 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
523 the average annual compensation of the 5 best years of the last
524 10 years of creditable service prior to retirement, termination,
525 or death.
526 (3) "Base benefits" means the level of benefits in
527 existence for police officers on March 12, 1999.
528 (4) "Base premium tax revenues" means revenues received by
529 a municipality pursuant to s. 185.10 equal to the amount of such
530 revenues received for calendar year 1997.
531 (5) ~~(2)~~ "Casualty insurance" means automobile public
532 liability and property damage insurance to be applied at the
533 place of residence of the owner, or if the subject is a
534 commercial vehicle, to be applied at the place of business of

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535 the owner; automobile collision insurance; fidelity bonds;
536 burglary and theft insurance; and plate glass insurance.
537 "Multiple peril" means a combination or package policy that
538 includes both property coverage and casualty coverage for a
539 single premium.
540 (6) ~~(3)~~ "Chapter plan" means a separate defined benefit
541 pension plan for police officers which incorporates by reference
542 the provisions of this chapter and has been adopted by the
543 governing body of a municipality as provided in s. 185.08.
544 Except as may be specifically authorized in this chapter, the
545 provisions of a chapter plan may not differ from the plan
546 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
547 Actuarial valuations of chapter plans shall be conducted by the
548 division as provided by s. 185.221(1)(b).
549 (7) ~~(4)~~ "Compensation" or "salary" means, for
550 noncollectively bargained service earned before July 1, 2011, or
551 for service earned under collective bargaining agreements in
552 place before July 1, 2011, the total cash remuneration including
553 "overtime" paid by the primary employer to a police officer for
554 services rendered, but not including any payments for extra duty
555 or special detail work performed on behalf of a second party
556 employer. ~~A local law plan may limit the amount of overtime~~
557 ~~payments which can be used for retirement benefit calculation~~
558 ~~purposes; however, such overtime limit may not be less than 300~~
559 ~~hours per officer per calendar year.~~ For noncollectively
560 bargained service earned on or after July 1, 2011, or for
561 service earned under collective bargaining agreements entered
562 into on or after July 1, 2011, the term has the same meaning
563 except that when calculating retirement benefits, up to 300

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564 hours per year in overtime compensation may be included as
565 specified in the plan or collective bargaining agreement, but
566 payments for accrued unused sick or annual leave may not be
567 included.
568 (a) Any retirement trust fund or plan that meets the
569 requirements of this chapter does not, solely by virtue of this
570 subsection, reduce or diminish the monthly retirement income
571 otherwise payable to each police officer covered by the
572 retirement trust fund or plan.
573 (b) The member's compensation or salary contributed as
574 employee-elective salary reductions or deferrals to any salary
575 reduction, deferred compensation, or tax-sheltered annuity
576 program authorized under the Internal Revenue Code shall be
577 deemed to be the compensation or salary the member would receive
578 if he or she were not participating in such program and shall be
579 treated as compensation for retirement purposes under this
580 chapter.
581 (c) For any person who first becomes a member in any plan
582 year beginning on or after January 1, 1996, compensation for
583 that plan year may not include any amounts in excess of the
584 Internal Revenue Code s. 401(a)(17) limitation, as amended by
585 the Omnibus Budget Reconciliation Act of 1993, which limitation
586 of $150,000 shall be adjusted as required by federal law for
587 qualified government plans and ~~shall be~~ further adjusted for
588 changes in the cost of living in the manner provided by Internal
589 Revenue Code s. 401(a)(17)(B). For any person who first became a
590 member before the first plan year beginning on or after January
591 1, 1996, the limitation on compensation may not be less than the
592 maximum compensation amount that was allowed to be taken into

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593 account under the plan ~~as~~ in effect on July 1, 1993, which
594 limitation shall be adjusted for changes in the cost of living
595 since 1989 in the manner provided by Internal Revenue Code s.
596 401(a)(17)(1991).
597 (8) ~~(5)~~ "Creditable service" or "credited service" means the
598 aggregate number of years of service and fractional parts of
599 years of service of any police officer, omitting intervening
600 years and fractional parts of years when such police officer may
601 not have been employed by the municipality subject to the
602 following conditions:
603 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
604 years or fractional parts of years of service if he or she has
605 withdrawn his or her contributions to the fund for those years
606 or fractional parts of years of service, unless the police
607 officer repays into the fund the amount he or she has withdrawn,
608 plus interest as determined by the board. The member has ~~shall~~
609 ~~have~~ at least 90 days after his or her reemployment to make
610 repayment.
611 (b) A police officer may voluntarily leave his or her
612 contributions in the fund for ~~a period of~~ 5 years after leaving
613 the employ of the police department, pending the possibility of
614 his or her being rehired by the same department, without losing
615 credit for the time he or she has participated actively as a
616 police officer. If he or she is not reemployed as a police
617 officer with the same department within 5 years, his or her
618 contributions shall be returned to him or her without interest.
619 (c) Credited service under this chapter shall be provided
620 only for service as a police officer~~, as defined in subsection~~
621 ~~(11),~~ or for military service and may not include credit for any

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622 other type of service. A municipality ~~may~~, by local ordinance,
623 may provide for the purchase of credit for military service
624 occurring before employment as well as prior service as a police
625 officer for some other employer as long as the police officer is
626 not entitled to receive a benefit for such ~~other~~ prior service
627 ~~as a police officer~~. For purposes of determining credit for
628 prior service, in addition to service as a police officer in
629 this state, credit may be given for federal, other state, or
630 county service as long as such service is recognized by the
631 Criminal Justice Standards and Training Commission within the
632 Department of Law Enforcement as provided under chapter 943 or
633 the police officer provides proof to the board of trustees that
634 such service is equivalent to the service required to meet the
635 definition of a police officer under subsection (16) ~~(11)~~.
636 (d) In determining the creditable service of a ~~any~~ police
637 officer, credit for up to 5 years of the time spent in the
638 military service of the Armed Forces of the United States shall
639 be added to the years of actual service, if:
640 1. The police officer is in the active employ of the
641 municipality before ~~prior to~~ such service and leaves a position,
642 other than a temporary position, for the purpose of voluntary or
643 involuntary service in the Armed Forces of the United States.
644 2. The police officer is entitled to reemployment under ~~the~~
645 ~~provisions of~~ the Uniformed Services Employment and Reemployment
646 Rights Act.
647 3. The police officer returns to his or her employment as a
648 police officer of the municipality within 1 year after ~~from~~ the
649 date of his or her release from such active service.
650 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a

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651 local law plan retirement option in which a police officer may
652 elect to participate. A police officer may retire for all
653 purposes of the plan and defer receipt of retirement benefits
654 into a DROP account while continuing employment with his or her
655 employer. However, a police officer who enters the DROP and who
656 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
657 precluded from participating, or continuing to participate, in a
658 supplemental plan in existence on, or created after, March 12,
659 1999 ~~the effective date of this act~~.
660 (10) "Defined contribution plan" means the component of a
661 local law plan to which deposits are made to provide benefits
662 for police officers, or for police officers and firefighters if
663 both are included. Such component is an element of a local law
664 plan and exists in conjunction with the defined benefit
665 component that meets the required benefits and minimum standards
666 of this chapter. The retirement benefits of the defined
667 contribution plan shall be provided through individual member
668 accounts, in accordance with the applicable provisions of the
669 Internal Revenue Code and related regulations, and are limited
670 to the contributions made into each member's account and the
671 actual accumulated earnings, net of expenses, earned on the
672 member's account.
673 (11) ~~(7)~~ "Division" means the Division of Retirement of the
674 Department of Management Services.
675 (12) ~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
676 under Subtitle C of Title III of the Employee Retirement Income
677 Security Act of 1974 and who is a member of the Society of
678 Actuaries or the American Academy of Actuaries.
679 (13) ~~(9)~~ "Local law municipality" is any municipality in

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680 which ~~there exists~~ a local law plan exists.
681 (14)~~(10)~~ "Local law plan" means a retirement ~~defined~~
682 ~~benefit pension~~ plan, which includes both a defined benefit plan
683 component and a defined contribution plan component, for police
684 officers, or for police officers and firefighters if both are~~,~~
685 ~~where~~ included, as described in s. 185.35, established by
686 municipal ordinance or special act of the Legislature, which
687 ~~enactment~~ sets forth all plan provisions. Local law plan
688 provisions may vary from the provisions of this chapter if the~~,~~
689 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of
690 this chapter are met. However, any such variance must ~~shall~~
691 provide a greater benefit for police officers. Actuarial
692 valuations of local law plans shall be conducted by an enrolled
693 actuary as provided in s. 185.221(2)(b).
694 (15) "Long-term funded ratio" or "funded ratio" means the
695 ratio of the actuarial value of assets of the plan to the
696 actuarial accrued liabilities of the plan, as reported in the
697 most recent actuarial valuation of the plan, deemed to be in
698 compliance with chapter 112 by the Department of Management
699 Services.
700 (16)~~(11)~~ "Police officer" means any person who is elected,
701 appointed, or employed full time by a ~~any~~ municipality, who is
702 certified or required to be certified as a law enforcement
703 officer in compliance with s. 943.1395, who is vested with
704 authority to bear arms and make arrests, and whose primary
705 responsibility is the prevention and detection of crime or the
706 enforcement of the penal, criminal, traffic, or highway laws of
707 the state. The term ~~This definition~~ includes all certified
708 supervisory and command personnel whose duties include, in whole

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709 or in part, the supervision, training, guidance, and management
710 responsibilities of full-time law enforcement officers, part-
711 time law enforcement officers, or auxiliary law enforcement
712 officers, but does not include part-time law enforcement
713 officers or auxiliary law enforcement officers as those terms
714 ~~the same~~ are defined in s. 943.10~~(6) and (8), respectively~~. For
715 the purposes of this chapter only, the term also includes
716 ~~"police officer" also shall include~~ a public safety officer who
717 is responsible for performing both police and fire services. Any
718 plan may provide that the police chief shall have an option to
719 participate~~, or not,~~ in that plan.
720 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
721 trust fund, by whatever name known, as provided under s. 185.03
722 for the purpose of assisting municipalities in establishing and
723 maintaining a retirement plan for police officers.
724 (18) "Required benefits" means the lesser of the minimum
725 benefits set forth in this chapter and the base benefits of the
726 plan. For local law plans created after March 1, 2013, the
727 required benefits are the minimum benefits set forth in this
728 chapter.
729 (19)~~(13)~~ "Retiree" or "retired police officer" means a
730 police officer who has entered retirement status. For the
731 purposes of a plan that includes a Deferred Retirement Option
732 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
733 considered a retiree for all purposes of the plan. However, a
734 police officer who enters ~~the~~ DROP and who is otherwise eligible
735 to participate may ~~shall~~ not ~~thereby~~ be precluded from
736 participating, or continuing to participate, in a supplemental
737 plan in existence on, or created after, March 12, 1999 ~~the~~

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738 ~~effective date of this act~~.
739 (20) ~~(14)~~ "Retirement" means a police officer's separation
740 from city employment as a police officer with immediate
741 eligibility for ~~receipt of~~ benefits under the plan. For purposes
742 of a plan that includes a Deferred Retirement Option Plan
743 (DROP), "retirement" means the date a police officer enters ~~the~~
744 DROP.
745 (21) "Special benefits" means benefits provided in a
746 defined contribution plan for police officers.
747 (22) ~~(15)~~ "Supplemental plan" means a plan to which deposits
748 of the premium tax moneys as provided in s. 185.08 are made to
749 provide extra benefits to police officers, or police officers
750 and firefighters if both are ~~where~~ included~~, under this chapter~~.
751 Such a plan is an element of a local law plan and exists in
752 conjunction with a defined benefit component ~~plan~~ that meets the
753 required ~~minimum~~ benefits and minimum standards of this chapter.
754 Any supplemental plan in existence on March 1, 2013, shall be
755 deemed to be defined contribution plan in compliance with s.
756 185.35(8).
757 (23) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
758 law municipality in which ~~there existed~~ a supplemental plan
759 existed as of December 1, 2000.
760 Section 8. Paragraph (b) of subsection (6) of section
761 185.06, Florida Statutes, is amended to read:
762 185.06 General powers and duties of board of trustees.—For
763 any municipality, chapter plan, local law municipality, or local
764 law plan under this chapter:
765 (6) To assist the board in meeting its responsibilities
766 under this chapter, the board, if it so elects, may:

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767 (b) Employ an independent enrolled actuary, as defined in
768 s. 185.02~~(8)~~, at the pension fund's expense.
769
770 If the board chooses to use the municipality's or special
771 district's legal counsel or actuary, or chooses to use any of
772 the municipality's other professional, technical, or other
773 advisers, it must do so only under terms and conditions
774 acceptable to the board.
775 Section 9. Paragraphs (d) through (g) of subsection (1) of
776 section 185.07, Florida Statutes, are amended, and a new
777 paragraph (e) is added to that subsection, to read:
778 185.07 Creation and maintenance of fund.—For any
779 municipality, chapter plan, local law municipality, or local law
780 plan under this chapter:
781 (1) The municipal police officers' retirement trust fund in
782 each municipality described in s. 185.03 shall be created and
783 maintained in the following manner:
784 (d) By payment by the municipality or other sources of a
785 sum equal to the normal cost and the amount required to fund any
786 actuarial deficiency shown by an actuarial valuation as provided
787 in part VII of chapter 112 after taking into account the amounts
788 described in paragraphs (b), (c), (f), (g), and (h) and the
789 amounts of the tax proceeds described in paragraph (a) which
790 must be used to fund defined benefit plan benefits, except as
791 otherwise excluded from consideration in determining the
792 mandatory payment.
793 (e) For local law plans, and in addition to the mandatory
794 payment described in paragraph (d), by mandatory payment by the
795 municipality of the amount specified in s. 185.35(3), if the

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796 long-term funded ratio of the plan is less than 80 percent.
797 (f) ~~(e)~~ By all gifts, bequests and devises when donated to
798 the fund.
799 (g) ~~(f)~~ By all accretions to the fund by way of interest or
800 dividends on bank deposits or otherwise.
801 (h) ~~(g)~~ By all other sources of income now or hereafter
802 authorized by law for the augmentation of such municipal police
803 officers' retirement trust fund.
804
805 Nothing in this section shall be construed to require
806 adjustment of member contribution rates in effect on the date
807 this act becomes a law, including rates that exceed 5 percent of
808 salary, provided that such rates are at least one-half of 1
809 percent of salary.
810 Section 10. Section 185.35, Florida Statutes, is amended to
811 read:
812 185.35 Municipalities that have ~~having~~ their own retirement
813 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
814 ~~plan, local law municipality, or local law plan under this~~
815 ~~chapter,~~ In order for a municipality that has ~~municipalities~~
816 ~~with~~ its ~~their~~ own retirement plan ~~pension plans~~ for police
817 officers, or for police officers and firefighters if both are
818 included, to participate in the distribution of the tax fund
819 established under ~~pursuant to~~ s. 185.08, a local law plan and
820 its plan sponsor ~~plans~~ must meet the required ~~minimum~~ benefits
821 and minimum standards set forth in this chapter:
822 (1) If a municipality has a retirement ~~pension~~ plan for
823 police officers, or for police officers and firefighters if both
824 are included, which, in the opinion of the division, meets the

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825 required ~~minimum~~ benefits and minimum standards set forth in
826 this chapter, the board of trustees of the pension plan must~~, as~~
827 ~~approved by a majority of police officers of the municipality,~~
828 ~~may:~~
829 ~~(a)~~ place the income from the premium tax in s. 185.08 in
830 such ~~pension~~ plan for the sole and exclusive use of its police
831 officers, or its police officers and firefighters if included,
832 where it shall become an integral part of that ~~pension~~ plan and
833 ~~shall~~ be used to fund benefits for police officers as follows:
834 (a) The base premium tax revenues must be used to fund base
835 benefits.
836 (b) Of the premium tax revenues received which are in
837 excess of the amount received for the 2012 calendar year, and
838 any accumulations of additional premium tax revenues which have
839 not been applied to fund extra benefits:
840 1. If the plan has a long-term funded ratio of less than 80
841 percent:
842 a. Fifty percent must be used as additional contributions
843 to pay the plan's actuarial deficiency and may not be considered
844 in the determination of the mandatory payment described in s.
845 185.07(1)(d);
846 b. Twenty-five percent must be used to fund base benefits;
847 and
848 c. The remainder must be placed in a defined contribution
849 plan to fund special benefits.
850 2. If the plan has a long-term funded ratio of 80 percent
851 or greater:
852 a. Fifty percent must be used to fund base benefits; and
853 b. The remainder must be placed in a defined contribution

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854 plan to fund special benefits.
855 (c) Additional premium tax revenues not described in
856 paragraph (b) must be used to fund benefits that were not
857 included in the base benefits ~~pay extra benefits to the police~~
858 ~~officers included in that pension plan; or~~
859 ~~(b) May place the income from the premium tax in s. 185.08~~
860 ~~in a separate supplemental plan to pay extra benefits to the~~
861 ~~police officers, or police officers and firefighters if~~
862 ~~included, participating in such separate supplemental plan~~.
863 (2) Insurance premium tax revenues may not be used to fund
864 benefits provided in a defined benefit plan which were not
865 provided by the plan as of March 1, 2013; however, for a local
866 law plan created after March 1, 2013, up to 50 percent of the
867 insurance premium tax revenues may be used to fund defined
868 benefit plan component benefits and the remainder used to fund
869 defined contribution plan component benefits.
870 (3) If a plan offers benefits in excess of its required
871 benefits, such benefits may be reduced if the plan continues to
872 meet the required benefits of the plan and the minimum standards
873 set forth in this chapter. The amount of insurance premium tax
874 revenues previously used to fund benefits in excess of the
875 plan's required benefits before the reduction must be used as
876 provided in subsection (1)(b). Twenty-five percent of the amount
877 of any mandatory contribution paid by the municipality or
878 special fire control district which was previously used to fund
879 benefits above the level of required benefits provided before
880 the reduction must be used as additional contributions as
881 specified in s. 185.07 to fund the plan's actuarial deficiency.
882 (4) ~~(2)~~ The premium tax provided by this chapter shall ~~in~~

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883 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
884 benefits to police officers, or to police officers and
885 firefighters if both are included. ~~However, local law plans in~~
886 ~~effect on October 1, 1998, must comply with the minimum benefit~~
887 ~~provisions of this chapter only to the extent that additional~~
888 ~~premium tax revenues become available to incrementally fund the~~
889 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
890 ~~is in compliance with such minimum benefit provisions, as~~
891 ~~subsequent additional tax revenues become available, they shall~~
892 ~~be used to provide extra benefits.~~ Local law plans created by
893 special act before May 27, 1939, shall be deemed to comply with
894 this chapter. ~~For the purpose of this chapter, the term:~~
895 ~~(a) "Additional premium tax revenues" means revenues~~
896 ~~received by a municipality pursuant to s. 185.10 which exceed~~
897 ~~the amount received for calendar year 1997.~~
898 ~~(b) "Extra benefits" means benefits in addition to or~~
899 ~~greater than those provided to general employees of the~~
900 ~~municipality and in addition to those in existence for police~~
901 ~~officers on March 12, 1999.~~
902 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
903 may not be proposed for adoption unless the proposed plan or
904 amendment contains an actuarial estimate of the costs involved.
905 Such proposed plan or proposed plan change may not be adopted
906 without the approval of the municipality or, where permitted,
907 the Legislature. Copies of the proposed plan or proposed plan
908 change and the actuarial impact statement of the proposed plan
909 or proposed plan change shall be furnished to the division
910 before the last public hearing thereon. Such statement must also
911 indicate whether the proposed plan or proposed plan change is in

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912 compliance with s. 14, Art. X of the State Constitution and
913 those provisions of part VII of chapter 112 which are not
914 expressly provided in this chapter. Notwithstanding any other
915 provision, only those local law plans created by special act of
916 legislation before May 27, 1939, are deemed to meet the minimum
917 benefits and minimum standards only in this chapter.
918 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
919 any supplemental plan municipality:
920 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
921 local law plan and a supplemental plan may continue to use their
922 definition of compensation or salary in existence on March 12,
923 1999.
924 (b) A local law plan and a supplemental plan must continue
925 to be administered by a board or boards of trustees numbered,
926 constituted, and selected as the board or boards were numbered,
927 constituted, and selected on December 1, 2000.
928 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
929 ~~have been made.~~
930 (7) ~~(5)~~ The retirement plan setting forth the benefits and
931 the trust agreement, if any, covering the duties and
932 responsibilities of the trustees and the regulations of the
933 investment of funds must be in writing and copies made available
934 to the participants and to the general public.
935 (8) In addition to the defined benefit component of the
936 local law plan, each plan sponsor must have a defined
937 contribution plan component within the local law plan by October
938 1, 2013, or upon the creation date of a new participating plan.
939 However, the plan sponsor of any plan established by special act
940 of the Legislature has until July 1, 2014, to create a defined

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941 contribution component within the plan.
942 (9) Notwithstanding any other provision of this chapter, a
943 municipality that has implemented or proposed changes to a local
944 law plan based on the municipality's reliance on an
945 interpretation of this chapter by the department on or after
946 August 14, 2012 and before March 1, 2013, may continue the
947 implemented changes or continue to implement proposed changes.
948 Such reliance must be evidenced by formal correspondence between
949 the municipality and the department which describes the specific
950 changes to the local law plan, with the initial correspondence
951 from the municipality dated prior to March 1, 2013. The changes
952 to the local law plan which are otherwise contrary to the
953 provisions of this chapter may continue in effect until the
954 earlier of October 1, 2016, or the effective date of a
955 collective bargaining agreement that is contrary to the changes
956 to the local law plan.
957 Section 11. The Legislature finds that a proper and
958 legitimate state purpose is served when employees and retirees
959 of the state and its political subdivisions, and the dependents,
960 survivors, and beneficiaries of such employees and retirees, are
961 extended the basic protections afforded by governmental
962 retirement systems that provide fair and adequate benefits and
963 that are managed, administered, and funded in an actuarially
964 sound manner as required by s. 14, Article X of the State
965 Constitution and part VII of chapter 112, Florida Statutes.
966 Therefore, the Legislature determines and declares that this act
967 fulfills an important state interest.
968 Section 12. This act shall take effect July 1, 2013.
969

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970
971 ========== T I T L E A M E N D M E N T ==========
972 And the title is amended as follows:
973 Delete everything before the enacting clause
974 and insert:
975 A bill to be entitled
976 An act relating to firefighter and police officer
977 pension plans; amending s. 175.021, F.S.; revising the
978 legislative declaration to require all plans to meet
979 the requirements of ch. 175, F.S., in order to receive
980 insurance premium tax revenues; amending s. 175.032,
981 F.S.; revising definitions to conform to changes made
982 by the act and adding new definitions; amending s.
983 175.071, F.S.; conforming a cross-reference; amending
984 s. 175.091, F.S.; revising existing payment provisions
985 and providing for an additional mandatory payment by
986 the municipality or special fire control district to
987 the firefighters' pension trust fund; amending s.
988 175.351, F.S., relating to municipalities and special
989 fire control districts that have their own pension
990 plans and want to participate in the distribution of a
991 tax fund; revising criteria governing the use of
992 income from the premium tax; requiring plan sponsors
993 to have a defined contribution plan in place by a
994 certain date; authorizing a municipality to implement
995 certain changes to a local law plan which are contrary
996 to ch. 175, F.S., under certain time-limited
997 circumstances; amending s. 185.01, F.S.; revising the
998 legislative declaration to require all plans to meet

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999 the requirements of ch. 185, F.S., in order to receive
1000 insurance premium tax revenues; amending s. 185.02,
1001 F.S.; revising definitions to conform to changes made
1002 by the act and adding new definitions; deleting a
1003 provision allowing a local law plan to limit the
1004 amount of overtime payments which can be used for
1005 retirement benefit calculations; amending s. 185.06,
1006 F.S.; conforming a cross-reference; amending s.
1007 185.07, F.S.; revising existing payment provisions and
1008 providing for an additional mandatory payment by the
1009 municipality to the police officers' retirement trust
1010 fund; amending s. 185.35, F.S., relating to
1011 municipalities that have their own pension plans for
1012 police officers and want to participate in the
1013 distribution of a tax fund; revising criteria
1014 governing the use of income from the premium tax;
1015 requiring plan sponsors to have a defined contribution
1016 plan in place by a certain date; authorizing a
1017 municipality to implement certain changes to a local
1018 law plan which are contrary to ch. 185, F.S., under
1019 certain time-limited circumstances; providing a
1020 declaration of important state interest; providing an
1021 effective date.

793490

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/01/2013	.	
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The Committee on Appropriations (Ring) recommended the following:

1 **Senate Amendment to Amendment (326778)**
2
3 Delete lines 237 - 289
4 and insert:
5 (18) "Minimum benefits" means the benefits set forth in ss.
6 175.021-175.341 and ss. 175.361-175.401.
7 (19) "Minimum standards" means the standards set forth in
8 ss. 175.021-175.341 and ss. 175.361-175.401.
9 (20) ~~(13)~~ "Property insurance" means property insurance as
10 defined in s. 624.604 and covers real and personal property
11 within the corporate limits of a ~~any~~ municipality, or within the
12 boundaries of a ~~any~~ special fire control district, within the

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13 state. “Multiple peril” means a combination or package policy
14 that includes both property and casualty coverage for a single
15 premium.
16 (21) “Required benefits” means the lesser of the minimum
17 benefits set forth in this chapter and the base benefits of the
18 plan. For local law plans created after March 1, 2013, the
19 required benefits are the minimum benefits set forth in this
20 chapter.
21 (22) ~~(14)~~ “Retiree” or “retired firefighter” means a
22 firefighter who has entered retirement status. For the purposes
23 of a plan that includes a Deferred Retirement Option Plan
24 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
25 a retiree for all purposes of the plan. However, a firefighter
26 who enters ~~the~~ DROP and who is otherwise eligible to participate
27 may ~~shall~~ not ~~thereby~~ be precluded from participating, or
28 continuing to participate, in a supplemental plan in existence
29 on, or created after, March 12, 1999 ~~the effective date of this~~
30 ~~act~~.
31 (23) ~~(15)~~ “Retirement” means a firefighter’s separation from
32 city or fire district employment as a firefighter with immediate
33 eligibility for ~~receipt of~~ benefits under the plan. For purposes
34 of a plan that includes a Deferred Retirement Option Plan
35 (DROP), “retirement” means the date a firefighter enters ~~the~~
36 DROP.
37 (24) “Special benefits” means benefits provided in a
38 defined contribution plan for firefighters.
39 (25) ~~(16)~~ “Special fire control district” means a special
40 district, as defined in s. 189.403~~(1)~~, established for the
41 purposes of extinguishing fires, protecting life, and protecting

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42 property within the incorporated or unincorporated portions of a
43 ~~any~~ county or combination of counties, or within any combination
44 of incorporated and unincorporated portions of a ~~any~~ county or
45 combination of counties. The term does not include any dependent
46 or independent special district, as those terms are defined in
47 s. 189.403~~(2) and (3), respectively~~, the employees of which are
48 members of the Florida Retirement System pursuant to s.
49 121.051(1) or (2).
50 (26)~~(17)~~ "Supplemental plan" means a plan to which deposits
51 are made to provide extra benefits for firefighters, or for
52 firefighters and police officers if both are ~~where~~ included
53 ~~under this chapter~~. Such a plan is an element of a local law
54 plan and exists in conjunction with a defined benefit component
55 ~~plan~~ that meets the required ~~minimum~~ benefits and minimum
56 standards of this chapter. Any supplemental plan in existence on
57 March 1, 2013, shall be deemed to be a defined contribution plan
58 in compliance with s. 175.351(8).
59 (27)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local
60 law municipality in which ~~there existed~~ a supplemental plan
61 existed, of any type or nature, as of December 1, 2000.

581538

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/01/2013	.	
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The Committee on Appropriations (Ring) recommended the following:

Senate Amendment to Amendment (326778) (with title amendment)

Between lines 342 and 343
insert:
Section 5. Paragraph (a) of subsection (2) of section 175.162, Florida Statutes, is amended to read:
175.162 Requirements for retirement.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, any firefighter who completes 10 or more years of creditable service as a firefighter and attains

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13 age 55, or completes 25 years of creditable service as a
14 firefighter and attains age 52, and who for such minimum period
15 has been a member of the firefighters' pension trust fund
16 operating under a chapter plan or local law plan, is eligible
17 for normal retirement benefits. Normal retirement under the plan
18 is retirement from the service of the municipality or special
19 fire control district on or after the normal retirement date. In
20 such event, payment of retirement income will be governed by the
21 following provisions of this section:
22 (2)(a) The amount of monthly retirement income payable to a
23 full-time firefighter who retires on or after his or her normal
24 retirement date shall be an amount equal to the number of his or
25 her years of credited service multiplied by 2 percent of his or
26 her average final compensation as a full-time firefighter.
27 ~~However, if current state contributions pursuant to this chapter~~
28 ~~are not adequate to fund the additional benefits to meet the~~
29 ~~minimum requirements in this chapter, only such incremental~~
30 ~~increases shall be required as state moneys are adequate to~~
31 ~~provide. Such increments shall be provided as state moneys~~
32 ~~become available.~~
33 Section 6. Subsection (2) of section 185.16, Florida
34 Statutes, is amended to read:
35 185.16 Requirements for retirement.—For any municipality,
36 chapter plan, local law municipality, or local law plan under
37 this chapter, any police officer who completes 10 or more years
38 of creditable service as a police officer and attains age 55, or
39 completes 25 years of creditable service as a police officer and
40 attains age 52, and for such period has been a member of the
41 retirement fund is eligible for normal retirement benefits.

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42 Normal retirement under the plan is retirement from the service
43 of the city on or after the normal retirement date. In such
44 event, for chapter plans and local law plans, payment of
45 retirement income will be governed by the following provisions
46 of this section:
47 (2) The amount of the monthly retirement income payable to
48 a police officer who retires on or after his or her normal
49 retirement date shall be an amount equal to the number of the
50 police officer's years of credited service multiplied by 2
51 percent of his or her average final compensation. ~~However, if~~
52 ~~current state contributions pursuant to this chapter are not~~
53 ~~adequate to fund the additional benefits to meet the minimum~~
54 ~~requirements in this chapter, only increment increases shall be~~
55 ~~required as state moneys are adequate to provide. Such~~
56 ~~increments shall be provided as state moneys become available.~~
57
58 ========== T I T L E A M E N D M E N T ==========
59 And the title is amended as follows:
60 Delete line 987
61 and insert:
62 the firefighters' pension trust fund; amending s.
63 175.162, F.S.; deleting a limitation on state
64 contributions funding additional benefits; amending s.
65 185.16, F.S.; deleting a limitation on state
66 contributions funding additional benefits; amending s.

660680

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/01/2013	.	
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The Committee on Appropriations (Ring) recommended the following:

1 **Senate Amendment to Amendment (326778)**
2
3 Delete line 484
4 and insert:
5 before February 1, 2013, may continue the implemented changes or
6 Delete line 489
7 and insert:
8 municipality or district dated prior to February 1, 2013. The
9 Delete line 946
10 and insert:
11 August 14, 2012, and before February 1, 2013, may continue the
12 Delete line 951

660680

13 and insert:
14 from the municipality dated prior to February 1, 2013. The
15 changes

206508

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/01/2013	.	
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The Committee on Appropriations (Ring) recommended the following:

1 **Senate Amendment to Amendment (326778)**
2
3 Delete lines 700 - 759
4 and insert:
5 (16) "Minimum benefits" means the benefits set forth in ss.
6 185.01-185.341 and ss. 185.37-185.50.
7 (17) "Minimum standards" means the standards set forth in
8 ss. 185.01-185.341 and ss. 185.37-185.50.
9 (18) ~~(11)~~ "Police officer" means any person who is elected,
10 appointed, or employed full time by a ~~any~~ municipality, who is
11 certified or required to be certified as a law enforcement
12 officer in compliance with s. 943.1395, who is vested with

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13 authority to bear arms and make arrests, and whose primary
14 responsibility is the prevention and detection of crime or the
15 enforcement of the penal, criminal, traffic, or highway laws of
16 the state. The term ~~This definition~~ includes all certified
17 supervisory and command personnel whose duties include, in whole
18 or in part, the supervision, training, guidance, and management
19 responsibilities of full-time law enforcement officers, part-
20 time law enforcement officers, or auxiliary law enforcement
21 officers, but does not include part-time law enforcement
22 officers or auxiliary law enforcement officers as those terms
23 ~~the same~~ are defined in s. 943.10~~(6) and (8), respectively~~. For
24 the purposes of this chapter only, the term also includes
25 ~~"police officer" also shall include~~ a public safety officer who
26 is responsible for performing both police and fire services. Any
27 plan may provide that the police chief shall have an option to
28 participate~~, or not,~~ in that plan.
29 (19)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
30 trust fund, by whatever name known, as provided under s. 185.03
31 for the purpose of assisting municipalities in establishing and
32 maintaining a retirement plan for police officers.
33 (20) "Required benefits" means the lesser of the minimum
34 benefits set forth in this chapter and the base benefits of the
35 plan. For local law plans created after March 1, 2013, the
36 required benefits are the minimum benefits set forth in this
37 chapter.
38 (21)~~(13)~~ "Retiree" or "retired police officer" means a
39 police officer who has entered retirement status. For the
40 purposes of a plan that includes a Deferred Retirement Option
41 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~

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42 considered a retiree for all purposes of the plan. However, a
43 police officer who enters ~~the~~ DROP and who is otherwise eligible
44 to participate may ~~shall~~ not ~~thereby~~ be precluded from
45 participating, or continuing to participate, in a supplemental
46 plan in existence on, or created after, March 12, 1999 ~~the~~
47 ~~effective date of this act~~.
48 (22) ~~(14)~~ "Retirement" means a police officer's separation
49 from city employment as a police officer with immediate
50 eligibility for ~~receipt of~~ benefits under the plan. For purposes
51 of a plan that includes a Deferred Retirement Option Plan
52 (DROP), "retirement" means the date a police officer enters ~~the~~
53 DROP.
54 (23) "Special benefits" means benefits provided in a
55 defined contribution plan for police officers.
56 (24) ~~(15)~~ "Supplemental plan" means a plan to which deposits
57 of the premium tax moneys as provided in s. 185.08 are made to
58 provide extra benefits to police officers, or police officers
59 and firefighters if both are ~~where~~ included~~, under this chapter~~.
60 Such a plan is an element of a local law plan and exists in
61 conjunction with a defined benefit component ~~plan~~ that meets the
62 required ~~minimum~~ benefits and minimum standards of this chapter.
63 Any supplemental plan in existence on March 1, 2013, shall be
64 deemed to be defined contribution plan in compliance with s.
65 185.35(8).
66 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
67 law municipality in which ~~there existed~~ a supplemental plan
68 existed as of December 1, 2000.

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/05/2013	.	
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The Committee on Appropriations (Ring and Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (2) of section 175.021, Florida Statutes, is amended to read:

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, required ~~minimum~~ benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as

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13 firefighters' pension trust funds, which must be met as a
14 condition precedent to the plan or plan sponsor receiving a
15 distribution of insurance premium tax revenues under s. 175.121.
16 The required ~~minimum~~ benefits and minimum standards for each
17 plan as set forth in this chapter may not be diminished by local
18 charter, ordinance, or resolution or by special act of the
19 Legislature, or ~~nor may the minimum benefits or minimum~~
20 ~~standards~~ be reduced or offset by any other local, state, or
21 federal law that may include firefighters in its operation,
22 except as provided under s. 112.65.
23 Section 2. Section 175.032, Florida Statutes, is amended to
24 read:
25 175.032 Definitions.—For any municipality, special fire
26 control district, chapter plan, local law municipality, local
27 law special fire control district, or local law plan under this
28 chapter, the term ~~following words and phrases have the following~~
29 ~~meanings~~:
30 (1) "Additional premium tax revenues" means revenues
31 received by a municipality or special fire control district
32 pursuant to s. 175.121 which exceed base premium tax revenues.
33 (2)~~(1)(a)~~ "Average final compensation" for:
34 (a) A full-time firefighter means one-twelfth of the
35 average annual compensation of the 5 best years of the last 10
36 years of creditable service before ~~prior to~~ retirement,
37 termination, or death, or the career average as a full-time
38 firefighter since July 1, 1953, whichever is greater. A year is
39 ~~shall be~~ 12 consecutive months or such other consecutive period
40 of time as is used and consistently applied.
41 (b) ~~"Average final compensation" for~~ A volunteer

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42 firefighter means the average salary of the 5 best years of the
43 last 10 best contributing years before a ~~prior to~~ change in
44 status to a permanent full-time firefighter or retirement as a
45 volunteer firefighter or the career average of a volunteer
46 firefighter, since July 1, 1953, whichever is greater.
47 (3) "Base benefits" means the level of benefits in
48 existence for firefighters on March 12, 1999.
49 (4) "Base premium tax revenues" means revenues received by
50 a municipality or special fire control district pursuant to s.
51 175.121 equal to the amount of such revenues received for
52 calendar year 1997.
53 (5) ~~(2)~~ "Chapter plan" means a separate defined benefit
54 pension plan for firefighters which incorporates by reference
55 the provisions of this chapter and has been adopted by the
56 governing body of a municipality or special district. Except as
57 may be specifically authorized in this chapter, the provisions
58 of a chapter plan may not differ from the plan provisions set
59 forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial
60 valuations of chapter plans shall be conducted by the division
61 as provided by s. 175.261(1).
62 (6) ~~(3)~~ "Compensation" or "salary" means, for
63 noncollectively bargained service earned before July 1, 2011, or
64 for service earned under collective bargaining agreements in
65 place before July 1, 2011, the fixed monthly remuneration paid a
66 firefighter. If remuneration is based on actual services
67 rendered, as in the case of a volunteer firefighter, the term
68 means the total cash remuneration received yearly for such
69 services, prorated on a monthly basis. For noncollectively
70 bargained service earned on or after July 1, 2011, or for

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71 service earned under collective bargaining agreements entered
72 into on or after July 1, 2011, the term has the same meaning
73 except that when calculating retirement benefits, up to 300
74 hours per year in overtime compensation may be included as
75 specified in the plan or collective bargaining agreement, but
76 payments for accrued unused sick or annual leave may not be
77 included.
78 (a) Any retirement trust fund or plan that meets the
79 requirements of this chapter does not, solely by virtue of this
80 subsection, reduce or diminish the monthly retirement income
81 otherwise payable to each firefighter covered by the retirement
82 trust fund or plan.
83 (b) The member's compensation or salary contributed as
84 employee-elective salary reductions or deferrals to any salary
85 reduction, deferred compensation, or tax-sheltered annuity
86 program authorized under the Internal Revenue Code shall be
87 deemed to be the compensation or salary the member would receive
88 if he or she were not participating in such program and ~~shall be~~
89 treated as compensation for retirement purposes under this
90 chapter.
91 (c) For any person who first becomes a member in any plan
92 year beginning on or after January 1, 1996, compensation for
93 that plan year may not include any amounts in excess of the
94 Internal Revenue Code s. 401(a)(17) limitation, as amended by
95 the Omnibus Budget Reconciliation Act of 1993, which limitation
96 of $150,000 shall be adjusted as required by federal law for
97 qualified government plans and ~~shall be~~ further adjusted for
98 changes in the cost of living in the manner provided by Internal
99 Revenue Code s. 401(a)(17)(B). For any person who first became a

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100 member before the first plan year beginning on or after January
101 1, 1996, the limitation on compensation may not be less than the
102 maximum compensation amount that was allowed to be taken into
103 account under the plan in effect on July 1, 1993, which
104 limitation shall be adjusted for changes in the cost of living
105 since 1989 in the manner provided by Internal Revenue Code s.
106 401(a)(17)(1991).
107 (7) ~~(4)~~ "Creditable service" or "credited service" means the
108 aggregate number of years of service, and fractional parts of
109 years of service, of any firefighter, omitting intervening years
110 and fractional parts of years when such firefighter may not have
111 been employed by the municipality or special fire control
112 district, subject to the following conditions:
113 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
114 or fractional parts of years of service if he or she has
115 withdrawn his or her contributions to the fund for those years
116 or fractional parts of years of service, unless the firefighter
117 repays into the fund the amount he or she has withdrawn, plus
118 interest determined by the board. The member shall have at least
119 90 days after his or her reemployment to make repayment.
120 (b) A firefighter may voluntarily leave his or her
121 contributions in the fund for ~~a period of~~ 5 years after leaving
122 the employ of the fire department, pending the possibility of
123 being rehired by the same department, without losing credit for
124 the time he or she has participated actively as a firefighter.
125 If the firefighter is not reemployed as a firefighter, with the
126 same department, within 5 years, his or her contributions shall
127 be returned without interest.
128 (c) Credited service under this chapter shall be provided

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129 only for service as a firefighter~~, as defined in subsection (8),~~
130 or for military service and does not include credit for any
131 other type of service. A municipality ~~may~~, by local ordinance,
132 or a special fire control district ~~may~~, by resolution, may
133 provide for the purchase of credit for military service prior to
134 employment as well as for prior service as a firefighter for
135 some other employer as long as a firefighter is not entitled to
136 receive a benefit for such prior service ~~as a firefighter~~. For
137 purposes of determining credit for prior service as a
138 firefighter, in addition to service as a firefighter in this
139 state, credit may be given for federal, other state, or county
140 service if the prior service is recognized by the Division of
141 State Fire Marshal as provided under chapter 633, or the
142 firefighter provides proof to the board of trustees that his or
143 her service is equivalent to the service required to meet the
144 definition of a firefighter under subsection (12) ~~(8)~~.
145 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
146 local law plan retirement option in which a firefighter may
147 elect to participate. A firefighter may retire for all purposes
148 of the plan and defer receipt of retirement benefits into a DROP
149 account while continuing employment with his or her employer.
150 However, a firefighter who enters ~~the~~ DROP and who is otherwise
151 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
152 participating, or continuing to participate, in a supplemental
153 plan in existence on, or created after, March 12, 1999 ~~the~~
154 ~~effective date of this act~~.
155 (9) "Defined contribution plan" means the component of a
156 local law plan to which deposits are made to provide benefits
157 for firefighters, or for firefighters and police officers if

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158 both are included. Such component is an element of a local law
159 plan and exists in conjunction with the defined benefit
160 component that meets the required benefits and minimum standards
161 of this chapter. The retirement benefits of the defined
162 contribution plan shall be provided through individual member
163 accounts, in accordance with the applicable provisions of the
164 Internal Revenue Code and related regulations, and are limited
165 to the contributions made into each member's account and the
166 actual accumulated earnings, net of expenses, earned on the
167 member's account.
168 (10) ~~(6)~~ "Division" means the Division of Retirement of the
169 Department of Management Services.
170 (11) ~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
171 under Subtitle C of Title III of the Employee Retirement Income
172 Security Act of 1974 and who is a member of the Society of
173 Actuaries or the American Academy of Actuaries.
174 (12) ~~(8)~~(a) "Firefighter" means any person employed solely
175 by a constituted fire department of any municipality or special
176 fire control district who is certified as a firefighter as a
177 condition of employment in accordance with s. 633.35 and whose
178 duty it is to extinguish fires, to protect life, or to protect
179 property. The term includes all certified, supervisory, and
180 command personnel whose duties include, in whole or in part, the
181 supervision, training, guidance, and management responsibilities
182 of full-time firefighters, part-time firefighters, or auxiliary
183 firefighters but does not include part-time firefighters or
184 auxiliary firefighters. However, for purposes of this chapter
185 only, the term also includes public safety officers who are
186 responsible for performing both police and fire services, who

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187 are certified as police officers or firefighters, and who are
188 certified by their employers to the Chief Financial Officer as
189 participating in this chapter before October 1, 1979. Effective
190 October 1, 1979, public safety officers who have not been
191 certified as participating in this chapter are considered police
192 officers for retirement purposes and are eligible to participate
193 in chapter 185. Any plan may provide that the fire chief has an
194 option to participate~~, or not,~~ in that plan.
195 (b) "Volunteer firefighter" means any person whose name is
196 carried on the active membership roll of a constituted volunteer
197 fire department or a combination of a paid and volunteer fire
198 department of any municipality or special fire control district
199 and whose duty it is to extinguish fires, to protect life, and
200 to protect property. Compensation for services rendered by a
201 volunteer firefighter does ~~shall~~ not disqualify him or her as a
202 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
203 firefighter solely because he or she has other gainful
204 employment. Any person who volunteers assistance at a fire but
205 is not an active member of a department described herein is not
206 a volunteer firefighter within the meaning of this paragraph.
207 (13)~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
208 fund, by whatever name known, as provided under s. 175.041, for
209 the purpose of assisting municipalities and special fire control
210 districts in establishing and maintaining a retirement plan for
211 firefighters.
212 (14)~~(10)~~ "Local law municipality" is any municipality in
213 which ~~there exists~~ a local law plan exists.
214 (15)~~(11)~~ "Local law plan" means a retirement ~~defined~~
215 ~~benefit pension~~ plan, which includes both a defined benefit plan

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216 component and a defined contribution plan component, for
217 firefighters, or for firefighters or police officers if both are
218 ~~where~~ included, as described in s. 175.351, established by
219 municipal ordinance, special district resolution, or special act
220 of the Legislature, which ~~enactment~~ sets forth all plan
221 provisions. Local law plan provisions may vary from the
222 provisions of this chapter if the~~, provided that~~ required
223 ~~minimum~~ benefits and minimum standards of this chapter are met.
224 However, any such variance must ~~shall~~ provide a greater benefit
225 for firefighters. Actuarial valuations of local law plans shall
226 be conducted by an enrolled actuary as provided in s.
227 175.261(2).
228 (16)~~(12)~~ "Local law special fire control district" is any
229 special fire control district in which ~~there exists~~ a local law
230 plan exists.
231 (17) "Long-term funded ratio" or "funded ratio" means the
232 ratio of the actuarial value of assets of the plan to the
233 actuarial accrued liabilities of the plan, as reported in the
234 most recent actuarial valuation of the plan, deemed to be in
235 compliance with chapter 112 by the Department of Management
236 Services.
237 (18) "Minimum benefits" means the benefits set forth in ss.
238 175.021-175.341 and ss. 175.361-175.401.
239 (19) "Minimum standards" means the standards set forth in
240 ss. 175.021-175.341 and ss. 175.361-175.401.
241 (20)~~(13)~~ "Property insurance" means property insurance as
242 defined in s. 624.604 and covers real and personal property
243 within the corporate limits of a ~~any~~ municipality, or within the
244 boundaries of a ~~any~~ special fire control district, within the

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245 state. “Multiple peril” means a combination or package policy
246 that includes both property and casualty coverage for a single
247 premium.
248 (21) “Required benefits” means the lesser of the minimum
249 benefits set forth in this chapter and the base benefits of the
250 plan. For local law plans created after March 1, 2013, the
251 required benefits are the minimum benefits set forth in this
252 chapter.
253 (22) ~~(14)~~ “Retiree” or “retired firefighter” means a
254 firefighter who has entered retirement status. For the purposes
255 of a plan that includes a Deferred Retirement Option Plan
256 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
257 a retiree for all purposes of the plan. However, a firefighter
258 who enters ~~the~~ DROP and who is otherwise eligible to participate
259 may ~~shall~~ not ~~thereby~~ be precluded from participating, or
260 continuing to participate, in a supplemental plan in existence
261 on, or created after, March 12, 1999 ~~the effective date of this~~
262 ~~act~~.
263 (23) ~~(15)~~ “Retirement” means a firefighter’s separation from
264 city or fire district employment as a firefighter with immediate
265 eligibility for ~~receipt of~~ benefits under the plan. For purposes
266 of a plan that includes a Deferred Retirement Option Plan
267 (DROP), “retirement” means the date a firefighter enters ~~the~~
268 DROP.
269 (24) “Special benefits” means benefits provided in a
270 defined contribution plan for firefighters.
271 (25) ~~(16)~~ “Special fire control district” means a special
272 district, as defined in s. 189.403~~(1)~~, established for the
273 purposes of extinguishing fires, protecting life, and protecting

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274 property within the incorporated or unincorporated portions of a
275 ~~any~~ county or combination of counties, or within any combination
276 of incorporated and unincorporated portions of a ~~any~~ county or
277 combination of counties. The term does not include any dependent
278 or independent special district, as those terms are defined in
279 s. 189.403~~(2) and (3), respectively~~, the employees of which are
280 members of the Florida Retirement System pursuant to s.
281 121.051(1) or (2).
282 (26)~~(17)~~ "Supplemental plan" means a plan to which deposits
283 are made to provide extra benefits for firefighters, or for
284 firefighters and police officers if both are ~~where~~ included
285 ~~under this chapter~~. Such a plan is an element of a local law
286 plan and exists in conjunction with a defined benefit component
287 ~~plan~~ that meets the required ~~minimum~~ benefits and minimum
288 standards of this chapter. Any supplemental plan in existence on
289 March 1, 2013, shall be deemed to be a defined contribution plan
290 in compliance with s. 175.351(8).
291 (27)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local
292 law municipality in which ~~there existed~~ a supplemental plan
293 existed, of any type or nature, as of December 1, 2000.
294 Section 3. Paragraph (b) of subsection (7) of section
295 175.071, Florida Statutes, is amended to read:
296 175.071 General powers and duties of board of trustees.—For
297 any municipality, special fire control district, chapter plan,
298 local law municipality, local law special fire control district,
299 or local law plan under this chapter:
300 (7) To assist the board in meeting its responsibilities
301 under this chapter, the board, if it so elects, may:
302 (b) Employ an independent enrolled actuary, as defined in

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303 s. 175.032~~(7)~~, at the pension fund's expense.
304
305 If the board chooses to use the municipality's or special
306 district's legal counsel or actuary, or chooses to use any of
307 the municipality's or special district's other professional,
308 technical, or other advisers, it must do so only under terms and
309 conditions acceptable to the board.
310 Section 4. Paragraphs (d) through (g) of subsection (1) of
311 section 175.091, Florida Statutes, are amended, and a new
312 paragraph (e) is added to that subsection, to read:
313 175.091 Creation and maintenance of fund.—For any
314 municipality, special fire control district, chapter plan, local
315 law municipality, local law special fire control district, or
316 local law plan under this chapter:
317 (1) The firefighters' pension trust fund in each
318 municipality and in each special fire control district shall be
319 created and maintained in the following manner:
320 (d) By mandatory payment by the municipality or special
321 fire control district of a sum equal to the normal cost of and
322 the amount required to fund any actuarial deficiency shown by an
323 actuarial valuation as provided in part VII of chapter 112 <u>after</u>
324 <u>taking into account the amounts described in paragraphs (b),</u>
325 <u>(c), (f), (g), and (h) and the amounts of the tax proceeds</u>
326 <u>described in paragraph (a) which must be used to fund defined</u>
327 <u>benefit plan benefits, except as otherwise excluded from</u>
328 <u>consideration in determining the mandatory payment</u>.
329 <u>(e) For local law plans, and in addition to the mandatory</u>
330 <u>payment specified in paragraph (d), by mandatory payment by the</u>
331 <u>municipality or special fire control district of the amount</u>

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332 specified in s. 175.351(3), if the long-term funded ratio of the
333 plan is less than 80 percent.
334 (f) ~~(e)~~ By all gifts, bequests, and devises when donated to
335 the fund.
336 (g) ~~(f)~~ By all accretions to the fund by way of interest or
337 dividends on bank deposits, or otherwise.
338 (h) ~~(g)~~ By all other sources or income now or hereafter
339 authorized by law for the augmentation of such firefighters'
340 pension trust fund.
341
342 Nothing in this section shall be construed to require adjustment
343 of member contribution rates in effect on the date this act
344 becomes a law, including rates that exceed 5 percent of salary,
345 provided that such rates are at least one-half of 1 percent of
346 salary.
347 Section 5. Paragraph (a) of subsection (2) of section
348 175.162, Florida Statutes, is amended to read:
349 175.162 Requirements for retirement.—For any municipality,
350 special fire control district, chapter plan, local law
351 municipality, local law special fire control district, or local
352 law plan under this chapter, any firefighter who completes 10 or
353 more years of creditable service as a firefighter and attains
354 age 55, or completes 25 years of creditable service as a
355 firefighter and attains age 52, and who for such minimum period
356 has been a member of the firefighters' pension trust fund
357 operating under a chapter plan or local law plan, is eligible
358 for normal retirement benefits. Normal retirement under the plan
359 is retirement from the service of the municipality or special
360 fire control district on or after the normal retirement date. In

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361 such event, payment of retirement income will be governed by the
362 following provisions of this section:
363 (2)(a) The amount of monthly retirement income payable to a
364 full-time firefighter who retires on or after his or her normal
365 retirement date shall be an amount equal to the number of his or
366 her years of credited service multiplied by 2 percent of his or
367 her average final compensation as a full-time firefighter.
368 ~~However, if current state contributions pursuant to this chapter~~
369 ~~are not adequate to fund the additional benefits to meet the~~
370 ~~minimum requirements in this chapter, only such incremental~~
371 ~~increases shall be required as state moneys are adequate to~~
372 ~~provide. Such increments shall be provided as state moneys~~
373 ~~become available.~~
374 Section 6. Section 175.351, Florida Statutes, is amended to
375 read:
376 175.351 Municipalities and special fire control districts
377 that have ~~having~~ their own pension plans for firefighters. ~~For~~
378 ~~any municipality, special fire control district, local law~~
379 ~~municipality, local law special fire control district, or local~~
380 ~~law plan under this chapter,~~ In order for a municipality or
381 ~~municipalities and~~ special fire control district that has its
382 ~~districts with their~~ own pension plan ~~plans~~ for firefighters, or
383 for firefighters and police officers if both are included, to
384 participate in the distribution of the tax fund established
385 under ~~pursuant to~~ s. 175.101, a local law plan and its plan
386 sponsor ~~plans~~ must meet the required ~~minimum~~ benefits and
387 minimum standards set forth in this chapter.
388 (1) If a municipality has a pension plan for firefighters,
389 or ~~a pension plan~~ for firefighters and police officers if both

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390 are included, which in the opinion of the division meets the
391 required ~~minimum~~ benefits and minimum standards set forth in
392 this chapter, the board of trustees of the pension plan, must ~~as~~
393 ~~approved by a majority of firefighters of the municipality, may:~~
394 ~~(a)~~ place the income from the premium tax in s. 175.101 in
395 such ~~pension~~ plan for the sole and exclusive use of its
396 firefighters, or for firefighters and police officers if both
397 are included, where it shall become an integral part of that
398 ~~pension~~ plan and ~~shall~~ be used to fund benefits for firefighters
399 as follows:
400 (a) The base premium tax revenues must be used to fund base
401 benefits.
402 (b) Of the premium tax revenues received which are in
403 excess of the amount received for the 2012 calendar year, and
404 any accumulations of additional premium tax revenues that have
405 not been applied to fund extra benefits:
406 1. If the plan has a long-term funded ratio of less than 80
407 percent:
408 a. Fifty percent must be used as additional contributions
409 to pay the plan's actuarial deficiency and may not be considered
410 in the determination of the mandatory payment described in s.
411 175.091(1)(d);
412 b. Twenty-five percent must be used to fund base benefits;
413 and
414 c. The remainder must be placed in a defined contribution
415 plan to fund special benefits.
416 2. If the plan has a long-term funded ratio of 80 percent
417 or greater:
418 a. Fifty percent must be used to fund base benefits; and

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419 b. The remainder must be placed in a defined contribution
420 plan to fund special benefits.
421 (c) Additional premium tax revenues not described in
422 paragraph (b) must be used to fund benefits that were not
423 included in the base benefits ~~to pay extra benefits to~~ ~~the~~
424 ~~firefighters included in that pension plan; or~~
425 ~~(b) Place the income from the premium tax in s. 175.101 in~~
426 ~~a separate supplemental plan to pay extra benefits to~~
427 ~~firefighters, or to firefighters and police officers if~~
428 ~~included, participating in such separate supplemental plan~~.
429 (2) Insurance premium tax revenues may not be used to fund
430 benefits provided in a defined benefit plan which were not
431 provided by the plan as of March 1, 2013; however, for a local
432 law plan created after March 1, 2013, up to 50 percent of the
433 insurance premium tax revenues may be used to fund defined
434 benefit plan component benefits and the remainder must be used
435 to fund defined contribution plan component benefits.
436 (3) If a plan offers benefits in excess of its required
437 benefits, such benefits may be reduced if the plan continues to
438 meet the required benefits of the plan and the minimum standards
439 set forth in this chapter. The amount of insurance premium tax
440 revenues previously used to fund benefits in excess of the
441 plan’s required benefits before the reduction must be used as
442 provided in subsection (1)(b). Twenty-five percent of the amount
443 of any mandatory contribution paid by the municipality or
444 special fire control district which was previously used to fund
445 benefits above the level of required benefits provided before
446 the reduction must be used as additional contributions as
447 specified in s. 175.091 to fund the plan’s actuarial deficiency.

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448 (4) ~~(2)~~ The premium tax provided by this chapter shall ~~in~~
449 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
450 benefits to firefighters, or to firefighters and police officers
451 if both are included. ~~However, local law plans in effect on~~
452 ~~October 1, 1998, must comply with the minimum benefit provisions~~
453 ~~of this chapter only to the extent that additional premium tax~~
454 ~~revenues become available to incrementally fund the cost of such~~
455 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
456 ~~compliance with such minimum benefit provisions, as subsequent~~
457 ~~additional premium tax revenues become available, they must be~~
458 ~~used to provide extra benefits.~~ Local law plans created by
459 special act before May 27, 1939, are deemed to comply with this
460 chapter. ~~For the purpose of this chapter, the term:~~
461 ~~(a) "Additional premium tax revenues" means revenues~~
462 ~~received by a municipality or special fire control district~~
463 ~~pursuant to s. 175.121 which exceed that amount received for~~
464 ~~calendar year 1997.~~
465 ~~(b) "Extra benefits" means benefits in addition to or~~
466 ~~greater than those provided to general employees of the~~
467 ~~municipality and in addition to those in existence for~~
468 ~~firefighters on March 12, 1999.~~
469 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
470 may not be proposed for adoption unless the proposed plan or
471 amendment contains an actuarial estimate of the costs involved.
472 Such proposed plan or proposed plan change may not be adopted
473 without the approval of the municipality, special fire control
474 district, or, where permitted, the Legislature. Copies of the
475 proposed plan or proposed plan change and the actuarial impact
476 statement of the proposed plan or proposed plan change shall be

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477 furnished to the division before the last public hearing
478 thereon. Such statement must also indicate whether the proposed
479 plan or proposed plan change is in compliance with s. 14, Art. X
480 of the State Constitution and those provisions of part VII of
481 chapter 112 which are not expressly provided in this chapter.
482 Notwithstanding any other provision, only those local law plans
483 created by special act of legislation before May 27, 1939, are
484 deemed to meet the minimum benefits and minimum standards only
485 in this chapter.
486 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
487 any supplemental plan municipality:
488 (a) A local law plan and a supplemental plan may continue
489 to use their definition of compensation or salary in existence
490 on March 12, 1999.
491 (b) Section 175.061(1)(b) does not apply, and a local law
492 plan and a supplemental plan shall continue to be administered
493 by a board or boards of trustees numbered, constituted, and
494 selected as the board or boards were numbered, constituted, and
495 selected on December 1, 2000.
496 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
497 ~~have been made.~~
498 (7) ~~(5)~~ The retirement plan setting forth the benefits and
499 the trust agreement, if any, covering the duties and
500 responsibilities of the trustees and the regulations of the
501 investment of funds must be in writing, and copies made
502 available to the participants and to the general public.
503 (8) In addition to the defined benefit component of the
504 local law plan, each plan sponsor must have a defined
505 contribution plan component within the local law plan by October

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506 1, 2013, or upon the creation date of a new participating plan.
507 However, the plan sponsor of any plan established by special act
508 of the Legislature has until July 1, 2014, to create a defined
509 contribution component within the plan.
510 (9) Notwithstanding any other provision of this chapter, a
511 municipality or special fire control district that has
512 implemented or proposed changes to a local law plan based on the
513 municipality's or district's reliance on an interpretation of
514 this chapter by the department on or after August 14, 2012, and
515 before February 1, 2013, may continue the implemented changes or
516 continue to implement proposed changes. Such reliance must be
517 evidenced by formal correspondence between the municipality or
518 district and the department which describes the specific changes
519 to the local law plan, with the initial correspondence from the
520 municipality or district dated prior to February 1, 2013. The
521 changes to the local law plan that are otherwise contrary to the
522 provisions of this chapter may continue in effect until the
523 earlier of October 1, 2016, or the effective date of a
524 collective bargaining agreement that is contrary to the changes
525 to the local law plan.
526 Section 7. Subsection (2) of section 185.01, Florida
527 Statutes, is amended to read:
528 185.01 Legislative declaration.—
529 (2) This chapter hereby establishes, for all municipal
530 pension plans ~~now or hereinafter~~ provided for under this
531 chapter, including chapter plans and local law plans, required
532 ~~minimum~~ benefits and minimum standards for the operation and
533 funding of such plans, hereinafter referred to as municipal
534 police officers' retirement trust funds, which must be met as a

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535 condition precedent to the plan or plan sponsor receiving a
536 distribution of insurance premium tax revenues under s. 185.10.
537 The required ~~minimum~~ benefits and minimum standards for each
538 plan as set forth in this chapter may not be diminished by local
539 ordinance or by special act of the Legislature, or ~~nor may the~~
540 ~~minimum benefits or minimum standards be~~ reduced or offset by
541 any other local, state, or federal plan that may include police
542 officers in its operation, except as provided under s. 112.65.
543 Section 8. Section 185.02, Florida Statutes, is amended to
544 read:
545 185.02 Definitions.—For any municipality, chapter plan,
546 local law municipality, or local law plan under this chapter,
547 the term ~~following words and phrases as used in this chapter~~
548 ~~shall have the following meanings, unless a different meaning is~~
549 ~~plainly required by the context~~:
550 (1) "Additional premium tax revenues" means revenues
551 received by a municipality pursuant to s. 185.10 which exceed
552 base premium tax revenues.
553 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
554 the average annual compensation of the 5 best years of the last
555 10 years of creditable service prior to retirement, termination,
556 or death.
557 (3) "Base benefits" means the level of benefits in
558 existence for police officers on March 12, 1999.
559 (4) "Base premium tax revenues" means revenues received by
560 a municipality pursuant to s. 185.10 equal to the amount of such
561 revenues received for calendar year 1997.
562 (5) ~~(2)~~ "Casualty insurance" means automobile public
563 liability and property damage insurance to be applied at the

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564 place of residence of the owner, or if the subject is a
565 commercial vehicle, to be applied at the place of business of
566 the owner; automobile collision insurance; fidelity bonds;
567 burglary and theft insurance; and plate glass insurance.
568 "Multiple peril" means a combination or package policy that
569 includes both property coverage and casualty coverage for a
570 single premium.
571 (6) ~~(3)~~ "Chapter plan" means a separate defined benefit
572 pension plan for police officers which incorporates by reference
573 the provisions of this chapter and has been adopted by the
574 governing body of a municipality as provided in s. 185.08.
575 Except as may be specifically authorized in this chapter, the
576 provisions of a chapter plan may not differ from the plan
577 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
578 Actuarial valuations of chapter plans shall be conducted by the
579 division as provided by s. 185.221(1)(b).
580 (7) ~~(4)~~ "Compensation" or "salary" means, for
581 noncollectively bargained service earned before July 1, 2011, or
582 for service earned under collective bargaining agreements in
583 place before July 1, 2011, the total cash remuneration including
584 "overtime" paid by the primary employer to a police officer for
585 services rendered, but not including any payments for extra duty
586 or special detail work performed on behalf of a second party
587 employer. ~~A local law plan may limit the amount of overtime~~
588 ~~payments which can be used for retirement benefit calculation~~
589 ~~purposes; however, such overtime limit may not be less than 300~~
590 ~~hours per officer per calendar year.~~ For noncollectively
591 bargained service earned on or after July 1, 2011, or for
592 service earned under collective bargaining agreements entered

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593 into on or after July 1, 2011, the term has the same meaning
594 except that when calculating retirement benefits, up to 300
595 hours per year in overtime compensation may be included as
596 specified in the plan or collective bargaining agreement, but
597 payments for accrued unused sick or annual leave may not be
598 included.
599 (a) Any retirement trust fund or plan that meets the
600 requirements of this chapter does not, solely by virtue of this
601 subsection, reduce or diminish the monthly retirement income
602 otherwise payable to each police officer covered by the
603 retirement trust fund or plan.
604 (b) The member's compensation or salary contributed as
605 employee-elective salary reductions or deferrals to any salary
606 reduction, deferred compensation, or tax-sheltered annuity
607 program authorized under the Internal Revenue Code shall be
608 deemed to be the compensation or salary the member would receive
609 if he or she were not participating in such program and shall be
610 treated as compensation for retirement purposes under this
611 chapter.
612 (c) For any person who first becomes a member in any plan
613 year beginning on or after January 1, 1996, compensation for
614 that plan year may not include any amounts in excess of the
615 Internal Revenue Code s. 401(a)(17) limitation, as amended by
616 the Omnibus Budget Reconciliation Act of 1993, which limitation
617 of $150,000 shall be adjusted as required by federal law for
618 qualified government plans and ~~shall be~~ further adjusted for
619 changes in the cost of living in the manner provided by Internal
620 Revenue Code s. 401(a)(17)(B). For any person who first became a
621 member before the first plan year beginning on or after January

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622 1, 1996, the limitation on compensation may not be less than the
623 maximum compensation amount that was allowed to be taken into
624 account under the plan ~~as~~ in effect on July 1, 1993, which
625 limitation shall be adjusted for changes in the cost of living
626 since 1989 in the manner provided by Internal Revenue Code s.
627 401(a)(17)(1991).
628 (8) ~~(5)~~ "Creditable service" or "credited service" means the
629 aggregate number of years of service and fractional parts of
630 years of service of any police officer, omitting intervening
631 years and fractional parts of years when such police officer may
632 not have been employed by the municipality subject to the
633 following conditions:
634 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
635 years or fractional parts of years of service if he or she has
636 withdrawn his or her contributions to the fund for those years
637 or fractional parts of years of service, unless the police
638 officer repays into the fund the amount he or she has withdrawn,
639 plus interest as determined by the board. The member has ~~shall~~
640 ~~have~~ at least 90 days after his or her reemployment to make
641 repayment.
642 (b) A police officer may voluntarily leave his or her
643 contributions in the fund for ~~a period of~~ 5 years after leaving
644 the employ of the police department, pending the possibility of
645 his or her being rehired by the same department, without losing
646 credit for the time he or she has participated actively as a
647 police officer. If he or she is not reemployed as a police
648 officer with the same department within 5 years, his or her
649 contributions shall be returned to him or her without interest.
650 (c) Credited service under this chapter shall be provided

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651 only for service as a police officer~~, as defined in subsection~~
652 ~~(11),~~ or for military service and may not include credit for any
653 other type of service. A municipality ~~may~~, by local ordinance,
654 may provide for the purchase of credit for military service
655 occurring before employment as well as prior service as a police
656 officer for some other employer as long as the police officer is
657 not entitled to receive a benefit for such ~~other~~ prior service
658 ~~as a police officer~~. For purposes of determining credit for
659 prior service, in addition to service as a police officer in
660 this state, credit may be given for federal, other state, or
661 county service as long as such service is recognized by the
662 Criminal Justice Standards and Training Commission within the
663 Department of Law Enforcement as provided under chapter 943 or
664 the police officer provides proof to the board of trustees that
665 such service is equivalent to the service required to meet the
666 definition of a police officer under subsection (16) ~~(11)~~.
667 (d) In determining the creditable service of a ~~any~~ police
668 officer, credit for up to 5 years of the time spent in the
669 military service of the Armed Forces of the United States shall
670 be added to the years of actual service, if:
671 1. The police officer is in the active employ of the
672 municipality before ~~prior to~~ such service and leaves a position,
673 other than a temporary position, for the purpose of voluntary or
674 involuntary service in the Armed Forces of the United States.
675 2. The police officer is entitled to reemployment under ~~the~~
676 ~~provisions of~~ the Uniformed Services Employment and Reemployment
677 Rights Act.
678 3. The police officer returns to his or her employment as a
679 police officer of the municipality within 1 year after ~~from~~ the

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680 date of his or her release from such active service.
681 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
682 local law plan retirement option in which a police officer may
683 elect to participate. A police officer may retire for all
684 purposes of the plan and defer receipt of retirement benefits
685 into a DROP account while continuing employment with his or her
686 employer. However, a police officer who enters the DROP and who
687 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
688 precluded from participating, or continuing to participate, in a
689 supplemental plan in existence on, or created after, March 12,
690 1999 ~~the effective date of this act~~.
691 (10) "Defined contribution plan" means the component of a
692 local law plan to which deposits are made to provide benefits
693 for police officers, or for police officers and firefighters if
694 both are included. Such component is an element of a local law
695 plan and exists in conjunction with the defined benefit
696 component that meets the required benefits and minimum standards
697 of this chapter. The retirement benefits of the defined
698 contribution plan shall be provided through individual member
699 accounts, in accordance with the applicable provisions of the
700 Internal Revenue Code and related regulations, and are limited
701 to the contributions made into each member's account and the
702 actual accumulated earnings, net of expenses, earned on the
703 member's account.
704 (11) ~~(7)~~ "Division" means the Division of Retirement of the
705 Department of Management Services.
706 (12) ~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
707 under Subtitle C of Title III of the Employee Retirement Income
708 Security Act of 1974 and who is a member of the Society of

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709 Actuaries or the American Academy of Actuaries.
710 (13) ~~(9)~~ "Local law municipality" is any municipality in
711 which ~~there exists~~ a local law plan exists.
712 (14) ~~(10)~~ "Local law plan" means a retirement ~~defined~~
713 ~~benefit pension~~ plan, which includes both a defined benefit plan
714 component and a defined contribution plan component, for police
715 officers, or for police officers and firefighters if both are~~,~~
716 ~~where~~ included, as described in s. 185.35, established by
717 municipal ordinance or special act of the Legislature, which
718 ~~enactment~~ sets forth all plan provisions. Local law plan
719 provisions may vary from the provisions of this chapter if the~~,~~
720 ~~provided that~~ required ~~minimum~~ benefits and minimum standards of
721 this chapter are met. However, any such variance must ~~shall~~
722 provide a greater benefit for police officers. Actuarial
723 valuations of local law plans shall be conducted by an enrolled
724 actuary as provided in s. 185.221(2)(b).
725 (15) "Long-term funded ratio" or "funded ratio" means the
726 ratio of the actuarial value of assets of the plan to the
727 actuarial accrued liabilities of the plan, as reported in the
728 most recent actuarial valuation of the plan, deemed to be in
729 compliance with chapter 112 by the Department of Management
730 Services.
731 (16) "Minimum benefits" means the benefits set forth in ss.
732 185.01-185.341 and ss. 185.37-185.50.
733 (17) "Minimum standards" means the standards set forth in
734 ss. 185.01-185.341 and ss. 185.37-185.50.
735 (18) ~~(11)~~ "Police officer" means any person who is elected,
736 appointed, or employed full time by a ~~any~~ municipality, who is
737 certified or required to be certified as a law enforcement

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738 officer in compliance with s. 943.1395, who is vested with
739 authority to bear arms and make arrests, and whose primary
740 responsibility is the prevention and detection of crime or the
741 enforcement of the penal, criminal, traffic, or highway laws of
742 the state. The term ~~This definition~~ includes all certified
743 supervisory and command personnel whose duties include, in whole
744 or in part, the supervision, training, guidance, and management
745 responsibilities of full-time law enforcement officers, part-
746 time law enforcement officers, or auxiliary law enforcement
747 officers, but does not include part-time law enforcement
748 officers or auxiliary law enforcement officers as those terms
749 ~~the same~~ are defined in s. 943.10~~(6) and (8), respectively~~. For
750 the purposes of this chapter only, the term also includes
751 ~~"police officer" also shall include~~ a public safety officer who
752 is responsible for performing both police and fire services. Any
753 plan may provide that the police chief shall have an option to
754 participate~~, or not,~~ in that plan.
755 (19)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
756 trust fund, by whatever name known, as provided under s. 185.03
757 for the purpose of assisting municipalities in establishing and
758 maintaining a retirement plan for police officers.
759 (20) "Required benefits" means the lesser of the minimum
760 benefits set forth in this chapter and the base benefits of the
761 plan. For local law plans created after March 1, 2013, the
762 required benefits are the minimum benefits set forth in this
763 chapter.
764 (21)~~(13)~~ "Retiree" or "retired police officer" means a
765 police officer who has entered retirement status. For the
766 purposes of a plan that includes a Deferred Retirement Option

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767 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
768 considered a retiree for all purposes of the plan. However, a
769 police officer who enters ~~the~~ DROP and who is otherwise eligible
770 to participate may ~~shall~~ not ~~thereby~~ be precluded from
771 participating, or continuing to participate, in a supplemental
772 plan in existence on, or created after, March 12, 1999 ~~the~~
773 ~~effective date of this act~~.
774 (22) ~~(14)~~ "Retirement" means a police officer's separation
775 from city employment as a police officer with immediate
776 eligibility for ~~receipt of~~ benefits under the plan. For purposes
777 of a plan that includes a Deferred Retirement Option Plan
778 (DROP), "retirement" means the date a police officer enters ~~the~~
779 DROP.
780 (23) "Special benefits" means benefits provided in a
781 defined contribution plan for police officers.
782 (24) ~~(15)~~ "Supplemental plan" means a plan to which deposits
783 of the premium tax moneys as provided in s. 185.08 are made to
784 provide extra benefits to police officers, or police officers
785 and firefighters if both are ~~where~~ included~~, under this chapter~~.
786 Such a plan is an element of a local law plan and exists in
787 conjunction with a defined benefit component ~~plan~~ that meets the
788 required ~~minimum~~ benefits and minimum standards of this chapter.
789 Any supplemental plan in existence on March 1, 2013, shall be
790 deemed to be defined contribution plan in compliance with s.
791 185.35(8).
792 (25) ~~(16)~~ "Supplemental plan municipality" means a ~~any~~ local
793 law municipality in which ~~there existed~~ a supplemental plan
794 existed as of December 1, 2000.
795 Section 9. Paragraph (b) of subsection (6) of section

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796 185.06, Florida Statutes, is amended to read:
797 185.06 General powers and duties of board of trustees.—For
798 any municipality, chapter plan, local law municipality, or local
799 law plan under this chapter:
800 (6) To assist the board in meeting its responsibilities
801 under this chapter, the board, if it so elects, may:
802 (b) Employ an independent enrolled actuary, as defined in
803 s. 185.02~~(8)~~, at the pension fund's expense.
804
805 If the board chooses to use the municipality's or special
806 district's legal counsel or actuary, or chooses to use any of
807 the municipality's other professional, technical, or other
808 advisers, it must do so only under terms and conditions
809 acceptable to the board.
810 Section 10. Paragraphs (d) through (g) of subsection (1) of
811 section 185.07, Florida Statutes, are amended, and a new
812 paragraph (e) is added to that subsection, to read:
813 185.07 Creation and maintenance of fund.—For any
814 municipality, chapter plan, local law municipality, or local law
815 plan under this chapter:
816 (1) The municipal police officers' retirement trust fund in
817 each municipality described in s. 185.03 shall be created and
818 maintained in the following manner:
819 (d) By payment by the municipality or other sources of a
820 sum equal to the normal cost and the amount required to fund any
821 actuarial deficiency shown by an actuarial valuation as provided
822 in part VII of chapter 112 after taking into account the amounts
823 described in paragraphs (b), (c), (f), (g), and (h) and the
824 amounts of the tax proceeds described in paragraph (a) which

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825 must be used to fund defined benefit plan benefits, except as
826 otherwise excluded from consideration in determining the
827 mandatory payment.
828 (e) For local law plans, and in addition to the mandatory
829 payment described in paragraph (d), by mandatory payment by the
830 municipality of the amount specified in s. 185.35(3), if the
831 long-term funded ratio of the plan is less than 80 percent.
832 (f) ~~(e)~~ By all gifts, bequests and devises when donated to
833 the fund.
834 (g) ~~(f)~~ By all accretions to the fund by way of interest or
835 dividends on bank deposits or otherwise.
836 (h) ~~(g)~~ By all other sources of income now or hereafter
837 authorized by law for the augmentation of such municipal police
838 officers' retirement trust fund.
839
840 Nothing in this section shall be construed to require adjustment
841 of member contribution rates in effect on the date this act
842 becomes a law, including rates that exceed 5 percent of salary,
843 provided that such rates are at least one-half of 1 percent of
844 salary.
845 Section 11. Subsection (2) of section 185.16, Florida
846 Statutes, is amended to read:
847 185.16 Requirements for retirement.—For any municipality,
848 chapter plan, local law municipality, or local law plan under
849 this chapter, any police officer who completes 10 or more years
850 of creditable service as a police officer and attains age 55, or
851 completes 25 years of creditable service as a police officer and
852 attains age 52, and for such period has been a member of the
853 retirement fund is eligible for normal retirement benefits.

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854 Normal retirement under the plan is retirement from the service
855 of the city on or after the normal retirement date. In such
856 event, for chapter plans and local law plans, payment of
857 retirement income will be governed by the following provisions
858 of this section:
859 (2) The amount of the monthly retirement income payable to
860 a police officer who retires on or after his or her normal
861 retirement date shall be an amount equal to the number of the
862 police officer's years of credited service multiplied by 2
863 percent of his or her average final compensation. ~~However, if~~
864 ~~current state contributions pursuant to this chapter are not~~
865 ~~adequate to fund the additional benefits to meet the minimum~~
866 ~~requirements in this chapter, only increment increases shall be~~
867 ~~required as state moneys are adequate to provide. Such~~
868 ~~increments shall be provided as state moneys become available.~~
869 Section 12. Section 185.35, Florida Statutes, is amended to
870 read:
871 185.35 Municipalities that have ~~having~~ their own retirement
872 ~~pension~~ plans for police officers. ~~For any municipality, chapter~~
873 ~~plan, local law municipality, or local law plan under this~~
874 ~~chapter,~~ In order for a municipality that has ~~municipalities~~
875 ~~with~~ its ~~their~~ own retirement plan ~~pension plans~~ for police
876 officers, or for police officers and firefighters if both are
877 included, to participate in the distribution of the tax fund
878 established under ~~pursuant to~~ s. 185.08, a local law plan and
879 its plan sponsor ~~plans~~ must meet the required ~~minimum~~ benefits
880 and minimum standards set forth in this chapter:
881 (1) If a municipality has a retirement ~~pension~~ plan for
882 police officers, or for police officers and firefighters if both

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883 are included, which, in the opinion of the division, meets the
884 required ~~minimum~~ benefits and minimum standards set forth in
885 this chapter, the board of trustees of the pension plan must~~, as~~
886 ~~approved by a majority of police officers of the municipality,~~
887 ~~may:~~
888 ~~(a)~~ place the income from the premium tax in s. 185.08 in
889 such ~~pension~~ plan for the sole and exclusive use of its police
890 officers, or its police officers and firefighters if included,
891 where it shall become an integral part of that ~~pension~~ plan and
892 ~~shall~~ be used to fund benefits for police officers as follows:
893 (a) The base premium tax revenues must be used to fund base
894 benefits.
895 (b) Of the premium tax revenues received which are in
896 excess of the amount received for the 2012 calendar year, and
897 any accumulations of additional premium tax revenues which have
898 not been applied to fund extra benefits:
899 1. If the plan has a long-term funded ratio of less than 80
900 percent:
901 a. Fifty percent must be used as additional contributions
902 to pay the plan's actuarial deficiency and may not be considered
903 in the determination of the mandatory payment described in s.
904 185.07(1)(d);
905 b. Twenty-five percent must be used to fund base benefits;
906 and
907 c. The remainder must be placed in a defined contribution
908 plan to fund special benefits.
909 2. If the plan has a long-term funded ratio of 80 percent
910 or greater:
911 a. Fifty percent must be used to fund base benefits; and

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912 b. The remainder must be placed in a defined contribution
913 plan to fund special benefits.
914 (c) Additional premium tax revenues not described in
915 paragraph (b) must be used to fund benefits that were not
916 included in the base benefits ~~pay extra benefits to the police~~
917 ~~officers included in that pension plan; or~~
918 ~~(b) May place the income from the premium tax in s. 185.08~~
919 ~~in a separate supplemental plan to pay extra benefits to the~~
920 ~~police officers, or police officers and firefighters if~~
921 ~~included, participating in such separate supplemental plan~~.
922 (2) Insurance premium tax revenues may not be used to fund
923 benefits provided in a defined benefit plan which were not
924 provided by the plan as of March 1, 2013; however, for a local
925 law plan created after March 1, 2013, up to 50 percent of the
926 insurance premium tax revenues may be used to fund defined
927 benefit plan component benefits and the remainder must be used
928 to fund defined contribution plan component benefits.
929 (3) If a plan offers benefits in excess of its required
930 benefits, such benefits may be reduced if the plan continues to
931 meet the required benefits of the plan and the minimum standards
932 set forth in this chapter. The amount of insurance premium tax
933 revenues previously used to fund benefits in excess of the
934 plan’s required benefits before the reduction must be used as
935 provided in subsection (1)(b). Twenty-five percent of the amount
936 of any mandatory contribution paid by the municipality or
937 special fire control district which was previously used to fund
938 benefits above the level of required benefits provided before
939 the reduction must be used as additional contributions as
940 specified in s. 185.07 to fund the plan’s actuarial deficiency.

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941 (4) ~~(2)~~ The premium tax provided by this chapter shall ~~in~~
942 ~~all cases~~ be used in its entirety to provide retirement ~~extra~~
943 benefits to police officers, or to police officers and
944 firefighters if both are included. ~~However, local law plans in~~
945 ~~effect on October 1, 1998, must comply with the minimum benefit~~
946 ~~provisions of this chapter only to the extent that additional~~
947 ~~premium tax revenues become available to incrementally fund the~~
948 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
949 ~~is in compliance with such minimum benefit provisions, as~~
950 ~~subsequent additional tax revenues become available, they shall~~
951 ~~be used to provide extra benefits.~~ Local law plans created by
952 special act before May 27, 1939, shall be deemed to comply with
953 this chapter. ~~For the purpose of this chapter, the term:~~
954 ~~(a) "Additional premium tax revenues" means revenues~~
955 ~~received by a municipality pursuant to s. 185.10 which exceed~~
956 ~~the amount received for calendar year 1997.~~
957 ~~(b) "Extra benefits" means benefits in addition to or~~
958 ~~greater than those provided to general employees of the~~
959 ~~municipality and in addition to those in existence for police~~
960 ~~officers on March 12, 1999.~~
961 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
962 may not be proposed for adoption unless the proposed plan or
963 amendment contains an actuarial estimate of the costs involved.
964 Such proposed plan or proposed plan change may not be adopted
965 without the approval of the municipality or, where permitted,
966 the Legislature. Copies of the proposed plan or proposed plan
967 change and the actuarial impact statement of the proposed plan
968 or proposed plan change shall be furnished to the division
969 before the last public hearing thereon. Such statement must also

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970 indicate whether the proposed plan or proposed plan change is in
971 compliance with s. 14, Art. X of the State Constitution and
972 those provisions of part VII of chapter 112 which are not
973 expressly provided in this chapter. Notwithstanding any other
974 provision, only those local law plans created by special act of
975 legislation before May 27, 1939, are deemed to meet the minimum
976 benefits and minimum standards only in this chapter.
977 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
978 any supplemental plan municipality:
979 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
980 local law plan and a supplemental plan may continue to use their
981 definition of compensation or salary in existence on March 12,
982 1999.
983 (b) A local law plan and a supplemental plan must continue
984 to be administered by a board or boards of trustees numbered,
985 constituted, and selected as the board or boards were numbered,
986 constituted, and selected on December 1, 2000.
987 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
988 ~~have been made.~~
989 (7) ~~(5)~~ The retirement plan setting forth the benefits and
990 the trust agreement, if any, covering the duties and
991 responsibilities of the trustees and the regulations of the
992 investment of funds must be in writing and copies made available
993 to the participants and to the general public.
994 (8) In addition to the defined benefit component of the
995 local law plan, each plan sponsor must have a defined
996 contribution plan component within the local law plan by October
997 1, 2013, or upon the creation date of a new participating plan.
998 However, the plan sponsor of any plan established by special act

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999 of the Legislature has until July 1, 2014, to create a defined
1000 contribution component within the plan.
1001 (9) Notwithstanding any other provision of this chapter, a
1002 municipality that has implemented or proposed changes to a local
1003 law plan based on the municipality's reliance on an
1004 interpretation of this chapter by the department on or after
1005 August 14, 2012 and before February 1, 2013, may continue the
1006 implemented changes or continue to implement proposed changes.
1007 Such reliance must be evidenced by formal correspondence between
1008 the municipality and the department which describes the specific
1009 changes to the local law plan, with the initial correspondence
1010 from the municipality dated prior to February 1, 2013. The
1011 changes to the local law plan which are otherwise contrary to
1012 the provisions of this chapter may continue in effect until the
1013 earlier of October 1, 2016, or the effective date of a
1014 collective bargaining agreement that is contrary to the changes
1015 to the local law plan.
1016 Section 13. The Legislature finds that a proper and
1017 legitimate state purpose is served when employees and retirees
1018 of the state and its political subdivisions, and the dependents,
1019 survivors, and beneficiaries of such employees and retirees, are
1020 extended the basic protections afforded by governmental
1021 retirement systems that provide fair and adequate benefits and
1022 that are managed, administered, and funded in an actuarially
1023 sound manner as required by s. 14, Article X of the State
1024 Constitution and part VII of chapter 112, Florida Statutes.
1025 Therefore, the Legislature determines and declares that this act
1026 fulfills an important state interest.
1027 Section 14. This act shall take effect July 1, 2013.

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1028
1029 ========== T I T L E A M E N D M E N T ==========
1030 And the title is amended as follows:
1031 Delete everything before the enacting clause
1032 and insert:
1033 A bill to be entitled
1034 An act relating to firefighter and police officer
1035 pension plans; amending s. 175.021, F.S.; revising the
1036 legislative declaration to require all plans to meet
1037 the requirements of ch. 175, F.S., in order to receive
1038 insurance premium tax revenues; amending s. 175.032,
1039 F.S.; revising definitions to conform to changes made
1040 by the act and adding new definitions; amending s.
1041 175.071, F.S.; conforming a cross-reference; amending
1042 s. 175.091, F.S.; revising existing payment provisions
1043 and providing for an additional mandatory payment by
1044 the municipality or special fire control district to
1045 the firefighters' pension trust fund; amending s.
1046 175.162, F.S.; deleting a limitation on state
1047 contributions funding additional benefits; amending s.
1048 175.351, F.S., relating to municipalities and special
1049 fire control districts that have their own pension
1050 plans and want to participate in the distribution of a
1051 tax fund; revising criteria governing the use of
1052 income from the premium tax; requiring plan sponsors
1053 to have a defined contribution plan in place by a
1054 certain date; authorizing a municipality to implement
1055 certain changes to a local law plan which are contrary
1056 to ch. 175, F.S., under certain time-limited

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1057 circumstances; amending s. 185.01, F.S.; revising the
1058 legislative declaration to require all plans to meet
1059 the requirements of ch. 185, F.S., in order to receive
1060 insurance premium tax revenues; amending s. 185.02,
1061 F.S.; revising definitions to conform to changes made
1062 by the act and adding new definitions; deleting a
1063 provision allowing a local law plan to limit the
1064 amount of overtime payments which can be used for
1065 retirement benefit calculations; amending s. 185.06,
1066 F.S.; conforming a cross-reference; amending s.
1067 185.07, F.S.; revising existing payment provisions and
1068 providing for an additional mandatory payment by the
1069 municipality to the police officers' retirement trust
1070 fund; amending s. 185.16, F.S.; deleting a limitation
1071 on state contributions funding additional benefits;
1072 amending s. 185.35, F.S., relating to municipalities
1073 that have their own pension plans for police officers
1074 and want to participate in the distribution of a tax
1075 fund; revising criteria governing the use of income
1076 from the premium tax; requiring plan sponsors to have
1077 a defined contribution plan in place by a certain
1078 date; authorizing a municipality to implement certain
1079 changes to a local law plan which are contrary to ch.
1080 185, F.S., under certain time-limited circumstances;
1081 providing a declaration of important state interest;
1082 providing an effective date.

By the Committee on Governmental Oversight and Accountability; and Senator Ring

585-01746-13 2013458c1

A bill to be entitled

An act relating to firefighter and police officer pension plans; amending s. 175.021, F.S.; revising the legislative declaration to require all plans to meet the requirements of ch. 175, F.S., in order to receive insurance premium tax revenues; amending s. 175.032, F.S.; revising definitions to conform to changes made by the act and adding new definitions; amending s. 175.071, F.S.; conforming a cross-reference; amending s. 175.091, F.S.; revising existing payment provisions and providing an additional mandatory payment by the municipality or special fire control district to the firefighters' pension trust fund; amending s. 175.351, F.S., relating to municipalities and special fire control districts that have their own pension plans and want to participate in the distribution of a tax fund; revising how income from the premium tax must be used; requiring plan sponsors to have a defined contribution plan in place by a certain date; amending s. 185.01, F.S.; revising the legislative declaration to require all plans to meet the requirements of ch. 185, F.S., in order to receive insurance premium tax revenues; amending s. 185.02, F.S.; revising definitions to conform to changes made by the act and adding new definitions; deleting a provision allowing a local law plan to limit the amount of overtime payments which can be used for retirement benefit calculations; amending s. 185.06, F.S.; conforming a cross-reference; amending s. 185.07, F.S.; revising

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585-01746-13 2013458c1

existing payment provisions and providing for an additional mandatory payment by the municipality to the police officers' retirement trust fund; amending s. 185.35, F.S., relating to municipalities that have their own pension plans for police officers and want to participate in the distribution of a tax fund; revising how income from the premium tax must be used; requiring plan sponsors to have a defined contribution plan in place by a certain date; providing a declaration of important state interest; providing an effective date.

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

Section 1. Subsection (2) of section 175.021, Florida Statutes, is amended to read:

175.021 Legislative declaration.—

(2) This chapter hereby establishes, for all municipal and special district pension plans existing ~~now or hereafter~~ under this chapter, including chapter plans and local law plans, base ~~minimum~~ benefits and minimum standards for the operation and funding of such plans, hereinafter referred to as firefighters' pension trust funds, which must be met as a condition precedent to the plan or plan sponsor receiving a distribution of insurance premium tax revenues under s. 175.121. The base ~~minimum~~ benefits and minimum standards for each plan as set forth in this chapter may not be diminished by local charter, ordinance, or resolution or by special act of the Legislature, or ~~nor may the minimum benefits or minimum standards~~ be reduced

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or offset by any other local, state, or federal law that may include firefighters in its operation, except as provided under s. 112.65.

Section 2. Section 175.032, Florida Statutes, is amended to read:

175.032 Definitions.—For any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under this chapter, the term ~~following words and phrases have the following meanings~~:

(1) "Additional premium tax revenues" means revenues received by a municipality or special fire control district pursuant to s. 175.121 which exceed base premium tax revenues.

(2) ~~(1)(a)~~ "Average final compensation" for:

(a) A full-time firefighter means one-twelfth of the average annual compensation of the 5 best years of the last 10 years of creditable service before ~~prior to~~ retirement, termination, or death, or the career average as a full-time firefighter since July 1, 1953, whichever is greater. A year is ~~shall be~~ 12 consecutive months or such other consecutive period of time as is used and consistently applied.

(b) ~~"Average final compensation" for~~ A volunteer firefighter means the average salary of the 5 best years of the last 10 best contributing years before a ~~prior to~~ change in status to a permanent full-time firefighter or retirement as a volunteer firefighter or the career average of a volunteer firefighter, since July 1, 1953, whichever is greater.

(3) "Base benefits" means the level of benefits in existence for firefighters on March 12, 1999.

(4) "Base premium tax revenues" means revenues received by a municipality or special fire control district pursuant to s. 175.121 equal to the amount of such revenues received for calendar year 1997.

(5) ~~(2)~~ "Chapter plan" means a separate defined benefit pension plan for firefighters which incorporates by reference the provisions of this chapter and has been adopted by the governing body of a municipality or special district. Except as may be specifically authorized in this chapter, the provisions of a chapter plan may not differ from the plan provisions set forth in ss. 175.021-175.341 and 175.361-175.401. Actuarial valuations of chapter plans shall be conducted by the division as provided by s. 175.261(1).

(6) ~~(3)~~ "Compensation" or "salary" means, for noncollectively bargained service earned before July 1, 2011, or for service earned under collective bargaining agreements in place before July 1, 2011, the fixed monthly remuneration paid a firefighter. If remuneration is based on actual services rendered, as in the case of a volunteer firefighter, the term means the total cash remuneration received yearly for such services, prorated on a monthly basis. For noncollectively bargained service earned on or after July 1, 2011, or for service earned under collective bargaining agreements entered into on or after July 1, 2011, the term has the same meaning except that when calculating retirement benefits, up to 300 hours per year in overtime compensation may be included as specified in the plan or collective bargaining agreement, but payments for accrued unused sick or annual leave may not be included.

(a) Any retirement trust fund or plan that meets the requirements of this chapter does not, solely by virtue of this subsection, reduce or diminish the monthly retirement income otherwise payable to each firefighter covered by the retirement trust fund or plan.

(b) The member's compensation or salary contributed as employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the Internal Revenue Code shall be deemed to be the compensation or salary the member would receive if he or she were not participating in such program and ~~shall be~~ treated as compensation for retirement purposes under this chapter.

(c) For any person who first becomes a member in any plan year beginning on or after January 1, 1996, compensation for that plan year may not include any amounts in excess of the Internal Revenue Code s. 401(a)(17) limitation, as amended by the Omnibus Budget Reconciliation Act of 1993, which limitation of $150,000 shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by Internal Revenue Code s. 401(a)(17)(B). For any person who first became a member before the first plan year beginning on or after January 1, 1996, the limitation on compensation may not be less than the maximum compensation amount that was allowed to be taken into account under the plan in effect on July 1, 1993, which limitation shall be adjusted for changes in the cost of living since 1989 in the manner provided by Internal Revenue Code s. 401(a)(17)(1991).

(7) ~~(4)~~ "Creditable service" or "credited service" means the aggregate number of years of service, and fractional parts of years of service, of any firefighter, omitting intervening years and fractional parts of years when such firefighter may not have been employed by the municipality or special fire control district, subject to the following conditions:

(a) A ~~No~~ firefighter may not ~~will~~ receive credit for years or fractional parts of years of service if he or she has withdrawn his or her contributions to the fund for those years or fractional parts of years of service, unless the firefighter repays into the fund the amount he or she has withdrawn, plus interest determined by the board. The member shall have at least 90 days after his or her reemployment to make repayment.

(b) A firefighter may voluntarily leave his or her contributions in the fund for ~~a period of~~ 5 years after leaving the employ of the fire department, pending the possibility of being rehired by the same department, without losing credit for the time he or she has participated actively as a firefighter. If the firefighter is not reemployed as a firefighter, with the same department, within 5 years, his or her contributions shall be returned without interest.

(c) Credited service under this chapter shall be provided only for service as a firefighter~~, as defined in subsection (8),~~ or for military service and does not include credit for any other type of service. A municipality ~~may~~, by local ordinance, or a special fire control district ~~may~~, by resolution, may provide for the purchase of credit for military service prior to employment as well as for prior service as a firefighter for some other employer as long as a firefighter is not entitled to

175 receive a benefit for such prior service ~~as a firefighter~~. For
176 purposes of determining credit for prior service as a
177 firefighter, in addition to service as a firefighter in this
178 state, credit may be given for federal, other state, or county
179 service if the prior service is recognized by the Division of
180 State Fire Marshal as provided under chapter 633, or the
181 firefighter provides proof to the board of trustees that his or
182 her service is equivalent to the service required to meet the
183 definition of a firefighter under subsection (12) ~~(8)~~.
184 (8) ~~(5)~~ "Deferred Retirement Option Plan" or "DROP" means a
185 local law plan retirement option in which a firefighter may
186 elect to participate. A firefighter may retire for all purposes
187 of the plan and defer receipt of retirement benefits into a DROP
188 account while continuing employment with his or her employer.
189 However, a firefighter who enters ~~the~~ DROP and who is otherwise
190 eligible to participate may ~~shall~~ not ~~thereby~~ be precluded from
191 participating, or continuing to participate, in a supplemental
192 plan in existence on, or created after, March 12, 1999 ~~the~~
193 ~~effective date of this act~~.
194 (9) "Defined contribution plan" means the component of a
195 local law plan to which deposits are made to provide benefits
196 for firefighters, or for firefighters and police officers if
197 both are included, under this chapter. Such component is an
198 element of a local law plan and exists in conjunction with the
199 defined benefit component that meets the base benefits and
200 minimum standards of this chapter. The retirement benefits of
201 the defined contribution plan shall be provided through
202 individual member accounts in accordance with the applicable
203 provisions of the Internal Revenue Code and related regulations

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204 and are limited to the contributions made into each member's
205 account and the actual accumulated earnings, net of expenses,
206 earned on the member's account.
207 (10) ~~(6)~~ "Division" means the Division of Retirement of the
208 Department of Management Services.
209 (11) ~~(7)~~ "Enrolled actuary" means an actuary who is enrolled
210 under Subtitle C of Title III of the Employee Retirement Income
211 Security Act of 1974 and who is a member of the Society of
212 Actuaries or the American Academy of Actuaries.
213 (12) ~~(8)~~ (a) "Firefighter" means any person employed solely
214 by a constituted fire department of any municipality or special
215 fire control district who is certified as a firefighter as a
216 condition of employment in accordance with s. 633.35 and whose
217 duty it is to extinguish fires, to protect life, or to protect
218 property. The term includes all certified, supervisory, and
219 command personnel whose duties include, in whole or in part, the
220 supervision, training, guidance, and management responsibilities
221 of full-time firefighters, part-time firefighters, or auxiliary
222 firefighters but does not include part-time firefighters or
223 auxiliary firefighters. However, for purposes of this chapter
224 only, the term also includes public safety officers who are
225 responsible for performing both police and fire services, who
226 are certified as police officers or firefighters, and who are
227 certified by their employers to the Chief Financial Officer as
228 participating in this chapter before October 1, 1979. Effective
229 October 1, 1979, public safety officers who have not been
230 certified as participating in this chapter are considered police
231 officers for retirement purposes and are eligible to participate
232 in chapter 185. Any plan may provide that the fire chief has an

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233 option to participate, or not, in that plan.
234 (b) "Volunteer firefighter" means any person whose name is
235 carried on the active membership roll of a constituted volunteer
236 fire department or a combination of a paid and volunteer fire
237 department of any municipality or special fire control district
238 and whose duty it is to extinguish fires, to protect life, and
239 to protect property. Compensation for services rendered by a
240 volunteer firefighter shall not disqualify him or her as a
241 volunteer. A person shall not be disqualified as a volunteer
242 firefighter solely because he or she has other gainful
243 employment. Any person who volunteers assistance at a fire but
244 is not an active member of a department described herein is not
245 a volunteer firefighter within the meaning of this paragraph.
246 (13) ~~(9)~~ "Firefighters' Pension Trust Fund" means a trust
247 fund, by whatever name known, as provided under s. 175.041, for
248 the purpose of assisting municipalities and special fire control
249 districts in establishing and maintaining a retirement plan for
250 firefighters.
251 (14) ~~(10)~~ "Local law municipality" is any municipality in
252 which ~~there exists~~ a local law plan exists.
253 (15) ~~(11)~~ "Local law plan" means a retirement ~~defined~~
254 ~~benefit pension~~ plan, which includes both a defined benefit plan
255 component and a defined contribution plan component, for
256 firefighters, or for firefighters or police officers if both are
257 ~~where~~ included, as described in s. 175.351, established by
258 municipal ordinance, special district resolution, or special act
259 of the Legislature, which ~~enactment~~ sets forth all plan
260 provisions. Local law plan provisions may vary from the
261 provisions of this chapter if the base~~, provided that required~~

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262 ~~minimum~~ benefits and minimum standards of this chapter are met.
263 However, any such variance must ~~shall~~ provide a greater benefit
264 for firefighters. Actuarial valuations of local law plans shall
265 be conducted by an enrolled actuary as provided in s.
266 175.261(2).
267 (16) ~~(12)~~ "Local law special fire control district" is any
268 special fire control district in which ~~there exists~~ a local law
269 plan exists.
270 (17) "Long-term funded ratio" or "funded ratio" means the
271 ratio of the actuarial value of assets of the plan to the
272 actuarial accrued liabilities of the plan, as reported in the
273 most recent actuarial valuation of the plan, deemed to be in
274 compliance with chapter 112 by the Department of Management
275 Services.
276 (18) ~~(13)~~ "Property insurance" means property insurance as
277 defined in s. 624.604 and covers real and personal property
278 within the corporate limits of a ~~any~~ municipality, or within the
279 boundaries of a ~~any~~ special fire control district, within the
280 state. "Multiple peril" means a combination or package policy
281 that includes both property and casualty coverage for a single
282 premium.
283 (19) ~~(14)~~ "Retiree" or "retired firefighter" means a
284 firefighter who has entered retirement status. For the purposes
285 of a plan that includes a Deferred Retirement Option Plan
286 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
287 a retiree for all purposes of the plan. However, a firefighter
288 who enters ~~the~~ DROP and who is otherwise eligible to participate
289 may ~~shall~~ not ~~thereby~~ be precluded from participating, or
290 continuing to participate, in a supplemental plan in existence

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291 on, or created after, March 12, 1999 ~~the effective date of this~~
292 ~~act~~.
293 (20)~~(15)~~ "Retirement" means a firefighter's separation from
294 city or fire district employment as a firefighter with immediate
295 eligibility for ~~receipt of~~ benefits under the plan. For purposes
296 of a plan that includes a Deferred Retirement Option Plan
297 (DROP), "retirement" means the date a firefighter enters ~~the~~
298 DROP.
299 (21) "Special benefits" means benefits provided in a
300 defined contribution plan for firefighters.
301 (22)~~(16)~~ "Special fire control district" means a special
302 district, as defined in s. 189.403~~(1)~~, established for the
303 purposes of extinguishing fires, protecting life, and protecting
304 property within the incorporated or unincorporated portions of a
305 ~~any~~ county or combination of counties, or within any combination
306 of incorporated and unincorporated portions of a ~~any~~ county or
307 combination of counties. The term does not include any dependent
308 or independent special district, as those terms are defined in
309 s. 189.403~~(2) and (3), respectively~~, the employees of which are
310 members of the Florida Retirement System pursuant to s.
311 121.051(1) or (2).
312 (23)~~(17)~~ "Supplemental plan" means a plan to which deposits
313 are made to provide extra benefits for firefighters, or for
314 firefighters and police officers if both are ~~where~~ included,
315 under this chapter. Such a plan is an element of a local law
316 plan and exists in conjunction with a defined benefit component
317 ~~plan~~ that meets the base ~~minimum~~ benefits and minimum standards
318 of this chapter.
319 (24)~~(18)~~ "Supplemental plan municipality" means a ~~any~~ local

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320 law municipality in which ~~there existed~~ a supplemental plan
321 existed, of any type or nature, as of December 1, 2000.
322 Section 3. Paragraph (b) of subsection (7) of section
323 175.071, Florida Statutes, is amended to read:
324 175.071 General powers and duties of board of trustees.—For
325 any municipality, special fire control district, chapter plan,
326 local law municipality, local law special fire control district,
327 or local law plan under this chapter:
328 (7) To assist the board in meeting its responsibilities
329 under this chapter, the board, if it so elects, may:
330 (b) Employ an independent enrolled actuary, as defined in
331 s. 175.032~~(7)~~, at the pension fund's expense.
332
333 If the board chooses to use the municipality's or special
334 district's legal counsel or actuary, or chooses to use any of
335 the municipality's or special district's other professional,
336 technical, or other advisers, it must do so only under terms and
337 conditions acceptable to the board.
338 Section 4. Paragraphs (d) through (g) of subsection (1) of
339 section 175.091, Florida Statutes, are amended, and a new
340 paragraph (e) is added to that subsection, to read:
341 175.091 Creation and maintenance of fund.—For any
342 municipality, special fire control district, chapter plan, local
343 law municipality, local law special fire control district, or
344 local law plan under this chapter:
345 (1) The firefighters' pension trust fund in each
346 municipality and in each special fire control district shall be
347 created and maintained in the following manner:
348 (d) By mandatory payment by the municipality or special

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349 fire control district of a sum equal to the normal cost of and
350 the amount required to fund any actuarial deficiency shown by an
351 actuarial valuation as provided in part VII of chapter 112 after
352 taking into account the amounts described in paragraphs (b),
353 (c), (f), (g), and (h) and the amounts of the tax proceeds
354 described in paragraph (a) that must be used to fund defined
355 benefit plan benefits, except as otherwise excluded from
356 consideration in determining the mandatory payment.
357 (e) For local law plans, and in addition to the mandatory
358 payment described in paragraph (d), by mandatory payment by the
359 municipality or special fire control district of the amount
360 specified in s. 175.351(3) if the long-term funded ratio of the
361 plan is less than 80 percent.
362 (f) ~~(e)~~ By all gifts, bequests, and devises when donated to
363 the fund.
364 (g) ~~(f)~~ By all accretions to the fund by way of interest or
365 dividends on bank deposits, or otherwise.
366 (h) ~~(g)~~ By all other sources or income now or hereafter
367 authorized by law for the augmentation of such firefighters'
368 pension trust fund.
369
370 Nothing in this section shall be construed to require adjustment
371 of member contribution rates in effect on the date this act
372 becomes a law, including rates that exceed 5 percent of salary,
373 provided that such rates are at least one-half of 1 percent of
374 salary.
375 Section 5. Section 175.351, Florida Statutes, is amended to
376 read:
377 175.351 Municipalities and special fire control districts

378 having their own pension plans for firefighters. ~~For any~~
379 ~~municipality, special fire control district, local law~~
380 ~~municipality, local law special fire control district, or local~~
381 ~~law plan under this chapter,~~ In order for a municipality or
382 ~~municipalities and~~ special fire control district that has its
383 ~~districts with their~~ own pension plan ~~plans~~ for firefighters, or
384 for firefighters and police officers if both are included, to
385 participate in the distribution of the tax fund established
386 under ~~pursuant to~~ s. 175.101, a local law plan and its plan
387 sponsor ~~plans~~ must meet the base ~~minimum~~ benefits and minimum
388 standards set forth in this chapter.
389 (1) If a municipality has a pension plan for firefighters,
390 or a pension plan for firefighters and police officers if both
391 are included, which in the opinion of the division meets the
392 base ~~minimum~~ benefits and minimum standards set forth in this
393 chapter, the board of trustees of the pension plan, as approved
394 by a majority of firefighters of the municipality, must ~~may:~~
395 ~~(a)~~ place the income from the premium tax in s. 175.101 in
396 such ~~pension~~ plan for the sole and exclusive use of its
397 firefighters, or for firefighters and police officers if both
398 are included, where it shall become an integral part of that
399 ~~pension~~ plan and ~~shall~~ be used to fund benefits for firefighters
400 as follows:
401 (a) The base premium tax revenues must be used to fund base
402 benefits.
403 (b) Of the premium tax revenues received that are in excess
404 of the amount received for the 2012 calendar year, and any
405 accumulations of additional premium tax revenues that have not
406 been applied to fund extra benefits:

1. If the plan has a long-term funded ratio of less than 80 percent:

a. Fifty percent must be used as additional contributions to pay the plan's actuarial deficiency and may not be considered in the determination of the mandatory payment described in s. 175.091(1)(d);

b. Twenty-five percent must be used to fund base benefits; and

c. Twenty-five percent must be placed in a defined contribution plan to fund special benefits.

2. If the plan has a long-term funded ratio of 80 percent or greater:

a. Fifty percent must be used to fund base benefits; and

b. Fifty percent must be placed in a defined contribution plan to fund special benefits.

(c) Additional premium tax revenues not described in paragraph (b) must be used to fund benefits that were not included in the base benefits ~~to pay extra benefits to the firefighters included in that pension plan; or~~

~~(b) Place the income from the premium tax in s. 175.101 in a separate supplemental plan to pay extra benefits to firefighters, or to firefighters and police officers if included, participating in such separate supplemental plan~~.

(2) Insurance premium tax revenues may not be used to fund benefits provided in a defined benefit plan which were not provided by the plan as of March 1, 2013.

(3) If a plan offers benefits in excess of its base benefits, such benefits may be reduced if the plan continues to meet the base benefits of the plan and the minimum standards set

forth in this chapter. The amount of insurance premium tax revenues previously used to fund benefits in excess of the plan's base benefits before the reduction must be used as provided in subsection (1)(b). Twenty-five percent of the amount of any mandatory contribution paid by the municipality or special fire control district which was previously used to fund extra benefits before the reduction must be used as additional contributions as specified in s. 175.091 to fund the plan's actuarial deficiency.

(4) ~~(2)~~ The premium tax provided by this chapter shall ~~in all cases~~ be used in its entirety to provide retirement ~~extra~~ benefits to firefighters, or to firefighters and police officers if both are included. ~~However, local law plans in effect on October 1, 1998, must comply with the minimum benefit provisions of this chapter only to the extent that additional premium tax revenues become available to incrementally fund the cost of such compliance as provided in s. 175.162(2)(a). If a plan is in compliance with such minimum benefit provisions, as subsequent additional premium tax revenues become available, they must be used to provide extra benefits.~~ Local law plans created by special act before May 27, 1939, are deemed to comply with this chapter. ~~For the purpose of this chapter, the term:~~

~~(a) "Additional premium tax revenues" means revenues received by a municipality or special fire control district pursuant to s. 175.121 which exceed that amount received for calendar year 1997.~~

~~(b) "Extra benefits" means benefits in addition to or greater than those provided to general employees of the municipality and in addition to those in existence for~~

465 ~~firefighters on March 12, 1999.~~
466 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
467 may not be proposed for adoption unless the proposed plan or
468 amendment contains an actuarial estimate of the costs involved.
469 Such proposed plan or proposed plan change may not be adopted
470 without the approval of the municipality, special fire control
471 district, or, where permitted, the Legislature. Copies of the
472 proposed plan or proposed plan change and the actuarial impact
473 statement of the proposed plan or proposed plan change shall be
474 furnished to the division before the last public hearing
475 thereon. Such statement must also indicate whether the proposed
476 plan or proposed plan change is in compliance with s. 14, Art. X
477 of the State Constitution and those provisions of part VII of
478 chapter 112 which are not expressly provided in this chapter.
479 Notwithstanding any other provision, only those local law plans
480 created by special act of legislation before May 27, 1939, are
481 deemed to meet the base ~~minimum~~ benefits and minimum standards
482 only in this chapter.
483 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
484 any supplemental plan municipality:
485 (a) A local law plan and a supplemental plan may continue
486 to use their definition of compensation or salary in existence
487 on March 12, 1999.
488 (b) Section 175.061(1)(b) does not apply, and a local law
489 plan and a supplemental plan shall continue to be administered
490 by a board or boards of trustees numbered, constituted, and
491 selected as the board or boards were numbered, constituted, and
492 selected on December 1, 2000.
493 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~

494 ~~have been made.~~
495 (7) ~~(5)~~ The retirement plan setting forth the benefits and
496 the trust agreement, if any, covering the duties and
497 responsibilities of the trustees and the regulations of the
498 investment of funds must be in writing, and copies made
499 available to the participants and to the general public.
500 (8) In addition to the defined benefit component of the
501 local law plan, each plan sponsor must have a defined
502 contribution plan component within the local law plan by October
503 1, 2013, or upon the creation date of a new participating plan.
504 However, the plan sponsor of any plan established by special act
505 of the Legislature has until July 1, 2014, to create a defined
506 contribution component within the plan.
507 Section 6. Subsection (2) of section 185.01, Florida
508 Statutes, is amended to read:
509 185.01 Legislative declaration.—
510 (2) This chapter hereby establishes, for all municipal
511 pension plans ~~now or hereinafter~~ provided for under this
512 chapter, including chapter plans and local law plans, base
513 ~~minimum~~ benefits and minimum standards for the operation and
514 funding of such plans, which must be met as a condition
515 precedent to the plan or plan sponsor receiving a distribution
516 of insurance premium tax revenues under s. 185.10 ~~hereinafter~~
517 ~~referred to as municipal police officers' retirement trust~~
518 ~~funds~~. The base ~~minimum~~ benefits and minimum standards for each
519 plan as set forth in this chapter may not be diminished by local
520 ordinance or by special act of the Legislature, or ~~nor may the~~
521 ~~minimum benefits or minimum standards be~~ reduced or offset by
522 any other local, state, or federal plan that may include police

523 officers in its operation, except as provided under s. 112.65.
524 Section 7. Section 185.02, Florida Statutes, is amended to
525 read:
526 185.02 Definitions.—For any municipality, chapter plan,
527 local law municipality, or local law plan under this chapter,
528 the term ~~following words and phrases as used in this chapter~~
529 ~~shall have the following meanings, unless a different meaning is~~
530 ~~plainly required by the context~~:
531 (1) "Additional premium tax revenues" means revenues
532 received by a municipality pursuant to s. 185.10 which exceed
533 base premium tax revenues.
534 (2) ~~(1)~~ "Average final compensation" means one-twelfth of
535 the average annual compensation of the 5 best years of the last
536 10 years of creditable service prior to retirement, termination,
537 or death.
538 (3) "Base benefits" means the level of benefits in
539 existence for police officers on March 12, 1999.
540 (4) "Base premium tax revenues" means revenues received by
541 a municipality pursuant to s. 185.10 equal to the amount of such
542 revenues received for calendar year 1997.
543 (5) ~~(2)~~ "Casualty insurance" means automobile public
544 liability and property damage insurance to be applied at the
545 place of residence of the owner, or if the subject is a
546 commercial vehicle, to be applied at the place of business of
547 the owner; automobile collision insurance; fidelity bonds;
548 burglary and theft insurance; and plate glass insurance.
549 "Multiple peril" means a combination or package policy that
550 includes both property coverage and casualty coverage for a
551 single premium.

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552 (6) ~~(3)~~ "Chapter plan" means a separate defined benefit
553 pension plan for police officers which incorporates by reference
554 the provisions of this chapter and has been adopted by the
555 governing body of a municipality as provided in s. 185.08.
556 Except as may be specifically authorized in this chapter, the
557 provisions of a chapter plan may not differ from the plan
558 provisions set forth in ss. 185.01-185.341 and 185.37-185.39.
559 Actuarial valuations of chapter plans shall be conducted by the
560 division as provided by s. 185.221(1)(b).
561 (7) ~~(4)~~ "Compensation" or "salary" means, for
562 noncollectively bargained service earned before July 1, 2011, or
563 for service earned under collective bargaining agreements in
564 place before July 1, 2011, the total cash remuneration including
565 "overtime" paid by the primary employer to a police officer for
566 services rendered, but not including any payments for extra duty
567 or special detail work performed on behalf of a second party
568 employer. ~~A local law plan may limit the amount of overtime~~
569 ~~payments which can be used for retirement benefit calculation~~
570 ~~purposes; however, such overtime limit may not be less than 300~~
571 ~~hours per officer per calendar year.~~ For noncollectively
572 bargained service earned on or after July 1, 2011, or for
573 service earned under collective bargaining agreements entered
574 into on or after July 1, 2011, the term has the same meaning
575 except that when calculating retirement benefits, up to 300
576 hours per year in overtime compensation may be included as
577 specified in the plan or collective bargaining agreement, but
578 payments for accrued unused sick or annual leave may not be
579 included.
580 (a) Any retirement trust fund or plan that meets the

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581 requirements of this chapter does not, solely by virtue of this
582 subsection, reduce or diminish the monthly retirement income
583 otherwise payable to each police officer covered by the
584 retirement trust fund or plan.
585 (b) The member's compensation or salary contributed as
586 employee-elective salary reductions or deferrals to any salary
587 reduction, deferred compensation, or tax-sheltered annuity
588 program authorized under the Internal Revenue Code shall be
589 deemed to be the compensation or salary the member would receive
590 if he or she were not participating in such program and ~~shall be~~
591 treated as compensation for retirement purposes under this
592 chapter.
593 (c) For any person who first becomes a member in any plan
594 year beginning on or after January 1, 1996, compensation for
595 that plan year may not include any amounts in excess of the
596 Internal Revenue Code s. 401(a)(17) limitation, as amended by
597 the Omnibus Budget Reconciliation Act of 1993, which limitation
598 of $150,000 shall be adjusted as required by federal law for
599 qualified government plans and ~~shall be~~ further adjusted for
600 changes in the cost of living in the manner provided by Internal
601 Revenue Code s. 401(a)(17)(B). For any person who first became a
602 member before the first plan year beginning on or after January
603 1, 1996, the limitation on compensation may not be less than the
604 maximum compensation amount that was allowed to be taken into
605 account under the plan ~~as~~ in effect on July 1, 1993, which
606 limitation shall be adjusted for changes in the cost of living
607 since 1989 in the manner provided by Internal Revenue Code s.
608 401(a)(17)(1991).
609 (8) ~~(5)~~ "Creditable service" or "credited service" means the

610 aggregate number of years of service and fractional parts of
611 years of service of any police officer, omitting intervening
612 years and fractional parts of years when such police officer may
613 not have been employed by the municipality subject to the
614 following conditions:
615 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
616 years or fractional parts of years of service if he or she has
617 withdrawn his or her contributions to the fund for those years
618 or fractional parts of years of service, unless the police
619 officer repays into the fund the amount he or she has withdrawn,
620 plus interest as determined by the board. The member shall have
621 at least 90 days after his or her reemployment to make
622 repayment.
623 (b) A police officer may voluntarily leave his or her
624 contributions in the fund for ~~a period of~~ 5 years after leaving
625 the employ of the police department, pending the possibility of
626 his or her being rehired by the same department, without losing
627 credit for the time he or she has participated actively as a
628 police officer. If he or she is not reemployed as a police
629 officer with the same department within 5 years, his or her
630 contributions shall be returned to him or her without interest.
631 (c) Credited service under this chapter shall be provided
632 only for service as a police officer~~, as defined in subsection~~
633 ~~(11),~~ or for military service and may not include credit for any
634 other type of service. A municipality ~~may~~, by local ordinance,
635 may provide for the purchase of credit for military service
636 occurring before employment as well as prior service as a police
637 officer for some other employer as long as the police officer is
638 not entitled to receive a benefit for such ~~other~~ prior service

639 ~~as a police officer~~. For purposes of determining credit for
640 prior service, in addition to service as a police officer in
641 this state, credit may be given for federal, other state, or
642 county service as long as such service is recognized by the
643 Criminal Justice Standards and Training Commission within the
644 Department of Law Enforcement as provided under chapter 943 or
645 the police officer provides proof to the board of trustees that
646 such service is equivalent to the service required to meet the
647 definition of a police officer under subsection (16) ~~(11)~~.
648 (d) In determining the creditable service of a ~~any~~ police
649 officer, credit for up to 5 years of the time spent in the
650 military service of the Armed Forces of the United States shall
651 be added to the years of actual service, if:
652 1. The police officer is in the active employ of the
653 municipality before ~~prior to~~ such service and leaves a position,
654 other than a temporary position, for the purpose of voluntary or
655 involuntary service in the Armed Forces of the United States.
656 2. The police officer is entitled to reemployment under ~~the~~
657 ~~provisions of~~ the Uniformed Services Employment and Reemployment
658 Rights Act.
659 3. The police officer returns to his or her employment as a
660 police officer of the municipality within 1 year after ~~from~~ the
661 date of his or her release from such active service.
662 (9) ~~(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
663 local law plan retirement option in which a police officer may
664 elect to participate. A police officer may retire for all
665 purposes of the plan and defer receipt of retirement benefits
666 into a DROP account while continuing employment with his or her
667 employer. However, a police officer who enters the DROP and who

668 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
669 precluded from participating, or continuing to participate, in a
670 supplemental plan in existence on, or created after, March 12,
671 1999 ~~the effective date of this act~~.
672 (10) "Defined contribution plan" means the component of a
673 local law plan to which deposits are made to provide benefits
674 for police officers, or for police officers and firefighters if
675 both are included. Such component is an element of a local law
676 plan and exists in conjunction with the defined benefit
677 component that meets the base benefits and minimum standards of
678 this chapter. The retirement benefits of the defined
679 contribution plan shall be provided through individual member
680 accounts, in accordance with the applicable provisions of the
681 Internal Revenue Code and related regulations, and are limited
682 to the contributions made into each member's account and the
683 actual accumulated earnings, net of expenses, earned on the
684 member's account.
685 (11) ~~(7)~~ "Division" means the Division of Retirement of the
686 Department of Management Services.
687 (12) ~~(8)~~ "Enrolled actuary" means an actuary who is enrolled
688 under Subtitle C of Title III of the Employee Retirement Income
689 Security Act of 1974 and who is a member of the Society of
690 Actuaries or the American Academy of Actuaries.
691 (13) ~~(9)~~ "Local law municipality" is any municipality in
692 which ~~there exists~~ a local law plan exists.
693 (14) ~~(10)~~ "Local law plan" means a retirement ~~defined~~
694 ~~benefit pension~~ plan, which includes both a defined benefit plan
695 component and a defined contribution plan component, for police
696 officers, or for police officers and firefighters if both are~~,~~

697 ~~where~~ included, as described in s. 185.35, established by
698 municipal ordinance or special act of the Legislature, which
699 ~~enactment~~ sets forth all plan provisions. Local law plan
700 provisions may vary from the provisions of this chapter if the
701 base~~, provided that required minimum~~ benefits and minimum
702 standards of this chapter are met. However, any such variance
703 must ~~shall~~ provide a greater benefit for police officers.
704 Actuarial valuations of local law plans shall be conducted by an
705 enrolled actuary as provided in s. 185.221(2)(b).
706 (15) "Long-term funded ratio" or "funded ratio" means the
707 ratio of the actuarial value of assets of the plan to the
708 actuarial accrued liabilities of the plan, as reported in the
709 most recent actuarial valuation of the plan, deemed to be in
710 compliance with chapter 112 by the Department of Management
711 Services.
712 (16)~~(11)~~ "Police officer" means any person who is elected,
713 appointed, or employed full time by a ~~any~~ municipality, who is
714 certified or required to be certified as a law enforcement
715 officer in compliance with s. 943.1395, who is vested with
716 authority to bear arms and make arrests, and whose primary
717 responsibility is the prevention and detection of crime or the
718 enforcement of the penal, criminal, traffic, or highway laws of
719 the state. The term ~~This definition~~ includes all certified
720 supervisory and command personnel whose duties include, in whole
721 or in part, the supervision, training, guidance, and management
722 responsibilities of full-time law enforcement officers, part-
723 time law enforcement officers, or auxiliary law enforcement
724 officers, but does not include part-time law enforcement
725 officers or auxiliary law enforcement officers as those terms

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726 ~~the same~~ are defined in s. 943.10~~(6) and (8), respectively~~. For
727 the purposes of this chapter only, the term also includes
728 ~~"police officer" also shall include~~ a public safety officer who
729 is responsible for performing both police and fire services. Any
730 plan may provide that the police chief shall have the ~~an~~ option
731 to participate, or not, in that plan.
732 (17)~~(12)~~ "Police Officers' Retirement Trust Fund" means a
733 trust fund, by whatever name known, as provided under s. 185.03
734 for the purpose of assisting municipalities in establishing and
735 maintaining a retirement plan for police officers.
736 (18)~~(13)~~ "Retiree" or "retired police officer" means a
737 police officer who has entered retirement status. For the
738 purposes of a plan that includes a Deferred Retirement Option
739 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
740 considered a retiree for all purposes of the plan. However, a
741 police officer who enters the DROP and who is otherwise eligible
742 to participate may ~~shall~~ not ~~thereby~~ be precluded from
743 participating, or continuing to participate, in a supplemental
744 plan in existence on, or created after, March 12, 1999 ~~the~~
745 ~~effective date of this act~~.
746 (19)~~(14)~~ "Retirement" means a police officer's separation
747 from city employment as a police officer with immediate
748 eligibility for ~~receipt of~~ benefits under the plan. For purposes
749 of a plan that includes a Deferred Retirement Option Plan
750 (DROP), "retirement" means the date a police officer enters the
751 DROP.
752 (20) "Special benefits" means benefits provided in a
753 defined contribution plan for police officers.
754 (21)~~(15)~~ "Supplemental plan" means a plan to which deposits

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755 of the premium tax moneys as provided in s. 185.08 are made to
756 provide extra benefits to police officers, or police officers
757 and firefighters if both are ~~where~~ included, under this chapter.
758 Such a plan is an element of a local law plan and exists in
759 conjunction with a defined benefit component ~~plan~~ that meets the
760 base ~~minimum~~ benefits and minimum standards of this chapter.
761 (22) ~~(16)~~ "Supplemental plan municipality" means any local
762 law municipality in which ~~there existed~~ a supplemental plan
763 existed as of December 1, 2000.
764 Section 8. Paragraph (b) of subsection (6) of section
765 185.06, Florida Statutes, is amended to read:
766 185.06 General powers and duties of board of trustees.—For
767 any municipality, chapter plan, local law municipality, or local
768 law plan under this chapter:
769 (6) To assist the board in meeting its responsibilities
770 under this chapter, the board, if it so elects, may:
771 (b) Employ an independent enrolled actuary, as defined in
772 s. 185.02 ~~(8)~~, at the pension fund's expense.
773
774 If the board chooses to use the municipality's or special
775 district's legal counsel or actuary, or chooses to use any of
776 the municipality's other professional, technical, or other
777 advisers, it must do so only under terms and conditions
778 acceptable to the board.
779 Section 9. Paragraphs (d) through (g) of subsection (1) of
780 section 185.07, Florida Statutes, are amended, and a new
781 paragraph (e) is added to that subsection, to read:
782 185.07 Creation and maintenance of fund.—For any
783 municipality, chapter plan, local law municipality, or local law

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784 plan under this chapter:
785 (1) The municipal police officers' retirement trust fund in
786 each municipality described in s. 185.03 shall be created and
787 maintained in the following manner:
788 (d) By payment by the municipality or other sources of a
789 sum equal to the normal cost and the amount required to fund any
790 actuarial deficiency shown by an actuarial valuation as provided
791 in part VII of chapter 112, after taking into account the
792 amounts described in paragraphs (b), (c), (f), (g), and (h) and
793 the amounts of the tax proceeds described in paragraph (a) that
794 must be used to fund defined benefit plan benefits, except as
795 otherwise excluded from consideration in determining the
796 mandatory payment.
797 (e) For local law plans, and in addition to the mandatory
798 payment described in paragraph (d), by mandatory payment by the
799 municipality of the amount specified in s. 185.35(3) if the
800 long-term funded ratio of the plan is less than 80 percent.
801 (f) ~~(e)~~ By all gifts, bequests and devises when donated to
802 the fund.
803 (g) ~~(f)~~ By all accretions to the fund by way of interest or
804 dividends on bank deposits or otherwise.
805 (h) ~~(g)~~ By all other sources of income now or hereafter
806 authorized by law for the augmentation of such municipal police
807 officers' retirement trust fund.
808
809 Nothing in this section shall be construed to require adjustment
810 of member contribution rates in effect on the date this act
811 becomes a law, including rates that exceed 5 percent of salary,
812 provided that such rates are at least one-half of 1 percent of

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813 salary.
814 Section 10. Section 185.35, Florida Statutes, is amended to
815 read:
816 185.35 Municipalities having their own pension plans for
817 police officers. ~~For any municipality, chapter plan, local law~~
818 ~~municipality, or local law plan under this chapter,~~ In order for
819 a municipality ~~municipalities~~ with its ~~their~~ own retirement plan
820 ~~pension plans~~ for police officers, or for police officers and
821 firefighters if both are included, to participate in the
822 distribution of the tax fund established under ~~pursuant to~~ s.
823 185.08, a local law plan and its plan sponsor ~~plans~~ must meet
824 the base ~~minimum~~ benefits and minimum standards set forth in
825 this chapter:
826 (1) If a municipality has a retirement ~~pension~~ plan for
827 police officers, or for police officers and firefighters if both
828 are included, which, in the opinion of the division, meets the
829 base ~~minimum~~ benefits and minimum standards set forth in this
830 chapter, the board of trustees of the pension plan, as approved
831 by a majority of police officers of the municipality, must ~~may:~~
832 ~~(a)~~ place the income from the premium tax in s. 185.08 in
833 such ~~pension~~ plan for the sole and exclusive use of its police
834 officers, or its police officers and firefighters if included,
835 where it shall become an integral part of that ~~pension~~ plan and
836 ~~shall~~ be used to fund benefits for police officers as follows:
837 (a) The base premium tax revenues must be used to fund base
838 benefits.
839 (b) Of the premium tax revenues received that are in excess
840 of the amount received for the 2012 calendar year, and any
841 accumulations of additional premium tax revenues that have not

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842 been applied to fund extra benefits:
843 1. If the plan has a long-term funded ratio of less than 80
844 percent:
845 a. Fifty percent must be used as additional contributions
846 to pay the plan's actuarial deficiency and may not be considered
847 in the determination of the mandatory payment described in s.
848 185.07(1)(d);
849 b. Twenty-five percent must be used to fund base benefits;
850 and
851 c. Twenty-five percent must be placed in a defined
852 contribution plan to fund special benefits.
853 2. If the plan has a long-term funded ratio of 80 percent
854 or greater:
855 a. Fifty percent must be used to fund base benefits; and
856 b. Fifty percent must be placed in a defined contribution
857 plan to fund special benefits.
858 (c) Additional premium tax revenues not described in
859 paragraph (b) must be used to fund benefits that were not
860 included in the base benefits ~~pay extra benefits to the police~~
861 ~~officers included in that pension plan; or~~
862 ~~(b) May place the income from the premium tax in s. 185.08~~
863 ~~in a separate supplemental plan to pay extra benefits to the~~
864 ~~police officers, or police officers and firefighters if~~
865 ~~included, participating in such separate supplemental plan~~.
866 (2) Insurance premium tax revenues may not be used to fund
867 benefits provided in a defined benefit plan which were not
868 provided by the plan as of March 1, 2013.
869 (3) If a plan offers benefits in excess of its base
870 benefits, such benefits may be reduced if the plan continues to

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871 meet the base benefits of the plan and the minimum standards set
872 forth in this chapter. The amount of insurance premium tax
873 revenues previously used to fund benefits in excess of the
874 plan's base benefits before the reduction must be used as
875 provided in subsection (1)(b). Twenty-five percent of the amount
876 of any mandatory contribution paid by the municipality or
877 special fire control district which was previously used to fund
878 extra benefits before the reduction must be used as additional
879 contributions as specified in s. 185.07 to fund the plan's
880 actuarial deficiency.
881 (4) ~~(2)~~ The premium tax provided by this chapter shall in
882 all cases be used in its entirety to provide retirement ~~extra~~
883 benefits to police officers, or to police officers and
884 firefighters if both are included. ~~However, local law plans in~~
885 ~~effect on October 1, 1998, must comply with the minimum benefit~~
886 ~~provisions of this chapter only to the extent that additional~~
887 ~~premium tax revenues become available to incrementally fund the~~
888 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
889 ~~is in compliance with such minimum benefit provisions, as~~
890 ~~subsequent additional tax revenues become available, they shall~~
891 ~~be used to provide extra benefits.~~ Local law plans created by
892 special act before May 27, 1939, shall be deemed to comply with
893 this chapter. ~~For the purpose of this chapter, the term:~~
894 ~~(a) "Additional premium tax revenues" means revenues~~
895 ~~received by a municipality pursuant to s. 185.10 which exceed~~
896 ~~the amount received for calendar year 1997.~~
897 ~~(b) "Extra benefits" means benefits in addition to or~~
898 ~~greater than those provided to general employees of the~~
899 ~~municipality and in addition to those in existence for police~~

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900 ~~officers on March 12, 1999.~~
901 (5) ~~(3)~~ A retirement plan or amendment to a retirement plan
902 may not be proposed for adoption unless the proposed plan or
903 amendment contains an actuarial estimate of the costs involved.
904 Such proposed plan or proposed plan change may not be adopted
905 without the approval of the municipality or, where permitted,
906 the Legislature. Copies of the proposed plan or proposed plan
907 change and the actuarial impact statement of the proposed plan
908 or proposed plan change shall be furnished to the division
909 before the last public hearing thereon. Such statement must also
910 indicate whether the proposed plan or proposed plan change is in
911 compliance with s. 14, Art. X of the State Constitution and
912 those provisions of part VII of chapter 112 which are not
913 expressly provided in this chapter. Notwithstanding any other
914 provision, only those local law plans created by special act of
915 legislation before May 27, 1939, are deemed to meet the base
916 ~~minimum~~ benefits and minimum standards only in this chapter.
917 (6) ~~(4)~~ Notwithstanding any other provision, with respect to
918 any supplemental plan municipality:
919 (a) Section 185.02(7)(a) ~~185.02(4)(a)~~ does not apply, and a
920 local law plan and a supplemental plan may continue to use their
921 definition of compensation or salary in existence on March 12,
922 1999.
923 (b) A local law plan and a supplemental plan must continue
924 to be administered by a board or boards of trustees numbered,
925 constituted, and selected as the board or boards were numbered,
926 constituted, and selected on December 1, 2000.
927 ~~(c) The election set forth in paragraph (1)(b) is deemed to~~
928 ~~have been made.~~

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929 (7) ~~(5)~~ The retirement plan setting forth the benefits and
930 the trust agreement, if any, covering the duties and
931 responsibilities of the trustees and the regulations of the
932 investment of funds must be in writing and copies made available
933 to the participants and to the general public.
934 (8) In addition to the defined benefit component of the
935 local law plan, each plan sponsor must have a defined
936 contribution plan component within the local law plan by October
937 1, 2013, or upon the creation date of a new participating plan.
938 However, the plan sponsor of any plan established by special act
939 of the Legislature has until July 1, 2014, to create a defined
940 contribution component within the plan.
941 Section 11. The Legislature finds that a proper and
942 legitimate state purpose is served when employees and retirees
943 of the state and its political subdivisions, and the dependents,
944 survivors, and beneficiaries of such employees and retirees, are
945 extended the basic protections afforded by governmental
946 retirement systems that provide fair and adequate benefits and
947 that are managed, administered, and funded in an actuarially
948 sound manner as required by s. 14, Article X of the State
949 Constitution and part VII of chapter 112, Florida Statutes.
950 Therefore, the Legislature determines and declares that this act
951 fulfills an important state interest.
952 Section 12. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____

Bill Number SB 458 *(if applicable)*

Name Craig Conn

Amendment Barcode _____ *(if applicable)*

Job Title _____

Address 301 S. Bronough
Street

Tall FL 32301
City *State* *Zip*

Phone 222 9684

E-mail _____

Speaking: ☐ For ☒ Against ☐ Information

Representing Florida League of Cities

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: 175/185 Bill

Bill Number: 458 *(if applicable)*

Name: Marilyn Bolin

Amendment Barcode: *(if applicable)*

Job Title: Dist V-P

Address: 806 SW El Prado Ave
Street

Lake City, Florida 32025
City *State* *Zip*

Phone: 386-719-9133

E-mail: mbolin@iaff.org

Speaking: ☐ For ☒ Against ☐ Information

Representing: FPF

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____ Bill Number 458 *(if applicable)*

Name Leticia Adams Amendment Barcode _____ *(if applicable)*

Job Title Director of Governance Policy

Address 136 S. Bronough St. *Street* Phone 8505416866

Tall FL 32301 *City* *State* *Zip* E-mail ladams@flchamber.com

Speaking: [X] For [ ] Against [ ] Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: [ ] Yes [X] No Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Municipal Pension Plans

Bill Number: SB458 (if applicable)

Name: David Murrell

Amendment Barcode: (if applicable)

Job Title: Director of Legislative Services

Address: 300 E. Brevard St.
Street

Tallahassee, Florida 32301
City State Zip

Phone: 850-222-3329

E-mail: davidm@flpba.org

Speaking: ☐ For ☒ Against ☐ Information

Representing: Florida Police Benevolent Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 534

INTRODUCER: Community Affairs Committee; Governmental Oversight and Accountability Committee; and Senators Brandes and Bradley

SUBJECT: Publicly-funded Defined Benefit Retirement Plans

DATE: March 26, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney	GO	**Fav/CS**
2.	Toman	Yeatman	CA	**Fav/CS**
3.	McSwain	Hansen	AP	**Pre-meeting**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 534 explicitly provides that the state is not liable for any obligation relating to any financial shortfalls in any local government retirement plan. The bill also specifies additional reporting requirements for public pension plans - excluding the Florida Retirement System - and provides that local plans, which do not comply with the reporting requirements, may jeopardize their revenue sharing funds.

The Department of Management Services (DMS) estimates that the bill will increase the administrative costs for the Division of Retirement (division) by $100,555. One position will be required to comply with the reporting requirements in the bill which include implementing and maintaining an actuarial database and additional actuarial review. See Section V.

This bill substantially amends sections 112.63, 112.66 and 112.665, Florida Statutes.

The bill creates section 112.664, Florida Statutes.

II. Present Situation:

Florida Local Retirement Systems and Plans

The Division of Retirement of the Department of Management Services reports[1] that as of September 30, 2012, there are 492 defined benefit plans sponsored by 249 local governments in Florida. The vast majority of the plans, 486, are local government defined benefit systems that provide benefits to 77,331 retirees, with 102,636 active employees, and total plan assets of $23.8 billion.[2] The average annual pension in these local defined benefit plans is $25,109, and the average annual required contribution rate as a percentage of payroll is 29.62 percent. The total unfunded actuarial accrued liability for all the defined benefit plans as of September 30, 2012, was $10 billion.

Actuarial Reporting for Public Pension Plans

Section 112.63, F.S., requires that public pension plans funded in whole or part by public plans must have regularly scheduled actuarial reports prepared and certified by an enrolled actuary, at least every three years. The actuarial reports must include at least the following information:

- Adequacy of employer and employee contributions;
- A plan to amortize any unfunded liability, and a description of actions taken to reduce the unfunded liability;
- A description and explanation of actuarial assumptions;
- A schedule illustrating the amortization of unfunded liabilities, if any;
- A comparative review illustrating the actual salary increases granted and the rate of investment return realized over the 3-year period preceding the actuarial report with the assumptions used in both the preceding and current actuarial reports;
- A disclosure of the present value of the plan's accrued vested, nonvested, and total benefits, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System's assumed rate of return; and
- A statement by the enrolled actuary that the report is complete and accurate and that the techniques and assumptions used are reasonable and meet the requirements of state law.

The actuarial cost methods used to establish the annual normal costs of the plans must be those methods approved in the Employee Retirement Income Security Act of 1974.

The actuarial reports must be submitted to the Department of Management Services, which must review the reports to determine whether the actuarial valuation is complete, accurate, or based on reasonable assumptions.[3]

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[1] Division of Management Services, *Florida Local Government Retirement Systems*, 2012 Annual Report, available online at: https://www.rol.frs.state.fl.us/forms/2012_Local_Report.pdf (last visited on March 10, 2013).
[2] The other 6 plans are school board early retirement programs that provide benefits to 1,644 retirees, with active plan membership of 8,631, and total plan assets of $63.7 million.
[3] Section 112.63(4)(a), F.S.

Firefighter and Police Pension Plans

Sections 175.261 and 185.221, F.S., specify the financial reporting requirements for firefighter and municipal police pensions, respectively, which generally require an annual independent audit, and an actuarial valuation every three years. The reports must be submitted to DMS' Division of Retirement, which issues an annual report to the Legislature based upon the reporting from the plans.

Sections 175.051 and 185.04, F.S., state, in pertinent part, that actuarial deficits, if any, arising under plans under chapters 175 or 185, shall not be the obligation of the state.

Generally Accepted Accounting Principles

The Governmental Accounting Standards Board (GASB) is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments. GASB was established in 1984 by agreement of the Financial Accounting Foundation and 10 national associations of state and local government officials. GASB is recognized by governments, the accounting industry, and the capital markets as the official source of generally accepted accounting principles for state and local governments.[4]

In June of 2012, GASB released Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which establish standards of financial reporting for separately issued financial reports and specify the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013; for Statement No. 68 for periods beginning after June 15, 2014.[5] The new Statements relate to accounting and financial reporting issues only—how pension costs and obligations are measured and reported in audited external financial reports. The Statements do not address how governments approach pension plan funding—a government's policy regarding how much money it will contribute to its pension plan each year.[6]

Mortality Tables

Section 430 of the Internal Revenue Code (IRC) outlines minimum funding standards for single-employer defined benefit pension plans. Section 430(h)(3) of the IRC provides that the Secretary

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[4] From "Facts About GASB," available at http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824305999&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs (last visited on March 20, 2013).

[5] Summary of Statement No. 67, available at http://www.gasb.org/cs/ContentServer?c=Pronouncement_C&pagename=GASB/Pronouncement_C/GASBSummaryPage&cid=1176160219444 . Summary of Statement No. 68, available at http://www.gasb.org/cs/ContentServer?site=GASB&c=Pronouncement_C&pagename=GASB%2FPronouncement_C%2FGASBSummaryPage&cid=1176160219492 (last visited on March 20, 2013).

[6] New GASB Pension Statements to Bring about Major Improvements in Financial Reporting, a June 2012 publication by GASB, available at http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824124337&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs (last visited on March 20, 2013).

of the Treasury must by regulation prescribe mortality tables to be used in determining any present value or making any computation under section 430 of the Code, implemented as the RP-2000 Mortality Tables.[7]

Actuarial Soundness and Minimum Funding Standards for Pensions

Article X, s. 14, Florida Constitution, requires public retirement benefits to be funded on a sound actuarial basis:

> SECTION 14: State retirement systems benefit changes.- A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.[8]

The "Florida Protection of Public Employee Retirement Benefits Act" located in part VII of ch. 112, F.S., provides minimum operation and funding standards for public employee retirement plans. The legislative intent of this act is to "prohibit the use of any procedure, methodology, or assumptions, the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers."[9]

III. Effect of Proposed Changes:

Section 1 amends s. 112.63, F.S., to eliminate a requirement for a retirement system or plan to report present value information, as adopted by the Financial Accounting Standards Board, using the Florida Retirement System (FRS) assumed rate of return.

Section 2 amends s. 112.66, F.S., to specify that the state is not liable for any obligation relating to any current or future shortfall in any local government retirement system or plan.

Section 3 creates s. 112.664, F.S., requiring additional reporting requirements for all publicly funded defined benefit retirement plans other than the FRS. The following information must be provided to DMS yearly, within 180 days after the close of the first plan year that ends after June 30, 2013, and thereafter in each year in which an actuarial valuation of the plan is done:

- Annual financial statements in compliance with the requirements of the Government Accounting Standards Board's Statement No. 67, Financial Reporting for Pension Plans and Statement No. 68 Accounting and Financial Reporting for Pensions using RP-2000 Combined Healthy Participant Mortality Tables, by gender, with generational projection by Scale AA.
- Annual financial statements similar to GASB, but which use an assumed rate of return and assumed discount rate 200 basis points less than a plan's assumed rate of return.

[7] RP-2000 Mortality Tables are available at http://www.pensionsoft.com/references_mort_other.html (last visited on March 20, 2013).
[8] Art. X, s. 14, Florida Constitution.
[9] Section 112.61, F.S.

- The number of months or years for which the current market value of assets is adequate to sustain the payment of expected retirement benefits.
- The recommended contributions to the plan based on financial statements stated as an annual dollar value and a percentage of valuation payroll.

Though it is a reporting requirement and not a funding requirement, utilizing an assumed discount rate of 200 basis points less than a plan's assumed rate of return may produce lower funded ratios for most plans, since in the actuarial reporting the plans are currently doing, the average assumed rate of return for local plans is approximately 7.7 percent.[10]

The information required by this bill must be provided by local government plan sponsors and the plans in the municipal budget disclosure required by s. 166.241(3), F.S., and on any websites that contain budget information, or actuarial or plan performance information. Each plan sponsor and plan that has a publicly available website must also provide the plan's most recent financial statement and actuarial valuation on the website.

Plans that fail to submit timely the required information within 60 days after receipt of the plan's actuarial report will be deemed to be in noncompliance. DMS may notify the Department of Revenue (DOR) and Department of Financial Services (DFS) of the noncompliance, and DOR and DFS must withhold funds payable to the plan sponsor, which are not pledged towards bond debt service. The bill gives plan sponsors administrative rights if these actions are taken.

Section 4 amends s. 112.665, F.S., to mandate that the DMS-produced local pension plan fact sheets must contain the additional reporting information required by this bill.

Section 5 is the legislative finding of an important state interest.

Section 6 provides that the bill takes effect July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

To the extent this bill requires a local government to expend funds to comply with its terms, the provisions of s. 18(a) of Art. VII, State Constitution, may apply. If those provisions do apply, in order for the law to be binding upon the cities and counties, the Legislature must find that the law fulfills an important state interest (included in section 4 of the bill), and one of the following relevant exceptions must be met:

[10] Using data from the July 1, 2010, actuarial valuation of the FRS, a study was done in March 2011, to estimate the impact of changing the FRS investment return assumptions. The actuarial liability of the FRS was $134.2 billion; the investment return rate assumption was (and still is) 7.75 percent. The study found that changing the investment return assumption from 7.75 percent to 6 percent would increase actuarial liabilities by $36 billion; changing it to 5 percent would increase actuarial liabilities by $62.9 billion. Study available at http://www.floridahasarighttoknow.com/docs/StatePensionActuaryLetter.pdf, (last visited on March 10, 2013).

- Funds estimated at the time of enactment sufficient to fund such expenditures are appropriated;
- Counties and cities are authorized to enact a funding source not available for such local government on February 1, 1989, that can be used to generate the amount of funds necessary to fund the expenditures;
- The expenditure is required to comply with a law that applies to all persons similarly situated; or
- The law must be approved by two-thirds of the membership of each house of the Legislature.

Since the provisions of the bill apply to municipalities and special districts alike, estimated expenditures required by the bill (see Government Sector Impact) are required by all persons similarly situated. Given this relevant exception, it appears that the mandate restriction does not apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill requires additional reporting for local plans and, as a result, local plan sponsors may incur additional costs. The exact cost of compliance with this bill is indeterminate; however, last year DMS estimated that the cost of compliance for a local pension financial rating plan proposal that involved some similar reporting requirements could range from $1,000 to $5,000 per plan, per year.[11]

According to the DMS, the bill will increase administrative costs for the Division of Retirement (division), including staff and actuarial work, to comply with the reporting requirements in the bill. According to the DMS's bill analysis, the fiscal impact would be as follows:

[11] Financial Rating of Local Government Defined Benefit Plans, January 25, 2012, by the Department of Management Services, on file with the Senate Governmental Oversight and Accountability Committee.

The division will need one additional government analyst position to ensure that implementing and maintaining the actuarial database with the additional disclosure items required by the bill will not negatively impact the timely accomplishment of the division's statutory responsibilities.

Expenditures	FY 2013-14 Amount/FTE	FY 2014-15 Amount/FTE	FY 2015-16 Amount/FTE
Recurring	$57,693	$57,693	$57,693
Non-recurring	$3,762	-	-

Additionally, the actuarial costs for the chapter plans under chapters 175 and 185, F.S., are paid for from the police and firefighter's trust fund.[12] The bill creates an additional annual expenditure requirement for reporting in order for the plans to qualify for premium tax distributions.

Expenditures	FY 2013-14 Amount/FTE	FY 2014-15 Amount/FTE	FY 2015-16 Amount/FTE
Recurring	$39,100	$18,400	$18,400
Non-recurring	-	-	-

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Community Affairs on March 20, 2013:
The proposed committee substitute makes the following changes to the bill:

- Eliminates a current requirement for defined benefit plans to report information using the FRS rate of return assumption.
- Specifically excludes the FRS from the reporting requirements of the bill.
- Requires defined benefit retirement plans to report certain data consistent with financial reporting standards adopted by GASB.
- Requires reporting of information similar to GASB which uses an assumed rate of return and assumed discount rate 200 basis points less than a plan's assumed rate of return.
- Extends the time period for reporting plan information to DFS from 30 days to 60 days after receipt of the certified actuarial plan year report.

[12] The division conducts the actuarial valuations of chapter plans. *See* ss. 175.032(2) and 185.02(3), F.S.

CS by Governmental Oversight and Accountability on March 7, 2013:
The proposed committee substitute makes the following changes to the bill:

- Adds a finding of important state interest;
- Clarifies that the mortality tables must account for generational mortality improvements;
- Excludes Deferred Retirement Option Program (DROP) assets and liabilities from the calculations;
- Provides that all plans must report for the first plan year ending on or after June 30, 2013, and in each subsequent year in which an actuarial valuation is completed;
- Provides that plans that do not comply with the reporting requirements may have their revenue sharing withheld, and specifies administrative procedures; and
- Requires that the yearly local plan fact sheets produced by the DMS must include the additional reporting requirements.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

226110

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Bradley) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 102 - 109
4 and insert:
5 (1) In addition to the other reporting requirements of this
6 part, within 60 days after receipt of the certified actuarial
7 report submitted after the close of the plan year that ends on
8 or after June 30, 2014, and thereafter in each year required
9 under s. 112.63(2), each defined benefit retirement system or
10 plan, excluding the Florida Retirement System, shall prepare and
11 electronically report the following information to the
12 Department of Management Services in a format prescribed by the

226110

13 department:

692562

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Bradley) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 139 - 141
4 and insert:
5 (b) That has a publicly available website shall provide on
6 that website:
7 1. The plan's most recent financial statement and actuarial
8 valuation, including a link to the Division of Retirement
9 Actuarial Summary Fact Sheet for that plan.
10 2. For the previous 5 years, beginning with 2013, a side-
11 by-side comparison of the plan's assumed rate of return compared
12 to the actual rate of return, as well as the percentages of

692562

13 cash, equity, bond, and alternative investments in the plan
14 portfolio.
15 3. Any charts and graphs of the data provided in
16 subparagraphs 1. and 2., presented in a standardized, user-
17 friendly, and easily interpretable format as prescribed by the
18 department.

565978

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/02/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Bradley) recommended the following:

Senate Amendment (with title amendment)

Between lines 217 and 218
insert:
Section 6. For the 2013-2014 fiscal year, the sums of $57,693 in recurring and $3,762 in nonrecurring general revenue funds, the sums of $20,700 in recurring and $18,400 in nonrecurring funds from the Police and Firefighter Premium Tax Trust Fund, and one full-time equivalent position and associated salary rate of 42,735 are appropriated to the Division of Retirement of the Department of Management Services for the purpose of implementing this act.

565978

13

14 ========== T I T L E A M E N D M E N T ==========

15 And the title is amended as follows:

16 Delete line 20

17 and insert:

18 providing an appropriation; providing an effective

19 date.

By the Committees on Community Affairs; and Governmental Oversight and Accountability; and Senators Brandes and Bradley

578-02813-13 2013534c2

A bill to be entitled

An act relating to publicly funded defined benefit retirement plans; amending s. 112.63, F.S.; deleting the requirement that required actuarial reports for retirement plans include a disclosure of the present value of the plan's benefits; amending s. 112.66, F.S.; providing that the state is not liable for shortfalls in local government retirement systems or plans; creating s. 112.664, F.S.; requiring a defined benefit system or plan to report certain information to the Department of Management Services by a certain date; requiring the plan sponsor to make certain information available on certain websites; providing consequences for failure to timely submit the required information; providing a method for a plan sponsor to request a hearing to contest such consequences; amending s. 112.665, F.S.; requiring the department to provide a fact sheet specifying certain information; providing a declaration of important state interest; providing an effective date.

WHEREAS, in 2012, there were 492 local government employee defined benefit pension plans in Florida, providing pension benefits to approximately 79,000 retirees. The interests of participants in many of these plans may have property rights implications under state law, and

WHEREAS, local government employee defined benefit pension plans are becoming a large financial burden on certain local governments and have already resulted in tax increases and the

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578-02813-13 2013534c2

reduction of services, and

WHEREAS, the 2012 Florida Local Government Retirement Systems Annual Report published by the Department of Management Services specifies the total unfunded actuarial accrued liability of all local government defined benefit pension plans at approximately $10 billion, and

WHEREAS, some economists and observers have stated that the extent to which state or local government employee defined benefit pension plans are underfunded is obscured by governmental accounting rules and practices, particularly as they relate to the valuation of plan assets and liabilities. This results in a misstatement of the value of plan assets and an understatement of plan liabilities, a situation that poses a significant threat to the soundness of state and local budgets, and

WHEREAS, there is currently a lack of meaningful disclosure regarding the value of state or local government employee defined benefit pension plan assets and liabilities. This lack of meaningful disclosure poses a direct and serious threat to the financial stability of such plans and their sponsoring governments, impairs the ability of state and local government taxpayers and officials to understand the financial obligations of their government, and reduces the likelihood that state and local government processes will be effective in assuring the prudent management of their plans, and

WHEREAS, the financial health of state or local government employee pension benefit plans can have statewide public repercussions, and the meaningful disclosure of the value of their assets and liabilities is necessary and desirable in order

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59 to adequately protect plan participants and their beneficiaries
60 as well as the general public, and to further efforts to provide
61 for the general welfare and the free flow of commerce, NOW,
62 THEREFORE,
63
64 Be It Enacted by the Legislature of the State of Florida:
65
66 Section 1. Paragraphs (f) and (g) of subsection (1) of
67 section 112.63, Florida Statutes, are amended to read:
68 112.63 Actuarial reports and statements of actuarial
69 impact; review.—
70 (1) Each retirement system or plan subject to the
71 provisions of this act shall have regularly scheduled actuarial
72 reports prepared and certified by an enrolled actuary. The
73 actuarial report shall consist of, but shall not be limited to,
74 the following:
75 ~~(f) A disclosure of the present value of the plan's accrued~~
76 ~~vested, nonvested, and total benefits, as adopted by the~~
77 ~~Financial Accounting Standards Board, using the Florida~~
78 ~~Retirement System's assumed rate of return, in order to promote~~
79 ~~the comparability of actuarial data between local plans.~~
80 (f) ~~(g)~~ A statement by the enrolled actuary that the report
81 is complete and accurate and that in his or her opinion the
82 techniques and assumptions used are reasonable and meet the
83 requirements and intent of this act.
84
85 The actuarial cost methods utilized for establishing the amount
86 of the annual actuarial normal cost to support the promised
87 benefits shall only be those methods approved in the Employee

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88 Retirement Income Security Act of 1974 and as permitted under
89 regulations prescribed by the Secretary of the Treasury.
90 Section 2. Subsection (14) is added to section 112.66,
91 Florida Statutes, to read:
92 112.66 General provisions.—The following general provisions
93 relating to the operation and administration of any retirement
94 system or plan covered by this part shall be applicable:
95 (14) The state is not liable for any obligation relating to
96 any current or future shortfall in any local government
97 retirement system or plan.
98 Section 3. Section 112.664, Florida Statutes, is created to
99 read:
100 112.664 Reporting standards for defined benefit retirement
101 plans or systems.—
102 (1) In addition to the other reporting requirements of this
103 part, within 180 days after the close of the first plan year
104 that ends on or after June 30, 2013, and thereafter in each year
105 required under s. 112.63(2), each defined benefit retirement
106 system or plan, excluding the Florida Retirement System, shall
107 prepare and electronically report the following information to
108 the Department of Management Services in a format prescribed by
109 the department:
110 (a) Annual financial statements that are in compliance with
111 the requirements of the Government Accounting and Standard
112 Board's Statement No. 67, Financial Reporting for Pension Plans
113 and Statement No. 68, Accounting and Financial Reporting for
114 Pensions, using RP-2000 Combined Healthy Participant Mortality
115 Tables, by gender, with generational projection by Scale AA.
116 (b) Annual financial statements similar to those required

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117 under paragraph (a), but which use an assumed rate of return on
118 investments and an assumed discount rate that are equal to 200
119 basis points less than the plan's assumed rate of return.
120 (c) Information indicating the number of months or years
121 for which the current market value of assets are adequate to
122 sustain the payment of expected retirement benefits as
123 determined in the plan's latest valuation and under the
124 financial statements prepared pursuant to paragraphs (a) and
125 (b).
126 (d) Information indicating the recommended contributions to
127 the plan based on the plan's latest valuation, and the
128 contributions necessary to fund the plan based on financial
129 statements prepared pursuant to paragraphs (a) and (b), stated
130 as an annual dollar value and a percentage of valuation payroll.
131 (2) Each defined benefit retirement system or plan,
132 excluding the Florida Retirement System, and its plan sponsor:
133 (a) Shall provide the information required by this section
134 and the funded ratio of the system or plan as determined in the
135 most recent actuarial valuation as part of the disclosures
136 required under s. 166.241(3) and on any website that contains
137 budget information relating to the plan sponsor or actuarial or
138 performance information related to the system or plan.
139 (b) That have a publicly available website shall provide
140 the plan's most recent financial statement and actuarial
141 valuation on that website.
142 (3) The plan shall be deemed to be in noncompliance if it
143 has not submitted the required information to the Department of
144 Management Services within 60 days after receipt of the
145 certified actuarial report for the plan year for which the

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146 information is required to be submitted to the department.
147 (a) The Department of Management Services may notify the
148 Department of Revenue and the Department of Financial Services
149 of the noncompliance, and the Department of Revenue and the
150 Department of Financial Services shall withhold any funds not
151 pledged for satisfaction of bond debt service and which are
152 payable to the plan sponsor until the information is provided to
153 the department. The department shall specify the date the
154 withholding is to begin and notify the Department of Revenue,
155 the Department of Financial Services, and the plan sponsor 30
156 days before the specified date.
157 (b) Within 21 days after receipt of the notice, the plan
158 sponsor may petition the Department of Management Services for a
159 hearing under ss. 120.569 and 120.57. The Department of Revenue
160 and the Department of Financial Services may not be parties to
161 the hearing, but may request to intervene if requested by the
162 department or if the Department of Revenue or the Department of
163 Financial Services determines its interests may be adversely
164 affected by the hearing.
165 Section 4. Subsection (1) of section 112.665, Florida
166 Statutes, is amended to read:
167 112.665 Duties of Department of Management Services.—
168 (1) The Department of Management Services shall:
169 (a) Gather, catalog, and maintain complete, computerized
170 data information on all public employee retirement systems or
171 plans in the state~~,~~ based upon a review of audits, reports, and
172 other data pertaining to the systems or plans;
173 (b) Receive and comment upon all actuarial reviews of
174 retirement systems or plans maintained by units of local

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175 government;
176 (c) Cooperate with local retirement systems or plans on
177 matters of mutual concern and provide technical assistance to
178 units of local government in the assessment and revision of
179 retirement systems or plans;
180 (d) Annually issue, by January 1 ~~annually~~, a report to the
181 President of the Senate and the Speaker of the House of
182 Representatives, which ~~report~~ details division activities,
183 findings, and recommendations concerning all governmental
184 retirement systems. The report may include legislation proposed
185 to carry out such recommendations;
186 (e) Provide a fact sheet for each participating local
187 government defined benefit pension plan which summarizes
188 ~~summarizing~~ the plan's actuarial status. The fact sheet should
189 provide a summary of the plan's most current actuarial data,
190 minimum funding requirements as a percentage of pay, and a 5-
191 year history of funded ratios. The fact sheet must include a
192 brief explanation of each element in order to maximize the
193 transparency of the local government plans. The fact sheet must
194 also contain the information specified in s. 112.664(1). These
195 documents shall be posted on the department's website. Plan
196 sponsors that have websites must provide a link to the
197 department's website;
198 (f) Annually issue, by January 1 ~~annually~~, a report to the
199 Special District Information Program of the Department of
200 Economic Opportunity which ~~that~~ includes the participation in
201 and compliance of special districts with the local government
202 retirement system provisions in s. 112.63 and the state-
203 administered retirement system provisions ~~as~~ specified in part I

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204 of chapter 121; and
205 (g) Adopt reasonable rules to administer ~~the provisions of~~
206 this part.
207 Section 5. The Legislature finds that a proper and
208 legitimate state purpose is served when employees and retirees
209 of the state and its political subdivisions, and the dependents,
210 survivors, and beneficiaries of such employees and retirees, are
211 extended the basic protections afforded by governmental
212 retirement systems that provide fair and adequate benefits and
213 that are managed, administered, and funded in an actuarially
214 sound manner as required by s. 14, Article X of the State
215 Constitution and part VII of chapter 112, Florida Statutes.
216 Therefore, the Legislature determines and declares that this act
217 fulfills an important state interest.
218 Section 6. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

March 28
Meeting Date

Topic: FRS

Bill Number: SB 534 *(if applicable)*

Name: Chris Ott

Amendment Barcode: *(if applicable)*

Job Title: Teacher - Alachua Co.

Address: 2436 NW 28 pl
Street

Gainesville, Fl
City *State* *Zip*

Phone: 352-222-8488

E-mail:

Speaking: ☐ For ☑ Against ☐ Information

Representing: My profession and all others

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☐ Yes ☑ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____ Bill Number SB 534 *(if applicable)*

Name Kraig Conn Amendment Barcode _____ *(if applicable)*

Job Title _____

Address 301 S. Bronough
Street

Tall FL 32301
City *State* *Zip*

Phone 2229684

E-mail _____

Speaking: ☐ For ☒ Against ☐ Information

Representing Florida League of Cities

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Pensions

Bill Number: 574 (if applicable)

Name: Gary Rainey

Amendment Barcode: (if applicable)

Job Title: President

Address: 345 W Madison St.
Street

Tallahassee FL 32301
City State Zip

Phone: 850 224 7373

E-mail: raineyg@gmail.com

Speaking: ☐ For ☑ Against ☐ Information

Representing: FL. Professional Firefighters

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03.28.13
Meeting Date

Topic: PENSION

Bill Number: 534 *(if applicable)*

Name: WALTER DIX

Amendment Barcode: *(if applicable)*

Job Title: PRES.

Address: 2650 W. SR 84
Street

Ft. Laud. FL 33312
City *State* *Zip*

Phone: 954 587 3333

E-mail:

Speaking: ☐ For ☑ Against ☐ Information

Representing: BRO. CO FIRE FIGHTERS

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____ Bill Number S34 *(if applicable)*

Name Leticia Adams Amendment Barcode _____ *(if applicable)*

Job Title Director of Governance Policy

Address 136 S. Bronough St. *Street* Phone 8505446866

Tall FL 32301 *City State Zip* E-mail _____

Speaking: [X] For [ ] Against [ ] Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: [ ] Yes [X] No Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Police Pension PLANS

Bill Number: SB 534 *(if applicable)*

Name: Ernie George

Amendment Barcode: _____ *(if applicable)*

Job Title: Ex Director Palm Beach Co. PBA

Address: 2100 FL. MANGO Rd.
Street

W. Palm Beach FL. 33409
City *State* *Zip*

Phone: 561-689-3745

E-mail: ernie@pbcpba.org

Speaking: ☐ For ☑ Against ☐ Information

Representing: PBC PBA

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Public Retirement Plans

Bill Number: S34 *(if applicable)*

Name: Doug Martin

Amendment Barcode: _____ *(if applicable)*

Job Title: Legislative Dir.

Address: 3064 Highland Oaks Terr.
Street

Tallahassee, FL 32301
City *State* *Zip*

Phone: 850-212-7447

E-mail: dmartin@afscmefl.org

Speaking: ☐ For ☑ Against ☐ Information

Representing: AFSCME Florida Council 79

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/27/13
Meeting Date

Topic: Municipal Pension Reporting

Bill Number: 534 *(if applicable)*

Name: Rocco Salvatori

Amendment Barcode: *(if applicable)*

Job Title: Firefighter

Address: 1010 9th Ave W
Street

Bradenton, FL 34205
City, State, Zip

Phone: 941-708-6233

E-mail:

Speaking: ☐ For ☒ Against ☐ Information

Representing: Suncoast Firefighters

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

534

Topic: Pension Reform

Bill Number: (if applicable)

Name: Jim Talley

Amendment Barcode: (if applicable)

Job Title:

Address: 345 West Madison St.
Street

Tallahassee FL 32301
City State Zip

Phone:

E-mail:

Speaking: [x] For [ ] Against [ ] Information

Representing: Florida Professional Firefighters

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at t meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28
Meeting Date

Topic: PUBLIC FUNDED DB RETIREMENT

Bill Number: 534 (if applicable)

Name: ROBERT SUAREZ

Amendment Barcode: (if applicable)

Job Title: VICE PRESIDENT, FIREFIGHTERS

Address: 345 W MADISON ST
Street

TALLAHASSEE FL
City State Zip

Phone: 305 984 3299

E-mail:

Speaking: ☐ For ☒ Against ☐ Information

Representing: FLORIDA PROFESSIONAL FIREFIGHTERS

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

Committee Agenda Request

To: Senator Joe Negron, Chair
Committee on Appropriations

Subject: Committee Agenda Request

Date: March 21, 2013

I respectfully request that **Senate Bill #534**, relating to Publicly-funded Defined Benefit Retirement Plans, be placed on the:

☐ committee agenda at your earliest possible convenience.

☒ next committee agenda.

Senator Jeff Brandes
Florida Senate, District 22

SENATE APPROPRIATIONS
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STAFF DIR. _____ STAFF _____

File signed original with committee office

S-020 (03/2004)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 778

INTRODUCER: Agriculture Committee; Senators Thompson and Bullard

SUBJECT: Transactions in Fresh Produce Markets

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Weidenbenner	Halley	AG	**Fav/CS**
2.	Hendon	Hendon	CF	**Favorable**
3.	Brown	Hansen	AP	**Favorable**
4.			RC	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/SB 778 permits an owner or operator of a market that sells fresh produce to allow a non-competing third party, authorized by the United States Department of Agriculture (USDA) to be a Supplemental Nutrition Services Program (SNAP) retailer, to establish an Electronic Benefit Transfer (EBT) system to accept SNAP payments for the market's produce sellers, to the extent allowed by federal law and regulation. The bill applies only to a market that is not already an authorized SNAP retailer. The bill does not apply to a market with an existing EBT system for accepting SNAP benefits, nor does it require that a market operate an EBT system for its produce sellers. It also does not prohibit an authorized Food Nutrition Service produce seller from operating its own EBT system for its own customers.

This bill has no fiscal impact to the state.

The bill has an effective date of July 1, 2013.

The bill creates an undesignated section of law.

II. Present Situation:

The Center for Disease Control and Prevention (CDC) reports that research shows a healthy diet, rich in fruits and vegetables, provides a wide range of vitamins, minerals, and other natural substances that may help protect a body from chronic diseases.[1] The Food Research and Action Center (FRAC) observes that it is well documented that the SNAP program, formerly the Food Stamp Program, is beneficial to the health of children and adults and the well-being of low-income people in the United States.[2]

SNAP benefits are delivered through EBT cards, which are used like debit cards, at authorized food retailers. The federal government pays 100 percent of the SNAP benefits, but the federal and state governments share administrative costs.[3] The SNAP program for retailers (formerly referred to as the food stamp program) and the certification of a retailer to use an EBT system to process SNAP payments are administered by the USDA Food and Nutrition Service.[4]

Many venues, especially in low income communities, do not accept SNAP. SNAP redemptions at farmers' markets accounted for only 0.01 percent of approximately $64.4 billion in SNAP redemptions in FY 2010. Only 1,611 individual farmers and farmers' markets of the 6,132 operating nationwide in FY 2010 – about one fourth – accepted SNAP benefits.[5]

The Johns Hopkins Center for a Livable Future issued a report in the summer of 2012 detailing the relationship between nutritious food, farmers' markets, and the SNAP program. The report states that low-income consumers lack access to farmers' markets because the SNAP program cannot be used at many such markets since they lack wireless terminals to process EBT sales. According to the Johns Hopkins report, SNAP redemptions at farmers markets fell by half between 1992 and 2009 with the transition to EBT, which started in 1993. The report concludes that improving EBT technology at farmers markets has the potential to improve SNAP participants' diets and health by increasing access to fresh, local fruits and vegetables.[6]

As part of state and federal initiatives to encourage SNAP participants to eat more nutritious foods, a pamphlet ("SNAP/EBT at your Farmers' Market: Seven Steps to Success") was designed to help farmers' markets reach out to SNAP customers. In order to encourage greater EBT participation, the United States Department of Agriculture (USDA) provided grant money for markets to implement an EBT system, if they were not already authorized SNAP retailers on or before November 18, 2011. On July 27, 2012, the State of Florida announced the availability of the USDA grant money and engaged in a marketing campaign to encourage more farmers'

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[1] See http://www.cdc.gov/nutrition/everyone/fruitsvegetables/index.html. (last visited Feb. 18, 2013).
[2] See http://frac.org/wp-content/uploads/2011/06/SNAPstrategies.pdf. (last visited Feb. 19, 2013).
[3] Ibid.
[4] See http://myflorida.custhelp.com/app/answers/detail/a_id/2675/~/accepting-food-stamps-in-my-business.---how-do-i-become-an-ebt-retailer%3F. (last visited Feb. 19, 2013).
[5] Ibid.
[6] See http://www.jhsph.edu/research/centers-and-institutes/johns-hopkins-center-for-a-livable-future/_pdf/projects/ffp/farm_bill/Reuniting-Snap-Participants-and-Farmers-Markets.pdf. (last visited Feb. 19, 2013).

markets to participate in EBT. That effort has resulted in eight markets participating in the program with three more markets in the implementation phase.[7]

The Department of Agriculture and Consumer Services operates 13 "State Farmers' Markets" under the authority contained in s. 570.07(18), F.S. Of the 13 markets, five have retail businesses that sell products to the public and three of them have installed EBT systems at their own expense.[8] Other farmers' markets are operated by local governments, not-for-profit organizations, private organizations, business development groups, and individuals, each of which has its own system for accepting payment for products.[9] The USDA provided information in July 2012 that there were 127 farmers' markets in Florida and 25 were participating in the SNAP program prior to the additional eight being brought into the program with the new funding.

There are various reasons why a farmers' market does not have an EBT system. These include a decision by the owner not to accept SNAP benefits,[10] a lack of access to electricity and phone lines needed for vendors to accept EBT cards, or a business decision not to fund the wireless technology and associated costs of implementation that are typically necessary to handle EBT sales.[11]

III. Effect of Proposed Changes:

Section 1 creates an undesignated section of Florida law relating to transactions in fresh produce markets. The bill provides the following definitions: "Market" is defined as a farmers' market, community farmers' market, flea market, or other open air market; and "SNAP" is defined as the federal Supplemental Nutrition Assistance Program.

The bill permits an owner or operator of a market that sells fresh produce, but is not a SNAP retailer, to allow specified, authorized third parties, which may not be a competing market, to accept SNAP benefits on behalf of the market's produce sellers to the extent allowed by federal law and regulation. It requires the market owner or operator to reasonably accommodate the authorized third party in the implementation and operation of an EBT system.

The bill does not apply to a market selling fresh produce whose owner or operator has a system in place for accepting SNAP benefits. The bill does not prohibit an authorized Food Nutrition Service produce seller from operating its own EBT system for its customers' transactions. Finally, the bill does not require a market owner or operator to create, operate, or maintain an EBT system on behalf of its produce sellers.

Section 2 provides an effective date of July 1, 2013.

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[7] Department of Children and Families *Staff Analysis and Economic Impact*, (Feb. 18, 2013) (on file with the Senate Agriculture Committee).
[8] Correspondence dated February 20, 2013 from Office of Legislative Affairs, Department of Agriculture and Consumer Services. (on file with Senate Agriculture Committee).
[9] Department of Children and Families Staff Analysis, p. 2.
[10] Ibid.
[11] http://www.jhsph.edu/research/centers-and-institutes/johns-hopkins-center-for-a-livable-future/_pdf/projects/ffp/farm_bill/Reuniting-Snap-Participants-and-Farmers-Markets.pdf, p.4.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Additional SNAP beneficiaries will be able to use their EBT cards at farmers' markets. Authorized Food and Nutrition Service groups, associations, or other specified parties may be able to offer EBT services at participating farmers' markets.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Agriculture on March 4, 2013:
The CS changes the authoritative instruction regarding the duty of farmers' markets to allow third parties to implement and operate an EBT system to accept SNAP payments from being mandatory to being permissive. It clarifies that the bill applies to farmers' markets that are not already authorized SNAP retailers. It removes rule making authority given to the Department of Children and Families to administer the bill as DCF's

responsibility for administering the SNAP program is limited to determining eligibility and issue benefits.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Agriculture; and Senator Thompson

575-01865-13 2013778c1

A bill to be entitled

An act relating to transactions in fresh produce markets; providing definitions; authorizing certain owners and operators of farmers' markets, community farmers' markets, flea markets, and other open-air markets selling fresh produce to allow authorized Food and Nutrition Service groups, associations, and third-party organizations to operate electronic benefits transfer systems in such markets; providing for applicability; providing an effective date.

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

Section 1. (1) As used in this section, the term:

(a) "Market" means a farmers' market, community farmers' market, flea market, or other open-air market.

(b) "SNAP" means the federal Supplemental Nutrition Assistance Program established under 7 U.S.C. ss. 2011 et seq.

(2)(a) The owner or operator of a market selling fresh produce who is not an authorized SNAP retailer may allow an authorized Food and Nutrition Service group or association of produce sellers that is actively participating in produce sales in the market, or an authorized Food and Nutrition Service third-party organization, to implement and operate an electronic benefits transfer system for purposes of accepting SNAP benefits in the market on behalf of the produce sellers to the extent and manner allowed by federal law and regulation.

(b) The authorized Food and Nutrition Service group, association, or third-party organization responsible for

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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implementation and operation of the electronic benefits transfer system may not be another market that competes with the market being served.

(c) The market owner or operator shall reasonably accommodate the authorized Food and Nutrition Service group, association, or third-party organization in the implementation and operation of an electronic benefits transfer system for purposes of accepting SNAP benefits.

(3) This section does not:

(a) Apply to a market selling fresh produce whose owner or operator has an electronic benefits transfer system for accepting SNAP benefits in the market.

(b) Prohibit an authorized Food and Nutrition Service produce seller in a market selling fresh produce from operating his or her own electronic benefits transfer system as part of his or her customer transaction options.

(c) Require a market owner or operator to create, operate, or maintain an electronic benefits transfer system on behalf of its produce sellers.

Section 2. This act shall take effect July 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: _____

Topic: Transactions in Fresh Product Markets

Bill Number: 778 (if applicable)

Name: David Francis

Amendment Barcode: _____ (if applicable)

Job Title: Gov. Rel. Dir

Address: 2751 Remington Green Cir Ste C
Street

Tall FL 32308
City State Zip

Phone: 850-567-0598

E-mail: david.francis@heart.org

Speaking: [x] For [ ] Against [ ] Information

Representing: American Heart Assn

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR GERALDINE F. THOMPSON
12th District

COMMITTEES:
Appropriations Subcommittee on General Government, *Vice Chair*
Community Affairs, *Vice Chair*
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Children, Families, and Elder Affairs
Commerce and Tourism
Transportation

JOINT COMMITTEE:
Joint Administrative Procedures Committee

March 18, 2013

The Honorable Joe Negron
412 Senate Office Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Chair Negron:

I respectfully request *SB 778—Transactions in Fresh Produce Markets* be placed on the agenda of the Committee on Appropriations as soon as possible.

In Florida, farmers' markets were once a common source of fresh produce for people using food stamp benefits. Currently, only 21% of these markets process electronic benefit transfers (EBT) according to the USDA. Low-income people especially have limited access to healthy foods such as fresh fruits and vegetables.

This bill would make food sold at farmers' markets more accessible by authorizing vendors to form a third-party, FNS certified entity to operate an EBT system at farmers' markets.

Thank you for your consideration.

Sincerely,

Geraldine F. Thompson

Senator Geraldine Thompson, District 12
GT:dr

cc: Mike Hansen

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STAFF DIR. _____ STAFF _____

REPLY TO:
☐ 511 W. South Street, Suite 204, Orlando, Florida 32805
☐ 224 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5012

Senate's Website: *www.flsenate.gov*

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Bean) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 603 and 604
4 insert:
5 Section 9. Section 1003.4282, Florida Statutes, is created
6 to read:
7 1003.4282 Requirements for a standard high school diploma.—
8 (1) TWENTY-FOUR CREDITS REQUIRED.—
9 (a) Beginning with students entering grade 9 in the 2013-
10 2014 school year, receipt of a standard high school diploma
11 requires successful completion of 24 credits, an International
12 Baccalaureate curriculum, or an Advanced International

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13 Certificate of Education curriculum.
14 (b) The required credits may be earned through equivalent,
15 applied, or integrated courses or career education courses as
16 defined in s. 1003.01(4), including work-related internships
17 approved by the State Board of Education and identified in the
18 Course Code Directory. However, any must-pass assessment
19 requirements must be met. An equivalent course is one or more
20 courses identified by content-area experts as being a match to
21 the core curricular content of another course, based upon review
22 of the Next Generation Sunshine State Standards for that
23 subject. An applied course aligns with Next Generation Sunshine
24 State Standards and includes real-world applications of a career
25 and technical education standard used in business or industry.
26 An integrated course includes content from several courses
27 within a content area or across content areas.
28 (2) NOTIFICATION REQUIREMENTS.—The school district shall
29 notify students and parents, in writing, of the requirements for
30 a standard high school diploma, available designations, and the
31 eligibility requirements for state scholarship programs and
32 postsecondary admissions. The Department of Education shall
33 directly and through the school districts notify registered
34 private schools of public high school course credit and
35 assessment requirements. Each private school must make this
36 information available to students and their parents so they are
37 aware of public high school graduation requirements. The
38 following credits, courses, and assessments are required for a
39 standard college and career high school diploma:
40 (a) Four credits in English Language Arts (ELA).
41 1. The four credits must be in ELA I, II, III, and IV.

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42 2. A student must pass 10th grade FCAT Reading until the
43 state transitions to a common core 10th grade ELA assessment
44 after which time a student must pass the ELA assessment in order
45 to earn a standard high school diploma.
46 (b) Four credits in mathematics.
47 1. A student must earn one credit in Algebra I and one
48 credit in geometry.
49 2. A student's performance on the Algebra I end-of-course
50 (EOC) assessment or common core assessment, as applicable,
51 constitutes 30 percent of the student's final course grade. A
52 student must pass the Algebra I EOC assessment until the state
53 transitions to a common core Algebra I assessment after which
54 time a student must pass the common core assessment in order to
55 earn a standard high school diploma. A student's performance on
56 the geometry EOC assessment or common core assessment, as
57 applicable, constitutes 30 percent of the student's final course
58 grade. When the state administers a common core Algebra II
59 assessment, a student selecting Algebra II must take the
60 assessment, and the student's performance on the assessment
61 constitutes 30 percent of the student's final course grade.
62 3. Industry certification courses that lead to college
63 credit may substitute for up to two math credits.
64 (c) Three credits in science.
65 1. Two of the three required credits must have a laboratory
66 component.
67 2. A student must earn one credit in Biology I and two
68 credits in equally rigorous courses. The Biology I EOC
69 assessment constitutes 30 percent of the student's final course
70 grade.

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71 3. Industry certification courses that lead to college
72 credit may substitute for up to one science credit.
73 (d) Three credits in social studies.
74 1. A student must earn one credit in United States history;
75 one credit in world history; one-half credit in economics, which
76 must include financial literacy; and one-half credit in United
77 States government.
78 2. The United States history EOC assessment constitutes 30
79 percent of the student's final course grade.
80 (e) One credit in fine or performing arts, speech and
81 debate, or practical arts.
82 1. The practical arts course must incorporate artistic
83 content and techniques of creativity, interpretation, and
84 imagination.
85 2. Eligible practical arts courses are identified in the
86 Course Code Directory.
87 (f) One credit in physical education. Physical education
88 must include the integration of health. This requirement is
89 subject to all of the provisions in s. 1003.428(2)(a)6.
90 (g) Eight credits in electives.
91 1. Each school district shall develop and offer coordinated
92 electives so that a student may develop knowledge and skills in
93 his or her area of interest, such as electives with a STEM or
94 liberal arts focus.
95 2. Such electives must include opportunities for students
96 to earn college credit, including industry-certified career
97 education programs or series of career-themed courses that
98 result in industry certification or articulate into the award of
99 college credit or career education courses for which there is a

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100 statewide or local articulation agreement and which lead to
101 college credit.
102 (3) ONLINE COURSE REQUIREMENT.—Excluding a driver education
103 course, at least one course within the 24 credits required under
104 this section must be completed through online learning. A school
105 district may not require a student to take the online course
106 outside the school day or in addition to a student's courses for
107 a given semester. An online course taken in grade 6, grade 7, or
108 grade 8 fulfills this requirement. This requirement is met
109 through an online course offered by the Florida Virtual School,
110 a virtual education provider approved by the State Board of
111 Education, a high school, or an online dual enrollment course. A
112 student who is enrolled in a full-time or part-time virtual
113 instruction program under s. 1002.45 meets this requirement.
114 This requirement does not apply to a student who has an
115 individual education plan under s. 1003.57 which indicates that
116 an online course would be inappropriate or to an out-of-state
117 transfer student who is enrolled in a Florida high school and
118 has 1 academic year or less remaining in high school.
119 (4) REMEDIATION FOR HIGH SCHOOL STUDENTS.—
120 (a) Each year a student scores Level 1 or Level 2 on 9th
121 grade or 10th grade FCAT Reading or, when implemented, 9th
122 grade, 10th grade, or 11th grade common core English Language
123 Arts (ELA) assessments, the student must be enrolled in and
124 complete an intensive remedial course the following year or be
125 placed in a content area course that includes remediation of
126 skills not acquired by the student.
127 (b) Each year a student scores Level 1 or Level 2 on the
128 Algebra I EOC assessment, or upon transition to the common core

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129 Algebra I assessment, the student must be enrolled in and
130 complete an intensive remedial course the following year or be
131 placed in a content area course that includes remediation of
132 skills not acquired by the student.
133 (5) GRADE FORGIVENESS POLICY.—Each district school board
134 shall adopt policies designed to assist students in meeting
135 graduation requirements including grade forgiveness policies.
136 Forgiveness policies for required courses shall be limited to
137 replacing a grade of "D" or "F" with a grade of "C" or higher
138 earned subsequently in the same or a comparable course.
139 Forgiveness policies for elective courses shall be limited to
140 replacing a grade of "D" or "F" with a grade of "C" or higher
141 earned subsequently in another course. The only exception to
142 these forgiveness policies shall be made for a student in the
143 middle grades who takes a high school course for high school
144 credit and earns a grade of "C," "D," or "F." In such case, the
145 district forgiveness policy must allow the replacement of the
146 grade with a grade of "C" or higher earned subsequently in the
147 same or comparable course. In all cases of grade forgiveness,
148 only the new grade shall be used in the calculation of the
149 student's grade point average. Any course grade not replaced
150 according to a district school board forgiveness policy shall be
151 included in the calculation of the cumulative grade point
152 average required for graduation.
153 (6) AWARD OF A STANDARD HIGH SCHOOL DIPLOMA.—A student who
154 earns a cumulative grade point average (GPA) of 2.0 on a 4.0
155 scale and meets the requirements of this section shall be
156 awarded a standard high school diploma in a form prescribed by
157 the State Board of Education. Notwithstanding any other law to

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158 the contrary, all students enrolled in high school as of the
159 2012-2013 school year who earned a passing grade in Biology I or
160 geometry before the 2013-2014 school year shall be awarded a
161 credit in that course if the student passed the course. The
162 student's performance on the EOC assessment is not required to
163 constitute 30 percent of the student's final course grade. A
164 student who fails to earn the required credits or achieve a 2.0
165 GPA shall be awarded a certificate of completion in a form
166 prescribed by the State Board of Education.
167 (7) UNIFORM TRANSFER OF HIGH SCHOOL CREDITS.—
168 (a) Beginning with the 2012-2013 school year, if a student
169 transfers to a Florida public high school from out of country,
170 out of state, a private school, or a home education program and
171 the student's transcript shows a mathematics credit in a course
172 that requires passage of a statewide, standardized assessment in
173 order to earn a standard high school diploma, the student must
174 pass the assessment unless the student earned a comparative
175 score pursuant to s. 1008.22, passed a statewide assessment in
176 that subject administered by the transferring entity, or passed
177 the statewide assessment the transferring entity uses to satisfy
178 the requirements of the Elementary and Secondary Education Act
179 (ESEA), 20 U.S.C. s. 6301 et seq. If a student's transcript
180 shows a credit in high school reading or English Language Arts
181 II or III, the student must take and pass grade 10 FCAT Reading
182 or earn a concordant score on the SAT or ACT as specified by
183 state board rule or, when the state transitions to common core
184 English Language Arts assessments, earn a passing score on the
185 English Language Arts assessment as required under the standard
186 high school diploma designation selected under this section.

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187 (b) Credits and grades earned and offered for acceptance by
188 a transferring student shall be based on official transcripts
189 and shall be accepted at face value subject to validation, as
190 provided by State Board of Education rule, if required by the
191 receiving school's accreditation.
192 (8) CAREER EDUCATION COURSES THAT SATISFY HIGH SCHOOL
193 CREDIT REQUIREMENTS.—
194 (a) Participation in career education courses engages
195 students in their high school education, increases academic
196 achievement, enhances employability, and increases postsecondary
197 success. By July 1, 2014, the department shall develop, for
198 approval by the State Board of Education, multiple, additional
199 career education courses or a series of courses that meet the
200 requirements set forth in s. 1003.493(2), (4), and (5) and this
201 subsection and allow students to earn credit in both the career
202 education course and courses required for high school graduation
203 under ss. 1003.428, 1003.4281, and 1003.4282.
204 1. The state board must determine if sufficient academic
205 standards are covered to warrant the award of academic credit.
206 2. Career education courses must include workforce and
207 digital literacy skills and the integration of required course
208 content with practical applications and designated rigorous
209 coursework that results in one or more industry certifications
210 or clearly articulated credit or advanced standing in a 2-year
211 or 4-year certificate or degree program, which may include high
212 school junior- and senior-year work-related internships or
213 apprenticeships. The department shall negotiate state licenses
214 for material and testing for industry certifications. The
215 instructional methodology used in these courses must be

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216 comprised of authentic projects, problems, and activities for
217 contextually learning the academics.
218 3. The state board shall identify an industry certification
219 or multiple certifications from the Industry Certification
220 Funding List or the Postsecondary Industry Certification Funding
221 List which demonstrate attainment of standards associated with
222 digital composition, word processing, and presentation skills,
223 and which satisfy at least one credit in English Language Arts
224 required to fulfill high school graduation requirements.
225 (b) Each school district may take the initiative to work
226 with local workforce boards, local business and industry
227 leaders, and postsecondary institutions to establish
228 partnerships for the purpose of creating career education
229 courses or a series of courses that meet the requirements set
230 forth in s. 1003.493(2), (4), and (5) which students can take to
231 earn required high school course credits. Emphasis should be
232 placed on online course work and digital literacy. School
233 districts shall submit their recommended career education
234 courses to the department for state board approval. School
235 district-recommended career education courses must meet the same
236 rigorous standards as department-developed career education
237 courses in order to be approved by the state board. School
238 districts participating in the development of rigorous career
239 education courses will be able to better address local workforce
240 needs and allow students the opportunity to acquire the
241 knowledge and skills that are needed not only for academic
242 advancement but also for employability purposes.
243 (c) Regional consortium service organizations established
244 pursuant to s. 1001.451 shall work with school districts, local

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245 workforce boards, postsecondary institutions, and local business
246 and industry leaders to create career education courses that
247 meet the requirements set forth in s. 1003.493(2), (4), and (5)
248 and this subsection which students may take to earn required
249 high school course credits. The regional consortium shall submit
250 course recommendations to the department, on behalf of the
251 consortium member districts, for state board approval. A strong
252 emphasis should be placed on online course work, digital
253 literacy, and workforce literacy as defined in s. 1004.02(27).
254 For purposes of providing students the opportunity to earn
255 industry certifications, consortiums must secure the necessary
256 site licenses and testing contracts for use by member districts.
257 (9) RULES.—The State Board of Education shall adopt rules
258 to implement this section.
259
260 ========== T I T L E A M E N D M E N T ==========
261 And the title is amended as follows:
262 Delete line 56
263 and insert:
264 high school graduation; creating s. 1003.4282, F.S.;
265 providing requirements for a standard high school
266 diploma; establishing a 24-credit requirement;
267 providing course and assessment requirements;
268 providing requirements relating to online courses,
269 remediation, grade forgiveness, award of a standard
270 high school diploma, transfer of high school credits,
271 and career education courses that earn high school
272 credits; requiring the State Board of Education to
273 adopt rules; amending s. 1003.429, F.S.;

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Bean) recommended the following:

Senate Amendment (with title amendment)

Between lines 603 and 604
insert:
Section 9. Section 1003.4285, Florida Statutes, is amended to read:
1003.4285 Standard high school diploma academic eligibility designations. ~~Each standard high school diploma shall include, as applicable:~~
(1) SCHOLAR DESIGNATION.—In addition to the requirements of ss. 1003.428 and 1003.4282, as applicable, in order to earn the academic eligibility scholar designation, a student must:

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13 (a) Pass the 11th grade English/Language Arts common core
14 assessment when the state transitions to common core
15 assessments;
16 (b) Earn one credit in Algebra II and one credit in
17 statistics or an equally rigorous course. When the state
18 transitions to common core assessments, students must pass the
19 Algebra II common core assessment;
20 (c) Pass the statewide, standardized Biology I end-of-
21 course assessment and earn one credit in Chemistry or Physics
22 and one credit in a course that is equally rigorous to Chemistry
23 or Physics;
24 (d) Pass the statewide, standardized United States history
25 end-of course assessment;
26 (e) Earn two credits in the same foreign language; and
27 (f) Earn at least one credit in an International
28 Baccalaureate, an Advanced Placement, an Advanced International
29 Certification of Education, or a dual enrollment course.
30 (2) GOLD SCHOLAR DESIGNATION.—In addition to the
31 requirements of ss. 1003.428 and 1003.4282, as applicable, in
32 order to earn the academic eligibility gold scholar designation,
33 a student must attain two or more industry certifications that
34 lead to college credit.
35 (3) DUTIES.—The school district shall provide each student
36 and parent information about diploma designations through an
37 online education and career planning tool that allows students
38 to monitor their progress toward the attainment of each
39 designation.
40 (4) APPROVAL.—The State Board of Education, in
41 collaboration with the Board of Governors, shall approve the

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42 academic eligibility designations. The State Board of Education
43 shall review the academic eligibility designations and make
44 recommendations to the Legislature by December 1, 2013, for
45 aligning the designations to the eligibility criteria for
46 receiving a Bright Futures Scholarship award.
47 ~~(1) A designation of the student's major area of interest~~
48 ~~pursuant to the student's completion of credits as provided in~~
49 ~~s. 1003.428.~~
50 ~~(2) A designation reflecting completion of four or more~~
51 ~~accelerated college credit courses if the student is eligible~~
52 ~~for college credit pursuant to s. 1007.27 or s. 1007.271 in~~
53 ~~Advanced Placement, International Baccalaureate, Advanced~~
54 ~~International Certificate of Education, or dual enrollment~~
55 ~~courses. The Commissioner of Education shall establish~~
56 ~~guidelines for successful passage of examinations or coursework~~
57 ~~in each of the accelerated college credit options for purposes~~
58 ~~of this subsection.~~
59 ~~(3) A designation reflecting the attainment of one or more~~
60 ~~industry certifications from the list approved by Workforce~~
61 ~~Florida, Inc., under s. 1003.492.~~
62 ~~(4) A designation reflecting a Florida Ready to Work~~
63 ~~Credential in accordance with s. 445.06.~~
64
65 ========== T I T L E A M E N D M E N T ==========
66 And the title is amended as follows:
67 Delete line 56
68 and insert:
69 high school graduation; amending s. 1003.4285, F.S.;
70 revising standard high school diploma designations;

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71 requiring a school district to provide each student
72 and parent information about diploma designations
73 through an online education and career planning tool;
74 requiring the State Board of Education to approve
75 academic eligibility designations; requiring the State
76 Board of Education to review academic eligibility
77 designations and make recommendations to the
78 Legislature; amending s. 1003.429, F.S.;

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Montford) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 603 and 604
4 insert:
5 Section 9. Section 1003.4286, Florida Statutes, is created
6 to read:
7 1003.4286 General requirements for high school graduation;
8 revised.—
9 (1) The Commissioner of Education may award a standard high
10 school diploma to an honorably discharged veteran who started
11 high school between 1937 and 1946 and was scheduled to graduate
12 between 1941 and 1950 but was inducted into the United States

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13 Armed Forces between September 16, 1940, and December 31, 1946,
14 prior to completing the necessary high school graduation
15 requirements. Upon the recommendation of the commissioner, the
16 State Board of Education may develop criteria and guidelines for
17 awarding such diplomas.
18 (2) The Commissioner of Education may award a standard high
19 school diploma to an honorably discharged veteran who started
20 high school between 1946 and 1950 and was scheduled to graduate
21 between 1950 and 1954, but was inducted into the United States
22 Armed Forces between June 27, 1950, and January 31, 1955, and
23 served during the Korean Conflict prior to completing the
24 necessary high school graduation requirements. Upon the
25 recommendation of the commissioner, the State Board of Education
26 may develop criteria and guidelines for awarding such diplomas.
27
28 ========== T I T L E A M E N D M E N T ==========
29 And the title is amended as follows:
30 Delete line 56
31 and insert:
32 high school graduation; creating s. 1003.4286, F.S.;
33 authorizing the Commissioner of Education to award a
34 standard high school diploma to certain honorably
35 discharged veterans; amending s. 1003.429, F.S.;

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Montford) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 745 and 746
4 insert:
5 Section 9. Section 1003.4291, Florida Statutes, is created
6 to read:
7 1003.4291 Accelerated high school graduation options.—
8 (1) A student who enters grade 9 in the 2013-2014 school
9 year and thereafter may select, upon receipt of each consent
10 required by this section, one of the following three high school
11 graduation options:
12 (a) Completion of the general requirements for high school

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13 graduation pursuant to s. 1003.428, s. 1003.4282, or s. 1003.43,
14 as applicable.
15 (b) Completion of a 3-year standard college preparatory
16 program requiring successful completion of a minimum of 18
17 academic credits in grades 9 through 12. At least 6 of the 18
18 credits required for completion of this program must be received
19 in classes that are offered pursuant to the International
20 Baccalaureate Program, the Advanced Placement Program, dual
21 enrollment, or the Advanced International Certificate of
22 Education or that are specifically listed or identified by the
23 Department of Education as containing rigorous academic
24 curriculum and performance standards pursuant to s. 1009.531(3).
25 The 18 credits required for completion of this program are
26 primary requirements and shall be distributed as follows:
27 1. Four credits in English Language Arts (ELA). The four
28 credits must be in ELA I, II, III, and IV.
29 2. Four credits in mathematics at the Algebra I level or
30 higher from the list of courses that qualify for state
31 university admission. A student must pass the Algebra I end-of-
32 course (EOC) assessment until the state transitions to a common
33 core Algebra I assessment, after which time a student must pass
34 the common core assessment to earn the required credit in
35 Algebra I. In addition to the Algebra I credit requirement, one
36 of the four credits in mathematics must be in geometry or a
37 series of courses equivalent to geometry as approved by the
38 State Board of Education. A student must pass the Geometry EOC
39 assessment or common core assessment in order to earn the
40 required credit. In addition to the Algebra I and geometry
41 credit requirements, one of the four credits in mathematics must

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42 be in Algebra II or a series of courses equivalent to Algebra II
43 as approved by the State Board of Education. When the state
44 administers a common core Algebra II assessment, a student must
45 pass the Algebra II common core assessment to earn the required
46 credit in Algebra II. Industry certification courses that lead
47 to college credit may substitute for up to two mathematics
48 credits.
49 3. Three credits in science, two of which must have a
50 laboratory component. One of the three credits in science must
51 be in Biology I or a series of courses equivalent to Biology I
52 as approved by the State Board of Education. For a student to
53 earn the required credit in Biology I, the student must pass the
54 Biology I EOC assessment. One credit must be in chemistry or
55 physics or a series of courses equivalent to chemistry or
56 physics, as approved by the State Board of Education, and one
57 credit must be an equally rigorous course approved by the State
58 Board of Education. Industry certification courses that lead to
59 college credit may substitute for up to one science credit.
60 4. Three credits in social sciences, which must include one
61 credit in United States history, one credit in world history,
62 one-half credit in United States government, and one-half credit
63 in economics, including financial literacy. A student must pass
64 the United States History EOC assessment to earn the required
65 credit.
66 5. Two credits in the same second language unless the
67 student is a native speaker of, or can otherwise demonstrate
68 competency in, a language other than English. If the student
69 demonstrates competency in another language, the student may
70 replace the language requirement with two credits in other

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71 academic courses.
72 6. Two credits in electives.
73 (c) Completion of a 3-year career preparatory program
74 requiring successful completion of a minimum of 18 academic
75 credits in grades 9 through 12. The 18 credits shall be primary
76 requirements and shall be distributed as follows:
77 1. Four credits in English language arts (ELA). The four
78 credits must be in ELA I, II, III, and IV.
79 2. Four credits in mathematics, one of which must be in
80 Algebra I. A student must pass the Algebra I EOC assessment
81 until the state transitions to a common core Algebra I
82 assessment, after which time a student must pass the common core
83 assessment in order to earn the required credit in Algebra I. In
84 addition to the Algebra I credit requirement, one of the four
85 credits in mathematics must be in geometry or a series of
86 courses equivalent to geometry, as approved by the State Board
87 of Education. A student must pass the geometry EOC assessment or
88 common core assessment in order for a student to earn the
89 required credit in geometry. In addition to the Algebra I and
90 geometry credit requirements, one of the four credits in
91 mathematics must be in Algebra II or a series of courses
92 equivalent to Algebra II as approved by the State Board of
93 Education. When the state administers a common core Algebra II
94 assessment, a student must pass the Algebra II common core
95 assessment to earn the required credit in Algebra II. Industry
96 certification courses that lead to college credit may substitute
97 for up to two math credits.
98 3. Three credits in science, two of which must have a
99 laboratory component. One of the three credits in science must

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100 be in Biology I or a series of courses equivalent to Biology I,
101 as approved by the State Board of Education. A student must pass
102 the Biology I EOC assessment to earn the required credit in
103 Biology I. One credit must be in chemistry or physics or a
104 series of courses equivalent to chemistry or physics, as
105 approved by the State Board of Education, and one credit must be
106 in an equally rigorous course approved by the State Board of
107 Education.
108 4. Three credits in social sciences, which must include one
109 credit in United States history, one credit in world history,
110 one-half credit in United States government, and one-half credit
111 in economics, including financial literacy. A student must pass
112 the United States History EOC assessment to earn the required
113 credit.
114 5. Three credits in a single vocational or career education
115 program, three credits in career and technical certificate dual
116 enrollment courses, or five credits in vocational or career
117 education courses.
118 6. One credit in electives unless five credits are earned
119 under subparagraph 5.
120
121 The required credits in the three high school graduation options
122 specified in this subsection may be earned through equivalent,
123 applied, or integrated courses or career education courses as
124 defined in s. 1003.01(4), including work-related internships
125 approved by the State Board of Education and identified in the
126 Course Code Directory. However, any must-pass assessment
127 requirements must be met. An equivalent course is one or more
128 courses identified by content area experts as being a match to

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129 the core curricular content of another course, based upon review
130 of the Next Generation Sunshine State Standards for that
131 subject. An applied course is a course that aligns with Next
132 Generation Sunshine State Standards and includes real-world
133 applications of a career and technical education standards used
134 in business or industry. An integrated course is a course that
135 includes content from several courses within a content area or
136 across content areas.
137 (2) Before selecting a program listed in paragraph (1)(b)
138 or paragraph (1)(c), a student and his or her parent may meet
139 with designated school personnel to receive an explanation of
140 the relative requirements, advantages, and disadvantages of each
141 program option, and the student must receive the written consent
142 of the student's parent to make a selection. If an effort to
143 meet with the student's parent fails and that effort has been
144 documented by designated school personnel, the student may
145 select a program described in paragraph (1)(b) or paragraph
146 (1)(c) with the written consent of the student's parent. A
147 student may select a program described in paragraph (1)(b) or
148 paragraph (1)(c) without the written consent of the student's
149 parent if the student is 18 years of age or older.
150 (3) Each district school board shall provide each student
151 in grades 6 through 12 and his or her parents with information
152 relating to the 3-year and 4-year high school graduation options
153 specified in subsection (1), including the respective curriculum
154 requirements for those options, so that each student and his or
155 her parents may select the program that best fits the student's
156 needs. The information must include a timeframe for achieving
157 each graduation option.

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158 (4) The student may select one of the graduation options
159 specified in subsection (1) at any time during grades 9 through
160 12, subject to the requirements in subsection (2). If the
161 student and parent fail to select one of the accelerated high
162 school graduation options, the student shall be considered to
163 have selected the general requirements for high school
164 graduation listed in paragraph (1)(a).
165 (5) A district school board may not establish requirements
166 for accelerated 3-year high school graduation options in excess
167 of the requirements in paragraphs (1)(b) and (c). For courses
168 that require statewide, standardized EOC assessments under s.
169 1008.22(3)(c)5., a minimum of 30 percent of a student's course
170 grade is composed of performance on the statewide, standardized
171 end-of-course assessment.
172 (6) A student who pursues one of the accelerated 3-year
173 high school graduation options specified in paragraph (1)(b) or
174 paragraph (1)(c) is required to:
175 (a) Earn passing scores on the FCAT as provided in s.
176 1008.22 or on a standardized test which are concordant with
177 passing scores on the FCAT as provided in s. 1008.22.
178 (b)1. Achieve a cumulative weighted grade point average of
179 3.5 on a 4.0 scale, or its equivalent, in the courses required
180 for the college preparatory accelerated 3-year high school
181 graduation option specified in paragraph (1)(b); or
182 2. Achieve a cumulative weighted grade point average of 3.0
183 on a 4.0 scale, or its equivalent, in the courses required for
184 the career preparatory accelerated 3-year high school graduation
185 option specified in paragraph (1)(c).
186 (c) Receive a weighted or unweighted grade that earns at

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187 least 3.0 points, or its equivalent, to earn course credit
188 toward the 18 credits required for the college preparatory
189 accelerated 3-year high school graduation option specified in
190 paragraph (1)(b).
191 (d) Receive a weighted or unweighted grade that earns at
192 least 2.0 points, or its equivalent, to earn course credit
193 toward the 18 credits required for the career preparatory
194 accelerated 3-year high school graduation option specified in
195 paragraph (1)(c).
196
197 Weighted grades referred to in paragraphs (b), (c), and (d) are
198 applied to those courses specifically listed or identified by
199 the department as rigorous pursuant to s. 1009.531(3) or
200 weighted by the district school board for class ranking
201 purposes.
202 (7) If, at the end of each grade, a student is not on track
203 to meet the credit, assessment, or grade point average
204 requirements of the accelerated graduation option selected, the
205 school shall notify the student and parent of the following:
206 (a) The requirements that the student is not currently
207 meeting.
208 (b) The specific performance necessary in grade 11 for the
209 student to meet the accelerated graduation requirements.
210 (c) The right of the student to change to the 4-year
211 program set forth in s. 1003.428, s. 1003.4282, or s. 1003.43,
212 as applicable.
213 (8) A student who selects one of the accelerated 3-year
214 graduation options shall automatically move to the the 4-year
215 high school graduation option established under s. 1003.428, s.

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216 1003.4282, or s. 1003.43, if applicable, if the student:
217 (a) Exercises his or her right to change to the 4-year high
218 school graduation program;
219 (b) Fails to earn five credits by the end of grade 9 or
220 fails to earn 11 credits by the end of grade 10;
221 (c) Does not achieve a score of 3 or higher on the grade 10
222 FCAT Writing assessment; or
223 (d) By the end of grade 11, does not meet the requirements
224 of subsections (1) and (6).
225 (9) A student who meets all requirements prescribed in
226 subsections (1) and (6) shall be awarded a standard diploma in a
227 form prescribed by the State Board of Education.
228
229 ========== T I T L E A M E N D M E N T ==========
230 And the title is amended as follows:
231 Delete line 61
232 and insert:
233 high school graduation; creating s. 1003.4291, F.S.;
234 providing requirements for accelerated high school
235 graduation options; establishing an 18-credit
236 requirement; providing course and assessment
237 requirements; amending s. 1003.4295, F.S.;

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Montford) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete lines 904 - 936
4 and insert:
5 Section 16. Present subsection (8) of section 1004.93,
6 Florida Statutes, is renumbered as subsection (9), and a new
7 subsection (8) is added to that section, to read:
8 1004.93 Adult general education.—
9
10 ========== T I T L E A M E N D M E N T ==========
11 And the title is amended as follows:
12 Delete lines 96 - 98

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13 and insert:
14 program; amending s. 1004.93, F.S.; requiring

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Montford) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 1036 and 1037
4 insert:
5 Section 19. Section 1008.22, Florida Statutes, is amended
6 to read:
7 (Substantial rewording of section. See
8 s. 1008.22, F.S., for present text.)
9 1008.22 Student assessment program for public schools.—
10 (1) PURPOSE.—The primary purpose of the student assessment
11 program is to provide student academic achievement and learning
12 gains data to students, parents, teachers, school

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13 administrators, and school district staff. This data is to be
14 used by districts to improve instruction; by students, parents,
15 and teachers to guide learning objectives; by education
16 researchers to assess national and international education
17 comparison data; and by the public to assess the cost benefit of
18 the expenditure of taxpayer dollars. The program must be
19 designed to:
20 (a) Assess the achievement level and annual learning gains
21 of each student in English Language Arts and mathematics and the
22 achievement level in all other subjects assessed.
23 (b) Provide data for making decisions regarding school
24 accountability, recognition, and improvement of operations and
25 management, including schools operating for the purpose of
26 providing educational services to youth in Department of
27 Juvenile Justice programs.
28 (c) Identify the educational strengths and needs of
29 students and the readiness of students to be promoted to the
30 next grade level or to graduate from high school.
31 (d) Assess how well educational goals and curricular
32 standards are met at the school, district, state, national, and
33 international levels.
34 (e) Provide information to aid in the evaluation and
35 development of educational programs and policies.
36 (2) NATIONAL AND INTERNATIONAL EDUCATION COMPARISONS.—
37 Florida school districts shall participate in the administration
38 of the National Assessment of Educational Progress, or similar
39 national or international assessments, both for the national
40 sample and for any state-by-state comparison programs that may
41 be initiated, as directed by the Commissioner of Education. The

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42 assessments must be conducted using the data collection
43 procedures, student surveys, educator surveys, and other
44 instruments included in the National Assessment of Educational
45 Progress or similar national or international assessments being
46 administered in Florida. The administration of such assessments
47 shall be in addition to and separate from the administration of
48 the statewide, standardized assessments.
49 (3) STATEWIDE, STANDARDIZED ASSESSMENT PROGRAM.—The
50 Commissioner of Education shall design and implement a
51 statewide, standardized assessment program aligned to the core
52 curricular content established in the Next Generation Sunshine
53 State Standards. The commissioner also must develop or select
54 and implement a common battery of assessment tools that will be
55 used in all juvenile justice education programs in the state.
56 These tools must accurately measure the core curricular content
57 established in the Next Generation Sunshine State Standards.
58 Participation in the assessment program is mandatory for all
59 school districts and all students attending public schools,
60 including students seeking an adult high school diploma and
61 students in Department of Juvenile Justice education programs,
62 except as otherwise prescribed by the commissioner. If a student
63 does not participate in the assessment program, the school
64 district must notify the student's parent and provide the parent
65 with information regarding the implications of such
66 nonparticipation. The statewide, standardized assessment program
67 shall be designed and implemented as follows:
68 (a) *Florida Comprehensive Assessment Test (FCAT) until*
69 *replaced by common core assessments.*—FCAT Reading shall be
70 administered annually in grades 3 through 10; FCAT Mathematics

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71 shall be administered annually in grades 3 through 8; FCAT
72 Writing shall be administered annually at least once at the
73 elementary, middle, and high school levels; and FCAT Science
74 shall be administered annually at least once at the elementary
75 and middle grades levels. A student who has not earned a passing
76 score on grade 10 FCAT Reading must participate in each retake
77 of the assessment until the student earns a passing score. The
78 commissioner shall recommend and the State Board of Education
79 must adopt a score on both the SAT and ACT which is concordant
80 to a passing score on grade 10 FCAT Reading which, if achieved
81 by a student, meets the must-pass requirement for grade 10 FCAT
82 Reading.
83 (b) *End-of-course (EOC) assessments.*—EOC assessments must
84 be statewide, standardized, and developed or approved by the
85 Department of Education as follows:
86 1. Statewide, standardized EOC assessments in mathematics
87 shall be administered according to this subparagraph. Beginning
88 with the 2010-2011 school year, all students enrolled in Algebra
89 I must take the Algebra I EOC assessment. Except as otherwise
90 provided in this section, beginning with students entering grade
91 9 in the 2011-2012 school year, a student who is enrolled in
92 Algebra I must earn a passing score on the Algebra I EOC
93 assessment or attain a comparative score as authorized under
94 subsection (8) in order to earn a standard high school diploma.
95 A student who has not earned a passing score on the Algebra I
96 EOC assessment must participate in each retake of the assessment
97 until the student earns a passing score. Beginning with the
98 2011-2012 school year, all students enrolled in Geometry must
99 take the Geometry EOC assessment. Middle grades students

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100 enrolled in Algebra I or Geometry must take the statewide,
101 standardized EOC assessment for those courses and are not
102 required to take the corresponding grade-level FCAT.
103 2. Statewide, standardized EOC assessments in science shall
104 be administered according to this subparagraph. Beginning with
105 the 2011-2012 school year, all students enrolled in Biology I
106 must take the Biology I EOC assessment.
107 3. During the 2012-2013 school year, an EOC assessment in
108 civics education shall be administered as a field test at the
109 middle grades level. Beginning with the 2013-2014 school year,
110 each student's performance on the statewide, standardized EOC
111 assessment in civics education constitutes 30 percent of the
112 student's final course grade.
113 4. The commissioner may select one or more nationally
114 developed comprehensive examinations, which may include
115 examinations for a College Board Advanced Placement course,
116 International Baccalaureate course, or Advanced International
117 Certificate of Education course, or industry-approved
118 examinations to earn national industry certifications identified
119 in the Industry Certification Funding List, for use as EOC
120 assessments under this paragraph if the commissioner determines
121 that the content knowledge and skills assessed by the
122 examinations meet or exceed the grade-level expectations for the
123 core curricular content established for the course in the Next
124 Generation Sunshine State Standards. Use of any such examination
125 as an EOC assessment must be approved by the state board.
126 5. Contingent upon funding provided in the General
127 Appropriations Act, including the appropriation of funds
128 received through federal grants, the commissioner may establish

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129 an implementation schedule for the development and
130 administration of additional statewide, standardized EOC
131 assessments that must be approved by the state board. If
132 approved by the state board, student performance on such
133 assessments constitutes 30 percent of a student's final course
134 grade.
135 6. All statewide, standardized EOC assessments must be
136 administered online except as otherwise provided in paragraph
137 (c).
138 (c) *Students with disabilities; Florida Alternate*
139 *Assessment.*—
140 1. Each district school board must provide instruction to
141 prepare students with disabilities in the core content knowledge
142 and skills necessary for successful grade-to-grade progression
143 and high school graduation.
144 2. A student with a disability, as defined in s.
145 1007.02(2), for whom the individual education plan (IEP) team
146 determines that the statewide, standardized assessments under
147 this section cannot accurately measure the student's abilities,
148 taking into consideration all allowable accommodations, shall
149 have assessment results waived for the purpose of receiving a
150 course grade and a standard high school diploma. Such waiver
151 shall be designated on the diploma as provided under s.
152 1003.4285.
153 3. The State Board of Education shall adopt rules, based
154 upon recommendations of the commissioner, for the provision of
155 assessment accommodations for students with disabilities and for
156 students who have limited English proficiency.
157 a. Accommodations that negate the validity of a statewide,

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158 standardized assessment are not allowed during the
159 administration of the assessment. However, instructional
160 accommodations are allowed in the classroom if identified in a
161 student's IEP. Students using instructional accommodations in
162 the classroom which are not allowed on a statewide, standardized
163 assessment may have assessment results waived if the IEP team
164 determines that the assessment cannot accurately measure the
165 student's abilities.
166 b. If a student is provided with instructional
167 accommodations in the classroom which are not allowed as
168 accommodations for statewide, standardized assessments, the
169 district must inform the parent in writing and provide the
170 parent with information regarding the impact on the student's
171 ability to meet expected performance levels. A parent must
172 provide signed consent for a student to receive classroom
173 instructional accommodations that would not be available or
174 permitted on a statewide, standardized assessment and
175 acknowledge in writing that he or she understands the
176 implications of such instructional accommodations.
177 c. If a student's IEP states that online administration of
178 a statewide, standardized assessment will significantly impair
179 the student's ability to perform, the assessment shall be
180 administered in hard copy.
181 4. For students with significant cognitive disabilities,
182 the Department of Education shall provide for implementation of
183 the Florida Alternate Assessment to accurately measure the core
184 curricular content established in the Next Generation Sunshine
185 State Standards.
186 (d) *Common core assessments in English Language Arts (ELA)*

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187 *and Mathematics.—*
188 1. Contingent upon funding, common core assessments in ELA
189 shall be administered to students in grades 3 through 11. Retake
190 opportunities for the grade 10 assessment must be provided.
191 Students taking the ELA assessments are not required to take the
192 assessments in FCAT Reading or FCAT Writing. Common core ELA
193 assessments shall be administered online.
194 2. Contingent upon funding, common core assessments in
195 Mathematics shall be administered to all students in grades 3
196 through 8, and common core assessments in Algebra I, Geometry,
197 and Algebra II shall be administered to students enrolled in
198 those courses. Retake opportunities must be provided for the
199 Algebra I assessment. Students may take the common core
200 Mathematics assessments pursuant to the Credit Acceleration
201 Program (CAP) under s. 1003.4295(3). Students taking common core
202 assessments in mathematics are not required to take FCAT
203 Mathematics or statewide, standardized EOC assessments in
204 mathematics. Common core mathematics assessments shall be
205 administered online.
206 3. The State Board of Education shall adopt rules
207 establishing an implementation schedule to transition from FCAT
208 Reading, FCAT Writing, FCAT Mathematics, and Algebra I and
209 geometry EOC assessments to common core assessments in English
210 language arts and mathematics. The schedule must take into
211 consideration funding, sufficient field and baseline data,
212 access to assessments, instructional alignment, and school
213 district readiness to administer the common core assessments
214 online. Until the grade 10 common core ELA and Algebra I
215 assessments become must-pass assessments, students must pass

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216 grade 10 FCAT Reading and the Algebra I EOC assessment, or
217 achieve a concordant or comparative score as authorized under
218 this section, in order to earn a standard high school diploma
219 under s. 1003.4282. Students taking grade 10 FCAT Reading or the
220 Algebra I EOC assessment are not required to take the respective
221 common core assessments.
222 (e) *Assessment scores and achievement levels.*—
223 1. All statewide, standardized EOC assessments and FCAT
224 Reading, FCAT Writing, and FCAT Science shall use scaled scores
225 and achievement levels. Achievement levels shall range from 1
226 through 5, with level 1 being the lowest achievement level,
227 level 5 being the highest achievement level, and level 3
228 indicating satisfactory performance on an assessment. For
229 purposes of FCAT Writing, student achievement shall be scored
230 using a scale of 1 through 6. Common core English Language Arts
231 and Mathematics assessments shall use achievement levels 1
232 through 6.
233 2. The state board shall designate by rule a passing score
234 for each statewide, standardized EOC and FCAT assessment. In
235 addition, the state board shall designate a score for each
236 statewide, standardized EOC assessment which indicates that a
237 student is high achieving and has the potential to meet college-
238 readiness standards by the time the student graduates from high
239 school.
240 3. If the commissioner seeks to revise a statewide,
241 standardized assessment and the revisions require the state
242 board to modify performance level scores, including the passing
243 score, the commissioner shall provide a copy of the proposed
244 scores and implementation plan to the President of the Senate

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245 and the Speaker of the House of Representatives at least 90 days
246 before submission to the state board for review. Until the state
247 board adopts the modifications by rule, the commissioner shall
248 use calculations for scoring the assessment which adjust student
249 scores on the revised assessment for statistical equivalence to
250 student scores on the former assessment. The state board shall
251 adopt by rule the passing score for the revised assessment which
252 is statistically equivalent to the passing score on the
253 discontinued assessment for a student who is required to attain
254 a passing score on the discontinued assessment. The commissioner
255 may, with approval of the state board, discontinue
256 administration of the former assessment upon the graduation,
257 based on normal student progression, of students participating
258 in the final regular administration of the former assessment. If
259 the commissioner revises a statewide, standardized assessment
260 and the revisions require the state board to modify the passing
261 score, only students taking the assessment for the first time
262 after the rule is adopted are affected.
263 (f) *Assessment schedules and reporting of results.*—The
264 Commissioner of Education shall establish schedules for the
265 administration of assessments and the reporting of student
266 assessment results. The commissioner shall consider the
267 observance of religious and school holidays when developing the
268 schedule. By August 1 of each year, the commissioner shall
269 notify each school district in writing and publish on the
270 department's website the assessment and reporting schedules for,
271 at a minimum, the school year following the upcoming school
272 year. The assessment and reporting schedules must provide the
273 earliest possible reporting of student assessment results to the

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274 school districts. Assessment results for FCAT Reading and FCAT
275 Mathematics must be made available no later than the week of
276 June 8. The administration of FCAT Writing and the Florida
277 Alternate Assessment may be no earlier than the week of March 1.
278 School districts shall administer assessments in accordance with
279 the schedule established by the commissioner.
280 (g) *Prohibited activities.*—A district school board shall
281 prohibit each public school from suspending a regular program of
282 curricula for purposes of administering practice assessments or
283 engaging in other assessment-preparation activities for a
284 statewide, standardized assessment. However, a district school
285 board may authorize a public school to engage in the following
286 assessment-preparation activities:
287 1. Distributing to students sample assessment books and
288 answer keys published by the Department of Education.
289 2. Providing individualized instruction in assessment-
290 taking strategies, without suspending the school's regular
291 program of curricula, for a student who scores Level 1 or Level
292 2 on a prior administration of an assessment.
293 3. Providing individualized instruction in the content
294 knowledge and skills assessed, without suspending the school's
295 regular program of curricula, for a student who scores Level 1
296 or Level 2 on a prior administration of an assessment or a
297 student who, through a diagnostic assessment administered by the
298 school district, is identified as having a deficiency in the
299 content knowledge and skills assessed.
300 4. Administering a practice assessment or engaging in other
301 assessment-preparation activities that are determined necessary
302 to familiarize students with the organization of the assessment,

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303 the format of assessment items, and the assessment directions or
304 that are otherwise necessary for the valid and reliable
305 administration of the assessment, as set forth in rules adopted
306 by the State Board of Education with specific reference to this
307 paragraph.
308 (h) *Contracts for assessments.*—The commissioner shall
309 provide for the assessments to be developed or obtained, as
310 appropriate, through contracts and project agreements with
311 private vendors, public vendors, public agencies, postsecondary
312 educational institutions, or school districts. The commissioner
313 may enter into contracts for the continued administration of the
314 assessments authorized and funded by the Legislature. Contracts
315 may be initiated in one fiscal year and continue into the next
316 fiscal year and may be paid from the appropriations of either or
317 both fiscal years. The commissioner may negotiate for the sale
318 or lease of tests, scoring protocols, test scoring services, and
319 related materials developed pursuant to law.
320 (4) SCHOOL ASSESSMENT PROGRAMS.—Each public school shall
321 participate in the statewide, standardized assessment program in
322 accordance with the assessment and reporting schedules published
323 by the Commissioner of Education. District school boards may not
324 establish school calendars that conflict with or jeopardize
325 implementation of the assessment program. All district school
326 boards shall report assessment results as required by the state
327 management information system. Performance data shall be
328 analyzed and reported to parents, the community, and the state.
329 Student performance data shall be used by districts in
330 developing objectives for the school improvement plan,
331 evaluating instructional personnel and administrative personnel,

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332 assigning staff, allocating resources, acquiring instructional
333 materials and technology, implementing performance-based
334 budgeting, and promoting and assigning students to educational
335 programs. The analysis of student performance data must also
336 identify strengths and needs in the educational program and
337 trends over time. The analysis must be used in conjunction with
338 the budgetary planning processes developed pursuant to s.
339 1008.385 and the development of remediation programs.
340 (5) REQUIRED ANALYSES.—The commissioner shall provide, at a
341 minimum, statewide, standardized assessment data analysis
342 showing student achievement levels and learning gains by
343 teacher, school, and school district.
344 (6) LOCAL ASSESSMENTS.—
345 (a) Measurement of student learning gains in all subjects
346 and grade levels, except those subjects and grade levels
347 measured under the statewide, standardized assessment program
348 described in this section, is the responsibility of the school
349 districts.
350 (b) Beginning with the 2014-2015 school year, each school
351 district shall administer for each course offered in the
352 district a student assessment that measures mastery of the
353 content, as described in the state-adopted course description,
354 at the necessary level of rigor for the course. Such assessments
355 may include:
356 1. Statewide assessments.
357 2. Other standardized assessments, including nationally
358 recognized standardized assessments.
359 3. Industry certification examinations.
360 4. District-developed or district-selected end-of-course

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361 assessments.
362 (c) The Commissioner of Education shall identify methods to
363 assist and support districts in the development and acquisition
364 of assessments required under this subsection. Methods may
365 include developing item banks, facilitating the sharing of
366 developed tests among school districts, acquiring assessments
367 from state and national curriculum-area organizations, and
368 providing technical assistance in best professional practices of
369 test development based upon state-adopted curriculum standards,
370 administration, and security.
371 (7) CONCORDANT SCORES FOR GRADE 10 FCAT READING.—Until the
372 state transitions to common core English Language Arts
373 assessments, the Commissioner of Education must identify scores
374 on the SAT and ACT that if achieved satisfy the graduation
375 requirement that a student pass grade 10 FCAT Reading. The
376 commissioner may identify concordant scores on other assessments
377 as well. If the content or scoring procedures change for grade
378 10 FCAT Reading, new concordant scores must be determined. If
379 new concordant scores are not timely adopted, the last adopted
380 concordant scores remain in effect until such time as new scores
381 are adopted. The state board shall adopt concordant scores in
382 rule.
383 (8) COMPARATIVE SCORES FOR END-OF-COURSE (EOC)
384 ASSESSMENTS.—The Commissioner of Education must identify one or
385 more comparative scores for the Algebra I EOC assessment and may
386 identify comparative scores for the other EOC assessments. If
387 the content or scoring procedures change for the EOC
388 assessments, new comparative scores must be determined. If new
389 comparative scores are not timely adopted, the last adopted

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390 comparative scores remain in effect until such time as new
391 scores are adopted. The state board shall adopt comparative
392 scores in rule.
393 (9) REPORTS.—The Department of Education shall annually
394 provide a report to the Governor, the President of the Senate,
395 and the Speaker of the House of Representatives which must
396 include the following:
397 (a) Longitudinal performance of students in reading and
398 mathematics.
399 (b) Longitudinal performance of students by grade level in
400 reading and mathematics.
401 (c) Longitudinal performance regarding efforts to close the
402 achievement gap.
403 (d) Other student performance data based on national norm-
404 referenced and criterion-referenced tests, if available;
405 national assessments, such as the National Assessment of
406 Educational Progress; and international assessments.
407 (e) The number of students who after grade 8 enroll in
408 adult education rather than other secondary education.
409 (f) Any plan or intent to establish or implement new
410 statewide, standardized assessments.
411 (10) RULES.—The State Board of Education shall adopt rules
412 to implement this section.
413
414 ========== T I T L E A M E N D M E N T ==========
415 And the title is amended as follows:
416 Delete line 108
417 and insert:
418 of an industry certification; amending s. 1008.22,

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419 F.S.; substantially rewording the student assessment
420 program for public schools; providing requirements for
421 a statewide, standardized assessment program aligned
422 to core curricular content in the Next Generation
423 Sunshine State Standards; providing requirements for
424 end-of-course assessments; providing requirements for
425 instruction for students with disabilities; providing
426 for transition to common core assessments in English
427 language arts and mathematics; providing requirements
428 for assessment scores, achievement levels, assessment
429 schedules, and reporting of assessment results;
430 providing prohibited and authorized assessment-
431 preparation activities; authorizing contracts for
432 assessments; requiring analysis of data,
433 administration of local assessments, and
434 identification of concordant and comparative scores;
435 requiring annual reporting of student performance
436 data; requiring the state board to adopt rules;
437 amending s. 1008.25,

784300

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Montford) recommended the following:

Senate Amendment (with directory and title amendments)

Between lines 1181 and 1182
insert:
(l) *Calculation of additional full-time equivalent membership based on International Baccalaureate examination scores of students.*—A value of 0.16 full-time equivalent student membership shall be calculated for each student enrolled in an International Baccalaureate course who receives a score of 4 or higher on a subject examination. A value of 0.3 full-time equivalent student membership shall be calculated for each student who receives an International Baccalaureate diploma.

784300

13 Such value shall be added to the total full-time equivalent
14 student membership in basic programs for grades 9 through 12 in
15 the subsequent fiscal year. Each school district shall allocate
16 80 percent of the funds received from International
17 Baccalaureate bonus FTE funding to the school program whose
18 students generate the funds and to school programs that prepare
19 prospective students to enroll in International Baccalaureate
20 courses. Funds shall be expended solely for the payment of
21 allowable costs associated with the International Baccalaureate
22 program. Allowable costs include International Baccalaureate
23 annual school fees; International Baccalaureate examination
24 fees; salary, benefits, and bonuses for teachers and program
25 coordinators for the International Baccalaureate program and
26 teachers and coordinators who prepare prospective students for
27 the International Baccalaureate program; supplemental books;
28 instructional supplies; instructional equipment or instructional
29 materials for International Baccalaureate courses; other
30 activities that identify prospective International Baccalaureate
31 students or prepare prospective students to enroll in
32 International Baccalaureate courses; and training or
33 professional development for International Baccalaureate
34 teachers. School districts shall allocate the remaining 20
35 percent of the funds received from International Baccalaureate
36 bonus FTE funding for programs that assist academically
37 disadvantaged students to prepare for more rigorous courses. The
38 school district shall distribute to each classroom teacher who
39 provided International Baccalaureate instruction:
40 1. A bonus in the amount of $50 for each student taught by
41 the International Baccalaureate teacher in each International

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42 Baccalaureate course who receives a score of 4 or higher on the
43 International Baccalaureate examination.
44 2. An additional bonus of $500 to each International
45 Baccalaureate teacher in a school designated with a grade of "D"
46 or "F" who has at least one student scoring 4 or higher on the
47 International Baccalaureate examination, regardless of the
48 number of classes taught or of the number of students scoring a
49 4 or higher on the International Baccalaureate examination.
50
51 Bonuses awarded to a teacher according to this paragraph may
52 ~~shall~~ not exceed $2,000 in any given school year. However, the
53 maximum bonus shall be $3,000 if at least 50 percent of the
54 students enrolled in a teacher's course earn a score of 4 or
55 higher on the examination in a school designated with a grade of
56 "A," "B," or "C"; or if at least 25 percent of the students
57 enrolled in a teacher's course earn a score of 4 or higher on
58 the examination in a school designated with a grade of "D" or
59 "F." Bonuses awarded under this paragraph ~~and~~ shall be in
60 addition to any regular wage or other bonus the teacher received
61 or is scheduled to receive. For such courses, the teacher shall
62 earn an additional bonus of $50 for each student who has a
63 qualifying score up to the maximum of $3,000 in any given school
64 year.
65
66 ====== D I R E C T O R Y C L A U S E A M E N D M E N T ======
67 And the directory clause is amended as follows:
68 Delete line 1149
69 and insert:
70 added to that subsection, and paragraphs (c), (l), (n), and

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71 (o) and
72
73 ========== T I T L E A M E N D M E N T ==========
74 And the title is amended as follows:
75 Delete line 149
76 and insert:
77 enrollment in advanced placement and International
78 Baccalaureate courses; increasing

907534

LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Montford) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete lines 1311 - 1326
4 and insert:
5 (s) *Florida Cyber Security Recognition, Florida Digital*
6 *Arts Recognition, and Florida Digital Tools Certificate*
7 *established pursuant to s. 1003.4203.*—
8 1. Each school district shall certify by June 30 of each
9 year to the Department of Education each elementary school that
10 achieves 75 percent of student attainment of the Florida Cyber
11 Security Recognition or the Florida Digital Arts Recognition
12 established pursuant to s. 1003.4203. Upon verification by the

907534

13 department, each school that has achieved the designated student
14 recognitions shall be awarded a Florida Cyber Security
15 designation by the Commissioner of Education.
16 2. Contingent upon appropriations, each middle school shall
17 receive $50 for each student who earns the Florida Digital Tools
18 Certificate established pursuant to s. 1003.4203 with a minimum
19 award per school of $1,000 annually and a maximum award per
20 school of $15,000 annually. This performance payment shall be
21 calculated in the FEFP as a full-time equivalent student.
22
23 ========== T I T L E A M E N D M E N T ==========
24 And the title is amended as follows:
25 Delete lines 158 - 160
26 and insert:
27 requiring each school district to certify to the
28 department each elementary school that achieves a
29 certain percentage of student attainment of certain
30 recognitions; authorizing bonus funding for middle
31 schools where students earn the Florida Digital Tools
32 Certificate; amending s. 1011.80,

355650

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Montford) recommended the following:

Senate Substitute for Amendment (907534) (with title amendment)

Delete lines 1311 - 1326
and insert:
(s) *Florida Cyber Security Recognition, Florida Digital Arts Recognition, and Florida Digital Tools Certificate established pursuant to s. 1003.4203.*—
1. Each school district shall certify by June 30 of each year to the Department of Education each elementary school that achieves 75 percent of student attainment of the Florida Cyber Security Recognition or the Florida Digital Arts Recognition

355650

13 established pursuant to s. 1003.4203. Upon verification by the
14 department, each school that has achieved the designated student
15 recognitions shall be awarded a Florida Cyber Security
16 designation by the Commissioner of Education.
17 2. Each middle school shall receive $50 for each student
18 who earns the Florida Digital Tools Certificate established
19 pursuant to s. 1003.4203 with a minimum award per school of
20 $1,000 annually and a maximum award per school of $15,000
21 annually. This performance payment shall be calculated in the
22 FEFP as a full-time equivalent student.
23
24 ========== T I T L E A M E N D M E N T ==========
25 And the title is amended as follows:
26 Delete lines 158 - 160
27 and insert:
28 requiring each school district to certify to the
29 department each elementary school that achieves a
30 certain percentage of student attainment of certain
31 recognitions; authorizing bonus funding for middle
32 schools where students earn the Florida Digital Tools
33 Certificate; amending s. 1011.80,

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

A bill to be entitled

An act relating to education; providing a short title; amending s. 1001.42, F.S.; authorizing a district school board to appoint a governing board for a school district technical center or a system of technical centers; providing for membership of the board; amending s. 1001.706, F.S.; revising the Board of Governors' strategic plan to include criteria for the designation of certain baccalaureate degree programs and graduate degree programs as high-demand programs; amending s. 1002.3105, F.S.; adding attainment of industry certifications to the list of acceleration options available to public school students; amending s. 1003.41, F.S.; revising the core curricular content for mathematics and social studies within the Next Generation Sunshine State Standards; amending s. 1003.4156, F.S.; revising the requirements for the course in career and education planning which students in middle grades must successfully complete for promotion; amending s. 1003.4203, F.S.; requiring each district school board to make available digital materials for students in kindergarten through grade 12; revising the digital curriculum; authorizing the digital materials to be integrated into subject area curricula, offered as a separate course, or made available through other options; requiring the Department of Education to confirm that each school

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district has made available digital instructional materials for certain students with disabilities by a specified date; requiring the department to contract with technology companies or affiliated nonprofit organizations by a specified date to develop a cyber security recognition and a digital arts and technology recognition; requiring that the recognitions be made available to all public elementary school students at no cost to the districts; requiring the department to contract by a specified date with technology companies to provide a digital tools certificate; requiring that the digital tools certificate be made available to all public middle school students at no cost to the school districts; providing legislative intent; requiring the department or a contracted company or companies to provide technical assistance to district school boards; providing criteria for the assistance; authorizing a district school board to seek partnerships with other school districts, private businesses, colleges, universities, or consultants to offer classes and instruction to teachers and students to assist the school district in providing digital materials and certifications; requiring the State Board of Education to adopt rules; amending s. 1003.428, F.S.; revising requirements for high school graduation to include financial literacy and a rigorous industry certification program of study; requiring students to pass certain assessments before high school graduation; amending s. 1003.429, F.S.;

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57 revising requirements for accelerated high school
58 graduation to include financial literacy and a
59 rigorous industry certification program of study;
60 requiring students to pass certain assessments before
61 high school graduation; amending s. 1003.4295, F.S.;
62 requiring the department to develop, the State Board
63 of Education to approve, and each school district to
64 provide alternative pathways of earning accelerated
65 credit toward meeting general credit requirements for
66 high school graduation; amending s. 1003.433, F.S.;
67 deleting a provision that exempts students attending
68 adult basic, adult secondary, or vocational-
69 preparatory instruction from payment of certain fees
70 and tuition; repealing s. 1003.4935(4), F.S., relating
71 to the adoption of rules by the State Board of
72 Education that identify industry certifications in
73 science, technology, engineering, and mathematics
74 offered in middle school to be included on the
75 Industry Certification Funding List and which are
76 eligible for additional full-time equivalent
77 membership; amending s. 1004.02, F.S.; revising
78 definitions; creating s. 1004.082, F.S.; requiring the
79 Chancellor of the State University System to cooperate
80 with the Commissioner of Education to support the
81 operation of programs to encourage talented secondary
82 school students and students of physics or mathematics
83 programs to pursue a postsecondary education at a
84 state university; amending s. 1004.91, F.S.; providing
85 requirements for basic skills for a career education

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86 program; requiring each school district and Florida
87 College System institution that conducts programs that
88 confer career and technical certificates to provide
89 applied academics instruction through which students
90 receive basic skills instruction; requiring certain
91 students to be referred to applied academics
92 instruction or another adult general education program
93 for a structured program or basic skills instruction;
94 revising the types of students who are exempt from
95 completing the basic skills for a career education
96 program; amending s. 1004.93, F.S.; revising the
97 priority in which an adult education program must
98 provide academic services to students; requiring
99 students who are entering adult general education
100 programs to complete certain activities before a
101 specified date in order to accelerate employment;
102 providing for the development of the action-steps-to-
103 employment activities; amending s. 1007.263, F.S.;
104 conforming a provision to changes made by the act;
105 amending s. 1007.271, F.S.; conforming a provision to
106 changes made by the act; revising requirements for
107 career dual enrollment programs to include the earning
108 of an industry certification; amending s. 1008.25,
109 F.S.; requiring each school district to establish a
110 comprehensive plan for student progression which must
111 provide instructional sequences for students in
112 kindergarten through high school to progressively
113 higher levels of competency in the use of digital
114 tools; amending s. 1008.37, F.S.; conforming a

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115 provision to changes made by the act; creating s.
116 1008.44, F.S.; requiring the Department of Education
117 to annually identify the Industry Certification
118 Funding List; requiring the State Board of Education
119 to adopt the Postsecondary Industry Certification
120 Funding List; requiring the Commissioner of Education
121 to recommend to the State Board of Education the
122 Postsecondary Industry Certification Funding List;
123 authorizing the commissioner to recommend adding
124 certifications; requiring the Chancellor of the State
125 University System, the Chancellor of the Florida
126 College System, and the Chancellor of Career and Adult
127 Education to recommend to the commissioner industry
128 certifications to be placed on the funding list;
129 requiring that the Postsecondary Industry
130 Certification Funding List be used in determining
131 annual performance funding distributions to school
132 districts and Florida College System institutions;
133 requiring the chancellors to consider results of the
134 economic security report of employment and earnings
135 outcomes when recommending certifications for the
136 list; requiring the commissioner to differentiate
137 content, instructional, and assessment requirements
138 that, when provided by a public institution and
139 satisfactorily attained by a student, indicate
140 accomplishment of requirements necessary for funding
141 under certain circumstances; requiring differentiated
142 requirements to be included in the Industry
143 Certification Funding List; amending ss. 1009.22 and

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144 1009.25, F.S.; conforming provisions to changes made
145 by the act; amending s. 1011.62, F.S.; conforming
146 provisions to changes made by the act; revising the
147 procedure for annual allocation of funds to each
148 school district; revising the bonus funding for
149 enrollment in advanced placement courses; increasing
150 the funding cap on funding associated with industry
151 certifications; providing a performance bonus for
152 teachers of specified subjects; revising the
153 calculation of additional full-time equivalent
154 membership based on certification of successful
155 completion of a career-themed course and issuance of
156 an industry certification; requiring that industry
157 certification courses be reported and funded;
158 authorizing bonus funding for elementary and middle
159 schools where students earn certain recognitions and
160 digital competency certificates; amending s. 1011.80,
161 F.S.; deleting the performance output measure for a
162 career program of study; providing that continuing
163 postsecondary education at a level that will further
164 enhance employment is a performance outcome for adult
165 general education programs; providing distribution and
166 calculation of performance funding for school district
167 workforce education programs; amending s. 1011.81,
168 F.S.; providing for performance funding for industry
169 certifications for Florida College System
170 institutions; amending s. 1011.905, F.S.; revising
171 requirements for performance funding for state
172 universities; providing an effective date.

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173
174 Be It Enacted by the Legislature of the State of Florida:
175
176 Section 1. Short title.—This act may be cited as the
177 "Career and Professional Education Act (CAPE)."
178 Section 2. Subsection (26) of section 1001.42, Florida
179 Statutes, is renumbered as subsection (27), and a new subsection
180 (26) is added to that section, to read:
181 1001.42 Powers and duties of district school board.—The
182 district school board, acting as a board, shall exercise all
183 powers and perform all duties listed below:
184 (26) TECHNICAL CENTER GOVERNING BOARD.—Each district school
185 board may appoint a governing board for a school district
186 technical center or a system of technical centers for the
187 purpose of aligning the educational programs of the technical
188 center with the needs of local businesses and responding quickly
189 to local businesses' needs for employees holding industry
190 certifications. A technical center governing board must be
191 comprised of seven members, three of whom must be members of the
192 school board or their designees and four of whom must be local
193 business leaders. The district school board shall delegate to
194 the technical center governing board decisions regarding
195 entrance requirements for students, curriculum, program
196 development, budget and funding allocations, and the development
197 of partnership agreements and appropriate industry
198 certifications with local businesses in order to meet local and
199 regional economic needs. A technical center governing board may
200 approve only courses and programs that contain industry
201 certifications. A course may be continued if at least 25 percent

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202 of the students enrolled in the course attain an industry
203 certification. If fewer than 25 percent of the students enrolled
204 in a course attain an industry certification, the course must be
205 discontinued the following year.
206 Section 3. Paragraph (b) of subsection (5) of section
207 1001.706, Florida Statutes, is amended to read:
208 1001.706 Powers and duties of the Board of Governors.—
209 (5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY.—
210 (b) The Board of Governors shall develop a strategic plan
211 specifying goals and objectives for the State University System
212 and each constituent university, including each university's
213 contribution to overall system goals and objectives. The
214 strategic plan must:
215 1. Include performance metrics and standards common for all
216 institutions and metrics and standards unique to institutions
217 depending on institutional core missions, including, but not
218 limited to, student admission requirements, retention,
219 graduation, employment, continued education, licensure passage,
220 excess hours, student loan burden and default rates, faculty
221 awards, total annual research expenditures, patents, licenses
222 and royalties, intellectual property, startup companies, annual
223 giving, endowments, and well-known, highly respected national
224 rankings for institutional and program achievements.
225 2. Consider reports and recommendations of the Higher
226 Education Coordinating Council pursuant to s. 1004.015 and the
227 Articulation Coordinating Committee pursuant to s. 1007.01.
228 3. Include student enrollment and performance data
229 delineated by method of instruction, including, but not limited
230 to, traditional, online, and distance learning instruction.

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4. Include criteria for designating baccalaureate degree and master's degree programs at specified universities as high-demand programs. Fifty percent of the criteria for designation as high-demand programs of emphasis must be based on achievement of performance measures and performance outcome thresholds determined by the Board of Governors, and 50 percent of the criteria must be based on achievement of performance measures and performance outcome thresholds specifically linked to:

a. Job placement in employment of 36 hours or more per week and average full-time wages of graduates of the degree programs 1 year and 5 years after graduation, based in part on data provided in the economic security report of employment and earnings outcomes produced annually pursuant to s. 445.07; and

b. Data-driven gap analyses, conducted by the board, of the state's job market demands and outlook for jobs that require a baccalaureate degree or a higher degree.

Section 4. Paragraph (b) of subsection (1) of section 1002.3105, Florida Statutes, is amended to read:

1002.3105 Academically Challenging Curriculum to Enhance Learning (ACCEL) options.—

(1) ACCEL OPTIONS.—

(b) At a minimum, each school must offer the following ACCEL options: whole-grade and midyear promotion; subject-matter acceleration; virtual instruction in higher grade level subjects; acceleration options, pathways, and the Credit Acceleration Program under s. 1003.4295. Additional ACCEL options may include, but are not limited to, enriched science, technology, engineering, and mathematics ~~(STEM)~~ coursework; enrichment programs; flexible grouping; advanced academic

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courses; combined classes; self-paced instruction; curriculum compacting; advanced-content instruction; rigorous industry certifications that are articulated to college credit and approved pursuant to ss. 1003.492 and 1008.44; work-related internships or apprenticeships; and telescoping curriculum.

Section 5. Paragraph (a) of subsection (1) of section 1003.41, Florida Statutes, is amended to read:

1003.41 Sunshine State Standards.—

(1) Public K-12 educational instruction in Florida is based on the "Sunshine State Standards." The State Board of Education shall review the Sunshine State Standards and replace them with the Next Generation Sunshine State Standards that establish the core content of the curricula to be taught in this state and that specify the core content knowledge and skills that K-12 public school students are expected to acquire. The Next Generation Sunshine State Standards must, at a minimum:

(a) Establish the core curricular content for language arts, science, mathematics, and social studies, as follows:

1. Language arts standards must establish specific curricular content for, at a minimum, the reading process, literary analysis, the writing process, writing applications, communication, and information and media literacy. The standards must include distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade 8. The language arts standards for grades 9 through 12 may be organized by grade clusters of more than one grade level. The language arts standards must also identify significant literary genres and authors that encompass a

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comprehensive range of historical periods. Beginning with the 2011-2012 school year, the reading portion of the language arts curriculum shall include civics education content for all grade levels. The State Board of Education shall, in accordance with the expedited schedule established under subsection (2), review and replace the language arts standards adopted by the state board in 2007 with Next Generation Sunshine State Standards that comply with this subparagraph.

2. Science standards must establish specific curricular content for, at a minimum, the nature of science, earth and space science, physical science, and life science. The standards must include distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade 8. The science standards for grades 9 through 12 may be organized by grade clusters of more than one grade level.

3. Mathematics standards must establish specific curricular content for, at a minimum, algebra, geometry, probability, statistics, calculus, discrete mathematics, ~~financial literacy,~~ and trigonometry. The standards must include distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade 8. The mathematics standards for grades 9 through 12 may be organized by grade clusters of more than one grade level.

4. Social studies standards must establish specific curricular content for, at a minimum, geography;~~,~~ United States and world history;~~,~~ government;~~,~~ civics;~~,~~ economics, to include financial literacy; and humanities. The standards must include

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distinct grade level expectations for the core content knowledge and skills that a student is expected to have acquired by each individual grade level from kindergarten through grade 8. The social studies standards for grades 9 through 12 may be organized by grade clusters of more than one grade level.

Section 6. Paragraph (a) of subsection (1) of section 1003.4156, Florida Statutes, is amended to read:

1003.4156 General requirements for middle grades promotion.—

(1) Promotion from a school composed of middle grades 6, 7, and 8 requires that:

(a) The student must successfully complete academic courses as follows:

1. Three middle school or higher courses in English. These courses shall emphasize:

a. Literature, composition, and technical text; or

b. Reading.

2. Three middle school or higher courses in mathematics. Each middle school must offer at least one high school level mathematics course for which students may earn high school credit. Successful completion of a high school level Algebra I or geometry course is not contingent upon the student's performance on the end-of-course assessment required under s. 1008.22(3)(c)2.a.(I). However, beginning with the 2011-2012 school year, to earn high school credit for an Algebra I course, a middle school student must pass the Algebra I end-of-course assessment, and beginning with the 2012-2013 school year, to earn high school credit for a geometry course, a middle school student must pass the geometry end-of-course assessment.

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347 3. Three middle school or higher courses in social studies,
348 one semester of which must include the study of state and
349 federal government and civics education. Beginning with students
350 entering grade 6 in the 2012-2013 school year, one of these
351 courses must be at least a one-semester civics education course
352 that a student successfully completes in accordance with s.
353 1008.22(3)(c) and that includes the roles and responsibilities
354 of federal, state, and local governments; the structures and
355 functions of the legislative, executive, and judicial branches
356 of government; and the meaning and significance of historic
357 documents, such as the Articles of Confederation, the
358 Declaration of Independence, and the Constitution of the United
359 States.
360 4. Three middle school or higher courses in science.
361 Successful completion of a high school level Biology I course is
362 not contingent upon the student's performance on the end-of-
363 course assessment required under s. 1008.22(3)(c)2.a.(II).
364 However, beginning with the 2012-2013 school year, to earn high
365 school credit for a Biology I course, a middle school student
366 must pass the Biology I end-of-course assessment.
367 5. One course in career and education planning to be
368 completed in 6th, 7th, or 8th grade. The course may be taught by
369 any member of the instructional staff; must result in a
370 completed personalized academic and career plan for the student;
371 must emphasize the importance of entrepreneurship skills; must
372 emphasize technology or the application of technology in career
373 fields; and, beginning in the 2014-2015 academic year, must
374 include information from the Department of Economic
375 Opportunity's economic security report as described in s.

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376 445.07. The required personalized academic and career plan must
377 inform students of high school graduation requirements, high
378 school assessment and college entrance test requirements,
379 Florida Bright Futures Scholarship Program requirements, state
380 university and Florida College System institution admission
381 requirements, and programs through which a high school student
382 can earn college credit, including Advanced Placement,
383 International Baccalaureate, Advanced International Certificate
384 of Education, dual enrollment, career academy and career-themed
385 course opportunities, and courses that lead to national industry
386 certification.
387
388 A student with a disability, as defined in s. 1007.02(2), for
389 whom the individual education plan team determines that an end-
390 of-course assessment cannot accurately measure the student's
391 abilities, taking into consideration all allowable
392 accommodations, shall have the end-of-course assessment results
393 waived for purposes of determining the student's course grade
394 and completing the requirements for middle grades promotion.
395 Each school must inform parents about the course curriculum and
396 activities. Each student shall complete a personal education
397 plan that must be signed by the student and the student's
398 parent. The Department of Education shall develop course
399 frameworks and professional development materials for the career
400 and education planning course. The course may be implemented as
401 a stand-alone course or integrated into another course or
402 courses. The Commissioner of Education shall collect
403 longitudinal high school course enrollment data by student
404 ethnicity in order to analyze course-taking patterns.

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405 Section 7. Section 1003.4203, Florida Statutes, is amended
406 to read:
407 1003.4203 Digital technology materials, certificates, and
408 technical assistance ~~curriculum~~.~~—~~
409 (1) Each district school board, in consultation with the
410 district school superintendent, shall make available ~~may develop~~
411 ~~and implement a~~ digital materials ~~curriculum~~ for students in
412 prekindergarten through grade ~~grades 6 through~~ 12 in order to
413 enable students to attain digital skills ~~competencies in web~~
414 ~~communications and web design~~. ~~A digital curriculum may include~~
415 ~~web-based skills, web-based core technologies, web design, use~~
416 ~~of digital technologies and markup language to show competency~~
417 ~~in computer skills, and use of web-based core technologies to~~
418 ~~design creative, informational, and content standards for web-~~
419 ~~based digital products that demonstrate proficiency in creating,~~
420 ~~publishing, testing, monitoring, and maintaining a website.~~
421 ~~(2)~~ The digital materials ~~curriculum instruction~~ may be
422 integrated into ~~middle school and high school~~ subject area
423 curricula, ~~or~~ offered as a separate course, made available
424 through open-access options, or deployed through online or
425 digital computer applications, subject to available funding.
426 (2) Beginning with the 2013-2014 school year, each district
427 school board, in consultation with the district school
428 superintendent, shall make available digital instructional
429 materials, including software applications, for students with
430 disabilities who are in prekindergarten through grade 12.
431 (3) Subject to available funding, the department shall
432 contract by December 1, 2013, with one or more of the technology
433 companies or affiliated nonprofit organizations that have

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434 approved industry certifications identified on the Industry
435 Certification Funding List or the Postsecondary Industry
436 Certification Funding List, pursuant to s. 1003.492 or s.
437 1008.44, for the development of a Florida Cyber Security
438 Recognition and a Florida Digital Arts Recognition to indicate a
439 student's attainment of knowledge and skills in digital
440 technology. The recognitions shall be made available to all
441 public elementary school students, at no cost to the districts.
442 (a) Targeted knowledge and skills to be mastered for each
443 recognition shall be identified by the department. Knowledge and
444 skills may be demonstrated through student attainment of
445 recognitions in particular content areas.
446 1. The Florida Cyber Security Recognition must be based on
447 understanding of computer processing operations and, in most
448 part, on cyber security skills that increase a student's cyber-
449 safe practices.
450 2. The Florida Digital Arts Recognition must reflect a
451 balance of skills in technology and the arts.
452 (b) The companies that provide the recognitions must
453 provide open access to materials for teaching and assessing the
454 skills necessary to earn the recognitions. Each elementary
455 school advisory council shall be notified of the methods of
456 delivery of the open-access content and assessments for the
457 recognitions.
458 (4) Subject to available funding, the department shall
459 contract, by December 1, 2013, with one or more of the
460 technology companies that have approved industry certifications
461 identified on the Industry Certification Funding List or the
462 Postsecondary Industry Certification Funding List, pursuant to

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463 s. 1003.492 or s. 1008.44, to develop a Florida Digital Tools
464 Certificate to indicate a student's technology skills. The
465 certificate shall be made available to all public middle school
466 students, at no cost to school districts.
467 (a) Targeted skills to be mastered for the certificate must
468 be digital technology skills that are necessary in the student's
469 academic work and digital technology skills the student may need
470 in future employment. The skills must include, but need not be
471 limited to, word processing, spreadsheet display, and the
472 creation of presentations, including sound, text, and graphic
473 presentations, consistent with industry certifications that are
474 listed on the Industry Certification Funding List, pursuant to
475 s. 1003.492.
476 (b) The companies that provide the certificate must provide
477 open access to materials for teaching and assessing the skills
478 necessary to earn the certificate. Each middle school advisory
479 council shall be notified of the methods of delivery of the
480 open-access content and assessments for the recognitions.
481 (c) The Legislature intends that at least 75 percent of
482 public middle school students earn the certificate by July 1,
483 2018.
484 (5) ~~(3)~~ The Department of Education or company or companies
485 contracted under subsection (4) or this subsection shall provide
486 technical assistance to ~~develop a model digital curriculum to~~
487 ~~serve as a guide for~~ district school boards in the
488 implementation ~~development~~ of this section. Assistance to
489 districts shall include, but need not be limited to:
490 identification of digital technology resources, primarily open-
491 access resources, including digital curriculum, instructional

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492 materials, media assets, and other digital tools and
493 applications; training mechanisms for teachers and others to
494 facilitate integration of digital technologies into
495 instructional strategies; and model policies and procedures that
496 support sustainable implementation practices ~~a digital~~
497 ~~curriculum~~.
498 (6) ~~(4)~~ A district school board may seek partnerships with
499 other school districts, private businesses, colleges,
500 universities, or ~~and~~ consultants to offer classes and
501 instruction to teachers and students to assist the school
502 district in providing digital materials and certifications
503 established pursuant to this section ~~curriculum instruction~~.
504 (7) The State Board of Education shall adopt rules pursuant
505 to ss. 120.536(1) and 120.54 to administer the requirements of
506 this section.
507 Section 8. Subsection (1) and paragraph (a) of subsection
508 (2) of section 1003.428, Florida Statutes, are amended to read:
509 1003.428 General requirements for high school graduation;
510 revised.—
511 (1) Except as otherwise authorized pursuant to s. 1003.429,
512 beginning with students entering grade 9 in the 2007-2008 school
513 year, graduation requires the successful completion of a minimum
514 of 24 credits, an International Baccalaureate curriculum, or an
515 Advanced International Certificate of Education curriculum.
516 Beginning with the 2013-2014 school year, a student may meet
517 high school graduation requirements through a rigorous industry
518 certification program of study approved by the State Board of
519 Education; however, the student must pass the Algebra I end-of-
520 course assessment and the high school English/Language Arts

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521 assessment adopted pursuant to s. 1008.22 before high school
522 graduation. Students must be advised of eligibility requirements
523 for state scholarship programs and postsecondary admissions.
524 (2) The 24 credits may be earned through applied,
525 integrated, and combined courses, or rigorous industry
526 certifications, approved by the Department of Education. The 24
527 credits shall be distributed as follows:
528 (a) Sixteen core curriculum credits:
529 1. Four credits in English, with major concentration in
530 composition, reading for information, and literature.
531 2. Four credits in mathematics, one of which must be
532 Algebra I, a series of courses equivalent to Algebra I, or a
533 higher-level mathematics course; however, beginning with the
534 2013-2014 school year, a student may repeat Algebra I courses
535 and count those courses toward satisfying the credit
536 requirements of this subparagraph if the student passes the
537 Algebra I end-of-course assessment before high school
538 graduation. Beginning with students entering grade 9 in the
539 2010-2011 school year, in addition to the Algebra I credit
540 requirement, one of the four credits in mathematics must be
541 geometry or a series of courses equivalent to geometry as
542 approved by the State Board of Education. Beginning with
543 students entering grade 9 in the 2010-2011 school year, the end-
544 of-course assessment requirements under s. 1008.22(3)(c)2.a.(I)
545 must be met in order for a student to earn the required credit
546 in Algebra I. Beginning with students entering grade 9 in the
547 2011-2012 school year, the end-of-course assessment requirements
548 under s. 1008.22(3)(c)2.a.(I) must be met in order for a student
549 to earn the required credit in geometry. Beginning with students

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550 entering grade 9 in the 2012-2013 school year, in addition to
551 the Algebra I and geometry credit requirements, one of the four
552 credits in mathematics must be Algebra II or a series of courses
553 equivalent to Algebra II as approved by the State Board of
554 Education.
555 3. Three credits in science, two of which must have a
556 laboratory component. Beginning with students entering grade 9
557 in the 2011-2012 school year, one of the three credits in
558 science must be Biology I or a series of courses equivalent to
559 Biology I as approved by the State Board of Education. Beginning
560 with students entering grade 9 in the 2011-2012 school year, the
561 end-of-course assessment requirements under s.
562 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
563 the required credit in Biology I. Beginning with students
564 entering grade 9 in the 2013-2014 school year, one of the three
565 credits must be Biology I or a series of courses equivalent to
566 Biology I as approved by the State Board of Education, one
567 credit must be chemistry or physics or a series of courses
568 equivalent to chemistry or physics as approved by the State
569 Board of Education, and one credit must be an equally rigorous
570 course, as determined by the State Board of Education.
571 4. Three credits in social studies as follows: one credit
572 in United States history; one credit in world history; one-half
573 credit in economics, to include financial literacy; and one-half
574 credit in United States government.
575 5. One credit in fine or performing arts, speech and
576 debate, or a practical arts course that incorporates artistic
577 content and techniques of creativity, interpretation, and
578 imagination. Eligible practical arts courses shall be identified

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through the Course Code Directory.

6. One credit in physical education to include integration of health. Participation in an interscholastic sport at the junior varsity or varsity level for two full seasons shall satisfy the one-credit requirement in physical education if the student passes a competency test on personal fitness with a score of "C" or better. The competency test on personal fitness must be developed by the Department of Education. A district school board may not require that the one credit in physical education be taken during the 9th grade year. Completion of one semester with a grade of "C" or better in a marching band class, in a physical activity class that requires participation in marching band activities as an extracurricular activity, or in a dance class shall satisfy one-half credit in physical education or one-half credit in performing arts. This credit may not be used to satisfy the personal fitness requirement or the requirement for adaptive physical education under an individual education plan (IEP) or 504 plan. Completion of 2 years in a Reserve Officer Training Corps (R.O.T.C.) class, a significant component of which is drills, shall satisfy the one-credit requirement in physical education and the one-credit requirement in performing arts. This credit may not be used to satisfy the personal fitness requirement or the requirement for adaptive physical education under an individual education plan (IEP) or 504 plan.

Section 9. Paragraphs (b) and (c) of subsection (1) of section 1003.429, Florida Statutes, are amended to read:

1003.429 Accelerated high school graduation options.—

(1) Students who enter grade 9 in the 2006-2007 school year

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and thereafter may select, upon receipt of each consent required by this section, one of the following three high school graduation options:

(b) Completion of a 3-year standard college preparatory program requiring successful completion of a minimum of 18 academic credits in grades 9 through 12. At least 6 of the 18 credits required for completion of this program must be received in classes that are offered pursuant to the International Baccalaureate Program, the Advanced Placement Program, dual enrollment, Advanced International Certificate of Education, rigorous industry certifications that are approved by the State Board of Education, or classes specifically listed or identified by the Department of Education as rigorous pursuant to s. 1009.531(3); however, students must pass the Algebra I end-of-course assessment and the high school English/Language Arts assessment adopted pursuant to s. 1008.22 before high school graduation. The 18 credits required for completion of this program shall be primary requirements and shall be distributed as follows:

1. Four credits in English, with major concentration in composition and literature;

2. Three credits and, beginning with students entering grade 9 in the 2010-2011 school year, four credits in mathematics at the Algebra I level or higher from the list of courses that qualify for state university admission; however, beginning with the 2013-2014 school year, a student may repeat Algebra I courses and count those courses toward satisfying the credit requirements of this subparagraph if the student passes the Algebra I end-of-course assessment before high school

637 graduation. Beginning with students entering grade 9 in the
638 2010-2011 school year, in addition to the Algebra I credit
639 requirement, one of the four credits in mathematics must be
640 geometry or a series of courses equivalent to geometry as
641 approved by the State Board of Education. Beginning with
642 students entering grade 9 in the 2010-2011 school year, the end-
643 of-course assessment requirements under s. 1008.22(3)(c)2.a.(I)
644 must be met in order for a student to earn the required credit
645 in Algebra I. Beginning with students entering grade 9 in the
646 2011-2012 school year, the end-of-course assessment requirements
647 under s. 1008.22(3)(c)2.a.(I) must be met in order for a student
648 to earn the required credit in geometry. Beginning with students
649 entering grade 9 in the 2012-2013 school year, in addition to
650 the Algebra I and geometry credit requirements, one of the four
651 credits in mathematics must be Algebra II or a series of courses
652 equivalent to Algebra II as approved by the State Board of
653 Education;
654 3. Three credits in science, two of which must have a
655 laboratory component. Beginning with students entering grade 9
656 in the 2011-2012 school year, one of the three credits in
657 science must be Biology I or a series of courses equivalent to
658 Biology I as approved by the State Board of Education. Beginning
659 with students entering grade 9 in the 2011-2012 school year, the
660 end-of-course assessment requirements under s.
661 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
662 the required credit in Biology I. Beginning with students
663 entering grade 9 in the 2013-2014 school year, one of the three
664 credits must be Biology I or a series of courses equivalent to
665 Biology I as approved by the State Board of Education, one

666 credit must be chemistry or physics or a series of courses
667 equivalent to chemistry or physics as approved by the State
668 Board of Education, and one credit must be an equally rigorous
669 course, as approved by the State Board of Education;
670 4. Three credits in social sciences, which must include one
671 credit in United States history, one credit in world history,
672 one-half credit in United States government, and one-half credit
673 in economics, to include financial literacy;
674 5. Two credits in the same second language unless the
675 student is a native speaker of or can otherwise demonstrate
676 competency in a language other than English. If the student
677 demonstrates competency in another language, the student may
678 replace the language requirement with two credits in other
679 academic courses; and
680 6. Three credits in electives and, beginning with students
681 entering grade 9 in the 2010-2011 school year, two credits in
682 electives; or
683 (c) Completion of a 3-year career preparatory program
684 requiring successful completion of a minimum of 18 academic
685 credits in grades 9 through 12. The 18 credits shall be primary
686 requirements and shall be distributed as follows:
687 1. Four credits in English, with major concentration in
688 composition and literature;
689 2. Three credits and, beginning with students entering
690 grade 9 in the 2010-2011 school year, four credits in
691 mathematics, one of which must be Algebra I; however, beginning
692 with the 2013-2014 school year, a student may repeat Algebra I
693 courses and count those courses toward satisfying the credit
694 requirements of this subparagraph if the student passes the

Algebra I end-of-course assessment before high school graduation. Beginning with students entering grade 9 in the 2010-2011 school year, in addition to the Algebra I credit requirement, one of the four credits in mathematics must be geometry or a series of courses equivalent to geometry as approved by the State Board of Education. Beginning with students entering grade 9 in the 2010-2011 school year, the end-of-course assessment requirements under s. 1008.22(3)(c)2.a.(I) must be met in order for a student to earn the required credit in Algebra I. Beginning with students entering grade 9 in the 2011-2012 school year, the end-of-course assessment requirements under s. 1008.22(3)(c)2.a.(I) must be met in order for a student to earn the required credit in geometry. Beginning with students entering grade 9 in the 2012-2013 school year, in addition to the Algebra I and geometry credit requirements, one of the four credits in mathematics must be Algebra II or a series of courses equivalent to Algebra II as approved by the State Board of Education;

3. Three credits in science, two of which must have a laboratory component. Beginning with students entering grade 9 in the 2011-2012 school year, one of the three credits in science must be Biology I or a series of courses equivalent to Biology I as approved by the State Board of Education. Beginning with students entering grade 9 in the 2011-2012 school year, the end-of-course assessment requirements under s. 1008.22(3)(c)2.a.(II) must be met in order for a student to earn the required credit in Biology I. Beginning with students entering grade 9 in the 2013-2014 school year, one of the three credits must be Biology I or a series of courses equivalent to

Biology I as approved by the State Board of Education, one credit must be chemistry or physics or a series of courses equivalent to chemistry or physics as approved by the State Board of Education, and one credit must be an equally rigorous course, as approved by the State Board of Education;

4. Three credits in social sciences, which must include one credit in United States history, one credit in world history, one-half credit in United States government, and one-half credit in economics, to include financial literacy;

5. Three credits in a single vocational or career education program, three credits in career and technical certificate dual enrollment courses, or five credits in vocational or career education courses; and

6. Two credits and, beginning with students entering grade 9 in the 2010-2011 school year, one credit in electives unless five credits are earned pursuant to subparagraph 5.

Any student who selected an accelerated graduation program before July 1, 2004, may continue that program, and all statutory program requirements that were applicable when the student made the program choice shall remain applicable to the student as long as the student continues that program.

Section 10. Subsection (4) is added to section 1003.4295, Florida Statutes, to read:

1003.4295 Acceleration options.—

(4) By July 1, 2014, the department shall develop, the State Board of Education shall approve, and each school district shall provide alternative pathways for students to earn a high school diploma and demonstrate mastery of standards that satisfy

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the credit requirements for the core curricula established in ss. 1003.428, 1003.4281, 1003.429, and 1003.43 for high school graduation.

(a) The pathways must include, but are not limited to, integrating course content with practical applications; designating rigorous pathways that result in one or more industry certifications, including high school junior and senior year work-related internships or apprenticeships; course and credit options; and segmenting assessments and end-of-course assessments.

(b) Course, credit, and industry certification options shall be considered to satisfy credit requirements of s. 1003.436 for purposes of awarding credit for high school graduation, with an emphasis on credit based on competencies, rather than the number of instructional hours required for credit regardless of student enrollment in a class. At a minimum, the State Board of Education shall identify and approve rigorous options under which a student may satisfy course or credit requirements for high school graduation under s. 1003.428(2) or s. 1003.429, with the exception of Algebra I assessment and high school English/Language Arts assessment requirements pursuant to s. 1008.22, by selecting the following options:

1. A student who earns an industry certification, identified on the Industry Certification Funding List or the Postsecondary Industry Certification Funding List established pursuant to s. 1003.492 or s. 1008.44, of sufficient rigor to earn articulated college credit, as approved by the State Board of Education, may substitute the industry certification for one

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or more courses or credits in mathematics and science, including, but not limited to, Algebra II, chemistry, and physics.

2. A student who earns an industry certification or bundles of industry certifications from the Industry Certification Funding List or the Postsecondary Industry Certification Funding List which demonstrate attainment of standards associated with digital composition, word processing, and presentation skills, may satisfy one or more core curricular credits in English.

3. A student who earns industry certifications that articulate to at least 15 college credits shall satisfy three core curriculum credit requirements for a standard high school diploma, except Algebra I or high school English/Language Arts.

4. A middle school student may complete Algebra I requirements through coursework that is offered in two or more discrete instructional segments with corresponding end-of-segment assessments such that, when combined, they are equivalent to the Algebra I end-of-course assessment.

Section 11. Paragraph (c) of subsection (2) of section 1003.433, Florida Statutes, is amended to read:

1003.433 Learning opportunities for out-of-state and out-of-country transfer students and students needing additional instruction to meet high school graduation requirements.—

(2) Students who have met all requirements for the standard high school diploma except for passage of the grade 10 FCAT or an alternate assessment by the end of grade 12 must be provided the following learning opportunities:

(c) Participation in an adult general education program as provided in s. 1004.93 for such time as the student requires to

master English, reading, mathematics, or any other subject required for high school graduation. ~~Students attending adult basic, adult secondary, or vocational preparatory instruction are exempt from any requirement for the payment of tuition and fees, including lab fees, pursuant to s. 1009.25.~~ A student attending an adult general education program shall have the opportunity to take the grade 10 FCAT an unlimited number of times in order to receive a standard high school diploma.

Section 12. Subsection (4) of section 1003.4935, Florida Statutes, is repealed.

Section 13. Subsections (3) and (24) of section 1004.02, Florida Statutes, are amended to read:

1004.02 Definitions.—As used in this chapter:

(3) "Adult general education" means comprehensive instructional programs designed to improve the employability of the state's workforce through adult basic education, adult secondary education, English for Speakers of Other Languages, applied academics for adult education ~~vocational preparatory~~ instruction, and instruction for adults who have ~~with~~ disabilities.

(24) "Applied academics for adult education" or "applied academics ~~Vocational-preparatory~~ instruction" means adult general education through which persons attain academic and workforce readiness skills at the level of functional literacy (grade levels 6.0-8.9) or higher so that such persons may pursue technical certificate education or higher-level technical education.

Section 14. Section 1004.082, Florida Statutes, is created to read:

1004.082 Talent retention program.—The Chancellor of the State University System shall cooperate with the Commissioner of Education to support talent retention programs that encourage middle school and high school students who indicate an interest in or aptitude for physics or mathematics to continue their education at a state university that has excellent departments in selected fields. The commissioner and chancellor shall work with state university department chairs to enable department chairs of outstanding state university departments to send letters to students who indicate an interest in and aptitude for those subjects. At a minimum, the letter should provide an open invitation for the student to communicate with the department, at least annually, and to schedule a tour of the department and the campus.

Section 15. Section 1004.91, Florida Statutes, is amended to read:

1004.91 Requirements for career education program basic skills ~~career preparatory instruction~~.—

(1) The State Board of Education shall adopt, by rule, standards of basic skill mastery for completion of certificate career education programs. Each school district and Florida College System institution that conducts programs that confer career and technical certificates ~~credit~~ shall provide applied academics ~~career-preparatory~~ instruction through which students receive the basic skills instruction required pursuant to this section.

(2) Students who enroll in a program offered for career credit of 450 hours or more shall complete an entry-level examination within the first 6 weeks after ~~of~~ admission into the

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869 program. The State Board of Education shall designate
870 examinations that are currently in existence, the results of
871 which are comparable across institutions, to assess student
872 mastery of basic skills. Any student found to lack the required
873 level of basic skills for such program shall be referred to
874 applied academics ~~career-preparatory~~ instruction or another
875 adult general ~~basic~~ education program for a structured program
876 of basic skills instruction. Such instruction may include
877 English for speakers of other languages. A student may not
878 receive a career certificate of completion without first
879 demonstrating the basic skills required in the state curriculum
880 frameworks for the career education program.
881 (3) The following students are exempt from the provisions
882 of this section:
883 (a) An adult student who has ~~with~~ a disability ~~may be~~
884 ~~exempted from the provisions of this section~~.
885 (b) A student who possesses a college degree at the
886 associate in applied science level or higher ~~is exempt from this~~
887 ~~section~~.
888 (c) A student who demonstrates readiness for public
889 postsecondary education pursuant to s. 1008.30 and applicable
890 rules adopted by the State Board of Education ~~A student who has~~
891 ~~completed or who is exempt from the college-level communication~~
892 ~~and computation skills examination pursuant to s. 1008.29, or~~
893 ~~who is exempt from the college entry-level examination pursuant~~
894 ~~to s. 1008.29, is exempt from the provisions of this section~~.
895 (d) A student ~~Students~~ who passes ~~have passed~~ a state or~~,~~
896 national~~, or~~ industry certification or licensure exam that is
897 identified in the rules of the State Board of Education and

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898 aligned to the career education program in which the student is
899 enrolled ~~are exempt from this section~~.
900 (e) An adult student who is enrolled in an apprenticeship
901 program that is registered with the Department of Education in
902 accordance with the provisions of chapter 446 ~~is exempt from the~~
903 ~~provisions of this section~~.
904 Section 16. Subsection (2) of section 1004.93, Florida
905 Statutes, is amended, present subsection (8) is redesignated as
906 subsection (9), and a new subsection (8) is added to that
907 section, to read:
908 1004.93 Adult general education.—
909 (2) The adult education program must provide academic
910 services to students in the following priority:
911 (a) Students who demonstrate skills at less than a fifth
912 grade level, as measured by tests approved for this purpose by
913 the State Board of Education, and who are studying to achieve
914 basic literacy.
915 (b) Students who demonstrate skills at the fifth grade
916 level or higher, but below the ninth grade level, as measured by
917 tests approved for this purpose by the State Board of Education,
918 and who are studying to achieve functional literacy.
919 (c) Students who are earning credit required for a high
920 school diploma or who are preparing for the General Educational
921 Development test.
922 (d) Students who have earned high school diplomas and
923 require specific improvement in order to:
924 1. Obtain or maintain employment or benefit from
925 certificate career education programs;
926 2. Pursue a postsecondary degree; or

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927 3. Develop competence in the English language to qualify
928 for employment.
929 ~~(e) Students who enroll in lifelong learning courses or~~
930 ~~activities that seek to address community social and economic~~
931 ~~issues that consist of health and human relations, government,~~
932 ~~parenting, consumer economics, and senior citizens.~~
933 ~~(f) Students who enroll in courses that relate to the~~
934 ~~recreational or leisure pursuits of the students. The cost of~~
935 ~~courses conducted pursuant to this paragraph shall be borne by~~
936 ~~the enrollees.~~
937 (8) In order to accelerate the employment of adult
938 education students, students entering adult general education
939 programs after July 1, 2013, must complete the following action-
940 steps-to-employment activities before the completion of the
941 first term:
942 (a) Identify employment opportunities using market-driven
943 tools.
944 (b) Create a personalized employment goal.
945 (c) Conduct a personalized skill and knowledge inventory.
946 (d) Compare the results of the personalized skill and
947 knowledge inventory with the knowledge and skills needed to
948 attain the personalized employment goal.
949 (e) Upgrade skills and knowledge needed through adult
950 general education programs and additional educational pursuits
951 based on the personalized employment goal.
952
953 The action-steps-to-employment activities may be developed
954 through a blended approach with assistance provided to adult
955 general education students by teachers, employment specialists,

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956 guidance counselors, business and industry representatives, and
957 online resources. Students may be directed to online resources
958 and provided information on financial literacy, student
959 financial aid, industry certifications, and occupational
960 services and a listing of job openings.
961 Section 17. Subsection (1) of section 1007.263, Florida
962 Statutes, is amended to read:
963 1007.263 Florida College System institutions; admissions of
964 students.—Each Florida College System institution board of
965 trustees is authorized to adopt rules governing admissions of
966 students subject to this section and rules of the State Board of
967 Education. These rules shall include the following:
968 (1) Admissions counseling shall be provided to all students
969 entering college or career credit programs. Counseling shall
970 utilize tests to measure achievement of college-level
971 communication and computation competencies by all students
972 entering college credit programs or tests to measure achievement
973 of basic skills for career education programs as prescribed in
974 s. 1004.91.
975
976 Each board of trustees shall establish policies that notify
977 students about, and place students into, adult basic education,
978 adult secondary education, or other instructional programs that
979 provide students with alternatives to traditional college-
980 preparatory instruction, including private provider instruction.
981 A student is prohibited from enrolling in additional college-
982 level courses until the student scores above the cut-score on
983 all sections of the common placement test.
984 Section 18. Subsections (2), (7), and (11) of section

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985 1007.271, Florida Statutes, are amended to read:
986 1007.271 Dual enrollment programs.—
987 (2) For the purpose of this section, an eligible secondary
988 student is a student who is enrolled in a Florida public
989 secondary school or in a Florida private secondary school which
990 is in compliance with s. 1002.42(2) and provides a secondary
991 curriculum pursuant to s. 1003.428, s. 1003.429, or s. 1003.43.
992 Students who are eligible for dual enrollment pursuant to this
993 section may enroll in dual enrollment courses conducted during
994 school hours, after school hours, and during the summer term.
995 However, if the student is projected to graduate from high
996 school before the scheduled completion date of a postsecondary
997 course, the student may not register for that course through
998 dual enrollment. The student may apply to the postsecondary
999 institution and pay the required registration, tuition, and fees
1000 if the student meets the postsecondary institution's admissions
1001 requirements under s. 1007.263. Instructional time for dual
1002 enrollment may vary from 900 hours; however, the school district
1003 may only report the student for a maximum of 1.0 FTE, as
1004 provided in s. 1011.61(4). Any student enrolled as a dual
1005 enrollment student is exempt from the payment of registration,
1006 tuition, and laboratory fees. Applied academics for adult
1007 education ~~Vocational-preparatory~~ instruction, college-
1008 preparatory instruction, and other forms of precollegiate
1009 instruction, as well as physical education courses that focus on
1010 the physical execution of a skill rather than the intellectual
1011 attributes of the activity, are ineligible for inclusion in the
1012 dual enrollment program. Recreation and leisure studies courses
1013 shall be evaluated individually in the same manner as physical

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1014 education courses for potential inclusion in the program.
1015 (7) Career dual enrollment shall be provided as a
1016 curricular option for secondary students to pursue in order to
1017 earn industry certifications adopted pursuant to s. 1008.44,
1018 which count as ~~a series of elective~~ credits toward the high
1019 school diploma. Career dual enrollment shall be available for
1020 secondary students seeking a degree and industry certification
1021 through ~~or certificate from~~ a ~~complete career-preparatory~~
1022 program or a career course ~~and may not be used to enroll~~
1023 ~~students in isolated career courses~~.
1024 (11) Career early admission is a form of career dual
1025 enrollment through which eligible secondary students enroll full
1026 time in a career center or a Florida College System institution
1027 in postsecondary programs leading to industry certifications, as
1028 listed in the Postsecondary Industry Certification Funding List
1029 pursuant to s. 1008.44, which ~~courses that~~ are creditable toward
1030 the high school diploma and ~~the~~ certificate or associate degree.
1031 Participation in the career early admission program is limited
1032 to students who have completed a minimum of 6 semesters of full-
1033 time secondary enrollment, including studies undertaken in the
1034 ninth grade. Students enrolled pursuant to this section are
1035 exempt from the payment of registration, tuition, and laboratory
1036 fees.
1037 Section 19. Paragraph (h) is added to subsection (2) of
1038 section 1008.25, Florida Statutes, to read:
1039 1008.25 Public school student progression; remedial
1040 instruction; reporting requirements.—
1041 (2) COMPREHENSIVE STUDENT PROGRESSION PLAN.—Each district
1042 school board shall establish a comprehensive plan for student

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1043 progression which must:
1044 (h) Provide instructional sequences by which students in
1045 kindergarten through high school may attain progressively higher
1046 levels of skill in the use of digital tools and applications.
1047 The instructional sequences must include participation in
1048 curricular and instructional options and the demonstration of
1049 competence of standards required pursuant to ss. 1003.41 and
1050 1003.4203 through attainment of industry certifications and
1051 other means of demonstrating credit requirements identified
1052 under ss. 1002.3105, 1003.4203, and 1003.4295.
1053 Section 20. Subsection (2) of section 1008.37, Florida
1054 Statutes, is amended to read:
1055 1008.37 Postsecondary feedback of information to high
1056 schools.—
1057 (2) The Commissioner of Education shall report, by high
1058 school, to the State Board of Education, the Board of Governors,
1059 and the Legislature, no later than November 30 of each year, on
1060 the number of prior year Florida high school graduates who
1061 enrolled for the first time in public postsecondary education in
1062 this state during the previous summer, fall, or spring term,
1063 indicating the number of students whose scores on the common
1064 placement test indicated the need for remediation through
1065 applied academics instruction or college-preparatory ~~or~~
1066 ~~vocational-preparatory~~ instruction pursuant to s. 1004.91 or s.
1067 1008.30.
1068 Section 21. Section 1008.44, Florida Statutes, is created
1069 to read:
1070 1008.44 Industry certifications; Industry Certification
1071 Funding List and Postsecondary Industry Certification Funding

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1072 List.—
1073 (1) Pursuant to s. 1003.492, the Department of Education
1074 shall, at least annually, identify, under rules approved by the
1075 State Board of Education, the Industry Certification Funding
1076 List that must be applied in the distribution of funding to
1077 school districts pursuant to s. 1011.62.
1078 (2) The State Board of Education shall adopt, at least
1079 annually, the Postsecondary Industry Certification Funding List
1080 pursuant to this section. The commissioner shall recommend, at
1081 least annually, the Postsecondary Industry Certification Funding
1082 List to the State Board of Education and may at any time
1083 recommend adding certifications. The Chancellor of the State
1084 University System, the Chancellor of the Florida College System,
1085 and the Chancellor of Career and Adult Education shall recommend
1086 to the commissioner industry certifications to be placed on the
1087 funding list. The list shall be used in determining annual
1088 performance funding distributions to school districts and
1089 Florida College System institutions as specified in ss. 1011.80
1090 and 1011.81, respectively. The chancellors shall consider
1091 results of the economic security report of employment and
1092 earnings outcomes produced annually pursuant to s. 445.07 when
1093 recommending certifications for the list.
1094 (3) In the case of rigorous industry certifications that
1095 have embedded prerequisite minimum age, grade level, diploma or
1096 degree, post-graduation period of work experience of at least 12
1097 months, or other reasonable requirements that may limit the
1098 extent to which a student can complete all requirements of the
1099 certification recognized by industry for employment purposes,
1100 the commissioner shall differentiate content, instructional, and

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1101 assessment requirements that, when provided by a public
1102 institution and satisfactorily attained by a student, indicate
1103 accomplishment of requirements necessary for funding pursuant to
1104 ss. 1011.62, 1011.80, and 1011.81, notwithstanding attainment of
1105 prerequisite requirements necessary for recognition by industry
1106 for employment purposes. The differentiated requirements
1107 established by the commissioner shall be included in the
1108 Industry Certification Funding List at the time the
1109 certification is adopted.
1110 Section 22. Paragraph (a) of subsection (3) of section
1111 1009.22, Florida Statutes, is amended to read:
1112 1009.22 Workforce education postsecondary student fees.—
1113 (3)(a) Except as otherwise provided by law, fees for
1114 students who are nonresidents for tuition purposes must offset
1115 the full cost of instruction. Residency of students shall be
1116 determined as required in s. 1009.21. Fee-nonexempt students
1117 enrolled in applied academics for adult education ~~vocational-~~
1118 ~~preparatory~~ instruction shall be charged fees equal to the fees
1119 charged for adult general education programs. Each Florida
1120 College System institution that conducts college-preparatory and
1121 applied academics for adult education ~~vocational-preparatory~~
1122 instruction in the same class section may charge a single fee
1123 for both types of instruction.
1124 Section 23. Paragraphs (c) and (d) of subsection (1) of
1125 section 1009.25, Florida Statutes, are amended to read:
1126 1009.25 Fee exemptions.—
1127 (1) The following students are exempt from the payment of
1128 tuition and fees, including lab fees, at a school district that
1129 provides workforce education programs, Florida College System

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1130 institution, or state university:
1131 (c) A student who is or was at the time he or she reached
1132 18 years of age in the custody of the Department of Children and
1133 Family Services or who, after spending at least 6 months in the
1134 custody of the department after reaching 16 years of age, was
1135 placed in a guardianship by the court. Such exemption includes
1136 fees associated with enrollment in applied academics for adult
1137 education ~~career-preparatory~~ instruction. The exemption remains
1138 valid until the student reaches 28 years of age.
1139 (d) A student who is or was at the time he or she reached
1140 18 years of age in the custody of a relative under s. 39.5085 or
1141 who was adopted from the Department of Children and Family
1142 Services after May 5, 1997. Such exemption includes fees
1143 associated with enrollment in applied academics for adult
1144 education ~~career-preparatory~~ instruction. The exemption remains
1145 valid until the student reaches 28 years of age.
1146 Section 24. Present paragraphs (s) and (t) of subsection
1147 (1) of section 1011.62, Florida Statutes, are redesignated as
1148 paragraphs (t) and (u), respectively, a new paragraph (s) is
1149 added to that subsection, and paragraphs (c), (n), and (o) and
1150 present paragraph (t) of that subsection are amended, to read:
1151 1011.62 Funds for operation of schools.—If the annual
1152 allocation from the Florida Education Finance Program to each
1153 district for operation of schools is not determined in the
1154 annual appropriations act or the substantive bill implementing
1155 the annual appropriations act, it shall be determined as
1156 follows:
1157 (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR
1158 OPERATION.—The following procedure shall be followed in

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1159 determining the annual allocation to each district for
1160 operation:
1161 (c) *Determination of programs.*—Cost factors based on
1162 desired relative cost differences between the following programs
1163 shall be established in the annual General Appropriations Act.
1164 The cost factor for secondary career education programs and
1165 basic programs grades 9 through 12 shall be equal. The
1166 Commissioner of Education shall specify a matrix of services and
1167 intensity levels to be used by districts in the determination of
1168 the two weighted cost factors for exceptional students with the
1169 highest levels of need. For these students, the funding support
1170 level shall fund the exceptional students' education program,
1171 with the exception of extended school year services for students
1172 with disabilities.
1173 1. Basic programs.—
1174 a. Kindergarten and grades 1, 2, and 3.
1175 b. Grades 4, 5, 6, 7, and 8.
1176 c. Grades 9, 10, 11, and 12.
1177 2. Programs for exceptional students.—
1178 a. Support Level IV.
1179 b. Support Level V.
1180 3. Secondary career education programs.—
1181 4. English for Speakers of Other Languages.—
1182 (n) *Calculation of additional full-time equivalent*
1183 *membership based on college board advanced placement scores of*
1184 *students.*—A value of 0.16 full-time equivalent student
1185 membership shall be calculated for each student in each advanced
1186 placement course who receives a score of 3 or higher on the
1187 College Board Advanced Placement Examination for the prior year

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1188 and added to the total full-time equivalent student membership
1189 in basic programs for grades 9 through 12 in the subsequent
1190 fiscal year. Each district must allocate at least 80 percent of
1191 the funds provided to the district for advanced placement
1192 instruction, in accordance with this paragraph, to the high
1193 school that generates the funds. The school district shall
1194 distribute to each classroom teacher who provided advanced
1195 placement instruction:
1196 1. A bonus in the amount of $50 for each student taught by
1197 the Advanced Placement teacher in each advanced placement course
1198 who receives a score of 3 or higher on the College Board
1199 Advanced Placement Examination.
1200 2. An additional bonus of $500 to each Advanced Placement
1201 teacher in a school designated with a grade of "D" or "F" who
1202 has at least one student scoring 3 or higher on the College
1203 Board Advanced Placement Examination, regardless of the number
1204 of classes taught or of the number of students scoring a 3 or
1205 higher on the College Board Advanced Placement Examination.
1206
1207 Bonuses awarded to a teacher according to this paragraph shall
1208 not exceed $2,000 in any given school year. However, the maximum
1209 bonus shall be $3,000 if at least 50 percent of the students
1210 enrolled in a teacher's course earn a score of 3 or higher on
1211 the examination in a school with a grade of "A," "B," or "C"; or
1212 if at least 25 percent of the students enrolled in a teacher's
1213 course earn a score of 3 or higher on the examination in a
1214 school with a grade of "D" or "F." Bonuses awarded under this
1215 paragraph ~~and~~ shall be in addition to any regular wage or other
1216 bonus the teacher received or is scheduled to receive. For such

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1217 courses, the teacher shall earn an additional bonus of $50 for
1218 each student who has a qualifying score up to the maximum of
1219 $3,000 in any given school year.
1220 (o) *Calculation of additional full-time equivalent*
1221 *membership based on ~~certification of~~ successful completion of a*
1222 *career-themed course ~~or career and professional academy program~~*
1223 *pursuant to ss. 1003.491, 1003.492, and 1003.493~~, and 1003.4935~~*
1224 *and issuance of ~~the highest level of~~ industry certification*
1225 *identified in the Industry Certification ~~Certified~~ Funding List*
1226 *pursuant to rules adopted by the State Board of Education.*—
1227 1. A value of 0.1 or~~,~~ 0.2~~, or 0.3~~ full-time equivalent
1228 student membership shall be calculated for each student who
1229 completes a career-themed course as defined in s. 1003.493(1)(b)
1230 ~~or a career and professional academy program under ss. 1003.491,~~
1231 ~~1003.492, 1003.493, and 1003.4935~~ and who is issued an ~~the~~
1232 ~~highest level of~~ industry certification identified annually in
1233 the Industry Certification Funding List approved under rules
1234 adopted by the State Board of Education ~~upon promotion to the~~
1235 ~~9th grade under subparagraph 2. or upon earning a high school~~
1236 ~~diploma~~. The maximum full-time equivalent student membership
1237 value for any student in grades 9 through 12 is 0.3. A value of
1238 0.2 full-time equivalent membership shall be calculated for each
1239 student who is issued an industry certification that has a
1240 statewide articulation agreement for college credit approved by
1241 the State Board of Education. For industry certifications that
1242 do not articulate for college credit, the Department of
1243 Education shall assign a ~~the appropriate~~ full-time equivalent
1244 value of 0.1 for each certification~~, 50 percent of which is~~
1245 ~~based on rigor and the remaining 50 percent on employment value~~.

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1246 The State Board of Education shall include the assigned values
1247 in the Industry Certification Funding List under rules adopted
1248 by the state board. ~~Rigor shall be based on the number of~~
1249 ~~instructional hours, including work experience hours, required~~
1250 ~~to earn the certification, with a bonus for industry~~
1251 ~~certifications that have a statewide articulation agreement for~~
1252 ~~college credit approved by the State Board of Education.~~
1253 ~~Employment value shall be based on the entry wage, growth rate~~
1254 ~~in employment for each occupational category, and average annual~~
1255 ~~openings for the primary occupation linked to the industry~~
1256 ~~certification.~~ Such value shall be added to the total full-time
1257 equivalent student membership in secondary career education
1258 programs for grades 9 through 12 in the subsequent year for
1259 courses that were not provided ~~funded~~ through dual enrollment.
1260 Industry certifications earned through dual enrollment must be
1261 reported and funded pursuant to ss. 1011.80 and 1011.81.
1262 ~~2. Upon promotion to the 9th grade, a value of 0.1 full-~~
1263 ~~time equivalent student membership shall be calculated for each~~
1264 ~~student who completes a career-themed course or a career and~~
1265 ~~professional academy program under s. 1003.4935 and who is~~
1266 ~~issued the highest level of industry certification in science,~~
1267 ~~technology, engineering, or mathematics identified on the~~
1268 ~~Industry Certification Funding List under rules adopted by the~~
1269 ~~State Board of Education.~~
1270 2.~~3.~~ ~~The additional full-time equivalent membership~~
1271 ~~authorized under this paragraph may not exceed 0.3 per student.~~
1272 Each district must allocate at least 80 percent of the funds
1273 provided for industry certification, in accordance with this
1274 paragraph, to the program that generated the funds. This

1275 allocation may not be used to supplant funds provided for basic
1276 operation of the program. Unless a different amount is specified
1277 in the General Appropriations Act, the appropriation for this
1278 calculation is limited to $60 ~~$15~~ million annually. If the
1279 appropriation is insufficient to fully fund the total
1280 calculation, the appropriation shall be prorated.
1281 3. For industry certifications earned in the 2013-2014
1282 school year and in subsequent years, the school district shall
1283 distribute to each classroom teacher who provided direct
1284 instruction toward the attainment of an industry certification
1285 that qualified for additional full-time equivalent membership
1286 under subparagraph 1.:
1287 a. A bonus in the amount of $25 for each student taught by
1288 a teacher who provided instruction in a course that led to the
1289 attainment of an industry certification on the Industry
1290 Certification Funding List with a weight of 0.1.
1291 b. A bonus in the amount of $50 for each student taught by
1292 a teacher who provided instruction in a course that led to the
1293 attainment of an industry certification on the Industry
1294 Certification Funding List with a weight of 0.2.
1295 4. For the 2013-14 fiscal year, the additional FTE
1296 membership calculation must include the additional FTE for any
1297 student who earned a certification in the 2009-2010, 2010-2011,
1298 and 2011-2012 fiscal years, who was not previously funded and
1299 was enrolled in 2012-2013.
1300
1301 Bonuses awarded according to this paragraph shall be provided to
1302 teachers who are employed by the district in the year in which
1303 the additional FTE membership calculation is included in the

1304 calculation. Bonuses shall be calculated based upon the
1305 associated weight of an industry certification on the Industry
1306 Certification Funding List for the year in which the
1307 certification is earned by the student. Any bonus awarded to a
1308 teacher under this paragraph may not exceed $2,000 in any given
1309 school year and is in addition to any regular wage or other
1310 bonus the teacher received or is scheduled to receive.
1311 (s) Florida Cyber Security Recognition, Florida Digital
1312 Arts Recognition, and Florida Digital Tools Certificate
1313 established pursuant to s. 1003.4203.
1314 1. Each public elementary school shall receive $50 for each
1315 student who earns, annually, the Florida Cyber Security
1316 Recognition or the Florida Digital Arts Recognition established
1317 pursuant to s. 1003.4203. The maximum award per student is $100
1318 per year. The minimum award per school shall be $1,000 and the
1319 maximum $15,000 annually. This performance payment shall be
1320 calculated in the FEFP as a full-time equivalent student.
1321 2. Each middle school shall receive $50 for each student
1322 who earns the Florida Digital Tools Certificate established
1323 pursuant to s. 1003.4203, with a minimum award per school of
1324 $1,000 annually and a maximum of $15,000 annually. This
1325 performance payment shall be calculated in the FEFP as a full-
1326 time equivalent student.
1327 (u) ~~(t)~~ *Computation for funding through the Florida*
1328 *Education Finance Program.*—The State Board of Education may
1329 adopt rules establishing programs, industry certifications, and
1330 courses for which the student may earn credit toward high school
1331 graduation.
1332 Section 25. Subsection (4) of section 1011.80, Florida

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1333 Statutes, is amended, paragraph (b) of subsection (6) is
1334 redesignated as paragraph (c), and a new paragraph (b) is added
1335 to that subsection, to read:
1336 1011.80 Funds for operation of workforce education
1337 programs.—
1338 (4) Funding for all workforce education programs must be
1339 based on cost categories, performance output measures, and
1340 performance outcome measures.
1341 (a) The cost categories must be calculated to identify
1342 high-cost programs, medium-cost programs, and low-cost programs.
1343 The cost analysis used to calculate and assign a program of
1344 study to a cost category must include at least both direct and
1345 indirect instructional costs, consumable supplies, equipment,
1346 and standard program length.
1347 (b)~~1. The performance output measure for career education~~
1348 ~~programs of study is student completion of a career program of~~
1349 ~~study that leads to an occupational completion point associated~~
1350 ~~with a certificate; an apprenticeship program; or a program that~~
1351 ~~leads to an applied technology diploma or an associate in~~
1352 ~~applied science or associate in science degree. Performance~~
1353 ~~output measures for registered apprenticeship programs shall be~~
1354 ~~based on program lengths that coincide with lengths established~~
1355 ~~pursuant to the requirements of chapter 446.~~
1356 ~~2.~~ The performance output measure for an adult general
1357 education course of study is measurable improvement in student
1358 skills. This measure shall include improvement in literacy
1359 skills, grade level improvement as measured by an approved test,
1360 or attainment of a State of Florida diploma or an adult high
1361 school diploma.

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1362 (c) The performance outcome measures for adult general
1363 ~~workforce~~ education programs are associated with placement and
1364 retention of students after reaching a completion point or
1365 completing a program of study. These measures include placement
1366 or retention in employment ~~that is related to the program of~~
1367 ~~study; placement into or retention in employment in an~~
1368 ~~occupation on the Workforce Estimating Conference list of high-~~
1369 ~~wage, high-skill occupations with sufficient openings, or other~~
1370 ~~High Wage/High Skill Program occupations as determined by~~
1371 ~~Workforce Florida, Inc.; and placement and retention of~~
1372 ~~participants or former participants in the welfare transition~~
1373 ~~program in employment~~. Continuing postsecondary education at a
1374 level that will further enhance employment is a performance
1375 outcome for adult general education programs. ~~Placement and~~
1376 ~~retention must be reported pursuant to ss. 1008.39 and 1008.43.~~
1377 (6)
1378 (b) Performance funding for industry certifications for
1379 school district workforce education programs shall be determined
1380 as follows:
1381 1. The General Appropriations Act must specify occupational
1382 areas for which industry certifications may be earned for
1383 performance funding. Priority shall be given to the occupational
1384 areas emphasized in state, national, or corporate grants
1385 provided to Florida educational institutions.
1386 2. The Chancellor of Career and Adult Education shall
1387 identify the industry certifications eligible for funding on the
1388 Postsecondary Industry Certification Funding List adopted
1389 pursuant to s. 1008.44, based on the occupational areas
1390 specified in the General Appropriations Act.

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1391 3. Each school district shall be provided $1,000 for each
1392 industry certification earned by a workforce education student.
1393 The maximum amount of funding appropriated for performance
1394 funding pursuant to this paragraph shall be limited to $15
1395 million annually. If funds are insufficient to fully fund the
1396 calculated total award, they shall be prorated.
1397 Section 26. Present subsections (2) and (3) of section
1398 1011.81, Florida Statutes, are redesignated as subsections (3)
1399 and (4), respectively, and a new subsection (2) is added to that
1400 section, to read:
1401 1011.81 Florida College System Program Fund.—
1402 (2) Performance funding for industry certifications for
1403 Florida College System institutions shall be determined as
1404 follows:
1405 (a) The General Appropriations Act must specify
1406 occupational areas for which industry certifications may be
1407 earned for performance funding. Priority shall be given to the
1408 occupational areas emphasized in state, national, or corporate
1409 grants provided to Florida educational institutions.
1410 (b) The Chancellor of the Florida College System shall
1411 identify the industry certifications eligible for funding on the
1412 Postsecondary Industry Certification Funding List adopted
1413 pursuant to s. 1008.44, based on the occupational areas
1414 specified in the General Appropriations Act.
1415 (c) Each Florida College System institution shall be
1416 provided $1,000 for each industry certification earned by a
1417 student. The maximum amount of funding appropriated for
1418 performance funding pursuant to this subsection shall be limited
1419 to $15 million annually. If funds are insufficient to fully fund

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1420 the calculated total award, they shall be prorated.
1421 Section 27. Section 1011.905, Florida Statutes, is amended
1422 to read:
1423 1011.905 Performance funding for state universities.—
1424 (1) The Legislature intends that state performance funds
1425 for the state university system be based on indicators of system
1426 and institutional attainment of performance expectations. For
1427 the 2012-2013 through at least 2016-2017 ~~2012-2013 and 2013-2014~~
1428 fiscal years, the Board of Governors shall review and rank each
1429 state university that applies for performance funding, as
1430 provided in the General Appropriations Act, based on the
1431 following formula:
1432 (a) Twenty-five percent of a state university's score shall
1433 be based on the percentage of employed graduates who have earned
1434 degrees which have a primary focus in the following programs:
1435 1. For the 2012-2013 and 2013-2014 fiscal years:
1436 a.~~1.~~ Computer and information science;
1437 b.~~2.~~ Computer engineering;
1438 c.~~3.~~ Information systems technology;
1439 d.~~4.~~ Information technology; and
1440 e.~~5.~~ Management information systems.
1441
1442 In the 2013-2014 fiscal year, funds awarded under subparagraph
1443 1. may not be awarded on the basis of a new competition, and the
1444 universities that received awards under subparagraph 1. in the
1445 2012-2013 fiscal year shall be awarded the same amount in the
1446 2013-2014 fiscal year.
1447 2. For the 2013-2014 and 2014-2015 fiscal years, high-
1448 demand programs determined by the Board of Governors using gap

1449 analysis data adopted pursuant to s. 1001.706(5).
1450 3. For the 2013-2014 and 2014-2015 fiscal years, a master's
1451 degree in cloud virtualization technology and related large data
1452 management.
1453 (b) Twenty-five percent of a state university's score shall
1454 be based on the percentage of graduates who have earned
1455 baccalaureate degrees in the programs in paragraph (a) and who
1456 have earned industry certifications, identified on the
1457 Postsecondary Industry Certification Funding List pursuant to s.
1458 1008.44, in a related field from a Florida College System
1459 institution or state university prior to graduation.
1460 (c) Fifty percent of a state university's score shall be
1461 based on factors determined by the Board of Governors which
1462 relate to increasing the probability that graduates who have
1463 earned degrees in the programs described in paragraph (a) will
1464 be employed in high-skill, high-wage, and high-demand
1465 employment.
1466 (2) The submission from a state university that has the
1467 highest score shall be ranked first, with each remaining
1468 submission from a state university ranked sequentially by score.
1469 (3)(a) Each year, the Board of Governors shall award up to
1470 $15 million to the highest-ranked state universities in support
1471 of each program identified in paragraph (1)(a) from funds
1472 appropriated for the purposes in this section and as specified
1473 in the General Appropriations Act. The award per state
1474 university shall be a minimum of 25 percent of the total amount
1475 appropriated pursuant to this section.
1476 (b) The funds shall be awarded to the department of the
1477 state university which offers the degrees described in paragraph

1478 (1)(a).
1479 (c) The funds may not be used to supplant funding for the
1480 degree programs described in paragraph (1)(a).
1481 (4) By December 31 of each year funds are appropriated for
1482 performance funding, the Board of Governors shall submit a
1483 report containing the rankings and award distributions to the
1484 Governor, the President of the Senate, and the Speaker of the
1485 House of Representatives.
1486 Section 28. This act shall take effect upon becoming a law.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 1076

INTRODUCER: Appropriations Committee; Education Committee; and Senator Legg and others

SUBJECT: Career and Professional Education Act

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Klebacha	ED	**Fav/CS**
2.	Armstrong	Elwell	AED	**Fav/CS**
3.	Elwell	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 1076 revises educational programs and creates certain funding incentives to increase the likelihood that educational programs in Florida's public schools, colleges, and universities will better prepare students for future occupations and careers. The bill fosters students' development of technology skills in prekindergarten through grade 12 and increases opportunities for students to earn industry certifications in high school and college. The bill designates three areas for university performance funding: computer and information technology; high-demand programs as identified by the Board of Governors (BOG) using a gap analysis; and cloud virtualization and related large data management.

Funding for this bill is included in the 2013-2014 Proposed General Appropriations Bill. See Section V.

The bill requires:

- The State Board of Education to designate multiple pathways for demonstrating the skills required for high school graduation, including earning industry certifications for high school credit;
- Adult education students to complete a planning exercise called Action Steps to Career Readiness;
- Financial literacy to be included in high school graduation requirements, as part of required credit in economics, and requires an emphasis on entrepreneurship in the career education and planning course in middle school;
- Creation of new designations for students to earn high school course and credit accomplishments that indicate their eligibility for scholar and gold designations.
- Steps for transition to the Next Generation Sunshine State Standards and related assessments;
- Development of a Postsecondary Industry Certification Funding List for industry certifications that may be funded for school district workforce programs, Florida College System institutions, and state universities;
- Development of a Florida Cyber Security Recognition and a Florida Digital Arts Recognition for elementary school students with awarding of a Florida Cyber Security designation for the school for each year in which 75 percent of the students earn the recognitions; and
- Development of a Florida Digital Tools Certificate for middle school students with bonus funding for schools when students earn the certificate.

The bill is effective upon becoming a law.

The bill substantially amends the following sections of the Florida Statutes: 1001.42, 1001.706, 1002.3105, 1003.41, 1003.4156, 1003.4203, 1003.428, 1003.429, 1003.4295, 1003.433, , 1003.4285, 1003.4935, 1004.02, 1004.91, 1004.93, 1007.263, 1007.271, 1008.22, 1008.25, 1008.37, 1009.22, 1009.25, 1011.62, 1011.80, 1011.81, 1011.81, and 1011.905.

The bill creates the following sections of the Florida Statutes: 1003.4282, 1003.4286, 1003.4291, 1004.082 and 1008.44.

II. Present Situation:

The Value of a College Degree in Terms of Employment and Earnings

With the economic downturn in recent years and the difficulty many college graduates have had finding employment, many students have begun to question the economic value of a bachelor's degree.[1] In a survey by Rutgers University, 48 percent of the students surveyed said that in order to have economic security they should have been more careful in selecting a major or should

[1] Kwoh, L. "Generation Jobless", Wall Street Journal, November 12, 2011, readable at: http://online.wsj.com/article/SB10001424052970204224604577032551908947414.html?KEYWORDS=value+of+a+college+degree ; Wooldridge, A., "Angst for the Educated," Schumpeter column, The Economist, September 3, 2011, readable at: http://www.economist.com/node/21528226; and Fischer, Karin, "Crisis of Confidence Threatens Colleges", the Chronicle of Higher Education, May 15, 2011, readable at: http://chronicle.com/article/Higher-Education-in-America-a/127530/.

have chosen a different major.[2] Research by the Center on Education and the Workforce at Georgetown University found that a student's choice of major substantially affects employment prospects and earnings.[3] The Georgetown University study found that "majors with high technical, business, and healthcare content tend to earn the most among both recent and experienced college graduates."[4]

In a 2011 survey of 571 recent college graduates, only 53 percent held full-time jobs and were not in school; 21 percent were attending graduate school, and 16 percent were not employed[5]. Forty-four percent of the graduates said their first job was closely related to their academic degree, 26 percent said it was somewhat related, and 30 percent said it was not very much related or not at all related to their degree.[6] A 2012 analysis of government data regarding baccalaureate degree graduates under the age of 25 found that 53.6 percent were unemployed or underemployed.[7]

Rising tuition costs and student loan debt make it difficult for many baccalaureate degree graduates to be participating members of the economy at the level they anticipated when they incurred student loan debt. According to the Student Loan Debt Clock, the total amount of student loan debt in the United States is more than $1 trillion.[8] According to the U.S. Department of Education, the three-year student loan default rate for 2009 graduates was 13.4 percent nationally.[9]

The importance of informing students about the employment outlook for their chosen baccalaureate-degree major is being emphasized by state legislatures and in legislation filed in the U.S. Congress. A bi-partisan bill filed in the U.S. Senate last year by Senators Ron Wyden and Marco Rubio, titled "Student Right to Know Before You Go Act", required states to make salary data of college graduates accessible. The bill did not pass, but may be filed again in 2013.[10]

Florida, Virginia, Arkansas, California, and Texas have initiatives to make publicly available the wage data regarding graduates of academic degree programs at institutions in their states.[11] The website, College Measures.org, has the goal of making information from state data warehouses

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[2] Godofsky, J.; Zukin, C.; Van Horn, C; "Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy", John J. Heldrich Center for Workforce Development, Rutgers University, May 2011, readable at: http://www.heldrich.rutgers.edu/sites/default/files/content/Work_Trends_May_2011.pdf.

[3] Carnevale, A.P.; Cheah, B.; and Strohl, J.; "Hard Times: College Majors, Unemployment and Earnings: Not All College Degrees are Created Equal," Georgetown University Center for Education and the Workforce, January 4, 2012.

[4] *Id.*, p. 6.

[5] Godofsky, J., Zukin, C., and Van Horn, C., "Unfulfilled Expectations: Recent College Graduates Struggle in a Troubled Economy", *Worktrends*, John J. Heldrich Center for Workforce Development, May 2011, p. 2.

[6] *Ibid.*, p. 5.

[7] Associated Press, "Half of Recent College Grads Underemployed or Jobless, Analysis Says," Cleveland.com, April 23, 2012, readable at: http://www.cleveland.com/business/index.ssf/2012/04/half_of_recent_college_grads_u.html

[8] FinAid, "Student Loan Debt Clock," readable at: http://www.finaid.org/loans/studentloandebtclock.phtml

[9] U.S. Department of Education, "First Official Three-year Student Loan Default Rates Published", September 28, 2012, readable at: http://www.ed.gov/news/press-releases/first-official-three-year-student-loan-default-rates-published

[10] Simon, R., and Corkery, M., "Push to Gauge Bang for Buck from College Gains Steam," Wall Street Journal, February 11. 2013.

[11] *Ibid.*, and College Measures .org, readable at: http://collegemeasures.org/post/2012/08/Data-Offers-Insights-into-the-Earning-Power-of-College-Graduates-in-Arkansas.aspx

available in "data storefronts" in which performance metrics will be made accessible to the public to enable them "to get much better measures of the rate of return on their investment in higher education programs and institutions."[12]

Florida's Economic Security Report

Florida's initiative to better inform students and their parents of the employment and economic outcomes for degrees earned at state universities and degrees and certificates earned at Florida College System (FCS) institutions is called the Economic Security Report[13]. The 2012 Legislature required the Department of Economic Opportunity (DEO) to prepare an economic security report on the employment and earnings of graduates of a degree or certificate program at a public postsecondary educational institution. Electronic access to the economic security report must be given to secondary school students and their parents and to university students when they register for classes. Secondary schools, Florida College System institutions, and state universities must provide students electronic access to the economic security report beginning in 2014-2015. The Florida College System recently unveiled a website titled Smart College Choices that provides employment and wage data for degree and certificate programs by Florida College System institution.[14]

Industry Certifications

An industry certification is a credential that indicates that an individual is qualified to perform a particular job or a task or set of tasks within an industry. The certification is conferred by a professional society or a corporation after the individual passes a test and meets any other requirements of the certification, such as employment experience. The Florida Education Finance Program (FEFP) provides funding for industry certifications attained by students in middle and high school[15]. The State Board of Education annually adopts by rule[16] the list of industry certifications that are eligible for FEFP funding. The Department of Economic Opportunity (DEO) is required to define industry certifications for Florida "based upon the highest available national standards for specific industry certification, to ensure student skill proficiency and to address emerging labor market and industry trends"[17]. The list is adopted by reference in State Board Rule 6A-6.0573, F.A.C., and is published on the DOE website[18].

Industry Certifications that articulate for college credit are called Gold Standard Career Pathways Industry Certifications.[19] The Gold Standard list is a subset of the Industry Certified Funding List. Each Gold Standard certification is adopted as a statewide articulation agreement under s. 1007.23(1), F.S., after Florida College System administrators, program deans, and faculty agree that the certification articulates for college credit in an Associate of Science or Associate of

[12] http://collegemeasures.org/page/About-us.aspx
[13] s. 445.07, F.S.
[14] http://smart-college-choices.com/smart-college-choices.aspx
[15] s. 1011.62(1)(o), F.S.
[16] s. 1003.492, F.S.
[17] *Ibid.*
[18] http://www.fldoe.org/workforce/pdf/1213icfl.pdf
[19] Rule 6A-10.0401, F.A.C.

Applied Science degree program. There are currently 116 Gold Standard Career Pathway Industry Certifications on the list.

Documenting Students' Technology Skills

The European Computer Driving License, know outside of Europe as the International Computer Driving License (ICDL), is a credential provided through a global computer literacy initiative that is owned and coordinated by The European Computer Driving License Foundation Limited (ECDL-F) , a not-for-profit organization based in Dublin, Ireland.[20] The ICDL is an internationally recognized certificate that indicates a person's competence in computing knowledge and skills. Subjects covered by the ICDL include managing files, word processing, working with spreadsheets, using databases, making presentations, web browsing, and electronic communication. According to the ICDL website, the ICDL/ ECDL Foundation has delivered certification programs to over 10 million people in 148 countries and in 41 languages.[21] Corporations that recognize the ICDL that have Florida subsidiaries include Accenture, CitiBank, Orion One Development, Inc., and DHL.

Requirements for the Standard High School Diploma

Current law requires each district school board, school district superintendent, and teacher to provide parents with specific information about their child's educational progress and comprehensive information about their choices and opportunities for involvement in their child's education.[22] Public school choice options that are available to students include virtual instruction programs, special programs, dual enrollment, advanced placement (AP), International Baccalaureate, International General Certificate of Secondary Education (pre-AICE), Advanced International Certificate of Education (AICE), early admissions, and credit by examination[23] or demonstration of competency. Additionally, Academically Challenging Curriculum to Enhance Learning (ACCEL) provide options for accelerated instruction, such as increased time for advanced content instruction, and self-paced student course completion.[24]

Florida students entering their first year of high school may choose from one of the following options to earn a standard diploma:

- A four-year, 24-credit program;[25]
- An International Baccalaureate (IB) curriculum;[26]
- An Advanced International Certificate of Education (AICE) curriculum;[27]
- A three-year, 18-credit college preparatory program;[28] or

[20] http://www.icdlgcc.com/about_us/about_ICDL_history.htm
[21] http://www.icdlgcc.com/For_Teachers%20and%20Students/ICDL_Why_Get_Certified.html
[22] s. 1002.23(1)(a) and (b), F.S.
[23] Section 1003.4295, F.S., allows a student to earn high school credit in a course that requires a statewide, standardized end-of-course assessment if he or she attains a specified score on the assessment. Course credit must be given to a student who is not enrolled in the course, or who has not completed the course, if he or she earns a passing score on the corresponding end-of-course assessment.
[24] s.1002.3105, F.S.
[25] s. 1003.428, F.S.
[26] *Ibid.*
[27] *Ibid.*

- A three-year, 18-credit career preparatory program.[29]

Students entering 9th grade in the 2012-13 school who are pursuing the traditional 24-credit option must complete the following credit requirements:

Subject Area	Traditional 24-Credit Option[30]
English	4 credits with a major concentration in composition, reading for information, and literature. • Passage of 10th grade FCAT Reading.
Mathematics	4 credits, including: • Algebra I, Geometry, and Algebra II.
Science	3 credits, two of which must have a laboratory component, including: • Biology I
Social Studies	3 credits, including: • 1 credit in U.S. history. • 1 credit in world history. • .5 credit in economics. • .5 credit in U.S. government.
Foreign Language	None.
Fine or Performing Arts	1 credit in fine or performing arts, speech and debate, or a practical arts course comprised of artistic or creative concepts.
Physical Education	1 credit.
Electives	8 credits.

In addition to the 24 credits and required assessments, students must earn a cumulative grade point average (GPA) of 2.0 on a 4.0 scale and fulfill any additional requirements mandated by school districts.[31] Current law[32] does not provide for standard high school diploma academic eligibility designations that recognize industry certifications that lead to college credit.

A student may also choose to graduate from high school in less than 8 semesters or the equivalent, providing the minimum graduation requirements in s. 1003.428, F.S., have been satisfied.[33]

These options may not be suited for all students. Students who acquire skills best through applied learning could benefit from a pathway that leads to a high school diploma through attainment of rigorous industry certifications. With an emphasis on rigor rather than uniformity of subject matter, such a pathway could include earning industry certifications that articulate for college credit and also provide credit toward high school graduation.

A nationally-recognized drop-out recovery program in Pharr, Texas, the College, Career, and Technical Academy, leads students to finish high school by giving them the opportunity to earn college credit and develop skills for their future employment while they complete their high

[28] s. 1003.429(1)(a) and (b), F.S.
[29] .s. 1003.429(1)(a) and (c), F.S.
[30] s. 1003.428(2), F.S. and 1008.22(3)9c), F.S. Pursuant to Rule 6A-1.09422(3)(e), F.A.C., all students enrolled in high school U.S. History must take the U.S. History end-of-course assessment beginning with the 2012-2013 school year
[31] ss. 1003.428(4)(a)-(d) and (7)(a), F.S.
[32] s. 1003.4285, F.S.
[33] s. 1003.4281, F.S.

school requirements.[34] Students are counseled regarding the possible career path for the credentials they earn—a certificate that could lead to an associate degree which could lead to a bachelor's degree. Students who might not see the relevance of stand-alone academic subjects to their future employment plans, are more likely to see the relevance when the academic subject, such as mathematics, is tied to a skill they want to learn, such as welding.[35]

Florida's Career and Professional Education (CAPE) Act was enacted by the 2007 Legislature to attract and retain targeted, high-value industries and to develop a knowledge-based workforce.[36] In 2011-12, the fifth year of implementation of the Florida Career and Professional Education Act, school districts registered 1,511 high school and 56 middle school career and professional academies, representing all 67 of Florida's school districts. A Department of Education study[37] found the following regarding enrollment patterns and student performance:

- The most frequent career cluster represented by academies was Information Technology with 284 registered academies followed by Health Sciences with 224 academies.
- The distribution of students by race and gender among academy students was similar to that of non-academy students.
- In the 2011-12 school year, 28,533 high school academy students earned 32,004 certifications with a pass rate of 84.3 percent.
- High school academy students were less likely to have dropped out of school than non-academy students.
- Graduates who earned academy and industry certifications outperformed the overall average high school population with a higher placement rate in employment or postsecondary education.
- Over the course of three years, the 2008-09 graduate cohort of industry certification earners showed higher earnings than the average high school graduate.[38]

Next Generation Sunshine State Standards

Next Generation Sunshine State Standards (NGSSS) provide benchmarks to guide rigorous instruction and assessment to ensure that students are college and career ready. They also provide Associated Access Points for students with severe cognitive disabilities. New NGSSS standards for Mathematics and English Language Arts (e.g., reading, writing, language, and speaking and listening standards) were adopted by the Florida State Board of Education in 2010.

Aligning State University Degree Programs with Workforce Needs

In 2012, the Board of Governors (BOG) convened a special Access and Educational Attainment Commission[39] with the intent of further aligning academic programs with workforce demands. The group, comprised of representatives of Florida's education and business sectors, is working

[34] Mangan, K., "High School Dropouts Get a Taste of College at Texas Academy," The Chronicle of Higher Education, February 25, 2013.
[35] *Ibid.*
[36] Ch. 2007-216, L.O.F.
[37] Florida Department of Education, "Career and Professional Academy Enrollment and Performance Report, 2011-12".
[38] *Ibid.*
[39] Commission membership and meeting information available at: http://www.flbog.edu/about/commission.php

to determine high-demand degree programs using a gap analysis that compares projected workforce demand against current degree production. The work of this Commission is ongoing, with an expected completion date near the end of 2013.

Performance Funding for State Universities

The 2012 Legislature authorized up to $15 million of performance funding for state universities that are the most successful in educating students who earn degrees in, and become employed in, technology fields.40 The 2012-2013 General Appropriations Act provided $15 million for this purpose.

In order to reverse the decline in bachelor's degrees in technology fields and to support and expand Florida's strong national position in tech employment and tech businesses, s. 1011.905, F.S., provides performance funding for state universities based on the percentage of graduates in specified technology fields. The funds must be provided directly to the departments offering the degree programs and universities are prohibited from using the funds to supplant existing funding in the departments granting those degrees. The universities that applied for the funding were ranked based on the following formula:

- Twenty-five percent of a state university's score was based on the percentage of employed graduates who have earned degrees in computer and information science, computer engineering, information systems technology, information technology, and management information systems;
- Twenty-five percent of a state university's score was based on the percentage of graduates who earned baccalaureate degrees in computer and information science, computer engineering, information systems technology, information technology, and
- Fifty percent of a university's score was based on factors related to graduates' high-skill, high-wage, high-demand employment in the designated technology fields.

The Board of Governors (BOG) awarded $3.75 million each to four universities: Florida International University, the University of West Florida, the University of Central Florida, and the University of Florida.

Acknowledging Students' Achievement in Science and Mathematics

The Florida Education Foundation recognizes 11th grade students from each school district in Florida for their outstanding achievements in science, technology, engineering, and mathematics. The recognition is part of a recruitment effort by the foundation aimed at encouraging the students to attend Florida's colleges and universities. Eighty one students are recognized as Sunshine State Scholars each year.

Duke University conducts a talent identification program that begins with students in grades 4-6 and continues through grades 7-8 and 9-12. Students who are identified as having outstanding intellectual ability may enroll in the program which offers on-line lessons, publications, contests,

[40] Ch. 2012-195, L.O.F.

and a book-club for younger students and distance learning, summer campus visits, and week-end-long courses on the Duke campus for older students.

III. Effect of Proposed Changes:

Aligning Education with Economic Opportunity for Graduates

This bill provides curricular innovations and targeted funding to enable Florida's public schools, colleges, and universities to better prepare students for their future work. The bill fosters students' development of technology skills in prekindergarten through grade 12 and increases opportunities for students to earn industry certifications in high school and college. The bill targets university performance funding to technology areas and to fields in which the BOG has identified gaps in the talent supply where the number of job openings exceeds the number of skilled graduates who might fill those jobs, under the gap analysis required in the bill.

Increasing Students' Technology Skills and Knowledge

The bill requires the development of recognitions and certificates that will be earned by elementary and middle school students as they develop technology skills and knowledge. The bill also requires that students with disabilities be provided access to technology applications in prekindergarten through grade 12.

Two recognitions for elementary school students, the Florida Cyber Security Recognition and the Florida Digital Arts Recognition, will be developed by technology companies that have approved certifications on the Industry Certification Funding List or the Postsecondary Industry Certification Funding List. The recognitions will be provided by the Department of Education (DOE) to school districts at no cost, and made available for elementary school students at the option of the school district. Bonus funding is authorized for schools in which students earn the recognitions. The developers of the recognitions must provide technical assistance and training for teachers, and model policies for school districts.

Elementary school students earning the Florida Cyber Security Recognition will learn about the need to be aware of safety when using the internet and will develop skills for doing so. Earning the Florida Digital Arts Recognition will give students an opportunity to combine their artistic talent with technology skills.

By December 2013, the DOE must contract with a company or companies that provide certifications that are on the Industry Certification Funding List under s. 1003.492, F.S., to develop the Florida Digital Tools Certificate for middle school students, which will indicate that a student has mastered digital technology skills that he or she will need for future academic work and future employment. The certification must be made available to all public middle school students at no cost to school districts. The certificate must be consistent with certifications that are listed on the Industry Certification Funding List. Thus, the Florida Digital Tools Certificate will be a middle school certificate awarded for the attainment of skills that are comparable in content and rigor to those required for certifications that are currently on the list. The skills must include word processing, spreadsheet display, and the creation of presentations that include

sound, text, and graphics. The bill states the Legislature's intent that 75 percent of middle school students will earn the Florida Digital Tools Certificate by July 1, 2018.

Revising the Funding for Industry Certifications Earned in High School and at Postsecondary Institutions

The bill provides incentives for high schools, postsecondary workforce education programs and Florida colleges to offer rigorous industry certifications in the following ways:

- The current Florida Education Finance Program (FEFP) funding formula for industry certifications earned in middle school and high school will be streamlined so that there are two weights for Industry Certifications earned in high school. The current system of three weights at 0.1, 0.2 and 0.3 FTE is condensed into a system of two weights: 0.1 for industry certifications that do not articulate for college credit, and 0.2 for those that do articulate for college credit.
- The current authorization for school districts to receive 0.1 FTE for certifications earned in middle school is repealed; instead, middle schools will receive bonus funding for each Florida Digital Tools Certificate earned by a middle school student.
- The current requirement for students who have earned certifications to graduate before the district is entitled to the weighted funding is repealed and the additional FTE for middle school and high school students who had not progressed or graduated for the 2009-10, 2010-2011, and 2011-12 fiscal years are to be included in the additional FTE membership calculation of the FEFP.
- School district workforce education programs and Florida College System institutions will earn bonus funding when a student earns industry certifications in an occupational area specified by the Legislature in the General Appropriations Act.

Requiring Rigorous, Alternative Pathways for Students to Meet High School Graduation Requirements

The bill requires the DOE to develop, the State Board of Education to approve, and each school district to provide multiple pathways through which students may demonstrate mastery of the standards that satisfy high school graduation core curriculum credit requirements. The pathways must include:

- Integration of course content with practical applications;
- Rigorous pathways that result in one or more industry certifications;
- Course, credit, and industry certification options that satisfy course or credit requirements for high school graduation, with the exception of Algebra I assessment and English/Language Arts assessment requirements, including:
  - Industry certifications approved by the State Board of Education that may substitute for one or more courses or credits in mathematics and science, including but not limited to Algebra II, chemistry, and physics.
  - Industry certifications or bundles of industry certifications that satisfy English credit(s).
  - Industry certifications that articulate to at least 15 college credits that satisfy three core curriculum credit requirements (except Algebra I and English/Language Arts).

- Middle school Algebra I coursework that is offered in two or more discrete instructional segments with corresponding end-of-segment assessments.

The bill also:

- Authorizes students to earn more than one credit in Algebra I as required math credit, with the expectation that the student pass the Algebra I end-of-course assessment prior to high school graduation.
- Requires financial literacy content as a component of economics in the general requirements for high school graduation instead of the current requirement for financial literacy as part of a mathematics requirement.
- Requires an emphasis on entrepreneurship in career education and planning course in middle school.
- Creates new designations for students to earn high school course and credit accomplishments that indicate their eligibility for scholar and gold designations.
- Provides for transition to the Next Generation Sunshine State Standards and related assessments by:
  - Conforming high school assessment requirements to implement new high school graduation requirements, designations, and industry certification options;
  - Requiring the State Board of Education to determine a timeline for the effective transition to and implementation of new high school graduation requirements;
  - Authorizing the Commissioner of Education to identify and adopt alternative, comparable assessments and scores for demonstrating competency in content areas; and
  - Conforming existing high school graduation acceleration option requirements (18 credits) to the changes made to the standard high school diploma requirements and Next Generation Sunshine State Standards.

Strengthening Career Readiness Initiatives

The bill makes a number of statutory changes to strengthen adult education and career education programs.

Career dual enrollment will be provided as a curricular option for secondary students to pursue in order to earn industry certifications which count as credits toward the high school diploma.

District school boards are authorized to appoint a governing board for a school district technical center or a system of technical centers, consisting of school board members (or their designees) and leaders of the local business community, to design and implement partnerships for industry certifications tailored to the needs of the local economy.

The term “vocational preparatory instruction” is changed by the bill to “applied academics instruction.” Also, the bill requires adult education students to complete activities that emphasize the important link between an adult general education program and employability upon completion of the program. Students entering adult general education programs after July 1, 2013, must complete “Action Steps to Employment” activities prior to the completion of the first term. The action steps are:

- Identify employment opportunities using market-driven tools;
- Create a personalized employment goal;
- Conduct a personalized skill and knowledge inventory;
- Compare the results of the personalized skill and knowledge inventory with the knowledge and skills needed to attain the personalized employment goal; and
- Upgrade skills and knowledge needed through adult general education programs and additional educational pursuits based on the employment goal.

The "Action Steps to Employment" may be developed through a blended approach with assistance provided to adult general education students by teachers, employment specialists, guidance counselors, business and industry representatives, and online resources. In addition, the bill recommends that students be directed to online resources or provided information on financial literacy, student financial aid, industry certification, occupational skills and knowledge tools, and a listing of job openings.

Targeting State University System Performance Funding

Under the bill, the BOG is required to add to its Strategic Plan criteria for designating bachelor's and master's degree programs at specified state universities as high-demand programs of emphasis. The criteria for doing so must be based on performance measures: 50% on performance measures and outcomes determined by the BOG; and 50% on job placement of graduates and a gap analysis of the job market and demands as determined by the BOG.

The bill extends State University System performance funding to new academic areas. The four universities that received performance funding for computer and information technology degree programs will receive the same amounts for 2013-2014. New degree areas for performance funding during the next two fiscal years will be in cloud virtualization, related large data management, and the areas the BOG identifies in its gap analysis of the job market.

Talent Retention Program

A new "Talent Retention Program", led by the State University system (SUS) Chancellor in cooperation with the Commissioner of Education, is created by the bill. The purpose of the new program is to encourage middle and high school students who indicate an interest in or aptitude for physics or mathematics to continue their postsecondary education at a state university with excellent departments in selected fields.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Private companies that have approved certifications on the Industry Certification Funding List or the Postsecondary Industry Certification Funding List would develop the Florida Cyber Security Recognition, the Florida Digital Arts Recognition, and the Florida Digital Tools Certificate.

Students will be provided educational options that are more closely aligned with opportunities for employment, thus making it more likely that they will be employed in a high-skill, high wage job.

C. Government Sector Impact:

Funding for this bill is included in the 2013-2014 Proposed General Appropriations Bill.

Also, the bill restructures funding primarily through performance incentives to encourage student participation and the provision of certain educational programs that will better prepare students for future employment.

Revisions to the Florida Education Finance Program include:

- Retains current law for AP bonus funding and authorizes up to $1,000 additional bonus per teacher for Advanced Placement courses when 50% of the students enrolled in the course earn a score of 3 or higher in schools with a grade of A, B. or C and in schools with a grade D or F when 25% of the students enrolled in the course earn a score of 3 or higher. Raises to $3,000 (from $2,000) the maximum bonus amount a teacher can earn annually.
- Retains current law for IB bonus funding and authorizes up to $1,000 additional bonus per teacher for International Baccalaureate courses when 50% of the students enrolled in the course earn a score of 4 or higher in schools with a grade of A, B. or C and in schools with a grade D or F when 25% of the students enrolled in the course earn a score of 4 or higher. Raises to $3,000 (from $2,000) the maximum bonus amount a teacher can earn annually.
- Increases the cap from $15 million to $60 million for industry certification funding for Grades 9 to 12 career-themed courses, growth in the program, removal of the graduation requirement for funding, and revisions to the rigor of the certifications.
- Two levels of weighted funding for industry certifications and teacher bonus amounts:

  - 0.2 FTE (roughly $717 for the current year) for certifications of sufficient rigor to articulate to college credit ($50 per teacher per student who earns the certification).
  - 0.1 FTE (roughly $358 for the current year) for less rigorous certifications ($25 per teacher per student certification).
- Bonus funding for schools that voluntarily participate in awarding the following:
  - Florida Cyber Security Recognition and Florida Digital Arts Recognition (annual $50 per student to a maximum of $100, and a minimum award of $1,000 and a maximum of $15,000 per elementary school).
  - Florida Digital Tools Certificate (annual $50 per student with a minimum award of $1,000 and a maximum of $15,000 per middle school).

The bill authorizes up to $15 million in performance funding for targeted industry certifications in school district adult workforce programs. The funding is established at $1,000 per industry certification earned, and the amount will be prorated if appropriated funds are insufficient to fully fund the total calculated award.

In addition, the bill authorizes up to $15 million in performance funding for targeted industry certifications in Florida College System institutions. The funding is established at $1,000 per industry certification earned, and the amount will be prorated if appropriated funds are insufficient to fully fund the total calculated award.

Performance funding, as provided in the General Appropriations Act, will be awarded to state universities with degree programs in specified fields or in areas that the BOG will identify in a gap analysis.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on March 28, 2013:
The committee substitute:

- Retains current law on AP bonus funding and authorizes up to $1,000 additional bonus per teacher for Advanced Placement courses when 50% of the students enrolled in the course earn a score of 3 or higher in schools with a grade of A, B or C and when 25% of the students enrolled in the course earn a score of 3 or higher in schools with a grade D or F.

- Retains current law on IB bonus funding and authorizes up to $1,000 additional bonus per teacher for International Baccalaureate courses when 50% of the students enrolled in the course earn a score of 4 or higher in schools with a grade of A, B. or C and in schools with a grade D or F when 25% of the students enrolled in the course earn a score of 4 or higher.
- Changes the 0.15 and 0.3 bonus value for industry certification courses to 0.1 and .02.
- Changes 2012-2013 school year to 2013-2014 school year and hanges the 0.15 and 0.3 bonus value for industry certification courses to 0.1 and .02.
- Retains current priorities for providing adult education programs to authorize Florida College System institutions to continue offering leisure and recreation instruction.
- Provides for transition to the Next Generation Sunshine State Standards.
- Creates new designations for students to earn their high school course and credit accomplishments that indicate eligibility for scholar and gold designations.

CS by Education on March 6, 2013:
CS/SB 1076 differs from SB 1076 in the following ways:

- A section of SB 1076 that required the Florida Virtual Campus to provide information about industry certifications is not included in CS/SB 1076.
- CS//SB 1076 clarifies that state university performance funding for computer and information technology programs will not be awarded competitively in 2013-2014, and the universities that received performance funding in this category in 2012-2013 will receive awards in the same amounts in 2013-2014.

B. Amendments:

None.

By the Committee on Education; and Senators Legg, Stargel, and Brandes

581-01981-13 20131076c1

A bill to be entitled

An act relating to education; providing a short title; amending s. 1001.42, F.S.; authorizing a district school board to appoint a governing board for a school district technical center or a system of technical centers; providing for membership of the board; amending s. 1001.706, F.S.; revising the requirements that must be included in the strategic plan that the Board of Governors must develop which includes criteria for the designation of certain baccalaureate degree programs and graduate degree programs as high-demand programs; amending s. 1002.3105, F.S.; adding attainment of industry certifications to the list of acceleration options available to public school students; amending s. 1003.41, F.S.; revising the core curricular content for mathematics and social studies within the Next Generation Sunshine State Standards; amending s. 1003.4156, F.S.; revising the requirements for the course in career and education planning which students in middle grades must successfully complete for promotion; amending s. 1003.4203, F.S.; requiring each district school board to make available digital materials for students in kindergarten through grade 12; revising the digital curriculum; authorizing the digital materials to be integrated into subject area curricula, offered as a separate course, or made available through other options; requiring the Department of Education to confirm that each school district has made available digital instructional

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materials for certain students with disabilities by a specified date; requiring the department to contract with technology companies or affiliated nonprofit organizations by a specified date to develop a cyber security recognition and a digital arts and technology recognition; requiring that the recognitions be made available to all public elementary school students at no cost to the districts; requiring the department to contract by a specified date with technology companies to provide a digital tools certificate; requiring that the digital tools certificate be made available to all public middle school students at no cost to the school districts; providing legislative intent; requiring the department or a contracted company or companies to provide technical assistance to district school boards; providing criteria for the assistance; authorizing a district school board to seek partnerships with other school districts, private businesses, colleges, universities, or consultants to offer classes and instruction to teachers and students to assist the school district in providing digital materials and certifications; requiring the State Board of Education to adopt rules; amending s. 1003.428, F.S.; revising requirements for high school graduation to include financial literacy and a rigorous industry certification program of study; requiring students to pass certain assessments before high school graduation; amending s. 1003.429, F.S.; revising requirements for accelerated high school

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59 graduation to include financial literacy and a
60 rigorous industry certification program of study;
61 requiring students to pass certain assessments before
62 high school graduation; amending s. 1003.4295, F.S.;
63 requiring the department to develop, the State Board
64 of Education to approve, and each school district to
65 provide alternative pathways of earning accelerated
66 credit toward meeting general credit requirements for
67 high school graduation; amending s. 1003.433, F.S.;
68 deleting a provision that exempts students attending
69 adult basic, adult secondary, or vocational-
70 preparatory instruction from payment of certain fees
71 and tuition; repealing s. 1003.4935(4), F.S., relating
72 to the adoption of rules by the State Board of
73 Education that identify industry certifications in
74 science, technology, engineering, and mathematics
75 offered in middle school to be included on the
76 Industry Certification Funding List and which are
77 eligible for additional full-time equivalent
78 membership; amending s. 1004.02, F.S.; revising
79 definitions; creating s. 1004.082, F.S.; requiring the
80 Chancellor of the State University System to cooperate
81 with the Commissioner of Education to support the
82 operation of programs to encourage talented secondary
83 school students and students of physics or mathematics
84 programs to pursue a postsecondary education at a
85 state university; amending s. 1004.91, F.S.; providing
86 requirements for basic skills for a career education
87 program; requiring each school district and Florida

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88 College System institution that conducts programs that
89 confer career and technical certificates to provide
90 applied academics instruction through which students
91 receive basic skills instruction; requiring certain
92 students to be referred to applied academics
93 instruction or another adult general education program
94 for a structured program or basic skills instruction;
95 revising the types of students who are exempt from
96 completing the basic skills for a career education
97 program; amending s. 1004.93, F.S.; revising the
98 priority in which an adult education program must
99 provide academic services to students; requiring
100 students who are entering adult general education
101 programs to complete certain activities before a
102 specified date in order to accelerate employment;
103 providing for the development of the action-steps-to-
104 employment activities; amending s. 1007.263, F.S.;
105 conforming a provision to changes made by the act;
106 amending s. 1007.271, F.S.; conforming a provision to
107 changes made by the act; revising requirements for
108 career dual enrollment programs to include the earning
109 of an industry certification; amending s. 1008.25,
110 F.S.; requiring each school district to establish a
111 comprehensive plan for student progression which must
112 provide instructional sequences for students in
113 kindergarten through high school to progressively
114 higher levels of competency in the use of digital
115 tools; amending s. 1008.37, F.S.; conforming a
116 provision to changes made by the act; creating s.

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117 1008.44, F.S.; requiring the Department of Education
118 to annually identify the Industry Certification
119 Funding List; requiring the State Board of Education
120 to adopt the Postsecondary Industry Certification
121 Funding List; requiring the Commissioner of Education
122 to recommend to the State Board of Education the
123 Postsecondary Industry Certification Funding List;
124 authorizing the commissioner to recommend adding
125 certifications; requiring the Chancellor of the State
126 University System, the Chancellor of the Florida
127 College System, and the Chancellor of Career and Adult
128 Education to recommend to the commissioner industry
129 certifications to be placed on the funding list;
130 requiring that the Postsecondary Industry
131 Certification Funding List be used in determining
132 annual performance funding distributions to school
133 districts and Florida College System institutions;
134 requiring the chancellors to consider results of the
135 economic security report of employment and earnings
136 outcomes when recommending certifications for the
137 list; requiring the commissioner to differentiate
138 content, instructional, and assessment requirements
139 that, when provided by a public institution and
140 satisfactorily attained by a student, indicate
141 accomplishment of requirements necessary for funding
142 under certain circumstances; requiring differentiated
143 requirements to be included in the Industry
144 Certification Funding List; amending ss. 1009.22 and
145 1009.25, F.S.; conforming provisions to changes made

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146 by the act; amending s. 1011.62, F.S.; conforming
147 provisions to changes made by the act; revising the
148 procedure for annual allocation of funds to each
149 school district; revising the bonus funding for
150 enrollment in advanced placement courses; increasing
151 the funding cap on funding associated with industry
152 certifications; providing a performance bonus for
153 teachers of specified subjects; revising the
154 calculation of additional full-time equivalent
155 membership based on certification of successful
156 completion of a career-themed course and issuance of
157 an industry certification; requiring that industry
158 certification courses be reported and funded;
159 authorizing bonus funding for elementary and middle
160 schools where students earn certain recognitions and
161 digital competency certificates; amending s. 1011.80,
162 F.S.; deleting the performance output measure for a
163 career program of study; providing that continuing
164 postsecondary education at a level that will further
165 enhance employment is a performance outcome for adult
166 general education programs; providing distribution and
167 calculation of performance funding for school district
168 workforce education programs; amending s. 1011.81,
169 F.S.; providing for performance funding for industry
170 certifications for Florida College System
171 institutions; amending s. 1011.905, F.S.; revising
172 requirements for performance funding for state
173 universities; providing an effective date.
174

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175 Be It Enacted by the Legislature of the State of Florida:
176
177 Section 1. Short title.—This act may be cited as the
178 "Career and Professional Education Act (CAPE)."
179 Section 2. Subsection (26) of section 1001.42, Florida
180 Statutes, is renumbered as subsection (27), and a new subsection
181 (26) is added to that section, to read:
182 1001.42 Powers and duties of district school board.—The
183 district school board, acting as a board, shall exercise all
184 powers and perform all duties listed below:
185 (26) TECHNICAL CENTER GOVERNING BOARD.—Each district school
186 board may appoint a governing board for a school district
187 technical center or a system of technical centers for the
188 purpose of aligning the educational programs of the technical
189 center with the needs of local businesses and responding quickly
190 to local businesses' needs for employees holding industry
191 certifications. A technical center governing board must be
192 comprised of seven members, three of whom must be members of the
193 school board or their designees and four of whom must be local
194 business leaders. The district school board shall delegate to
195 the technical center governing board decisions regarding
196 entrance requirements for students, curriculum, program
197 development, budget and funding allocations, and the development
198 of partnership agreements and appropriate industry
199 certifications with local businesses in order to meet local and
200 regional economic needs. A technical center governing board may
201 approve only courses and programs that contain industry
202 certifications. A course may be continued if at least 25 percent
203 of the students enrolled in the course attain an industry

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204 certification. If fewer than 25 percent of the students enrolled
205 in a course attain an industry certification, the course must be
206 discontinued the following year.
207 Section 3. Paragraph (b) of subsection (5) of section
208 1001.706, Florida Statutes, is amended to read:
209 1001.706 Powers and duties of the Board of Governors.—
210 (5) POWERS AND DUTIES RELATING TO ACCOUNTABILITY.—
211 (b) The Board of Governors shall develop a strategic plan
212 specifying goals and objectives for the State University System
213 and each constituent university, including each university's
214 contribution to overall system goals and objectives. The
215 strategic plan must:
216 1. Include performance metrics and standards common for all
217 institutions and metrics and standards unique to institutions
218 depending on institutional core missions, including, but not
219 limited to, student admission requirements, retention,
220 graduation, employment, continued education, licensure passage,
221 excess hours, student loan burden and default rates, faculty
222 awards, total annual research expenditures, patents, licenses
223 and royalties, intellectual property, startup companies, annual
224 giving, endowments, and well-known, highly respected national
225 rankings for institutional and program achievements.
226 2. Consider reports and recommendations of the Higher
227 Education Coordinating Council pursuant to s. 1004.015 and the
228 Articulation Coordinating Committee pursuant to s. 1007.01.
229 3. Include student enrollment and performance data
230 delineated by method of instruction, including, but not limited
231 to, traditional, online, and distance learning instruction.
232 4. Include criteria for designating baccalaureate degree

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233 and master's degree programs at specified universities as high-
234 demand programs. Fifty percent of the criteria for designation
235 as high-demand programs of emphasis must be based on achievement
236 of performance measures and performance outcome thresholds
237 determined by the Board of Governors, and 50 percent of the
238 criteria must be based on achievement of performance measures
239 and performance outcome thresholds specifically linked to:
240 a. Job placement in employment of 36 hours or more per week
241 and average full-time wages of graduates of the degree programs
242 1 year and 5 years after graduation, based in part on data
243 provided in the economic security report of employment and
244 earnings outcomes produced annually pursuant to s. 445.07; and
245 b. Data-driven gap analyses, conducted by the board, of the
246 state's job market demands and outlook for jobs that require a
247 baccalaureate degree or a higher degree.
248 Section 4. Paragraph (b) of subsection (1) of section
249 1002.3105, Florida Statutes, is amended to read:
250 1002.3105 Academically Challenging Curriculum to Enhance
251 Learning (ACCEL) options.—
252 (1) ACCEL OPTIONS.—
253 (b) At a minimum, each school must offer the following
254 ACCEL options: whole-grade and midyear promotion; subject-matter
255 acceleration; virtual instruction in higher grade level
256 subjects; acceleration options, pathways, and the Credit
257 Acceleration Program under s. 1003.4295. Additional ACCEL
258 options may include, but are not limited to, enriched science,
259 technology, engineering, and mathematics ~~(STEM)~~ coursework;
260 enrichment programs; flexible grouping; advanced academic
261 courses; combined classes; self-paced instruction; curriculum

262 compacting; advanced-content instruction; rigorous industry
263 certifications that are articulated to college credit and
264 approved pursuant to ss. 1003.492 and 1008.44; work-related
265 internships or apprenticeships; and telescoping curriculum.
266 Section 5. Paragraph (a) of subsection (1) of section
267 1003.41, Florida Statutes, is amended to read:
268 1003.41 Sunshine State Standards.—
269 (1) Public K-12 educational instruction in Florida is based
270 on the "Sunshine State Standards." The State Board of Education
271 shall review the Sunshine State Standards and replace them with
272 the Next Generation Sunshine State Standards that establish the
273 core content of the curricula to be taught in this state and
274 that specify the core content knowledge and skills that K-12
275 public school students are expected to acquire. The Next
276 Generation Sunshine State Standards must, at a minimum:
277 (a) Establish the core curricular content for language
278 arts, science, mathematics, and social studies, as follows:
279 1. Language arts standards must establish specific
280 curricular content for, at a minimum, the reading process,
281 literary analysis, the writing process, writing applications,
282 communication, and information and media literacy. The standards
283 must include distinct grade level expectations for the core
284 content knowledge and skills that a student is expected to have
285 acquired by each individual grade level from kindergarten
286 through grade 8. The language arts standards for grades 9
287 through 12 may be organized by grade clusters of more than one
288 grade level. The language arts standards must also identify
289 significant literary genres and authors that encompass a
290 comprehensive range of historical periods. Beginning with the

291 2011-2012 school year, the reading portion of the language arts
292 curriculum shall include civics education content for all grade
293 levels. The State Board of Education shall, in accordance with
294 the expedited schedule established under subsection (2), review
295 and replace the language arts standards adopted by the state
296 board in 2007 with Next Generation Sunshine State Standards that
297 comply with this subparagraph.
298 2. Science standards must establish specific curricular
299 content for, at a minimum, the nature of science, earth and
300 space science, physical science, and life science. The standards
301 must include distinct grade level expectations for the core
302 content knowledge and skills that a student is expected to have
303 acquired by each individual grade level from kindergarten
304 through grade 8. The science standards for grades 9 through 12
305 may be organized by grade clusters of more than one grade level.
306 3. Mathematics standards must establish specific curricular
307 content for, at a minimum, algebra, geometry, probability,
308 statistics, calculus, discrete mathematics, ~~financial literacy,~~
309 and trigonometry. The standards must include distinct grade
310 level expectations for the core content knowledge and skills
311 that a student is expected to have acquired by each individual
312 grade level from kindergarten through grade 8. The mathematics
313 standards for grades 9 through 12 may be organized by grade
314 clusters of more than one grade level.
315 4. Social studies standards must establish specific
316 curricular content for, at a minimum, geography;~~,~~ United States
317 and world history;~~,~~ government;~~,~~ civics;~~,~~ economics, to include
318 financial literacy; and humanities. The standards must include
319 distinct grade level expectations for the core content knowledge

320 and skills that a student is expected to have acquired by each
321 individual grade level from kindergarten through grade 8. The
322 social studies standards for grades 9 through 12 may be
323 organized by grade clusters of more than one grade level.
324 Section 6. Paragraph (a) of subsection (1) of section
325 1003.4156, Florida Statutes, is amended to read:
326 1003.4156 General requirements for middle grades
327 promotion.—
328 (1) Promotion from a school composed of middle grades 6,
329 7, and 8 requires that:
330 (a) The student must successfully complete academic courses
331 as follows:
332 1. Three middle school or higher courses in English. These
333 courses shall emphasize:
334 a. Literature, composition, and technical text; or
335 b. Reading.
336 2. Three middle school or higher courses in mathematics.
337 Each middle school must offer at least one high school level
338 mathematics course for which students may earn high school
339 credit. Successful completion of a high school level Algebra I
340 or geometry course is not contingent upon the student's
341 performance on the end-of-course assessment required under s.
342 1008.22(3)(c)2.a.(I). However, beginning with the 2011-2012
343 school year, to earn high school credit for an Algebra I course,
344 a middle school student must pass the Algebra I end-of-course
345 assessment, and beginning with the 2012-2013 school year, to
346 earn high school credit for a geometry course, a middle school
347 student must pass the geometry end-of-course assessment.
348 3. Three middle school or higher courses in social studies,

349 one semester of which must include the study of state and
350 federal government and civics education. Beginning with students
351 entering grade 6 in the 2012-2013 school year, one of these
352 courses must be at least a one-semester civics education course
353 that a student successfully completes in accordance with s.
354 1008.22(3)(c) and that includes the roles and responsibilities
355 of federal, state, and local governments; the structures and
356 functions of the legislative, executive, and judicial branches
357 of government; and the meaning and significance of historic
358 documents, such as the Articles of Confederation, the
359 Declaration of Independence, and the Constitution of the United
360 States.
361 4. Three middle school or higher courses in science.
362 Successful completion of a high school level Biology I course is
363 not contingent upon the student's performance on the end-of-
364 course assessment required under s. 1008.22(3)(c)2.a.(II).
365 However, beginning with the 2012-2013 school year, to earn high
366 school credit for a Biology I course, a middle school student
367 must pass the Biology I end-of-course assessment.
368 5. One course in career and education planning to be
369 completed in 6th, 7th, or 8th grade. The course may be taught by
370 any member of the instructional staff; must result in a
371 completed personalized academic and career plan for the student;
372 must emphasize the importance of entrepreneurship skills; must
373 emphasize technology or the application of technology in career
374 fields; and, beginning in the 2014-2015 academic year, must
375 include information from the Department of Economic
376 Opportunity's economic security report as described in s.
377 445.07. The required personalized academic and career plan must

378 inform students of high school graduation requirements, high
379 school assessment and college entrance test requirements,
380 Florida Bright Futures Scholarship Program requirements, state
381 university and Florida College System institution admission
382 requirements, and programs through which a high school student
383 can earn college credit, including Advanced Placement,
384 International Baccalaureate, Advanced International Certificate
385 of Education, dual enrollment, career academy and career-themed
386 course opportunities, and courses that lead to national industry
387 certification.
388
389 A student with a disability, as defined in s. 1007.02(2), for
390 whom the individual education plan team determines that an end-
391 of-course assessment cannot accurately measure the student's
392 abilities, taking into consideration all allowable
393 accommodations, shall have the end-of-course assessment results
394 waived for purposes of determining the student's course grade
395 and completing the requirements for middle grades promotion.
396 Each school must inform parents about the course curriculum and
397 activities. Each student shall complete a personal education
398 plan that must be signed by the student and the student's
399 parent. The Department of Education shall develop course
400 frameworks and professional development materials for the career
401 and education planning course. The course may be implemented as
402 a stand-alone course or integrated into another course or
403 courses. The Commissioner of Education shall collect
404 longitudinal high school course enrollment data by student
405 ethnicity in order to analyze course-taking patterns.
406 Section 7. Section 1003.4203, Florida Statutes, is amended

407 to read:
408 1003.4203 Digital technology materials, certificates, and
409 technical assistance ~~curriculum~~.~~—~~
410 (1) Each district school board, in consultation with the
411 district school superintendent, shall make available ~~may develop~~
412 ~~and implement a~~ digital materials ~~curriculum~~ for students in
413 prekindergarten through grade ~~grades 6 through~~ 12 in order to
414 enable students to attain digital skills ~~competencies in web~~
415 ~~communications and web design~~. ~~A digital curriculum may include~~
416 ~~web based skills, web based core technologies, web design, use~~
417 ~~of digital technologies and markup language to show competency~~
418 ~~in computer skills, and use of web based core technologies to~~
419 ~~design creative, informational, and content standards for web-~~
420 ~~based digital products that demonstrate proficiency in creating,~~
421 ~~publishing, testing, monitoring, and maintaining a website.~~
422 ~~(2)~~ The digital materials ~~curriculum instruction~~ may be
423 integrated into ~~middle school and high school~~ subject area
424 curricula, ~~or~~ offered as a separate course, made available
425 through open-access options, or deployed through online or
426 digital computer applications, subject to available funding.
427 (2) Beginning with the 2013-2014 school year, each district
428 school board, in consultation with the district school
429 superintendent, shall make available digital instructional
430 materials, including software applications, for students with
431 disabilities who are in prekindergarten through grade 12.
432 (3) Subject to available funding, the department shall
433 contract by December 1, 2013, with one or more of the technology
434 companies or affiliated nonprofit organizations that have
435 approved industry certifications identified on the Industry

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436 Certification Funding List or the Postsecondary Industry
437 Certification Funding List, pursuant to s. 1003.492 or s.
438 1008.44, for the development of a Florida Cyber Security
439 Recognition and a Florida Digital Arts Recognition to indicate a
440 student's attainment of knowledge and skills in digital
441 technology. The recognitions shall be made available to all
442 public elementary school students, at no cost to the districts.
443 (a) Targeted knowledge and skills to be mastered for each
444 recognition shall be identified by the department. Knowledge and
445 skills may be demonstrated through student attainment of
446 recognitions in particular content areas.
447 1. The Florida Cyber Security Recognition must be based on
448 understanding of computer processing operations and, in most
449 part, on cyber security skills that increase a student's cyber-
450 safe practices.
451 2. The Florida Digital Arts Recognition must reflect a
452 balance of skills in technology and the arts.
453 (b) The companies that provide the recognitions must
454 provide open access to materials for teaching and assessing the
455 skills necessary to earn the recognitions. Each elementary
456 school advisory council shall be notified of the methods of
457 delivery of the open-access content and assessments for the
458 recognitions.
459 (4) Subject to available funding, the department shall
460 contract, by December 1, 2013, with one or more of the
461 technology companies that have approved industry certifications
462 identified on the Industry Certification Funding List or the
463 Postsecondary Industry Certification Funding List, pursuant to
464 s. 1003.492 or s. 1008.44, to develop a Florida Digital Tools

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465 Certificate to indicate a student's technology skills. The
466 certificate shall be made available to all public middle school
467 students, at no cost to school districts.
468 (a) Targeted skills to be mastered for the certificate must
469 be digital technology skills that are necessary in the student's
470 academic work and digital technology skills the student may need
471 in future employment. The skills must include, but need not be
472 limited to, word processing, spreadsheet display, and the
473 creation of presentations, including sound, text, and graphic
474 presentations, consistent with industry certifications that are
475 listed on the Industry Certification Funding List, pursuant to
476 s. 1003.492.
477 (b) The companies that provide the certificate must provide
478 open access to materials for teaching and assessing the skills
479 necessary to earn the certificate. Each middle school advisory
480 council shall be notified of the methods of delivery of the
481 open-access content and assessments for the recognitions.
482 (c) The Legislature intends that at least 75 percent of
483 public middle school students earn the certificate by July 1,
484 2018.
485 (5)~~(3)~~ The Department of Education or company or companies
486 contracted under subsection (4) or this subsection shall provide
487 technical assistance to ~~develop a model digital curriculum to~~
488 ~~serve as a guide for~~ district school boards in the
489 implementation ~~development~~ of this section. Assistance to
490 districts shall include, but need not be limited to:
491 identification of digital technology resources, primarily open-
492 access resources, including digital curriculum, instructional
493 materials, media assets, and other digital tools and

494 applications; training mechanisms for teachers and others to
495 facilitate integration of digital technologies into
496 instructional strategies; and model policies and procedures that
497 support sustainable implementation practices ~~a digital~~
498 ~~curriculum~~.
499 (6)~~(4)~~ A district school board may seek partnerships with
500 other school districts, private businesses, colleges,
501 universities, or ~~and~~ consultants to offer classes and
502 instruction to teachers and students to assist the school
503 district in providing digital materials and certifications
504 established pursuant to this section ~~curriculum instruction~~.
505 (7) The State Board of Education shall adopt rules pursuant
506 to ss. 120.536(1) and 120.54 to administer the requirements of
507 this section.
508 Section 8. Subsection (1) and paragraph (a) of subsection
509 (2) of section 1003.428, Florida Statutes, are amended to read:
510 1003.428 General requirements for high school graduation;
511 revised.—
512 (1) Except as otherwise authorized pursuant to s. 1003.429,
513 beginning with students entering grade 9 in the 2007-2008 school
514 year, graduation requires the successful completion of a minimum
515 of 24 credits, an International Baccalaureate curriculum, or an
516 Advanced International Certificate of Education curriculum.
517 Beginning with the 2013-2014 school year, a student may meet
518 high school graduation requirements through a rigorous industry
519 certification program of study approved by the State Board of
520 Education; however, the student must pass the Algebra I end-of-
521 course assessment and the high school English/Language Arts
522 assessment adopted pursuant to s. 1008.22 before high school

523 graduation. Students must be advised of eligibility requirements
524 for state scholarship programs and postsecondary admissions.
525 (2) The 24 credits may be earned through applied,
526 integrated, and combined courses, or rigorous industry
527 certifications, approved by the Department of Education. The 24
528 credits shall be distributed as follows:
529 (a) Sixteen core curriculum credits:
530 1. Four credits in English, with major concentration in
531 composition, reading for information, and literature.
532 2. Four credits in mathematics, one of which must be
533 Algebra I, a series of courses equivalent to Algebra I, or a
534 higher-level mathematics course; however, beginning with the
535 2013-2014 school year, a student may repeat Algebra I courses
536 and count those courses toward satisfying the credit
537 requirements of this subparagraph if the student passes the
538 Algebra I end-of-course assessment before high school
539 graduation. Beginning with students entering grade 9 in the
540 2010-2011 school year, in addition to the Algebra I credit
541 requirement, one of the four credits in mathematics must be
542 geometry or a series of courses equivalent to geometry as
543 approved by the State Board of Education. Beginning with
544 students entering grade 9 in the 2010-2011 school year, the end-
545 of-course assessment requirements under s. 1008.22(3)(c)2.a.(I)
546 must be met in order for a student to earn the required credit
547 in Algebra I. Beginning with students entering grade 9 in the
548 2011-2012 school year, the end-of-course assessment requirements
549 under s. 1008.22(3)(c)2.a.(I) must be met in order for a student
550 to earn the required credit in geometry. Beginning with students
551 entering grade 9 in the 2012-2013 school year, in addition to

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552 the Algebra I and geometry credit requirements, one of the four
553 credits in mathematics must be Algebra II or a series of courses
554 equivalent to Algebra II as approved by the State Board of
555 Education.
556 3. Three credits in science, two of which must have a
557 laboratory component. Beginning with students entering grade 9
558 in the 2011-2012 school year, one of the three credits in
559 science must be Biology I or a series of courses equivalent to
560 Biology I as approved by the State Board of Education. Beginning
561 with students entering grade 9 in the 2011-2012 school year, the
562 end-of-course assessment requirements under s.
563 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
564 the required credit in Biology I. Beginning with students
565 entering grade 9 in the 2013-2014 school year, one of the three
566 credits must be Biology I or a series of courses equivalent to
567 Biology I as approved by the State Board of Education, one
568 credit must be chemistry or physics or a series of courses
569 equivalent to chemistry or physics as approved by the State
570 Board of Education, and one credit must be an equally rigorous
571 course, as determined by the State Board of Education.
572 4. Three credits in social studies as follows: one credit
573 in United States history; one credit in world history; one-half
574 credit in economics, to include financial literacy; and one-half
575 credit in United States government.
576 5. One credit in fine or performing arts, speech and
577 debate, or a practical arts course that incorporates artistic
578 content and techniques of creativity, interpretation, and
579 imagination. Eligible practical arts courses shall be identified
580 through the Course Code Directory.

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581 6. One credit in physical education to include integration
582 of health. Participation in an interscholastic sport at the
583 junior varsity or varsity level for two full seasons shall
584 satisfy the one-credit requirement in physical education if the
585 student passes a competency test on personal fitness with a
586 score of "C" or better. The competency test on personal fitness
587 must be developed by the Department of Education. A district
588 school board may not require that the one credit in physical
589 education be taken during the 9th grade year. Completion of one
590 semester with a grade of "C" or better in a marching band class,
591 in a physical activity class that requires participation in
592 marching band activities as an extracurricular activity, or in a
593 dance class shall satisfy one-half credit in physical education
594 or one-half credit in performing arts. This credit may not be
595 used to satisfy the personal fitness requirement or the
596 requirement for adaptive physical education under an individual
597 education plan (IEP) or 504 plan. Completion of 2 years in a
598 Reserve Officer Training Corps (R.O.T.C.) class, a significant
599 component of which is drills, shall satisfy the one-credit
600 requirement in physical education and the one-credit requirement
601 in performing arts. This credit may not be used to satisfy the
602 personal fitness requirement or the requirement for adaptive
603 physical education under an individual education plan (IEP) or
604 504 plan.
605 Section 9. Paragraphs (b) and (c) of subsection (1) of
606 section 1003.429, Florida Statutes, are amended to read:
607 1003.429 Accelerated high school graduation options.—
608 (1) Students who enter grade 9 in the 2006-2007 school year
609 and thereafter may select, upon receipt of each consent required

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610 by this section, one of the following three high school
611 graduation options:
612 (b) Completion of a 3-year standard college preparatory
613 program requiring successful completion of a minimum of 18
614 academic credits in grades 9 through 12. At least 6 of the 18
615 credits required for completion of this program must be received
616 in classes that are offered pursuant to the International
617 Baccalaureate Program, the Advanced Placement Program, dual
618 enrollment, Advanced International Certificate of Education,
619 rigorous industry certifications that are approved by the State
620 Board of Education, or classes specifically listed or identified
621 by the Department of Education as rigorous pursuant to s.
622 1009.531(3); however, students must pass the Algebra I end-of-
623 course assessment and the high school English/Language Arts
624 assessment adopted pursuant to s. 1008.22 before high school
625 graduation. The 18 credits required for completion of this
626 program shall be primary requirements and shall be distributed
627 as follows:
628 1. Four credits in English, with major concentration in
629 composition and literature;
630 2. Three credits and, beginning with students entering
631 grade 9 in the 2010-2011 school year, four credits in
632 mathematics at the Algebra I level or higher from the list of
633 courses that qualify for state university admission; however,
634 beginning with the 2013-2014 school year, a student may repeat
635 Algebra I courses and count those courses toward satisfying the
636 credit requirements of this subparagraph if the student passes
637 the Algebra I end-of-course assessment before high school
638 graduation. Beginning with students entering grade 9 in the

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639 2010-2011 school year, in addition to the Algebra I credit
640 requirement, one of the four credits in mathematics must be
641 geometry or a series of courses equivalent to geometry as
642 approved by the State Board of Education. Beginning with
643 students entering grade 9 in the 2010-2011 school year, the end-
644 of-course assessment requirements under s. 1008.22(3)(c)2.a.(I)
645 must be met in order for a student to earn the required credit
646 in Algebra I. Beginning with students entering grade 9 in the
647 2011-2012 school year, the end-of-course assessment requirements
648 under s. 1008.22(3)(c)2.a.(I) must be met in order for a student
649 to earn the required credit in geometry. Beginning with students
650 entering grade 9 in the 2012-2013 school year, in addition to
651 the Algebra I and geometry credit requirements, one of the four
652 credits in mathematics must be Algebra II or a series of courses
653 equivalent to Algebra II as approved by the State Board of
654 Education;
655 3. Three credits in science, two of which must have a
656 laboratory component. Beginning with students entering grade 9
657 in the 2011-2012 school year, one of the three credits in
658 science must be Biology I or a series of courses equivalent to
659 Biology I as approved by the State Board of Education. Beginning
660 with students entering grade 9 in the 2011-2012 school year, the
661 end-of-course assessment requirements under s.
662 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
663 the required credit in Biology I. Beginning with students
664 entering grade 9 in the 2013-2014 school year, one of the three
665 credits must be Biology I or a series of courses equivalent to
666 Biology I as approved by the State Board of Education, one
667 credit must be chemistry or physics or a series of courses

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668 equivalent to chemistry or physics as approved by the State
669 Board of Education, and one credit must be an equally rigorous
670 course, as approved by the State Board of Education;
671 4. Three credits in social sciences, which must include one
672 credit in United States history, one credit in world history,
673 one-half credit in United States government, and one-half credit
674 in economics, to include financial literacy;
675 5. Two credits in the same second language unless the
676 student is a native speaker of or can otherwise demonstrate
677 competency in a language other than English. If the student
678 demonstrates competency in another language, the student may
679 replace the language requirement with two credits in other
680 academic courses; and
681 6. Three credits in electives and, beginning with students
682 entering grade 9 in the 2010-2011 school year, two credits in
683 electives; or
684 (c) Completion of a 3-year career preparatory program
685 requiring successful completion of a minimum of 18 academic
686 credits in grades 9 through 12. The 18 credits shall be primary
687 requirements and shall be distributed as follows:
688 1. Four credits in English, with major concentration in
689 composition and literature;
690 2. Three credits and, beginning with students entering
691 grade 9 in the 2010-2011 school year, four credits in
692 mathematics, one of which must be Algebra I; however, beginning
693 with the 2013-2014 school year, a student may repeat Algebra I
694 courses and count those courses toward satisfying the credit
695 requirements of this subparagraph if the student passes the
696 Algebra I end-of-course assessment before high school

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697 graduation. Beginning with students entering grade 9 in the
698 2010-2011 school year, in addition to the Algebra I credit
699 requirement, one of the four credits in mathematics must be
700 geometry or a series of courses equivalent to geometry as
701 approved by the State Board of Education. Beginning with
702 students entering grade 9 in the 2010-2011 school year, the end-
703 of-course assessment requirements under s. 1008.22(3)(c)2.a.(I)
704 must be met in order for a student to earn the required credit
705 in Algebra I. Beginning with students entering grade 9 in the
706 2011-2012 school year, the end-of-course assessment requirements
707 under s. 1008.22(3)(c)2.a.(I) must be met in order for a student
708 to earn the required credit in geometry. Beginning with students
709 entering grade 9 in the 2012-2013 school year, in addition to
710 the Algebra I and geometry credit requirements, one of the four
711 credits in mathematics must be Algebra II or a series of courses
712 equivalent to Algebra II as approved by the State Board of
713 Education;
714 3. Three credits in science, two of which must have a
715 laboratory component. Beginning with students entering grade 9
716 in the 2011-2012 school year, one of the three credits in
717 science must be Biology I or a series of courses equivalent to
718 Biology I as approved by the State Board of Education. Beginning
719 with students entering grade 9 in the 2011-2012 school year, the
720 end-of-course assessment requirements under s.
721 1008.22(3)(c)2.a.(II) must be met in order for a student to earn
722 the required credit in Biology I. Beginning with students
723 entering grade 9 in the 2013-2014 school year, one of the three
724 credits must be Biology I or a series of courses equivalent to
725 Biology I as approved by the State Board of Education, one

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726 credit must be chemistry or physics or a series of courses
727 equivalent to chemistry or physics as approved by the State
728 Board of Education, and one credit must be an equally rigorous
729 course, as approved by the State Board of Education;
730 4. Three credits in social sciences, which must include one
731 credit in United States history, one credit in world history,
732 one-half credit in United States government, and one-half credit
733 in economics, to include financial literacy;
734 5. Three credits in a single vocational or career education
735 program, three credits in career and technical certificate dual
736 enrollment courses, or five credits in vocational or career
737 education courses; and
738 6. Two credits and, beginning with students entering grade
739 9 in the 2010-2011 school year, one credit in electives unless
740 five credits are earned pursuant to subparagraph 5.
741
742 Any student who selected an accelerated graduation program
743 before July 1, 2004, may continue that program, and all
744 statutory program requirements that were applicable when the
745 student made the program choice shall remain applicable to the
746 student as long as the student continues that program.
747 Section 10. Subsection (4) is added to section 1003.4295,
748 Florida Statutes, to read:
749 1003.4295 Acceleration options.—
750 (4) By July 1, 2014, the department shall develop, the
751 State Board of Education shall approve, and each school district
752 shall provide alternative pathways for students to earn a high
753 school diploma and demonstrate mastery of standards that satisfy
754 the credit requirements for the core curricula established in

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755 ss. 1003.428, 1003.4281, 1003.429, and 1003.43 for high school
756 graduation.
757 (a) The pathways must include, but are not limited to,
758 integrating course content with practical applications;
759 designating rigorous pathways that result in one or more
760 industry certifications, including high school junior and senior
761 year work-related internships or apprenticeships; course and
762 credit options; and segmenting assessments and end-of-course
763 assessments.
764 (b) Course, credit, and industry certification options
765 shall be considered to satisfy credit requirements of s.
766 1003.436 for purposes of awarding credit for high school
767 graduation, with an emphasis on credit based on competencies,
768 rather than the number of instructional hours required for
769 credit regardless of student enrollment in a class. At a
770 minimum, the State Board of Education shall identify and approve
771 rigorous options under which a student may satisfy course or
772 credit requirements for high school graduation under s.
773 1003.428(2) or s. 1003.429, with the exception of Algebra I
774 assessment and high school English/Language Arts assessment
775 requirements pursuant to s. 1008.22, by selecting the following
776 options:
777 1. A student who earns an industry certification,
778 identified on the Industry Certification Funding List or the
779 Postsecondary Industry Certification Funding List established
780 pursuant to s. 1003.492 or s. 1008.44, of sufficient rigor to
781 earn articulated college credit, as approved by the State Board
782 of Education, may substitute the industry certification for one
783 or more courses or credits in mathematics and science,

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784 including, but not limited to, Algebra II, chemistry, and
785 physics.
786 2. A student who earns an industry certification or bundles
787 of industry certifications from the Industry Certification
788 Funding List or the Postsecondary Industry Certification Funding
789 List which demonstrate attainment of standards associated with
790 digital composition, word processing, and presentation skills,
791 may satisfy one or more core curricular credits in English.
792 3. A student who earns industry certifications that
793 articulate to at least 15 college credits shall satisfy three
794 core curriculum credit requirements for a standard high school
795 diploma, except Algebra I or high school English/Language Arts.
796 4. A middle school student may complete Algebra I
797 requirements through coursework that is offered in two or more
798 discrete instructional segments with corresponding end-of-
799 segment assessments such that, when combined, they are
800 equivalent to the Algebra I end-of-course assessment.
801 Section 11. Paragraph (c) of subsection (2) of section
802 1003.433, Florida Statutes, is amended to read:
803 1003.433 Learning opportunities for out-of-state and out-
804 of-country transfer students and students needing additional
805 instruction to meet high school graduation requirements.—
806 (2) Students who have met all requirements for the standard
807 high school diploma except for passage of the grade 10 FCAT or
808 an alternate assessment by the end of grade 12 must be provided
809 the following learning opportunities:
810 (c) Participation in an adult general education program as
811 provided in s. 1004.93 for such time as the student requires to
812 master English, reading, mathematics, or any other subject

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813 required for high school graduation. ~~Students attending adult~~
814 ~~basic, adult secondary, or vocational preparatory instruction~~
815 ~~are exempt from any requirement for the payment of tuition and~~
816 ~~fees, including lab fees, pursuant to s. 1009.25.~~ A student
817 attending an adult general education program shall have the
818 opportunity to take the grade 10 FCAT an unlimited number of
819 times in order to receive a standard high school diploma.
820 Section 12. Subsection (4) of section 1003.4935, Florida
821 Statutes, is repealed.
822 Section 13. Subsections (3) and (24) of section 1004.02,
823 Florida Statutes, are amended to read:
824 1004.02 Definitions.—As used in this chapter:
825 (3) "Adult general education" means comprehensive
826 instructional programs designed to improve the employability of
827 the state's workforce through adult basic education, adult
828 secondary education, English for Speakers of Other Languages,
829 applied academics for adult education ~~vocational-preparatory~~
830 instruction, and instruction for adults who have ~~with~~
831 disabilities.
832 (24) "Applied academics for adult education" or "applied
833 academics ~~Vocational-preparatory~~ instruction" means adult
834 general education through which persons attain academic and
835 workforce readiness skills at the level of functional literacy
836 (grade levels 6.0-8.9) or higher so that such persons may pursue
837 technical certificate education or higher-level technical
838 education.
839 Section 14. Section 1004.082, Florida Statutes, is created
840 to read:
841 1004.082 Talent retention program.—The Chancellor of the

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842 State University System shall cooperate with the Commissioner of
843 Education to support talent retention programs that encourage
844 middle school and high school students who indicate an interest
845 in or aptitude for physics or mathematics to continue their
846 education at a state university that has excellent departments
847 in selected fields. The commissioner and chancellor shall work
848 with state university department chairs to enable department
849 chairs of outstanding state university departments to send
850 letters to students who indicate an interest in and aptitude for
851 those subjects. At a minimum, the letter should provide an open
852 invitation for the student to communicate with the department,
853 at least annually, and to schedule a tour of the department and
854 the campus.
855 Section 15. Section 1004.91, Florida Statutes, is amended
856 to read:
857 1004.91 Requirements for career education program basic
858 skills ~~career-preparatory instruction~~.—
859 (1) The State Board of Education shall adopt, by rule,
860 standards of basic skill mastery for completion of certificate
861 career education programs. Each school district and Florida
862 College System institution that conducts programs that confer
863 career and technical certificates ~~credit~~ shall provide applied
864 academics ~~career-preparatory~~ instruction through which students
865 receive the basic skills instruction required pursuant to this
866 section.
867 (2) Students who enroll in a program offered for career
868 credit of 450 hours or more shall complete an entry-level
869 examination within the first 6 weeks after ~~of~~ admission into the
870 program. The State Board of Education shall designate

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871 examinations that are currently in existence, the results of
872 which are comparable across institutions, to assess student
873 mastery of basic skills. Any student found to lack the required
874 level of basic skills for such program shall be referred to
875 applied academics ~~career preparatory~~ instruction or another
876 adult general ~~basic~~ education program for a structured program
877 of basic skills instruction. Such instruction may include
878 English for speakers of other languages. A student may not
879 receive a career certificate of completion without first
880 demonstrating the basic skills required in the state curriculum
881 frameworks for the career education program.
882 (3) The following students are exempt from the provisions
883 of this section:
884 (a) An adult student who has ~~with~~ a disability ~~may be~~
885 ~~exempted from the provisions of this section~~.
886 (b) A student who possesses a college degree at the
887 associate in applied science level or higher ~~is exempt from this~~
888 ~~section~~.
889 (c) A student who demonstrates readiness for public
890 postsecondary education pursuant to s. 1008.30 and applicable
891 rules adopted by the State Board of Education ~~A student who has~~
892 ~~completed or who is exempt from the college level communication~~
893 ~~and computation skills examination pursuant to s. 1008.29, or~~
894 ~~who is exempt from the college entry level examination pursuant~~
895 ~~to s. 1008.29, is exempt from the provisions of this section~~.
896 (d) A student ~~Students~~ who passes ~~have passed~~ a state or~~,~~
897 national~~, or~~ industry certification or licensure exam that is
898 identified in the rules of the State Board of Education and
899 aligned to the career education program in which the student is

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900 enrolled ~~are exempt from this section~~.
901 (e) An adult student who is enrolled in an apprenticeship
902 program that is registered with the Department of Education in
903 accordance with the provisions of chapter 446 ~~is exempt from the~~
904 ~~provisions of this section~~.
905 Section 16. Subsection (2) of section 1004.93, Florida
906 Statutes, is amended, present subsection (8) is redesignated as
907 subsection (9), and a new subsection (8) is added to that
908 section, to read:
909 1004.93 Adult general education.—
910 (2) The adult education program must provide academic
911 services to students in the following priority:
912 (a) Students who demonstrate skills at less than a fifth
913 grade level, as measured by tests approved for this purpose by
914 the State Board of Education, and who are studying to achieve
915 basic literacy.
916 (b) Students who demonstrate skills at the fifth grade
917 level or higher, but below the ninth grade level, as measured by
918 tests approved for this purpose by the State Board of Education,
919 and who are studying to achieve functional literacy.
920 (c) Students who are earning credit required for a high
921 school diploma or who are preparing for the General Educational
922 Development test.
923 (d) Students who have earned high school diplomas and
924 require specific improvement in order to:
925 1. Obtain or maintain employment or benefit from
926 certificate career education programs;
927 2. Pursue a postsecondary degree; or
928 3. Develop competence in the English language to qualify

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929 for employment.
930 ~~(e) Students who enroll in lifelong learning courses or~~
931 ~~activities that seek to address community social and economic~~
932 ~~issues that consist of health and human relations, government,~~
933 ~~parenting, consumer economics, and senior citizens.~~
934 ~~(f) Students who enroll in courses that relate to the~~
935 ~~recreational or leisure pursuits of the students. The cost of~~
936 ~~courses conducted pursuant to this paragraph shall be borne by~~
937 ~~the enrollees.~~
938 (8) In order to accelerate the employment of adult
939 education students, students entering adult general education
940 programs after July 1, 2013, must complete the following action-
941 steps-to-employment activities before the completion of the
942 first term:
943 (a) Identify employment opportunities using market-driven
944 tools.
945 (b) Create a personalized employment goal.
946 (c) Conduct a personalized skill and knowledge inventory.
947 (d) Compare the results of the personalized skill and
948 knowledge inventory with the knowledge and skills needed to
949 attain the personalized employment goal.
950 (e) Upgrade skills and knowledge needed through adult
951 general education programs and additional educational pursuits
952 based on the personalized employment goal.
953
954 The action-steps-to-employment activities may be developed
955 through a blended approach with assistance provided to adult
956 general education students by teachers, employment specialists,
957 guidance counselors, business and industry representatives, and

958 online resources. Students may be directed to online resources
959 and provided information on financial literacy, student
960 financial aid, industry certifications, and occupational
961 services and a listing of job openings.
962 Section 17. Subsection (1) of section 1007.263, Florida
963 Statutes, is amended to read:
964 1007.263 Florida College System institutions; admissions of
965 students.—Each Florida College System institution board of
966 trustees is authorized to adopt rules governing admissions of
967 students subject to this section and rules of the State Board of
968 Education. These rules shall include the following:
969 (1) Admissions counseling shall be provided to all students
970 entering college or career credit programs. Counseling shall
971 utilize tests to measure achievement of college-level
972 communication and computation competencies by all students
973 entering college credit programs or tests to measure achievement
974 of basic skills for career education programs as prescribed in
975 s. 1004.91.
976
977 Each board of trustees shall establish policies that notify
978 students about, and place students into, adult basic education,
979 adult secondary education, or other instructional programs that
980 provide students with alternatives to traditional college-
981 preparatory instruction, including private provider instruction.
982 A student is prohibited from enrolling in additional college-
983 level courses until the student scores above the cut-score on
984 all sections of the common placement test.
985 Section 18. Subsections (2), (7), and (11) of section
986 1007.271, Florida Statutes, are amended to read:

987 1007.271 Dual enrollment programs.—
988 (2) For the purpose of this section, an eligible secondary
989 student is a student who is enrolled in a Florida public
990 secondary school or in a Florida private secondary school which
991 is in compliance with s. 1002.42(2) and provides a secondary
992 curriculum pursuant to s. 1003.428, s. 1003.429, or s. 1003.43.
993 Students who are eligible for dual enrollment pursuant to this
994 section may enroll in dual enrollment courses conducted during
995 school hours, after school hours, and during the summer term.
996 However, if the student is projected to graduate from high
997 school before the scheduled completion date of a postsecondary
998 course, the student may not register for that course through
999 dual enrollment. The student may apply to the postsecondary
1000 institution and pay the required registration, tuition, and fees
1001 if the student meets the postsecondary institution's admissions
1002 requirements under s. 1007.263. Instructional time for dual
1003 enrollment may vary from 900 hours; however, the school district
1004 may only report the student for a maximum of 1.0 FTE, as
1005 provided in s. 1011.61(4). Any student enrolled as a dual
1006 enrollment student is exempt from the payment of registration,
1007 tuition, and laboratory fees. Applied academics for adult
1008 education ~~Vocational preparatory~~ instruction, college-
1009 preparatory instruction, and other forms of precollegiate
1010 instruction, as well as physical education courses that focus on
1011 the physical execution of a skill rather than the intellectual
1012 attributes of the activity, are ineligible for inclusion in the
1013 dual enrollment program. Recreation and leisure studies courses
1014 shall be evaluated individually in the same manner as physical
1015 education courses for potential inclusion in the program.

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1016 (7) Career dual enrollment shall be provided as a
1017 curricular option for secondary students to pursue in order to
1018 earn industry certifications adopted pursuant to s. 1008.44,
1019 which count as ~~a series of elective~~ credits toward the high
1020 school diploma. Career dual enrollment shall be available for
1021 secondary students seeking a degree and industry certification
1022 through ~~or certificate from~~ a ~~complete career-preparatory~~
1023 program or a career course ~~and may not be used to enroll~~
1024 ~~students in isolated career courses~~.
1025 (11) Career early admission is a form of career dual
1026 enrollment through which eligible secondary students enroll full
1027 time in a career center or a Florida College System institution
1028 in postsecondary programs leading to industry certifications, as
1029 listed in the Postsecondary Industry Certification Funding List
1030 pursuant to s. 1008.44, which ~~courses that~~ are creditable toward
1031 the high school diploma and ~~the~~ certificate or associate degree.
1032 Participation in the career early admission program is limited
1033 to students who have completed a minimum of 6 semesters of full-
1034 time secondary enrollment, including studies undertaken in the
1035 ninth grade. Students enrolled pursuant to this section are
1036 exempt from the payment of registration, tuition, and laboratory
1037 fees.
1038 Section 19. Paragraph (h) is added to subsection (2) of
1039 section 1008.25, Florida Statutes, to read:
1040 1008.25 Public school student progression; remedial
1041 instruction; reporting requirements.—
1042 (2) COMPREHENSIVE STUDENT PROGRESSION PLAN.—Each district
1043 school board shall establish a comprehensive plan for student
1044 progression which must:

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1045 (h) Provide instructional sequences by which students in
1046 kindergarten through high school may attain progressively higher
1047 levels of skill in the use of digital tools and applications.
1048 The instructional sequences must include participation in
1049 curricular and instructional options and the demonstration of
1050 competence of standards required pursuant to ss. 1003.41 and
1051 1003.4203 through attainment of industry certifications and
1052 other means of demonstrating credit requirements identified
1053 under ss. 1002.3105, 1003.4203, and 1003.4295.
1054 Section 20. Subsection (2) of section 1008.37, Florida
1055 Statutes, is amended to read:
1056 1008.37 Postsecondary feedback of information to high
1057 schools.—
1058 (2) The Commissioner of Education shall report, by high
1059 school, to the State Board of Education, the Board of Governors,
1060 and the Legislature, no later than November 30 of each year, on
1061 the number of prior year Florida high school graduates who
1062 enrolled for the first time in public postsecondary education in
1063 this state during the previous summer, fall, or spring term,
1064 indicating the number of students whose scores on the common
1065 placement test indicated the need for remediation through
1066 applied academics instruction or college-preparatory ~~or~~
1067 ~~vocational-preparatory~~ instruction pursuant to s. 1004.91 or s.
1068 1008.30.
1069 Section 21. Section 1008.44, Florida Statutes, is created
1070 to read:
1071 1008.44 Industry certifications; Industry Certification
1072 Funding List and Postsecondary Industry Certification Funding
1073 List.—

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1074 (1) Pursuant to s. 1003.492, the Department of Education
1075 shall, at least annually, identify, under rules approved by the
1076 State Board of Education, the Industry Certification Funding
1077 List that must be applied in the distribution of funding to
1078 school districts pursuant to s. 1011.62.
1079 (2) The State Board of Education shall adopt, at least
1080 annually, the Postsecondary Industry Certification Funding List
1081 pursuant to this section. The commissioner shall recommend, at
1082 least annually, the Postsecondary Industry Certification Funding
1083 List to the State Board of Education and may at any time
1084 recommend adding certifications. The Chancellor of the State
1085 University System, the Chancellor of the Florida College System,
1086 and the Chancellor of Career and Adult Education shall recommend
1087 to the commissioner industry certifications to be placed on the
1088 funding list. The list shall be used in determining annual
1089 performance funding distributions to school districts and
1090 Florida College System institutions as specified in ss. 1011.80
1091 and 1011.81, respectively. The chancellors shall consider
1092 results of the economic security report of employment and
1093 earnings outcomes produced annually pursuant to s. 445.07 when
1094 recommending certifications for the list.
1095 (3) In the case of rigorous industry certifications that
1096 have embedded prerequisite minimum age, grade level, diploma or
1097 degree, post-graduation period of work experience of at least 12
1098 months, or other reasonable requirements that may limit the
1099 extent to which a student can complete all requirements of the
1100 certification recognized by industry for employment purposes,
1101 the commissioner shall differentiate content, instructional, and
1102 assessment requirements that, when provided by a public

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1103 institution and satisfactorily attained by a student, indicate
1104 accomplishment of requirements necessary for funding pursuant to
1105 ss. 1011.62, 1011.80, and 1011.81, notwithstanding attainment of
1106 prerequisite requirements necessary for recognition by industry
1107 for employment purposes. The differentiated requirements
1108 established by the commissioner shall be included in the
1109 Industry Certification Funding List at the time the
1110 certification is adopted.
1111 Section 22. Paragraph (a) of subsection (3) of section
1112 1009.22, Florida Statutes, is amended to read:
1113 1009.22 Workforce education postsecondary student fees.—
1114 (3)(a) Except as otherwise provided by law, fees for
1115 students who are nonresidents for tuition purposes must offset
1116 the full cost of instruction. Residency of students shall be
1117 determined as required in s. 1009.21. Fee-nonexempt students
1118 enrolled in applied academics for adult education ~~vocational~~
1119 ~~preparatory~~ instruction shall be charged fees equal to the fees
1120 charged for adult general education programs. Each Florida
1121 College System institution that conducts college-preparatory and
1122 applied academics for adult education ~~vocational preparatory~~
1123 instruction in the same class section may charge a single fee
1124 for both types of instruction.
1125 Section 23. Paragraphs (c) and (d) of subsection (1) of
1126 section 1009.25, Florida Statutes, are amended to read:
1127 1009.25 Fee exemptions.—
1128 (1) The following students are exempt from the payment of
1129 tuition and fees, including lab fees, at a school district that
1130 provides workforce education programs, Florida College System
1131 institution, or state university:

1132 (c) A student who is or was at the time he or she reached
1133 18 years of age in the custody of the Department of Children and
1134 Family Services or who, after spending at least 6 months in the
1135 custody of the department after reaching 16 years of age, was
1136 placed in a guardianship by the court. Such exemption includes
1137 fees associated with enrollment in applied academics for adult
1138 education ~~career-preparatory~~ instruction. The exemption remains
1139 valid until the student reaches 28 years of age.
1140 (d) A student who is or was at the time he or she reached
1141 18 years of age in the custody of a relative under s. 39.5085 or
1142 who was adopted from the Department of Children and Family
1143 Services after May 5, 1997. Such exemption includes fees
1144 associated with enrollment in applied academics for adult
1145 education ~~career preparatory~~ instruction. The exemption remains
1146 valid until the student reaches 28 years of age.
1147 Section 24. Present paragraphs (s) and (t) of subsection
1148 (1) of section 1011.62, Florida Statutes, are redesignated as
1149 paragraphs (t) and (u), respectively, a new paragraph (s) is
1150 added to that subsection, and paragraphs (c), (n), and (o) and
1151 present paragraph (t) of that subsection are amended, to read:
1152 1011.62 Funds for operation of schools.—If the annual
1153 allocation from the Florida Education Finance Program to each
1154 district for operation of schools is not determined in the
1155 annual appropriations act or the substantive bill implementing
1156 the annual appropriations act, it shall be determined as
1157 follows:
1158 (1) COMPUTATION OF THE BASIC AMOUNT TO BE INCLUDED FOR
1159 OPERATION.—The following procedure shall be followed in
1160 determining the annual allocation to each district for

1161 operation:
1162 (c) *Determination of programs.*—Cost factors based on
1163 desired relative cost differences between the following programs
1164 shall be established in the annual General Appropriations Act.
1165 The cost factor for secondary career education programs and
1166 basic programs grades 9 through 12 shall be equal. The
1167 Commissioner of Education shall specify a matrix of services and
1168 intensity levels to be used by districts in the determination of
1169 the two weighted cost factors for exceptional students with the
1170 highest levels of need. For these students, the funding support
1171 level shall fund the exceptional students' education program,
1172 with the exception of extended school year services for students
1173 with disabilities.
1174 1. Basic programs.—
1175 a. Kindergarten and grades 1, 2, and 3.
1176 b. Grades 4, 5, 6, 7, and 8.
1177 c. Grades 9, 10, 11, and 12.
1178 2. Programs for exceptional students.—
1179 a. Support Level IV.
1180 b. Support Level V.
1181 3. Secondary career education programs.—
1182 4. English for Speakers of Other Languages.—
1183 (n) *Calculation of additional full-time equivalent*
1184 *membership based on college board advanced placement scores of*
1185 *students.*—A value of 0.16 full-time equivalent student
1186 membership shall be calculated for each student enrolled in each
1187 advanced placement course who receives a score of 3 or higher on
1188 the College Board Advanced Placement Examination for the prior
1189 year and added to the total full-time equivalent student

1190 membership in basic programs for grades 9 through 12 in the
1191 subsequent fiscal year. Each district must allocate at least 80
1192 percent of the funds provided to the district for advanced
1193 placement instruction, in accordance with this paragraph, to the
1194 high school that generates the funds. The school district shall
1195 distribute to each classroom teacher who provided advanced
1196 placement instruction:
1197 1. A bonus in the amount of $50 for each student taught by
1198 the Advanced Placement teacher in each advanced placement course
1199 who receives a score of 3 or higher on the College Board
1200 Advanced Placement Examination, if at least 50 percent of the
1201 students enrolled in the course earn a score of 3 or higher on
1202 the examination.
1203 2. An additional bonus of $1,000 ~~$500~~ to each Advanced
1204 Placement teacher in a school designated with a grade of "D" or
1205 "F" who has at least 25 percent of students enrolled in the
1206 teacher's class ~~one student~~ scoring 3 or higher on the College
1207 Board Advanced Placement Examination, regardless of the number
1208 of classes taught or of the number of students scoring a 3 or
1209 higher on the College Board Advanced Placement Examination.
1210
1211 Bonuses awarded to a teacher according to this paragraph shall
1212 not exceed $3,000 ~~$2,000~~ in any given school year and shall be
1213 in addition to any regular wage or other bonus the teacher
1214 received or is scheduled to receive.
1215 (o) *Calculation of additional full-time equivalent*
1216 *membership based on* ~~*certification of*~~ *successful completion of a*
1217 *career-themed course* ~~*or career and professional academy program*~~
1218 *pursuant to ss. 1003.491, 1003.492, and 1003.493*~~*, and 1003.4935*~~

1219 *and issuance of ~~the highest level of~~ industry certification*
1220 *identified in the Industry Certification ~~Certified~~ Funding List*
1221 *pursuant to rules adopted by the State Board of Education.*—
1222 1. A value of 0.15 ~~0.1, 0.2,~~ or 0.3 full-time equivalent
1223 student membership shall be calculated for each student who
1224 completes a career-themed course as defined in s. 1003.493(1)(b)
1225 ~~or a career and professional academy program under ss. 1003.491,~~
1226 ~~1003.492, 1003.493, and 1003.4935~~ and who is issued an ~~the~~
1227 ~~highest level of~~ industry certification identified annually in
1228 the Industry Certification Funding List approved under rules
1229 adopted by the State Board of Education ~~upon promotion to the~~
1230 ~~9th grade under subparagraph 2. or upon earning a high school~~
1231 ~~diploma~~. The maximum full-time equivalent student membership
1232 value for any student in grades 9 through 12 is 0.3. A value of
1233 0.3 full-time equivalent membership shall be calculated for each
1234 student who is issued an industry certification that has a
1235 statewide articulation agreement for college credit approved by
1236 the State Board of Education. For industry certifications that
1237 do not articulate for college credit, the Department of
1238 Education shall assign a ~~the appropriate~~ full-time equivalent
1239 value of 0.15 for each certification~~, 50 percent of which is~~
1240 ~~based on rigor and the remaining 50 percent on employment value~~.
1241 The State Board of Education shall include the assigned values
1242 in the Industry Certification Funding List under rules adopted
1243 by the state board. ~~Rigor shall be based on the number of~~
1244 ~~instructional hours, including work experience hours, required~~
1245 ~~to earn the certification, with a bonus for industry~~
1246 ~~certifications that have a statewide articulation agreement for~~
1247 ~~college credit approved by the State Board of Education.~~

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1248 ~~Employment value shall be based on the entry wage, growth rate~~
1249 ~~in employment for each occupational category, and average annual~~
1250 ~~openings for the primary occupation linked to the industry~~
1251 ~~certification.~~ Such value shall be added to the total full-time
1252 equivalent student membership in secondary career education
1253 programs for grades 9 through 12 in the subsequent year for
1254 courses that were not provided ~~funded~~ through dual enrollment.
1255 Industry certifications earned through dual enrollment must be
1256 reported and funded pursuant to ss. 1011.80 and 1011.81.
1257 ~~2. Upon promotion to the 9th grade, a value of 0.1 full-~~
1258 ~~time equivalent student membership shall be calculated for each~~
1259 ~~student who completes a career-themed course or a career and~~
1260 ~~professional academy program under s. 1003.4935 and who is~~
1261 ~~issued the highest level of industry certification in science,~~
1262 ~~technology, engineering, or mathematics identified on the~~
1263 ~~Industry Certification Funding List under rules adopted by the~~
1264 ~~State Board of Education.~~
1265 2.~~3.~~ ~~The additional full-time equivalent membership~~
1266 ~~authorized under this paragraph may not exceed 0.3 per student.~~
1267 Each district must allocate at least 80 percent of the funds
1268 provided for industry certification, in accordance with this
1269 paragraph, to the program that generated the funds. This
1270 allocation may not be used to supplant funds provided for basic
1271 operation of the program. Unless a different amount is specified
1272 in the General Appropriations Act, the appropriation for this
1273 calculation is limited to $60 ~~$15~~ million annually. If the
1274 appropriation is insufficient to fully fund the total
1275 calculation, the appropriation shall be prorated.
1276 3. For industry certifications earned in the 2012-2013

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1277 school year and in subsequent years, the school district shall
1278 distribute to each classroom teacher who provided direct
1279 instruction toward the attainment of an industry certification
1280 that qualified for additional full-time equivalent membership
1281 under subparagraph 1.:
1282 a. A bonus in the amount of $25 for each student taught by
1283 a teacher who provided instruction in a course that led to the
1284 attainment of an industry certification on the Industry
1285 Certification Funding List with a weight of 0.15.
1286 b. A bonus in the amount of $50 for each student taught by
1287 a teacher who provided instruction in a course that led to the
1288 attainment of an industry certification on the Industry
1289 Certification Funding List with a weight of 0.3.
1290 4. For the 2013-14 fiscal year, the additional FTE
1291 membership calculation must include the additional FTE for any
1292 student who earned a certification in the 2009-2010, 2010-2011,
1293 and 2011-2012 fiscal years, who was not previously funded and
1294 was enrolled in 2012-2013.
1295
1296 Bonuses awarded according to this paragraph shall be provided to
1297 teachers who are employed by the district in the year in which
1298 the additional FTE membership calculation is included in the
1299 calculation. Bonuses shall be calculated based upon the
1300 associated weight of an industry certification on the Industry
1301 Certification Funding List for the year in which the
1302 certification is earned by the student. Any bonus awarded to a
1303 teacher under this paragraph may not exceed $2,000 in any given
1304 school year and is in addition to any regular wage or other
1305 bonus the teacher received or is scheduled to receive.

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1306 (s) Florida Cyber Security Recognition, Florida Digital
1307 Arts Recognition, and Florida Digital Tools Certificate
1308 established pursuant to s. 1003.4203.
1309 1. Each public elementary school shall receive $50 for each
1310 student who earns, annually, the Florida Cyber Security
1311 Recognition or the Florida Digital Arts Recognition established
1312 pursuant to s. 1003.4203. The maximum award per student is $100
1313 per year. The minimum award per school shall be $1,000 and the
1314 maximum $15,000 annually. This performance payment shall be
1315 calculated in the FEFP as a full-time equivalent student.
1316 2. Each middle school shall receive $50 for each student
1317 who earns the Florida Digital Tools Certificate established
1318 pursuant to s. 1003.4203, with a minimum award per school of
1319 $1,000 annually and a maximum of $15,000 annually. This
1320 performance payment shall be calculated in the FEFP as a full-
1321 time equivalent student.
1322 (u) ~~(t)~~ *Computation for funding through the Florida*
1323 *Education Finance Program.*—The State Board of Education may
1324 adopt rules establishing programs, industry certifications, and
1325 courses for which the student may earn credit toward high school
1326 graduation.
1327 Section 25. Subsection (4) of section 1011.80, Florida
1328 Statutes, is amended, paragraph (b) of subsection (6) is
1329 redesignated as paragraph (c), and a new paragraph (b) is added
1330 to that subsection, to read:
1331 1011.80 Funds for operation of workforce education
1332 programs.—
1333 (4) Funding for all workforce education programs must be
1334 based on cost categories, performance output measures, and

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1335 performance outcome measures.
1336 (a) The cost categories must be calculated to identify
1337 high-cost programs, medium-cost programs, and low-cost programs.
1338 The cost analysis used to calculate and assign a program of
1339 study to a cost category must include at least both direct and
1340 indirect instructional costs, consumable supplies, equipment,
1341 and standard program length.
1342 (b)~~1. The performance output measure for career education~~
1343 ~~programs of study is student completion of a career program of~~
1344 ~~study that leads to an occupational completion point associated~~
1345 ~~with a certificate; an apprenticeship program; or a program that~~
1346 ~~leads to an applied technology diploma or an associate in~~
1347 ~~applied science or associate in science degree. Performance~~
1348 ~~output measures for registered apprenticeship programs shall be~~
1349 ~~based on program lengths that coincide with lengths established~~
1350 ~~pursuant to the requirements of chapter 446.~~
1351 ~~2.~~ The performance output measure for an adult general
1352 education course of study is measurable improvement in student
1353 skills. This measure shall include improvement in literacy
1354 skills, grade level improvement as measured by an approved test,
1355 or attainment of a State of Florida diploma or an adult high
1356 school diploma.
1357 (c) The performance outcome measures for adult general
1358 ~~workforce~~ education programs are associated with placement and
1359 retention of students after reaching a completion point or
1360 completing a program of study. These measures include placement
1361 or retention in employment ~~that is related to the program of~~
1362 ~~study; placement into or retention in employment in an~~
1363 ~~occupation on the Workforce Estimating Conference list of high-~~

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1364 ~~wage, high skill occupations with sufficient openings, or other~~
1365 ~~High Wage/High Skill Program occupations as determined by~~
1366 ~~Workforce Florida, Inc.; and placement and retention of~~
1367 ~~participants or former participants in the welfare transition~~
1368 ~~program in employment~~. Continuing postsecondary education at a
1369 level that will further enhance employment is a performance
1370 outcome for adult general education programs. ~~Placement and~~
1371 ~~retention must be reported pursuant to ss. 1008.39 and 1008.43.~~
1372 (6)
1373 (b) Performance funding for industry certifications for
1374 school district workforce education programs shall be determined
1375 as follows:
1376 1. The General Appropriations Act must specify occupational
1377 areas for which industry certifications may be earned for
1378 performance funding. Priority shall be given to the occupational
1379 areas emphasized in state, national, or corporate grants
1380 provided to Florida educational institutions.
1381 2. The Chancellor of Career and Adult Education shall
1382 identify the industry certifications eligible for funding on the
1383 Postsecondary Industry Certification Funding List adopted
1384 pursuant to s. 1008.44, based on the occupational areas
1385 specified in the General Appropriations Act.
1386 3. Each school district shall be provided $1,000 for each
1387 industry certification earned by a workforce education student.
1388 The maximum amount of funding appropriated for performance
1389 funding pursuant to this paragraph shall be limited to $15
1390 million annually. If funds are insufficient to fully fund the
1391 calculated total award, they shall be prorated.
1392 Section 26. Present subsections (2) and (3) of section

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1393 1011.81, Florida Statutes, are redesignated as subsections (3)
1394 and (4), respectively, and a new subsection (2) is added to that
1395 section, to read:
1396 1011.81 Florida College System Program Fund.—
1397 (2) Performance funding for industry certifications for
1398 Florida College System institutions shall be determined as
1399 follows:
1400 (a) The General Appropriations Act must specify
1401 occupational areas for which industry certifications may be
1402 earned for performance funding. Priority shall be given to the
1403 occupational areas emphasized in state, national, or corporate
1404 grants provided to Florida educational institutions.
1405 (b) The Chancellor of the Florida College System shall
1406 identify the industry certifications eligible for funding on the
1407 Postsecondary Industry Certification Funding List adopted
1408 pursuant to s. 1008.44, based on the occupational areas
1409 specified in the General Appropriations Act.
1410 (c) Each Florida College System institution shall be
1411 provided $1,000 for each industry certification earned by a
1412 student. The maximum amount of funding appropriated for
1413 performance funding pursuant to this subsection shall be limited
1414 to $15 million annually. If funds are insufficient to fully fund
1415 the calculated total award, they shall be prorated.
1416 Section 27. Section 1011.905, Florida Statutes, is amended
1417 to read:
1418 1011.905 Performance funding for state universities.—
1419 (1) The Legislature intends that state performance funds
1420 for the state university system be based on indicators of system
1421 and institutional attainment of performance expectations. For

1422 the 2012-2013 through at least 2016-2017 ~~2012-2013 and 2013-2014~~
1423 fiscal years, the Board of Governors shall review and rank each
1424 state university that applies for performance funding, as
1425 provided in the General Appropriations Act, based on the
1426 following formula:
1427 (a) Twenty-five percent of a state university's score shall
1428 be based on the percentage of employed graduates who have earned
1429 degrees which have a primary focus in the following programs:
1430 1. For the 2012-2013 and 2013-2014 fiscal years:
1431 a.~~1.~~ Computer and information science;
1432 b.~~2.~~ Computer engineering;
1433 c.~~3.~~ Information systems technology;
1434 d.~~4.~~ Information technology; and
1435 e.~~5.~~ Management information systems.
1436
1437 In the 2013-2014 fiscal year, funds awarded under subparagraph
1438 1. may not be awarded on the basis of a new competition, and the
1439 universities that received awards under subparagraph 1. in the
1440 2012-2013 fiscal year shall be awarded the same amount in the
1441 2013-2014 fiscal year.
1442 2. For the 2013-2014 and 2014-2015 fiscal years, high-
1443 demand programs determined by the Board of Governors using gap
1444 analysis data adopted pursuant to s. 1001.706(5).
1445 3. For the 2013-2014 and 2014-2015 fiscal years, a master's
1446 degree in cloud virtualization technology and related large data
1447 management.
1448 (b) Twenty-five percent of a state university's score shall
1449 be based on the percentage of graduates who have earned
1450 baccalaureate degrees in the programs in paragraph (a) and who

1451 have earned industry certifications, identified on the
1452 Postsecondary Industry Certification Funding List pursuant to s.
1453 1008.44, in a related field from a Florida College System
1454 institution or state university prior to graduation.
1455 (c) Fifty percent of a state university's score shall be
1456 based on factors determined by the Board of Governors which
1457 relate to increasing the probability that graduates who have
1458 earned degrees in the programs described in paragraph (a) will
1459 be employed in high-skill, high-wage, and high-demand
1460 employment.
1461 (2) The submission from a state university that has the
1462 highest score shall be ranked first, with each remaining
1463 submission from a state university ranked sequentially by score.
1464 (3)(a) Each year, the Board of Governors shall award up to
1465 $15 million to the highest-ranked state universities in support
1466 of each program identified in paragraph (1)(a) from funds
1467 appropriated for the purposes in this section and as specified
1468 in the General Appropriations Act. The award per state
1469 university shall be a minimum of 25 percent of the total amount
1470 appropriated pursuant to this section.
1471 (b) The funds shall be awarded to the department of the
1472 state university which offers the degrees described in paragraph
1473 (1)(a).
1474 (c) The funds may not be used to supplant funding for the
1475 degree programs described in paragraph (1)(a).
1476 (4) By December 31 of each year funds are appropriated for
1477 performance funding, the Board of Governors shall submit a
1478 report containing the rankings and award distributions to the
1479 Governor, the President of the Senate, and the Speaker of the

1480 House of Representatives.
1481 Section 28. This act shall take effect upon becoming a law.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

March 28, 2013
Meeting Date

Topic: Performance Bonus / IB teachers

Bill Number: PCS/SB 1076 *(if applicable)*

Name: John Cerra

Amendment Barcode: 784300 *(if applicable)*

Job Title: Lobbyist

Address: 206 South Monroe St Suite 104
Street

Tallahassee FL 32301
City *State* *Zip*

Phone: 786-525-6233

E-mail: cerra@comcast.net

Speaking: [x] For [ ] Against [ ] Information

Representing: Florida League of International Baccalaureate Schools

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Education

Bill Number: SB 1076 *(if applicable)*

Name: Brewster Bevis

Amendment Barcode: _____ *(if applicable)*

Job Title: Senior VP

Address: 516 N Adams St
Street

Tallahassee FL 32301
City *State* *Zip*

Phone: 222-7173

E-mail: bbevis@aif.com

Speaking: [x] For [ ] Against [ ] Information

Representing: Associated Industries of Florida

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Education

Bill Number: 1076 (if applicable)

Name: Bill Warren

Amendment Barcode: _____ (if applicable)

Job Title: Legislative Director

Address: _____
Street

_____
City State Zip

Phone: 850 688-2168

E-mail: _____

Speaking: [x] For [ ] Against [ ] Information

Representing: Foundation for Florida's Future

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: CAPE

Bill Number: 1076 (if applicable)

Name: Pablo Diaz

Amendment Barcode: (if applicable)

Job Title: Legislative Director

Address: Street

City State Zip

Phone: 850-681-0416

E-mail:

Speaking: [x] For [ ] Against [ ] Information

Representing: National Federation of Independent Business

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28
Meeting Date

Topic: Cape Academies

Bill Number: 1076 (if applicable)

Name: Adam Gierg (Gear-e)

Amendment Barcode: (if applicable)

Job Title: Dir of Policy

Address: 136 Sth Bronough
Street

Tallahassee
City State Zip

Phone:

E-mail:

Speaking: [x] For [ ] Against [ ] Information

Representing: FL Chamber of Commerce

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

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Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on Health and Human Services)

A bill to be entitled

An act relating to a comprehensive health information system; amending s. 408.05, F.S.; renaming the Florida Center for Health Information and Policy Analysis as the Florida Health Information Transparency Initiative; providing a statement of purpose for the initiative; providing the duties of the Agency for Health Care Administration; revising the data and information required to be included in the health information system; revising the functions that the agency must perform in order to collect and disseminate health information and statistics; deleting provisions that require the center to provide technical assistance to persons and organizations engaged in health planning activities; deleting provisions that require the center to provide widespread dissemination of data; requiring the agency to implement the transparency initiative in a manner that recognizes state-collected data as an asset and rewards taxpayer investment in information collection and management; authorizing the agency to apply for, receive, and accept grants, gifts, and other payments, including property and services, from a governmental or other public or private entity or person; requiring the agency to ensure that certain vendors do not inhibit or impede consumer access to state-collected health data and information; abolishing the State

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Consumer Health Information and Policy Advisory Council; amending ss. 381.026, 395.301, 465.0244, 627.6499, and 641.54, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Section 408.05, Florida Statutes, is amended to read:

408.05 Florida ~~Center for~~ Health Information Transparency Initiative ~~and Policy Analysis~~.~~—~~

(1) PURPOSE ~~ESTABLISHMENT~~.~~—~~The agency shall coordinate ~~establish a Florida Center for Health Information and Policy Analysis. The center shall establish~~ a comprehensive health information system to promote accessibility, transparency, and utility of state-collected data and information about health providers, facilities, services, and payment sources ~~provide for the collection, compilation, coordination, analysis, indexing, dissemination, and utilization of both purposefully collected and extant health-related data and statistics~~. The agency ~~center~~ shall be responsible for making data available in a manner that allows for and encourages multiple and innovative uses of data sets collected under the auspices of the state. Subject to the General Appropriations Act, the agency shall contract with one or more vendors to develop new methods of dissemination and to convert data into easily usable electronic formats ~~staffed with public health experts, biostatisticians, information system analysts, health policy experts, economists, and other staff necessary to carry out its functions~~.

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(2) HEALTH-RELATED DATA.—The comprehensive health information system ~~operated by the Florida Center for Health Information and Policy Analysis~~ shall include the following data and information ~~identify the best available data sources and coordinate the compilation of extant health-related data and statistics and purposefully collect data on~~:

~~(a) The extent and nature of illness and disability of the state population, including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality.~~

~~(b) The impact of illness and disability of the state population on the state economy and on other aspects of the well-being of the people in this state.~~

~~(c) Environmental, social, and other health hazards.~~

~~(d) Health knowledge and practices of the people in this state and determinants of health and nutritional practices and status.~~

(a) ~~(e)~~ Health resources, including licensed ~~physicians, dentists, nurses, and other~~ health professionals, licensed ~~by specialty and type of practice and acute, long-term care and other institutional care facility supplies and specific services provided by hospitals, nursing homes, home health agencies, and other~~ health care facilities, managed care organizations, and other health services regulated or funded by the state.

(b) ~~(f)~~ Utilization of health resources ~~care by type of provider~~.

(c) ~~(g)~~ Health care costs and financing, including Medicaid claims and encounter data and data from other public and private payors ~~trends in health care prices and costs, the sources of~~

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~~payment for health care services, and federal, state, and local expenditures for health care~~.

~~(h) Family formation, growth, and dissolution.~~

(d) ~~(i)~~ The extent, source, and type of public and private health insurance coverage in this state.

(e) ~~(j)~~ The data necessary for measuring value and quality of care provided by various health care providers, including applicable credentials, accreditation status, utilization, revenues and expenses, outcomes, site visits, and other regulatory reports, and the results of administrative and civil litigation.

(3) COORDINATION ~~COMPREHENSIVE HEALTH INFORMATION SYSTEM.—~~ In order to collect and disseminate comprehensive ~~produce comparable and uniform~~ health information and statistics for the public as well as for the development of policy recommendations, the agency shall perform the following functions:

(a) Collect and compile data from all state agencies and programs involved in providing, regulating, and paying for health services ~~Coordinate the activities of state agencies involved in the design and implementation of the comprehensive health information system~~.

(b) Promote data sharing through the ~~Undertake research,~~ development, dissemination, and evaluation of state-collected health data and by making such data available, transferable, and readily usable ~~respecting the comprehensive health information system~~.

~~(c) Review the statistical activities of state agencies to ensure that they are consistent with the comprehensive health information system.~~

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(c) ~~(d)~~ Develop written agreements with local, state, and federal agencies for the sharing of health-care-related data or using the facilities and services of such agencies. State agencies, local health councils, and other agencies under state contract shall assist the agency ~~center~~ in obtaining, compiling, and transferring health-care-related data maintained by state and local agencies. ~~Written agreements must specify the types, methods, and periodicity of data exchanges and specify the types of data that will be transferred to the center.~~

(d) ~~(e)~~ Enable and facilitate the sharing and use of all state-collected health data to the maximum extent allowed by law ~~Establish by rule the types of data collected, compiled, processed, used, or shared~~. ~~Decisions regarding center data sets should be made based on consultation with the State Consumer Health Information and Policy Advisory Council and other public and private users regarding the types of data which should be collected and their uses. The center shall establish standardized means for collecting health information and statistics under laws and rules administered by the agency.~~

~~(f) Establish minimum health-care-related data sets which are necessary on a continuing basis to fulfill the collection requirements of the center and which shall be used by state agencies in collecting and compiling health-care-related data. The agency shall periodically review ongoing health care data collections of the Department of Health and other state agencies to determine if the collections are being conducted in accordance with the established minimum sets of data.~~

~~(g) Establish advisory standards to ensure the quality of health statistical and epidemiological data collection,~~

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~~processing, and analysis by local, state, and private organizations.~~

(e) ~~(h)~~ Monitor data collection procedures, test data quality, and take such corrective actions as may be necessary to ensure that data and information disseminated under the initiative are accurate, valid, reliable, and complete ~~Prescribe standards for the publication of health-care-related data reported pursuant to this section which ensure the reporting of accurate, valid, reliable, complete, and comparable data. Such standards should include advisory warnings to users of the data regarding the status and quality of any data reported by or available from the center~~.

(f) ~~(i)~~ Initiate and maintain activities necessary to collect, edit, verify, archive, and retrieve ~~Prescribe standards for the maintenance and preservation of the center's data. This should include methods for archiving data, retrieval of archived data, and~~ data compiled pursuant to this section ~~editing and verification~~.

~~(j) Ensure that strict quality control measures are maintained for the dissemination of data through publications, studies, or user requests.~~

~~(k) Develop, in conjunction with the State Consumer Health Information and Policy Advisory Council, and implement a long-range plan for making available health care quality measures and financial data that will allow consumers to compare health care services. The health care quality measures and financial data the agency must make available shall include, but is not limited to, pharmaceuticals, physicians, health care facilities, and health plans and managed care entities. The agency shall update~~

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173 ~~the plan and report on the status of its implementation~~
174 ~~annually. The agency shall also make the plan and status report~~
175 ~~available to the public on its Internet website. As part of the~~
176 ~~plan, the agency shall identify the process and timeframes for~~
177 ~~implementation, any barriers to implementation, and~~
178 ~~recommendations of changes in the law that may be enacted by the~~
179 ~~Legislature to eliminate the barriers. As preliminary elements~~
180 ~~of the plan, the agency shall:~~
181 ~~1. Make available patient-safety indicators, inpatient~~
182 ~~quality indicators, and performance outcome and patient charge~~
183 ~~data collected from health care facilities pursuant to s.~~
184 ~~408.061(1)(a) and (2). The terms "patient-safety indicators" and~~
185 ~~"inpatient quality indicators" shall be as defined by the~~
186 ~~Centers for Medicare and Medicaid Services, the National Quality~~
187 ~~Forum, the Joint Commission on Accreditation of Healthcare~~
188 ~~Organizations, the Agency for Healthcare Research and Quality,~~
189 ~~the Centers for Disease Control and Prevention, or a similar~~
190 ~~national entity that establishes standards to measure the~~
191 ~~performance of health care providers, or by other states. The~~
192 ~~agency shall determine which conditions, procedures, health care~~
193 ~~quality measures, and patient charge data to disclose based upon~~
194 ~~input from the council. When determining which conditions and~~
195 ~~procedures are to be disclosed, the council and the agency shall~~
196 ~~consider variation in costs, variation in outcomes, and~~
197 ~~magnitude of variations and other relevant information. When~~
198 ~~determining which health care quality measures to disclose, the~~
199 ~~agency:~~
200 ~~a. Shall consider such factors as volume of cases; average~~
201 ~~patient charges; average length of stay; complication rates;~~

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202 ~~mortality rates; and infection rates, among others, which shall~~
203 ~~be adjusted for case mix and severity, if applicable.~~
204 ~~b. May consider such additional measures that are adopted~~
205 ~~by the Centers for Medicare and Medicaid Studies, National~~
206 ~~Quality Forum, the Joint Commission on Accreditation of~~
207 ~~Healthcare Organizations, the Agency for Healthcare Research and~~
208 ~~Quality, Centers for Disease Control and Prevention, or a~~
209 ~~similar national entity that establishes standards to measure~~
210 ~~the performance of health care providers, or by other states.~~
211
212 ~~When determining which patient charge data to disclose, the~~
213 ~~agency shall include such measures as the average of~~
214 ~~undiscounted charges on frequently performed procedures and~~
215 ~~preventive diagnostic procedures, the range of procedure charges~~
216 ~~from highest to lowest, average net revenue per adjusted patient~~
217 ~~day, average cost per adjusted patient day, and average cost per~~
218 ~~admission, among others.~~
219 ~~2. Make available performance measures, benefit design, and~~
220 ~~premium cost data from health plans licensed pursuant to chapter~~
221 ~~627 or chapter 641. The agency shall determine which health care~~
222 ~~quality measures and member and subscriber cost data to~~
223 ~~disclose, based upon input from the council. When determining~~
224 ~~which data to disclose, the agency shall consider information~~
225 ~~that may be required by either individual or group purchasers to~~
226 ~~assess the value of the product, which may include membership~~
227 ~~satisfaction, quality of care, current enrollment or membership,~~
228 ~~coverage areas, accreditation status, premium costs, plan costs,~~
229 ~~premium increases, range of benefits, copayments and~~
230 ~~deductibles, accuracy and speed of claims payment, credentials~~

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231 ~~of physicians, number of providers, names of network providers,~~
232 ~~and hospitals in the network. Health plans shall make available~~
233 ~~to the agency any such data or information that is not currently~~
234 ~~reported to the agency or the office.~~
235 ~~3. Determine the method and format for public disclosure of~~
236 ~~data reported pursuant to this paragraph. The agency shall make~~
237 ~~its determination based upon input from the State Consumer~~
238 ~~Health Information and Policy Advisory Council. At a minimum,~~
239 ~~the data shall be made available on the agency's Internet~~
240 ~~website in a manner that allows consumers to conduct an~~
241 ~~interactive search that allows them to view and compare the~~
242 ~~information for specific providers. The website must include~~
243 ~~such additional information as is determined necessary to ensure~~
244 ~~that the website enhances informed decisionmaking among~~
245 ~~consumers and health care purchasers, which shall include, at a~~
246 ~~minimum, appropriate guidance on how to use the data and an~~
247 ~~explanation of why the data may vary from provider to provider.~~
248 ~~4. Publish on its website undiscounted charges for no fewer~~
249 ~~than 150 of the most commonly performed adult and pediatric~~
250 ~~procedures, including outpatient, inpatient, diagnostic, and~~
251 ~~preventative procedures.~~
252 ~~(4) TECHNICAL ASSISTANCE.—~~
253 ~~(a) The center shall provide technical assistance to~~
254 ~~persons or organizations engaged in health planning activities~~
255 ~~in the effective use of statistics collected and compiled by the~~
256 ~~center. The center shall also provide the following additional~~
257 ~~technical assistance services:~~
258 ~~1. Establish procedures identifying the circumstances under~~
259 ~~which, the places at which, the persons from whom, and the~~

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260 ~~methods by which a person may secure data from the center,~~
261 ~~including procedures governing requests, the ordering of~~
262 ~~requests, timeframes for handling requests, and other procedures~~
263 ~~necessary to facilitate the use of the center's data. To the~~
264 ~~extent possible, the center should provide current data timely~~
265 ~~in response to requests from public or private agencies.~~
266 ~~2. Provide assistance to data sources and users in the~~
267 ~~areas of database design, survey design, sampling procedures,~~
268 ~~statistical interpretation, and data access to promote improved~~
269 ~~health-care-related data sets.~~
270 ~~3. Identify health care data gaps and provide technical~~
271 ~~assistance to other public or private organizations for meeting~~
272 ~~documented health care data needs.~~
273 ~~4. Assist other organizations in developing statistical~~
274 ~~abstracts of their data sets that could be used by the center.~~
275 ~~5. Provide statistical support to state agencies with~~
276 ~~regard to the use of databases maintained by the center.~~
277 ~~6. To the extent possible, respond to multiple requests for~~
278 ~~information not currently collected by the center or available~~
279 ~~from other sources by initiating data collection.~~
280 ~~7. Maintain detailed information on data maintained by~~
281 ~~other local, state, federal, and private agencies in order to~~
282 ~~advise those who use the center of potential sources of data~~
283 ~~which are requested but which are not available from the center.~~
284 ~~8. Respond to requests for data which are not available in~~
285 ~~published form by initiating special computer runs on data sets~~
286 ~~available to the center.~~
287 ~~9. Monitor innovations in health information technology,~~
288 ~~informatics, and the exchange of health information and maintain~~

~~a repository of technical resources to support the development of a health information network.~~

~~(b) The agency shall administer, manage, and monitor grants to not-for-profit organizations, regional health information organizations, public health departments, or state agencies that submit proposals for planning, implementation, or training projects to advance the development of a health information network. Any grant contract shall be evaluated to ensure the effective outcome of the health information project.~~

~~(c) The agency shall initiate, oversee, manage, and evaluate the integration of health care data from each state agency that collects, stores, and reports on health care issues and make that data available to any health care practitioner through a state health information network.~~

~~(5) PUBLICATIONS; REPORTS; SPECIAL STUDIES.—The center shall provide for the widespread dissemination of data which it collects and analyzes. The center shall have the following publication, reporting, and special study functions:~~

~~(a) The center shall publish and make available periodically to agencies and individuals health statistics publications of general interest, including health plan consumer reports and health maintenance organization member satisfaction surveys; publications providing health statistics on topical health policy issues; publications that provide health status profiles of the people in this state; and other topical health statistics publications.~~

~~(b) The center shall publish, make available, and disseminate, promptly and as widely as practicable, the results of special health surveys, health care research, and health care~~

~~evaluations conducted or supported under this section. Any publication by the center must include a statement of the limitations on the quality, accuracy, and completeness of the data.~~

~~(c) The center shall provide indexing, abstracting, translation, publication, and other services leading to a more effective and timely dissemination of health care statistics.~~

~~(d) The center shall be responsible for publishing and disseminating an annual report on the center's activities.~~

~~(e) The center shall be responsible, to the extent resources are available, for conducting a variety of special studies and surveys to expand the health care information and statistics available for health policy analyses, particularly for the review of public policy issues. The center shall develop a process by which users of the center's data are periodically surveyed regarding critical data needs and the results of the survey considered in determining which special surveys or studies will be conducted. The center shall select problems in health care for research, policy analyses, or special data collections on the basis of their local, regional, or state importance; the unique potential for definitive research on the problem; and opportunities for application of the study findings.~~

(4) ~~(6)~~ PROVIDER DATA REPORTING.—This section does not confer on the agency the power to demand or require that a health care provider or professional furnish information, records of interviews, written reports, statements, notes, memoranda, or data other than as expressly required by law.

(5) ~~(7)~~ HEALTH INFORMATION ENTERPRISE ~~BUDGET; FEES~~.—

347 (a) The agency shall implement the transparency initiative
348 in a manner that recognizes state-collected data as an asset and
349 rewards taxpayer investment in information collection and
350 management ~~Legislature intends that funding for the Florida~~
351 ~~Center for Health Information and Policy Analysis be~~
352 ~~appropriated from the General Revenue Fund~~.
353 (b) The agency ~~Florida Center for Health Information and~~
354 ~~Policy Analysis~~ may apply for, ~~and~~ receive, and accept grants,
355 gifts, and other payments, including property and services, from
356 a ~~any~~ governmental or other public or private entity or person
357 and make arrangements for ~~as to~~ the use of such funds ~~same~~,
358 including the undertaking of special studies and other projects
359 relating to health-care-related topics. ~~Funds obtained pursuant~~
360 ~~to this paragraph may not be used to offset annual~~
361 ~~appropriations from the General Revenue Fund.~~
362 (c) The agency shall ensure that a vendor who enters into a
363 contract with the state under this section does not inhibit or
364 impede consumer access to state-collected health data and
365 information ~~center may charge such reasonable fees for services~~
366 ~~as the agency prescribes by rule. The established fees may not~~
367 ~~exceed the reasonable cost for such services. Fees collected may~~
368 ~~not be used to offset annual appropriations from the General~~
369 ~~Revenue Fund.~~
370 ~~(8) STATE CONSUMER HEALTH INFORMATION AND POLICY ADVISORY~~
371 ~~COUNCIL.—~~
372 ~~(a) There is established in the agency the State Consumer~~
373 ~~Health Information and Policy Advisory Council to assist the~~
374 ~~center in reviewing the comprehensive health information system,~~
375 ~~including the identification, collection, standardization,~~

376 ~~sharing, and coordination of health-related data, fraud and~~
377 ~~abuse data, and professional and facility licensing data among~~
378 ~~federal, state, local, and private entities and to recommend~~
379 ~~improvements for purposes of public health, policy analysis, and~~
380 ~~transparency of consumer health care information. The council~~
381 ~~shall consist of the following members:~~
382 ~~1. An employee of the Executive Office of the Governor, to~~
383 ~~be appointed by the Governor.~~
384 ~~2. An employee of the Office of Insurance Regulation, to be~~
385 ~~appointed by the director of the office.~~
386 ~~3. An employee of the Department of Education, to be~~
387 ~~appointed by the Commissioner of Education.~~
388 ~~4. Ten persons, to be appointed by the Secretary of Health~~
389 ~~Care Administration, representing other state and local~~
390 ~~agencies, state universities, business and health coalitions,~~
391 ~~local health councils, professional health-care-related~~
392 ~~associations, consumers, and purchasers.~~
393 ~~(b) Each member of the council shall be appointed to serve~~
394 ~~for a term of 2 years following the date of appointment, except~~
395 ~~the term of appointment shall end 3 years following the date of~~
396 ~~appointment for members appointed in 2003, 2004, and 2005. A~~
397 ~~vacancy shall be filled by appointment for the remainder of the~~
398 ~~term, and each appointing authority retains the right to~~
399 ~~reappoint members whose terms of appointment have expired.~~
400 ~~(c) The council may meet at the call of its chair, at the~~
401 ~~request of the agency, or at the request of a majority of its~~
402 ~~membership, but the council must meet at least quarterly.~~
403 ~~(d) Members shall elect a chair and vice chair annually.~~
404 ~~(e) A majority of the members constitutes a quorum, and the~~

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405 ~~affirmative vote of a majority of a quorum is necessary to take~~
406 ~~action.~~
407 ~~(f) The council shall maintain minutes of each meeting and~~
408 ~~shall make such minutes available to any person.~~
409 ~~(g) Members of the council shall serve without compensation~~
410 ~~but shall be entitled to receive reimbursement for per diem and~~
411 ~~travel expenses as provided in s. 112.061.~~
412 ~~(h) The council's duties and responsibilities include, but~~
413 ~~are not limited to, the following:~~
414 ~~1. To develop a mission statement, goals, and a plan of~~
415 ~~action for the identification, collection, standardization,~~
416 ~~sharing, and coordination of health-related data across federal,~~
417 ~~state, and local government and private sector entities.~~
418 ~~2. To develop a review process to ensure cooperative~~
419 ~~planning among agencies that collect or maintain health-related~~
420 ~~data.~~
421 ~~3. To create ad hoc issue-oriented technical workgroups on~~
422 ~~an as-needed basis to make recommendations to the council.~~
423 ~~(9) APPLICATION TO OTHER AGENCIES.—Nothing in this section~~
424 ~~shall limit, restrict, affect, or control the collection,~~
425 ~~analysis, release, or publication of data by any state agency~~
426 ~~pursuant to its statutory authority, duties, or~~
427 ~~responsibilities.~~
428 Section 2. Paragraph (c) of subsection (4) of section
429 381.026, Florida Statutes, is amended to read:
430 381.026 Florida Patient's Bill of Rights and
431 Responsibilities.—
432 (4) RIGHTS OF PATIENTS.—Each health care facility or
433 provider shall observe the following standards:

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434 (c) *Financial information and disclosure.*—
435 1. A patient has the right to be given, upon request, by
436 the responsible provider, his or her designee, or a
437 representative of the health care facility full information and
438 necessary counseling on the availability of known financial
439 resources for the patient's health care.
440 2. A health care provider or a health care facility shall,
441 upon request, disclose to each patient who is eligible for
442 Medicare, before treatment, whether the health care provider or
443 the health care facility in which the patient is receiving
444 medical services accepts assignment under Medicare reimbursement
445 as payment in full for medical services and treatment rendered
446 in the health care provider's office or health care facility.
447 3. A primary care provider may publish a schedule of
448 charges for the medical services that the provider offers to
449 patients. The schedule must include the prices charged to an
450 uninsured person paying for such services by cash, check, credit
451 card, or debit card. The schedule must be posted in a
452 conspicuous place in the reception area of the provider's office
453 and must include, but is not limited to, the 50 services most
454 frequently provided by the primary care provider. The schedule
455 may group services by three price levels, listing services in
456 each price level. The posting must be at least 15 square feet in
457 size. A primary care provider who publishes and maintains a
458 schedule of charges for medical services is exempt from the
459 license fee requirements for a single period of renewal of a
460 professional license under chapter 456 for that licensure term
461 and is exempt from the continuing education requirements of
462 chapter 456 and the rules implementing those requirements for a

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463 single 2-year period.
464 4. If a primary care provider publishes a schedule of
465 charges pursuant to subparagraph 3., he or she must continually
466 post it at all times for the duration of active licensure in
467 this state when primary care services are provided to patients.
468 If a primary care provider fails to post the schedule of charges
469 in accordance with this subparagraph, the provider must ~~shall be~~
470 ~~required to~~ pay any license fee and comply with ~~any~~ continuing
471 education requirements for which an exemption was received.
472 5. A health care provider or a health care facility shall,
473 upon request, furnish a person, before the provision of medical
474 services, a reasonable estimate of charges for such services.
475 The health care provider or the health care facility shall
476 provide an uninsured person, before the provision of a planned
477 nonemergency medical service, a reasonable estimate of charges
478 for such service and information regarding the provider's or
479 facility's discount or charity policies for which the uninsured
480 person may be eligible. Such estimates by a primary care
481 provider must be consistent with the schedule posted under
482 subparagraph 3. To the extent possible, estimates shall~~, to the~~
483 ~~extent possible,~~ be written in language comprehensible to an
484 ordinary layperson. Such reasonable estimate does not preclude
485 the health care provider or health care facility from exceeding
486 the estimate or making additional charges based on changes in
487 the patient's condition or treatment needs.
488 6. Each licensed facility not operated by the state shall
489 make available to the public on its Internet website or by other
490 electronic means a description of and a link to the performance
491 outcome and financial data that is published by the agency

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492 ~~pursuant to s. 408.05(3)(k)~~. The facility shall place a notice
493 in the reception area that such information is available
494 electronically and the website address. The licensed facility
495 may indicate that the pricing information is based on a
496 compilation of charges for the average patient and that each
497 patient's bill may vary from the average depending upon the
498 severity of illness and individual resources consumed. The
499 licensed facility may also indicate that the price of service is
500 negotiable for eligible patients based upon the patient's
501 ability to pay.
502 7. A patient has the right to receive a copy of an itemized
503 bill upon request. A patient has a right to be given an
504 explanation of charges upon request.
505 Section 3. Subsection (11) of section 395.301, Florida
506 Statutes, is amended to read:
507 395.301 Itemized patient bill; form and content prescribed
508 by the agency.—
509 (11) Each licensed facility shall make available on its
510 Internet website a link to the performance outcome and financial
511 data that is published by the Agency for Health Care
512 Administration ~~pursuant to s. 408.05(3)(k)~~. The facility shall
513 place a notice in the reception area that the information is
514 available electronically and the facility's Internet website
515 address.
516 Section 4. Section 465.0244, Florida Statutes, is amended
517 to read:
518 465.0244 Information disclosure.—Every pharmacy shall make
519 available on its Internet website a link to the performance
520 outcome and financial data that is published by the Agency for

521 Health Care Administration ~~pursuant to s. 408.05(3)(k)~~ and shall
522 place in the area where customers receive filled prescriptions
523 notice that such information is available electronically and the
524 address of its Internet website.
525 Section 5. Subsection (2) of section 627.6499, Florida
526 Statutes, is amended to read:
527 627.6499 Reporting by insurers and third-party
528 administrators.—
529 (2) Each health insurance issuer shall make available on
530 its Internet website a link to the performance outcome and
531 financial data that is published by the Agency for Health Care
532 Administration ~~pursuant to s. 408.05(3)(k)~~ and shall include in
533 every policy delivered or issued for delivery to any person in
534 the state or ~~any~~ materials provided as required by s. 627.64725
535 notice that such information is available electronically and the
536 address of its Internet website.
537 Section 6. Subsection (7) of section 641.54, Florida
538 Statutes, is amended to read:
539 641.54 Information disclosure.—
540 (7) Each health maintenance organization shall make
541 available on its Internet website a link to the performance
542 outcome and financial data that is published by the Agency for
543 Health Care Administration ~~pursuant to s. 408.05(3)(k)~~ and shall
544 include in every policy delivered or issued for delivery to any
545 person in the state or ~~any~~ materials provided as required by s.
546 627.64725 notice that such information is available
547 electronically and the address of its Internet website.
548 Section 7. This act shall take effect July 1, 2013.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 1258

INTRODUCER: Committee on Appropriations (Recommended by Appropriations Subcommittee on Health and Human Services) and Senator Grimsley

SUBJECT: Comprehensive Health Information System

DATE: April 3, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Looke	Stovall	HP	**Favorable**
2.	Brown	Pigott	AHS	**Fav/CS**
3.	Brown	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/SB 1258 amends section 408.05, Florida Statutes, to eliminate the Florida Center for Health Information and Policy Analysis (Florida Center, or Center) and replace it with the Florida Health Information Transparency Initiative (Initiative).

The bill has an indeterminate fiscal impact on the AHCA.

The bill provides for the following:

- Directs the Agency for Health Care Administration (AHCA) to make available, in a manner that allows for and encourages multiple innovative uses for the data, state-collected data on health providers, facilities, services, and payment sources.
- Requires the AHCA, subject to the General Appropriations Act, to contract with one or more vendors to develop new methods to disseminate state-collected data and to convert data into an easily usable, electronic format.
- Details the types of data and information the AHCA must include in the comprehensive health information system.

- States what functions the AHCA must perform while collecting and disseminating comprehensive health information and statistics.
- Mandates that the AHCA implement the Initiative in a manner that recognizes state-collected data as an asset and rewards taxpayer investment in information collection and management.
- Mandates that the AHCA ensure that any vendor who enters into a contract with the state under this section does not inhibit or impede consumer access to state-collected health data.
- Eliminates the State Consumer Health Information and Policy Advisory Council.

The bill has an effective date of July 1, 2013.

The bill substantially amends the following sections of the Florida Statutes: 408.05, 381.026, 395.301, 465.0244, 627.6499 and 641.54.

II. Present Situation:

The Florida Center for Health Information and Policy Analysis

The Florida Center, housed within the AHCA, is responsible for collecting, compiling, coordinating, analyzing, and disseminating health related data and statistics for the purposes of developing public policy and promoting the transparency of consumer health care information.[1] The Center is divided into five offices each handling an area of Center responsibility:

- The Office of Data Collection and Quality Assurance collects patient discharge data from all licensed acute care hospitals (including psychiatric and comprehensive rehabilitation units), comprehensive rehabilitation hospitals, ambulatory surgical centers and emergency departments.[2]
- The Office of Risk Management and Patient Safety conducts in-depth analyses of reported incidents to determine what happened and how the involved facility responded to the incident.[3]
- The Office of Data Dissemination and Communication maintains the AHCA's health information website,[4] provides technical assistance to data users, and creates consumer brochures and other publications.[5]
- The Office of Health Policy and Research conducts research and analysis of health care data from facilities and develops policy recommendations aimed at improving the delivery of health care services in Florida.[6]
- The Office of Health Information Exchange monitors innovations in health information technology, informatics, and the exchange of health information and provides a

[1] Florida Center for Health Information and Policy Analysis, found at: http://ahca.myflorida.com/SCHS/index.shtml, last visited on Mar. 5, 2013.
[2] Office of Data Collection & Quality Assurance, found at: http://ahca.myflorida.com/SCHS/division.shtml#DataC, last visited on Mar. 5, 2013.
[3] Office of Risk Management and Patient Safety, found at: http://ahca.myflorida.com/SCHS/division.shtml#PatientSaftey, last visited on Mar. 5, 2013.
[4] www.FloridaHealthFinder.gov
[5] The Office of Data Dissemination and Communication, found at: http://ahca.myflorida.com/SCHS/division.shtml#DataD, last visited on Mar. 5, 2013.
[6] The Office of Health Policy and Research, found at: http://ahca.myflorida.com/SCHS/division.shtml#Policy_Research, last visited on Mar. 5, 2013.

clearinghouse of technical resources on health information exchange, electronic prescribing, privacy and security, and other relevant issues.[7]

Florida Center Data Collection

The Florida Center electronically collects patient data from every Florida licensed inpatient hospital, ambulatory surgery center (ASC), emergency department, and comprehensive rehabilitation hospital on a quarterly basis. The data is validated for accuracy and maintained in three major databases including the hospital inpatient database, the ambulatory surgery database, and the emergency department database:[8]

- The hospital inpatient database contains records for each patient stay at Florida acute care facilities, including long-term care hospitals and psychiatric hospitals. These records contain extensive patient information including discharge records, patient demographics, admission information, medical information, and charge data.[9] This database also includes comprehensive inpatient rehabilitation data on patient-level discharge information from Florida's licensed freestanding comprehensive inpatient rehabilitation hospitals and acute care hospital distinct part rehabilitation units.[10]
- The ambulatory surgery database contains "same-day surgery" data on reportable patient visits to Florida health care facilities, including freestanding ambulatory surgery centers, short-term acute care hospitals, lithotripsy centers, and cardiac catheterization laboratories.[11] Ambulatory surgery data records include, but are not limited to, patient demographics, medical information, and charge data.[12]
- The emergency department database collects reports of all patients who visited an emergency department, but were not admitted for inpatient care. Reports are electronically submitted to the AHCA and include the hour of arrival, the patient's chief complaint, principal diagnosis, race, ethnicity, and external causes of injury.[13]

In addition to these databases, the Office of Risk Management and Patient Safety collects adverse incident reports from health care providers including, hospitals, ambulatory surgical centers, nursing homes, and assisted living facilities.[14]

Florida Center Data Dissemination

The Office of Data Dissemination and Communication makes data collected by the Florida Center available in three ways: by updating and maintaining the AHCA's health information

[7] Office of Health Information Exchange, found at: http://ahca.myflorida.com/SCHS/division.shtml#HIE, last visited on Mar. 5, 2013.
[8] Florida Center for Health Information and Policy Analysis, *2011 Annual Report*, p. 2, found at: http://edocs.dlis.state.fl.us/fldocs/ahca/schs/schs_ar2011.pdf, last visited on Mar. 5, 2013.
[9] *Id.*, p. 3
[10] *Id.*, p. 4
[11] *Id.*, p. 3
[12] *Id.*, p. 4
[13] *Id.*, p. 5
[14] *Id.*

website at www.FloridaHealthFinder.gov, by issuing standard and ad hoc reports, and by responding to requests for de-identified data.[15]

- *www.FloridaHealthFinder.gov* - The Florida Center maintains www.FloridaHealthFinder.gov (website) which was established to assist consumers in making informed health care decisions and lead to improvements in quality of care in Florida. The website provides a wide array of search and comparative tools to the public which allow easy access to information on hospitals, ambulatory surgery centers, emergency departments, hospice providers, physician volume, health plans, nursing homes, and prices for prescription drugs in Florida. The website also provides tools to researchers and professionals which allow specialized data queries that require users to have some knowledge of medical coding and terminology. [16] Some of the features and data available on the website include a multimedia encyclopedia and symptoms navigator, hospital and ambulatory surgery centers performance data, data on mortality, complication, and infection rates for hospitals, and a facility/provider locator.[17]
- *Standard and Ad Hoc Reports* - The Center disseminates three standard reports which detail hospital fiscal data including a prior year report, an audited financial statement, and hospital financial data report. Also, ad hoc reports may be requested for customers looking for very specific information not included on a standard report or for customers who do not wish to purchase an entire data set to obtain information. One example of an ad hoc report would be a request for the average length of stay of patients admitted to a hospital with diabetes as a principle or secondary diagnosis.[18] The Center charges a set fee for standard reports[19] and a variable fee based on the extensiveness of an ad hoc report.[20]
- *Requests for De-identified Data* - The Center also sells hospital inpatient, ambulatory surgery, and emergency department data to the general public in a non-confidential format. However, the requester must sign a limited set data use agreement which binds the requester to only using the data in a way specified in the agreement. Information not available in these limited data sets include: patient ID number, medical record number, social security number, dates of admission and discharge, visit beginning and end dates, age in days, payer, date of birth, and procedure dates.[21]

The State Consumer Health Information and Policy Advisory Council

Also created by s. 408.05, F.S., the State Consumer Health Information and Policy Advisory Council (Advisory Council) was established to make recommendations to the Florida Center for Health Information and Policy Analysis. The mission of the Advisory Council is to assist the Florida Center in reviewing the comprehensive health information system, including the identification, collection, standardization, sharing, and coordination of health-related data, fraud and abuse data, and professional and facility licensing data among federal, state, local, and

[15] *Id.*, pp. 6-9
[16] *Id.*, p. 9
[17] *Id.*, pp. 9-13
[18] *Id.*, p. 8
[19] The price list for purchasing data from the Center is available at: http://floridahealthfinderstore.blob.core.windows.net/documents/researchers/OrderData/documents/PriceList%20Jan%202011.pdf, last visited on Mar. 5, 2013.
[20] S*upra* note 8, p. 7
[21] *Id.*, pp. 7-8. Also see note 19 for a price list.

private entities and to recommend improvements for purposes of public health, policy analysis, health information exchange and transparency of consumer health care information. The Advisory Council assists the AHCA in determining the method and format for the public disclosure of data collected by the Florida Center and also works with the Florida Center in the development and implementation of a long-range plan for making available health care quality measures and financial data that will allow consumers to compare health care services.[22] The Advisory Council met three times in 2012, last meeting on November 29, and had a meeting on March 15, 2013. The Advisory Council's membership is detailed in s. 408.05(8), F.S., and includes:

- An employee of the Executive Office of the Governor.
- An employee of the Office of Insurance Regulation.
- An employee of the Department of Education.
- Ten persons appointed by the Secretary of Health Care Administration, representing other state and local agencies, state universities, business and health coalitions, local health councils.

III. Effect of Proposed Changes:

Section 1 amends s. 408.05, F.S., to:

- Eliminate the Florida Center for Health Information and Policy Analysis.
- Create the Florida Health Information Transparency Initiative.
- Direct the AHCA to make state-collected data on health providers, facilities, services, and payment sources available in a manner that allows for and encourages multiple innovative uses for the data.
- Require the AHCA, subject to the General Appropriations Act, to contract with one or more vendors to develop new methods of dissemination and to convert data into an easily usable electronic format.
- Detail the types of data and information the AHCA must include in the comprehensive health information system, including data and information on:
  - Health resources;
  - Utilization of health resources;
  - Health care costs and financing;
  - The extent, source, and type of public and private health insurance coverage in the state; and
  - Data necessary for measuring value and quality of care provided by various health care providers.
- State what functions the AHCA must perform in order to collect and disseminate comprehensive health information and statistics to the public and to support the development of policy recommendations, including:
  - Collecting and compiling data from all state agencies and programs involved in providing, regulating, and paying for health services.

[22] State Consumer Health Information and Policy Advisory Council, *Executive Summary*, found at: http://ahca.myflorida.com/SCHS/CommiteesCouncils/docs/AC-ExecutiveSummary0113.pdf, last visited on Mar. 5, 2013.

  - Promoting data sharing through the development, dissemination, and evaluation of state-collected health data and making such data available, transferable, readily useable.
  - Developing written agreements with local, state, and federal agencies for the sharing of health-care-related data.
  - Enabling and facilitating the sharing and use of all state-collected health data to the maximum extent allowed by law.
  - Monitoring data collection procedures, testing data quality, and taking such corrective actions as may be necessary to ensure that data disseminated under the Initiative are accurate, valid, reliable and complete.
  - Initiating and maintaining the activities necessary to collect, edit, verify, archive and retrieve the data.
- Mandate that the AHCA implement the Initiative in a manner that recognizes state-collected data as an asset and rewards taxpayer investment in information collection and management.
- Mandate that the AHCA ensure that any vendor who enters into a contract with the state under this section does not inhibit or impede consumer access to state-collected health data.
- Strike significant portions of the statute regarding the Comprehensive Health Information System.
- Eliminate the State Consumer Health Information and Policy Advisory Council.

Sections 2 through 6 amend various sections of the Florida Statutes to strike references made obsolete by the changes made to s. 408.05, F.S.

Section 7 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Initiative is intended to modernize health care data collection and dissemination functions to facilitate public access to this data for innovative uses. The AHCA will

contract with one or more vendors, if funding is provided in the General Appropriations Act, to accomplish this objective.

C. Government Sector Impact:

The bill's fiscal impact on the AHCA is indeterminate and would depend largely on services and functions that could be outsourced to one or more vendors and whether such outsourcing would lead to reduction of AHCA staff. Any such vendor contracts are subject to the General Appropriations Act.

The AHCA also estimates that the bill would result in an insignificant reduction in the agency's travel expenses that are currently associated with the State Consumer Health Information and Policy Advisory Council.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on April 3, 2013:
The committee substitute removed, from the bill, the words "but may not be limited to," under the description of the health-related data and information that the comprehensive health information system shall include.

B. Amendments:

None.

By Senator Grimsley

21-01321B-13 20131258__

A bill to be entitled

An act relating to a comprehensive health information system; amending s. 408.05, F.S.; renaming the Florida Center for Health Information and Policy Analysis as the Florida Health Information Transparency Initiative; providing a statement of purpose for the initiative; providing the duties of the Agency for Health Care Administration; revising the data and information required to be included in the health information system; revising the functions that the agency must perform in order to collect and disseminate health information and statistics; deleting provisions that require the center to provide technical assistance to persons and organizations engaged in health planning activities; deleting provisions that require the center to provide widespread dissemination of data; requiring the agency to implement the transparency initiative in a manner that recognizes state-collected data as an asset and rewards taxpayer investment in information collection and management; authorizing the agency to apply for, receive, and accept grants, gifts, and other payments, including property and services, from a governmental or other public or private entity or person; requiring the agency to ensure that certain vendors do not inhibit or impede consumer access to state-collected health data and information; abolishing the State Consumer Health Information and Policy Advisory Council; amending ss. 381.026, 395.301, 465.0244,

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21-01321B-13 20131258__

627.6499, and 641.54, F.S.; conforming provisions to changes made by the act; providing an effective date.

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

Section 1. Section 408.05, Florida Statutes, is amended to read:

408.05 Florida ~~Center for~~ Health Information Transparency Initiative ~~and Policy Analysis~~.—

(1) PURPOSE ~~ESTABLISHMENT~~.—The agency shall coordinate ~~establish a Florida Center for Health Information and Policy Analysis. The center shall establish~~ a comprehensive health information system to promote accessibility, transparency, and utility of state-collected data and information about health providers, facilities, services, and payment sources ~~provide for the collection, compilation, coordination, analysis, indexing, dissemination, and utilization of both purposefully collected and extant health-related data and statistics~~. The agency ~~center~~ shall be responsible for making data available in a manner that allows for and encourages multiple and innovative uses of data sets collected under the auspices of the state. Subject to the General Appropriations Act, the agency shall contract with one or more vendors to develop new methods of dissemination and to convert data into easily useable electronic formats ~~staffed with public health experts, biostatisticians, information system analysts, health policy experts, economists, and other staff necessary to carry out its functions~~.

(2) HEALTH-RELATED DATA.—The comprehensive health information system ~~operated by the Florida Center for Health~~

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~~Information and Policy Analysis~~ shall include, but may not be limited to, the following data and information ~~identify the best available data sources and coordinate the compilation of extant health-related data and statistics and purposefully collect data on~~:

~~(a) The extent and nature of illness and disability of the state population, including life expectancy, the incidence of various acute and chronic illnesses, and infant and maternal morbidity and mortality.~~

~~(b) The impact of illness and disability of the state population on the state economy and on other aspects of the well-being of the people in this state.~~

~~(c) Environmental, social, and other health hazards.~~

~~(d) Health knowledge and practices of the people in this state and determinants of health and nutritional practices and status.~~

(a) ~~(e)~~ Health resources, including licensed ~~physicians, dentists, nurses, and other~~ health professionals, licensed ~~by specialty and type of practice and acute, long-term care and other institutional care facility supplies and specific services provided by hospitals, nursing homes, home health agencies, and other~~ health care facilities, managed care organizations, and other health services regulated or funded by the state.

(b) ~~(f)~~ Utilization of health resources ~~care by type of provider~~.

(c) ~~(g)~~ Health care costs and financing, including Medicaid claims and encounter data and data from other public and private payors ~~trends in health care prices and costs, the sources of payment for health care services, and federal, state, and local expenditures for health care~~.

~~(h) Family formation, growth, and dissolution.~~

(d) ~~(i)~~ The extent, source, and type of public and private health insurance coverage in this state.

(e) ~~(j)~~ The data necessary for measuring value and quality of care provided by various health care providers, including applicable credentials, accreditation status, utilization, revenues and expenses, outcomes, site visits, and other regulatory reports, and the results of administrative and civil litigation.

(3) COORDINATION ~~COMPREHENSIVE HEALTH INFORMATION SYSTEM.~~ In order to collect and disseminate comprehensive ~~produce comparable and uniform~~ health information and statistics for the public as well as for development of policy recommendations, the agency shall perform the following functions:

(a) Collect and compile data from all state agencies and programs involved in providing, regulating, and paying for health services ~~Coordinate the activities of state agencies involved in the design and implementation of the comprehensive health information system~~.

(b) Promote data sharing through the ~~Undertake research,~~ development, dissemination, and evaluation of state-collected health data and by making such data available, transferable, and readily useable ~~respecting the comprehensive health information system~~.

~~(c) Review the statistical activities of state agencies to ensure that they are consistent with the comprehensive health information system.~~

(c) ~~(d)~~ Develop written agreements with local, state, and

117 federal agencies for the sharing of health-care-related data or
118 using the facilities and services of such agencies. State
119 agencies, local health councils, and other agencies under state
120 contract shall assist the agency ~~center~~ in obtaining, compiling,
121 and transferring health-care-related data maintained by state
122 and local agencies. ~~Written agreements must specify the types,~~
123 ~~methods, and periodicity of data exchanges and specify the types~~
124 ~~of data that will be transferred to the center.~~
125 (d) ~~(e)~~ Enable and facilitate the sharing and use of all
126 state-collected health data to the maximum extent allowed by law
127 ~~Establish by rule the types of data collected, compiled,~~
128 ~~processed, used, or shared~~. ~~Decisions regarding center data sets~~
129 ~~should be made based on consultation with the State Consumer~~
130 ~~Health Information and Policy Advisory Council and other public~~
131 ~~and private users regarding the types of data which should be~~
132 ~~collected and their uses. The center shall establish~~
133 ~~standardized means for collecting health information and~~
134 ~~statistics under laws and rules administered by the agency.~~
135 ~~(f) Establish minimum health-care-related data sets which~~
136 ~~are necessary on a continuing basis to fulfill the collection~~
137 ~~requirements of the center and which shall be used by state~~
138 ~~agencies in collecting and compiling health-care-related data.~~
139 ~~The agency shall periodically review ongoing health care data~~
140 ~~collections of the Department of Health and other state agencies~~
141 ~~to determine if the collections are being conducted in~~
142 ~~accordance with the established minimum sets of data.~~
143 ~~(g) Establish advisory standards to ensure the quality of~~
144 ~~health statistical and epidemiological data collection,~~
145 ~~processing, and analysis by local, state, and private~~

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146 ~~organizations.~~
147 (e) ~~(h)~~ Monitor data collection procedures, test data
148 quality, and take such corrective actions as may be necessary to
149 ensure that data and information disseminated under the
150 initiative are accurate, valid, reliable, and complete ~~Prescribe~~
151 ~~standards for the publication of health-care-related data~~
152 ~~reported pursuant to this section which ensure the reporting of~~
153 ~~accurate, valid, reliable, complete, and comparable data. Such~~
154 ~~standards should include advisory warnings to users of the data~~
155 ~~regarding the status and quality of any data reported by or~~
156 ~~available from the center~~.
157 (f) ~~(i)~~ Initiate and maintain activities necessary to
158 collect, edit, verify, archive, and retrieve ~~Prescribe standards~~
159 ~~for the maintenance and preservation of the center's data. This~~
160 ~~should include methods for archiving data, retrieval of archived~~
161 ~~data, and~~ data compiled pursuant to this section ~~editing and~~
162 ~~verification~~.
163 ~~(j) Ensure that strict quality control measures are~~
164 ~~maintained for the dissemination of data through publications,~~
165 ~~studies, or user requests.~~
166 ~~(k) Develop, in conjunction with the State Consumer Health~~
167 ~~Information and Policy Advisory Council, and implement a long-~~
168 ~~range plan for making available health care quality measures and~~
169 ~~financial data that will allow consumers to compare health care~~
170 ~~services. The health care quality measures and financial data~~
171 ~~the agency must make available shall include, but is not limited~~
172 ~~to, pharmaceuticals, physicians, health care facilities, and~~
173 ~~health plans and managed care entities. The agency shall update~~
174 ~~the plan and report on the status of its implementation~~

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175 ~~annually. The agency shall also make the plan and status report~~
176 ~~available to the public on its Internet website. As part of the~~
177 ~~plan, the agency shall identify the process and timeframes for~~
178 ~~implementation, any barriers to implementation, and~~
179 ~~recommendations of changes in the law that may be enacted by the~~
180 ~~Legislature to eliminate the barriers. As preliminary elements~~
181 ~~of the plan, the agency shall:~~
182 ~~1. Make available patient-safety indicators, inpatient~~
183 ~~quality indicators, and performance outcome and patient charge~~
184 ~~data collected from health care facilities pursuant to s.~~
185 ~~408.061(1)(a) and (2). The terms "patient safety indicators" and~~
186 ~~"inpatient quality indicators" shall be as defined by the~~
187 ~~Centers for Medicare and Medicaid Services, the National Quality~~
188 ~~Forum, the Joint Commission on Accreditation of Healthcare~~
189 ~~Organizations, the Agency for Healthcare Research and Quality,~~
190 ~~the Centers for Disease Control and Prevention, or a similar~~
191 ~~national entity that establishes standards to measure the~~
192 ~~performance of health care providers, or by other states. The~~
193 ~~agency shall determine which conditions, procedures, health care~~
194 ~~quality measures, and patient charge data to disclose based upon~~
195 ~~input from the council. When determining which conditions and~~
196 ~~procedures are to be disclosed, the council and the agency shall~~
197 ~~consider variation in costs, variation in outcomes, and~~
198 ~~magnitude of variations and other relevant information. When~~
199 ~~determining which health care quality measures to disclose, the~~
200 ~~agency:~~
201 ~~a. Shall consider such factors as volume of cases; average~~
202 ~~patient charges; average length of stay; complication rates;~~
203 ~~mortality rates; and infection rates, among others, which shall~~

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204 ~~be adjusted for case mix and severity, if applicable.~~
205 ~~b. May consider such additional measures that are adopted~~
206 ~~by the Centers for Medicare and Medicaid Studies, National~~
207 ~~Quality Forum, the Joint Commission on Accreditation of~~
208 ~~Healthcare Organizations, the Agency for Healthcare Research and~~
209 ~~Quality, Centers for Disease Control and Prevention, or a~~
210 ~~similar national entity that establishes standards to measure~~
211 ~~the performance of health care providers, or by other states.~~
212
213 ~~When determining which patient charge data to disclose, the~~
214 ~~agency shall include such measures as the average of~~
215 ~~undiscounted charges on frequently performed procedures and~~
216 ~~preventive diagnostic procedures, the range of procedure charges~~
217 ~~from highest to lowest, average net revenue per adjusted patient~~
218 ~~day, average cost per adjusted patient day, and average cost per~~
219 ~~admission, among others.~~
220 ~~2. Make available performance measures, benefit design, and~~
221 ~~premium cost data from health plans licensed pursuant to chapter~~
222 ~~627 or chapter 641. The agency shall determine which health care~~
223 ~~quality measures and member and subscriber cost data to~~
224 ~~disclose, based upon input from the council. When determining~~
225 ~~which data to disclose, the agency shall consider information~~
226 ~~that may be required by either individual or group purchasers to~~
227 ~~assess the value of the product, which may include membership~~
228 ~~satisfaction, quality of care, current enrollment or membership,~~
229 ~~coverage areas, accreditation status, premium costs, plan costs,~~
230 ~~premium increases, range of benefits, copayments and~~
231 ~~deductibles, accuracy and speed of claims payment, credentials~~
232 ~~of physicians, number of providers, names of network providers,~~

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233 ~~and hospitals in the network. Health plans shall make available~~
234 ~~to the agency any such data or information that is not currently~~
235 ~~reported to the agency or the office.~~
236 ~~3. Determine the method and format for public disclosure of~~
237 ~~data reported pursuant to this paragraph. The agency shall make~~
238 ~~its determination based upon input from the State Consumer~~
239 ~~Health Information and Policy Advisory Council. At a minimum,~~
240 ~~the data shall be made available on the agency's Internet~~
241 ~~website in a manner that allows consumers to conduct an~~
242 ~~interactive search that allows them to view and compare the~~
243 ~~information for specific providers. The website must include~~
244 ~~such additional information as is determined necessary to ensure~~
245 ~~that the website enhances informed decisionmaking among~~
246 ~~consumers and health care purchasers, which shall include, at a~~
247 ~~minimum, appropriate guidance on how to use the data and an~~
248 ~~explanation of why the data may vary from provider to provider.~~
249 ~~4. Publish on its website undiscounted charges for no fewer~~
250 ~~than 150 of the most commonly performed adult and pediatric~~
251 ~~procedures, including outpatient, inpatient, diagnostic, and~~
252 ~~preventative procedures.~~
253 ~~(4) TECHNICAL ASSISTANCE.—~~
254 ~~(a) The center shall provide technical assistance to~~
255 ~~persons or organizations engaged in health planning activities~~
256 ~~in the effective use of statistics collected and compiled by the~~
257 ~~center. The center shall also provide the following additional~~
258 ~~technical assistance services:~~
259 ~~1. Establish procedures identifying the circumstances under~~
260 ~~which, the places at which, the persons from whom, and the~~
261 ~~methods by which a person may secure data from the center,~~

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262 ~~including procedures governing requests, the ordering of~~
263 ~~requests, timeframes for handling requests, and other procedures~~
264 ~~necessary to facilitate the use of the center's data. To the~~
265 ~~extent possible, the center should provide current data timely~~
266 ~~in response to requests from public or private agencies.~~
267 ~~2. Provide assistance to data sources and users in the~~
268 ~~areas of database design, survey design, sampling procedures,~~
269 ~~statistical interpretation, and data access to promote improved~~
270 ~~health-care-related data sets.~~
271 ~~3. Identify health care data gaps and provide technical~~
272 ~~assistance to other public or private organizations for meeting~~
273 ~~documented health care data needs.~~
274 ~~4. Assist other organizations in developing statistical~~
275 ~~abstracts of their data sets that could be used by the center.~~
276 ~~5. Provide statistical support to state agencies with~~
277 ~~regard to the use of databases maintained by the center.~~
278 ~~6. To the extent possible, respond to multiple requests for~~
279 ~~information not currently collected by the center or available~~
280 ~~from other sources by initiating data collection.~~
281 ~~7. Maintain detailed information on data maintained by~~
282 ~~other local, state, federal, and private agencies in order to~~
283 ~~advise those who use the center of potential sources of data~~
284 ~~which are requested but which are not available from the center.~~
285 ~~8. Respond to requests for data which are not available in~~
286 ~~published form by initiating special computer runs on data sets~~
287 ~~available to the center.~~
288 ~~9. Monitor innovations in health information technology,~~
289 ~~informatics, and the exchange of health information and maintain~~
290 ~~a repository of technical resources to support the development~~

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

291 ~~of a health information network.~~
292 ~~(b) The agency shall administer, manage, and monitor grants~~
293 ~~to not-for-profit organizations, regional health information~~
294 ~~organizations, public health departments, or state agencies that~~
295 ~~submit proposals for planning, implementation, or training~~
296 ~~projects to advance the development of a health information~~
297 ~~network. Any grant contract shall be evaluated to ensure the~~
298 ~~effective outcome of the health information project.~~
299 ~~(c) The agency shall initiate, oversee, manage, and~~
300 ~~evaluate the integration of health care data from each state~~
301 ~~agency that collects, stores, and reports on health care issues~~
302 ~~and make that data available to any health care practitioner~~
303 ~~through a state health information network.~~
304 ~~(5) PUBLICATIONS; REPORTS; SPECIAL STUDIES.—The center~~
305 ~~shall provide for the widespread dissemination of data which it~~
306 ~~collects and analyzes. The center shall have the following~~
307 ~~publication, reporting, and special study functions:~~
308 ~~(a) The center shall publish and make available~~
309 ~~periodically to agencies and individuals health statistics~~
310 ~~publications of general interest, including health plan consumer~~
311 ~~reports and health maintenance organization member satisfaction~~
312 ~~surveys; publications providing health statistics on topical~~
313 ~~health policy issues; publications that provide health status~~
314 ~~profiles of the people in this state; and other topical health~~
315 ~~statistics publications.~~
316 ~~(b) The center shall publish, make available, and~~
317 ~~disseminate, promptly and as widely as practicable, the results~~
318 ~~of special health surveys, health care research, and health care~~
319 ~~evaluations conducted or supported under this section. Any~~

320 ~~publication by the center must include a statement of the~~
321 ~~limitations on the quality, accuracy, and completeness of the~~
322 ~~data.~~
323 ~~(c) The center shall provide indexing, abstracting,~~
324 ~~translation, publication, and other services leading to a more~~
325 ~~effective and timely dissemination of health care statistics.~~
326 ~~(d) The center shall be responsible for publishing and~~
327 ~~disseminating an annual report on the center's activities.~~
328 ~~(e) The center shall be responsible, to the extent~~
329 ~~resources are available, for conducting a variety of special~~
330 ~~studies and surveys to expand the health care information and~~
331 ~~statistics available for health policy analyses, particularly~~
332 ~~for the review of public policy issues. The center shall develop~~
333 ~~a process by which users of the center's data are periodically~~
334 ~~surveyed regarding critical data needs and the results of the~~
335 ~~survey considered in determining which special surveys or~~
336 ~~studies will be conducted. The center shall select problems in~~
337 ~~health care for research, policy analyses, or special data~~
338 ~~collections on the basis of their local, regional, or state~~
339 ~~importance; the unique potential for definitive research on the~~
340 ~~problem; and opportunities for application of the study~~
341 ~~findings.~~
342 (4) ~~(6)~~ PROVIDER DATA REPORTING.—This section does not
343 confer on the agency the power to demand or require that a
344 health care provider or professional furnish information,
345 records of interviews, written reports, statements, notes,
346 memoranda, or data other than as expressly required by law.
347 (5) ~~(7)~~ HEALTH INFORMATION ENTERPRISE ~~BUDGET; FEES~~.—
348 (a) The agency shall implement the transparency initiative

349 in a manner that recognizes state-collected data as an asset and
350 rewards taxpayer investment in information collection and
351 management ~~Legislature intends that funding for the Florida~~
352 ~~Center for Health Information and Policy Analysis be~~
353 ~~appropriated from the General Revenue Fund~~.
354 (b) The agency ~~Florida Center for Health Information and~~
355 ~~Policy Analysis~~ may apply for, ~~and~~ receive, and accept grants,
356 gifts, and other payments, including property and services, from
357 a ~~any~~ governmental or other public or private entity or person
358 and make arrangements for ~~as to~~ the use of such funds ~~same~~,
359 including the undertaking of special studies and other projects
360 relating to health-care-related topics. ~~Funds obtained pursuant~~
361 ~~to this paragraph may not be used to offset annual~~
362 ~~appropriations from the General Revenue Fund.~~
363 (c) The agency shall ensure that a vendor who enters into a
364 contract with the state under this section does not inhibit or
365 impede consumer access to state-collected health data and
366 information ~~center may charge such reasonable fees for services~~
367 ~~as the agency prescribes by rule. The established fees may not~~
368 ~~exceed the reasonable cost for such services. Fees collected may~~
369 ~~not be used to offset annual appropriations from the General~~
370 ~~Revenue Fund.~~
371 ~~(8) STATE CONSUMER HEALTH INFORMATION AND POLICY ADVISORY~~
372 ~~COUNCIL.—~~
373 ~~(a) There is established in the agency the State Consumer~~
374 ~~Health Information and Policy Advisory Council to assist the~~
375 ~~center in reviewing the comprehensive health information system,~~
376 ~~including the identification, collection, standardization,~~
377 ~~sharing, and coordination of health-related data, fraud and~~

378 ~~abuse data, and professional and facility licensing data among~~
379 ~~federal, state, local, and private entities and to recommend~~
380 ~~improvements for purposes of public health, policy analysis, and~~
381 ~~transparency of consumer health care information. The council~~
382 ~~shall consist of the following members:~~
383 ~~1. An employee of the Executive Office of the Governor, to~~
384 ~~be appointed by the Governor.~~
385 ~~2. An employee of the Office of Insurance Regulation, to be~~
386 ~~appointed by the director of the office.~~
387 ~~3. An employee of the Department of Education, to be~~
388 ~~appointed by the Commissioner of Education.~~
389 ~~4. Ten persons, to be appointed by the Secretary of Health~~
390 ~~Care Administration, representing other state and local~~
391 ~~agencies, state universities, business and health coalitions,~~
392 ~~local health councils, professional health-care-related~~
393 ~~associations, consumers, and purchasers.~~
394 ~~(b) Each member of the council shall be appointed to serve~~
395 ~~for a term of 2 years following the date of appointment, except~~
396 ~~the term of appointment shall end 3 years following the date of~~
397 ~~appointment for members appointed in 2003, 2004, and 2005. A~~
398 ~~vacancy shall be filled by appointment for the remainder of the~~
399 ~~term, and each appointing authority retains the right to~~
400 ~~reappoint members whose terms of appointment have expired.~~
401 ~~(c) The council may meet at the call of its chair, at the~~
402 ~~request of the agency, or at the request of a majority of its~~
403 ~~membership, but the council must meet at least quarterly.~~
404 ~~(d) Members shall elect a chair and vice chair annually.~~
405 ~~(e) A majority of the members constitutes a quorum, and the~~
406 ~~affirmative vote of a majority of a quorum is necessary to take~~

407 ~~action.~~
408 ~~(f) The council shall maintain minutes of each meeting and~~
409 ~~shall make such minutes available to any person.~~
410 ~~(g) Members of the council shall serve without compensation~~
411 ~~but shall be entitled to receive reimbursement for per diem and~~
412 ~~travel expenses as provided in s. 112.061.~~
413 ~~(h) The council's duties and responsibilities include, but~~
414 ~~are not limited to, the following:~~
415 ~~1. To develop a mission statement, goals, and a plan of~~
416 ~~action for the identification, collection, standardization,~~
417 ~~sharing, and coordination of health-related data across federal,~~
418 ~~state, and local government and private sector entities.~~
419 ~~2. To develop a review process to ensure cooperative~~
420 ~~planning among agencies that collect or maintain health-related~~
421 ~~data.~~
422 ~~3. To create ad hoc issue-oriented technical workgroups on~~
423 ~~an as-needed basis to make recommendations to the council.~~
424 ~~(9) APPLICATION TO OTHER AGENCIES.—Nothing in this section~~
425 ~~shall limit, restrict, affect, or control the collection,~~
426 ~~analysis, release, or publication of data by any state agency~~
427 ~~pursuant to its statutory authority, duties, or~~
428 ~~responsibilities.~~
429 Section 2. Paragraph (c) of subsection (4) of section
430 381.026, Florida Statutes, is amended to read:
431 381.026 Florida Patient's Bill of Rights and
432 Responsibilities.—
433 (4) RIGHTS OF PATIENTS.—Each health care facility or
434 provider shall observe the following standards:
435 (c) *Financial information and disclosure.*—

436 1. A patient has the right to be given, upon request, by
437 the responsible provider, his or her designee, or a
438 representative of the health care facility full information and
439 necessary counseling on the availability of known financial
440 resources for the patient's health care.
441 2. A health care provider or a health care facility shall,
442 upon request, disclose to each patient who is eligible for
443 Medicare, before treatment, whether the health care provider or
444 the health care facility in which the patient is receiving
445 medical services accepts assignment under Medicare reimbursement
446 as payment in full for medical services and treatment rendered
447 in the health care provider's office or health care facility.
448 3. A primary care provider may publish a schedule of
449 charges for the medical services that the provider offers to
450 patients. The schedule must include the prices charged to an
451 uninsured person paying for such services by cash, check, credit
452 card, or debit card. The schedule must be posted in a
453 conspicuous place in the reception area of the provider's office
454 and must include, but is not limited to, the 50 services most
455 frequently provided by the primary care provider. The schedule
456 may group services by three price levels, listing services in
457 each price level. The posting must be at least 15 square feet in
458 size. A primary care provider who publishes and maintains a
459 schedule of charges for medical services is exempt from the
460 license fee requirements for a single period of renewal of a
461 professional license under chapter 456 for that licensure term
462 and is exempt from the continuing education requirements of
463 chapter 456 and the rules implementing those requirements for a
464 single 2-year period.

465 4. If a primary care provider publishes a schedule of
466 charges pursuant to subparagraph 3., he or she must continually
467 post it at all times for the duration of active licensure in
468 this state when primary care services are provided to patients.
469 If a primary care provider fails to post the schedule of charges
470 in accordance with this subparagraph, the provider must ~~shall be~~
471 ~~required to~~ pay any license fee and comply with ~~any~~ continuing
472 education requirements for which an exemption was received.
473 5. A health care provider or a health care facility shall,
474 upon request, furnish a person, before the provision of medical
475 services, a reasonable estimate of charges for such services.
476 The health care provider or the health care facility shall
477 provide an uninsured person, before the provision of a planned
478 nonemergency medical service, a reasonable estimate of charges
479 for such service and information regarding the provider's or
480 facility's discount or charity policies for which the uninsured
481 person may be eligible. Such estimates by a primary care
482 provider must be consistent with the schedule posted under
483 subparagraph 3. To the extent possible, estimates shall~~, to the~~
484 ~~extent possible,~~ be written in language comprehensible to an
485 ordinary layperson. Such reasonable estimate does not preclude
486 the health care provider or health care facility from exceeding
487 the estimate or making additional charges based on changes in
488 the patient's condition or treatment needs.
489 6. Each licensed facility not operated by the state shall
490 make available to the public on its Internet website or by other
491 electronic means a description of and a link to the performance
492 outcome and financial data that is published by the agency
493 ~~pursuant to s. 408.05(3)(k)~~. The facility shall place a notice

494 in the reception area that such information is available
495 electronically and the website address. The licensed facility
496 may indicate that the pricing information is based on a
497 compilation of charges for the average patient and that each
498 patient's bill may vary from the average depending upon the
499 severity of illness and individual resources consumed. The
500 licensed facility may also indicate that the price of service is
501 negotiable for eligible patients based upon the patient's
502 ability to pay.
503 7. A patient has the right to receive a copy of an itemized
504 bill upon request. A patient has a right to be given an
505 explanation of charges upon request.
506 Section 3. Subsection (11) of section 395.301, Florida
507 Statutes, is amended to read:
508 395.301 Itemized patient bill; form and content prescribed
509 by the agency.—
510 (11) Each licensed facility shall make available on its
511 Internet website a link to the performance outcome and financial
512 data that is published by the Agency for Health Care
513 Administration ~~pursuant to s. 408.05(3)(k)~~. The facility shall
514 place a notice in the reception area that the information is
515 available electronically and the facility's Internet website
516 address.
517 Section 4. Section 465.0244, Florida Statutes, is amended
518 to read:
519 465.0244 Information disclosure.—Every pharmacy shall make
520 available on its Internet website a link to the performance
521 outcome and financial data that is published by the Agency for
522 Health Care Administration ~~pursuant to s. 408.05(3)(k)~~ and shall

523 place in the area where customers receive filled prescriptions
524 notice that such information is available electronically and the
525 address of its Internet website.
526 Section 5. Subsection (2) of section 627.6499, Florida
527 Statutes, is amended to read:
528 627.6499 Reporting by insurers and third-party
529 administrators.—
530 (2) Each health insurance issuer shall make available on
531 its Internet website a link to the performance outcome and
532 financial data that is published by the Agency for Health Care
533 Administration ~~pursuant to s. 408.05(3)(k)~~ and shall include in
534 every policy delivered or issued for delivery to any person in
535 the state or ~~any~~ materials provided as required by s. 627.64725
536 notice that such information is available electronically and the
537 address of its Internet website.
538 Section 6. Subsection (7) of section 641.54, Florida
539 Statutes, is amended to read:
540 641.54 Information disclosure.—
541 (7) Each health maintenance organization shall make
542 available on its Internet website a link to the performance
543 outcome and financial data that is published by the Agency for
544 Health Care Administration ~~pursuant to s. 408.05(3)(k)~~ and shall
545 include in every policy delivered or issued for delivery to any
546 person in the state or ~~any~~ materials provided as required by s.
547 627.64725 notice that such information is available
548 electronically and the address of its Internet website.
549 Section 7. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

March 28th 2013
Meeting Date

Topic: Comprehensive Health Information System

Bill Number: SB 1258 *(if applicable)*

Name: William Hutchinson III

Amendment Barcode: *(if applicable)*

Job Title:

Address: 123 Dallas St. / PO. Box 731
Street

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City *State* *Zip*

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Speaking: [✓] For [ ] Against [ ] Information

Representing:

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [✓] No

Not Lobbyist

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 1392

INTRODUCER: Appropriations Committee; Governmental Oversight and Accountability Committee; and Senator Simpson

SUBJECT: Florida Retirement System

DATE: April 1, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney	GO	**Fav/CS**
2.	Anderson	Yeatman	CA	**Favorable**
3.	McSwain/Shettle	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 1392 makes the following changes to the Florida Retirement System (FRS), **for members initially enrolled in the FRS on or after July 1, 2014**:

- Changes the vesting period in the Pension Plan from 8 to 10 years;
- Mandates that Elected Officers' Class and Senior Management Service Class members may only join the Investment Plan;
- Changes the default for members who do not affirmatively choose a plan from the Pension Plan to the Investment Plan;
- Closes the Senior Management Service Optional Annuity Program to new members; and
- Changes the out of service disability retirement vesting period from 8 to 10 years.

The bill also lowers the employee's contribution rate from 3 percent to 2 percent for all members of the Investment Plan.

The overall fiscal impact and the actuarial impact on the Florida Retirement System of this legislation have not been determined at this time. A special actuarial study of the bill's impact has been requested and is expected to be completed on April 12, 2013. See Section V.

This bill substantially amends the following sections of the Florida Statutes: 121.021, 121.051, 121.052, 121.055, 121.091, 121.4501, 121.591, 121.71, 121.35, 238.072, 413.051, and 1012.875.

II. Present Situation:

The Florida Retirement System

The Florida Retirement System (FRS) was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the Pension Plan, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.[1] The FRS is a contributory system, with all members contributing 3 percent of their salaries.[2]

The FRS is a multi-employer, contributory plan, governed by the Florida Retirement System Act in ch. 121, F.S. As of June 30, 2012, the FRS had 623,011 active members, 334,682 retired members and beneficiaries, and 40,556 active members of the Deferred Retirement Option Program (DROP).[3] The FRS consists of 1,000 total employers; it is the primary retirement plan for employees of state and county government agencies, district school boards, community colleges, and universities, and also includes the 185 cities and 251 special districts that have elected to join the system.[4]

The membership of the FRS is divided into five membership classes:

- Regular Class[5] consists of 535,467 active members, plus 7,675 in renewed membership;
- Special Risk Class[6] includes 70,005 active members;
- Special Risk Administrative Support Class[7] has 59 active members;
- Elected Officers' Class[8] has 2,005 active members, plus 201 in renewed membership; and

[1] The Florida Retirement System Annual Report, July 1, 2011 – June 30, 2012, at 38. Available online at: https://www.rol.frs.state.fl.us/forms/2011-12_Annual_Report.pdf.
[2] Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class employees or 6 percent for Special Risk Class members. Employees were again required to contribute to the system after July 1, 2011.
[3] Florida Retirement System 2011-2012 Annual Report, at 54, 62, and 66.
[4] *Id.*, at 38.
[5] The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.
[6] The Special Risk Class is for members employed as: law enforcement officers, firefighters, correctional officers, probation officers, paramedics and emergency technicians, among others. Section 121.0515, F.S.
[7] The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.
[8] The Elected Officers' Class is for elected state and county officers, and for those elected municipal or special district officers whose governing body has chosen Elected Officers' Class participation for its elected officers. Section 121.052, F.S.

- Senior Management Service Class[9] has 7,295 members, plus 251 in renewed membership.[10]

Each class is funded separately based upon the costs attributable to the members of that class.

Members of the FRS have two primary plan options available for participation:

- The defined benefit plan, also known as the Pension Plan; and
- The defined contribution plan, also known as the Investment Plan.

According to information supplied by the State Board of Administration, approximately 50,000 new hires are processed each year for a retirement plan choice. Historically, about 25 percent have actively elected the Investment Plan, 21 percent have actively elected the Pension Plan and 54 percent have defaulted into the Pension Plan. The following table shows the election statistics for the last 4.5 years:

	Default to Pension Plan	**Pension Plan**	**Investment Plan**
FY 2008-2009	25,923 (**56%**)	10,672 **(22%)**	11,116 **(23%)**
FY 2009-2010	21,501 **(56%)**	8,158 **(21%)**	9,071 **(23%)**
FY 2010-2011	21,049 **(53%)**	9,042 **(23%)**	9,960 **(25%)**
FY 2011-2012	20,064 **(53%)**	6,976 **(18%)**	10,937 **(29%)**
FY 2012-2013*	13,861 **(57%)**	3,985 **(16%)**	6,400 **(24%)**
TOTAL	96,125 **(54%)**	37,020 **(21%)**	44,145 **(25%)**

Certain members, as specified by law and position title, may, in lieu of FRS participation, participate in optional retirement plans.

Investment Plan

In 2000, the Legislature created the Public Employee Optional Retirement Program (Investment Plan), a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan.

Benefits under the Investment Plan accrue in individual member accounts funded by both employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.

A member vests immediately in all employee contributions paid to the Investment Plan.[11] With respect to the employer contributions, a member vests after completing one work year with an FRS employer.[12] Vested benefits are payable upon termination or death as a lump-sum

[9] The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.
[10] All figures from Florida Retirement System 2011-2012 Annual Report, at 55.
[11] Section 121.4501(6)(a), F.S.
[12] If a member terminates employment before vesting in the Investment Plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the

distribution, direct rollover distribution, or periodic distribution.[13] The Investment Plan also provides disability coverage for both inline-of-duty and regular disability retirement benefits.[14] An FRS member who qualifies for disability while enrolled in the Investment Plan must apply for benefits as if the employee were a member of the Pension Plan. If approved for retirement disability benefits, the member is transferred to the Pension Plan.[15]

The State Board of Administration (SBA) is primarily responsible for administering the Investment Plan.[16] The SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.[17]

Pension Plan

The Pension Plan is administered by the secretary of the Department of Management Services (DMS) through the Division of Retirement.[18] Investment management is handled by the SBA.

Any member initially enrolled in the Pension Plan before July 1, 2011, vests in the Pension Plan after completing six years of service with an FRS employer.[19] For members enrolled on or after July 1, 2011, the member vests in the Pension Plan after eight years of creditable service.[20] Benefits payable under the Pension Plan are calculated based on years of service x accrual rate x average final compensation.[21] For most members of the Pension Plan, normal retirement occurs at the earliest attainment of 30 years of service or age 62.[22] For public safety employees in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.[23] Members initially enrolled in the Pension Plan on or after July 1, 2011, have longer vesting requirements. For members initially enrolled after that date, the member must complete 33 years of service or attain age 65, and members in the Special Risk classes must complete 30 years of service or attain age 60.[24]

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member is not reemployed as an eligible employee within five years, then any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b) – (d), F.S.

[13] Section 121.591, F.S.

[14] See s. 121.4501(16), F.S.

[15] Pension Plan disability retirement benefits, which apply for Investment Plan members who qualify for disability, compensate an inline-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for special risk class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If the disability occurs other than in the line of duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date. Section 121.091(4)(f), F.S.

[16] Section 121.4501(8), F.S.

[17] Section 4, Art. IV, Fla. Const.

[18] Section 121.025, F.S.

[19] Section 121.021(45)(a), F.S.

[20] Section 121.021(45)(b), F.S.

[21] Section 121.091, F.S.

[22] Section 121.021(29)(a)1., F.S.

[23] Section 121.021(29)(b)1., F.S.

[24] Sections 121.021(29)(a)2. and (b)2., F.S.

Optional Retirement Programs

Eligible employees may choose to participate in one of three retirement programs instead of participating in the FRS:

- Members of the Senior Management Service Class may elect to enroll in the Senior Management Service Optional Annuity Program;[25]
- Members in specified positions in the State University System may elect to enroll in the State University System Optional Retirement Program;[26] and
- Members in specified positions at Florida college institutions may elect to enroll in the State Community College System Optional Retirement Program.[27]

Contribution Rates

FRS employers are responsible for contributing a set percentage of the member's monthly compensation to the Division of Retirement to be distributed into the FRS Contributions Clearing Trust Fund. The employer contribution rate is a blended contribution rate set by statute, which is the same percentage regardless of whether the member participates in the Pension Plan or the Investment Plan.[28] The rate is determined annually based on an actuarial study obtained by the DMS that calculates the necessary level of funding to support all of the benefit obligations under both FRS retirement plans.

The following are the current employer contribution rates for each class:[29]

[25] The Senior Management Service Optional Annuity Program (SMSOAP) was established in 1986 for members of the Senior Management Service Class. Employees in eligible positions may irrevocably elect to participate in the SMSOAP rather than the FRS. Section 121.055(6), F.S.
[26] Eligible participants of the State University System Optional Retirement Program (SUSORP) are automatically enrolled in the SUSORP. However, the member must execute a contract with a SUSORP provider within the first 90 days of employment or the employee will default into the Pension Plan. If the employee decides to remain in the SUSORP, the decision is irrevocable and the member must remain in the SUSORP as long as the member remains in a SUSORP-eligible position. Section 121.35, F.S.
[27] If the member is eligible for participation in a State Community College System Optional Retirement Program, the member must elect to participate in the program within 90 days of employment. Unlike the other optional programs, an employee who elects to participate in this optional retirement program has one opportunity to transfer to the FRS. Section 1012.875, F.S.
[28] Section 121.70(1), F.S.
[29] Section 121.71(4), F.S.

Membership Class	Effective July 1, 2012	
	Normal Cost	**UAL Rate**
Regular Class	3.55%	0.49%
Special Risk Class	11.01%	2.75%
Special Risk Administrative Support Class	3.94%	0.83%
Elected Officer's Class		
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	6.51%	0.88%
• Justices and Judges	10.02%	0.77%
• County Officers	8.36%	0.73%
Senior Management Service Class	4.84%	0.32%
Deferred Retirement Option Program (DROP)	4.33%	0.0%

For all membership classes, except the DROP, employees contribute 3 percent of their compensation towards retirement.[30]

After employer and employee contributions are placed into the FRS Contributions Clearing Trust Fund, the allocations under the Investment Plan are transferred to third-party administrators to be placed in the employee's individual investment accounts, whereas contributions under the Pension Plan are transferred into the FRS Trust Fund.[31]

III. Effect of Proposed Changes:

Ten Year Vesting for New Members

Section 1 amends the definition of "vested" or "vesting" in ch. 121, F.S., to require that members initially enrolled in the FRS on or after July 1, 2014, vest in the Pension Plan after 10 years of creditable service.

Investment Plan Compulsory for Elected Officer's Class and Senior Management Service Class

Section 2 amends s. 121.051, F.S., to provide that employees initially enrolled on or after July 1, 2014, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the Investment Plan,[32] are not permitted to become members of the Pension Plan, and are not eligible to use the second election opportunity specified in s. 121.4501(4), F.S.[33] Investment Plan membership continues if there is subsequent employment in a position covered by another membership class.

[30] Section 121.71(3), F.S.
[31] *See* sections 121.4503 and 121.72(1), F.S.
[32] Unless the member chooses to withdraw entirely from the FRS pursuant to s. 121.052(3)(d) or s. 121.055(1)(b)2., F.S.
[33] Employees eligible to participate for optional retirement programs under s. 121.051(2)(c) or s. 121.35, F.S., may choose to participate in the optional retirement program or the Investment Plan. Eligible employees required to participate pursuant to s. 121.051(1)(a), F.S., in the optional retirement program as provided under s. 121.35, F.S., must participate in the Investment Plan when employed in a position not eligible for the optional retirement program.

Section 6 amends provisions in s. 121.4501(4), F.S., relating to the FRS Investment Plan, to provide that employees initially enrolled on or after July 1, 2014, in positions covered by the Elected Officers' Class or the Senior Management Service Class are compulsory members of the Investment Plan.

The bill also amends the existing member plan choice education component, to provide that new Elected Officers' Class and Senior Management Service Class members need not be provided that education, since they will be mandatory members of the Investment Plan.

Prohibits New Elected Officers' Class Members from Joining the Senior Management Service Class or the Senior Management Service Optional Annuity Program

Section 3 amends s. 121.052, F.S., to prohibit new Elected Officers' Class members from joining the Senior Management Service Class.

Section 4 amends s. 121.055, F.S., to provide that on or after July 1, 2014, elected officers eligible for membership in the Elected Officer's Class may not be enrolled in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program, which is closed to all new members. Current members of the optional annuity program may retain their membership in the program.

Default to Investment Plan

Section 6 amends s. 121.4501, F.S., to provide that an employee eligible to participate in the Investment Plan is initially enrolled in the Pension Plan, and has five months to make an irrevocable election to participate in either the Pension Plan or the Investment Plan. If the employee fails to make an election, the employee is deemed to have elected the Investment Plan.

Out of Service Disability Retirement Benefit Vesting Period Increased

Sections 5 and 7 amends ss. 121.091, F.S., and 121.591, F.S., respectively, to provide that a member of the Pension Plan initially enrolled on or after July 1, 2014, who becomes totally and permanently disabled after completing 10 years of creditable service is entitled to a monthly disability benefit.

Regardless of amount of service, a member who becomes totally and permanently disabled *in the line of duty* is entitled to a monthly disability benefit.

Lowered Contribution Rate for Investment Plan Members

Section 8 amends s. 121.71, F.S., to lower the required employee contribution rate for all Investment Plan members from 3 percent to 2 percent, which will require higher employer contributions.

Cross References

Sections 9 through 12 amend ss. 121.35, 238.072, 413.051, and 1012.875 F.S. respectively, to change cross references consistent with the changes in this bill.

Important State Interest

Section 13 makes a finding that the bill fulfills an important state interest.

Effective Date

Section 14 provides an effective date of July 1, 2014.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

To the extent this bill requires cities and counties to spend money or take action that requires the expenditure of money, the mandates provision of Art. VII, s. 18, of the State Constitution may apply. If those constitutional provisions do apply, in order for the law to be binding upon the cities and counties, the Legislature must find that the law fulfills an important state interest (included in section 14 of the bill), and one of the following relevant exceptions must be met:

- Funds estimated at the time of enactment sufficient to fund such expenditures are appropriated;
- Counties and cities are authorized to enact a funding source not available for such local government on February 1, 1989, that can be used to generate the amount of funds necessary to fund the expenditures;
- The expenditure is required to comply with a law that applies to all persons similarly situated; or
- The law must be approved by two-thirds of the membership of each house of the Legislature.

This bill contains a statement indicating that the bill fulfills an important state interest and the bill applies to similarly situated persons (all employers who participate in the FRS) so it appears that this exception would apply.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

Actuarial Requirements

Article X, s. 14 of the State Constitution requires that benefit improvements under public pension plans in the State of Florida be concurrently funded on a sound actuarial basis, as set forth below:

> SECTION 14. State retirement systems benefit changes.--A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

Article X, s. 14 of the State Constitution is implemented by statute under part VII of ch. 112, F.S., the "Florida Protection of Public Employee Retirement Benefits Act" (Act). The Act establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. It prohibits the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.

Contractual Obligations

Article I, s. 10 of the State Constitution prohibits any bill of attainder, ex post facto law, or law impairing the obligation of contracts from being passed by the Florida Legislature.

The Florida Statutes provide that the rights of members of the FRS are of a contractual nature, entered into between the member and the state, and such rights are legally enforceable as valid contractual rights and may not be abridged in any way.[34] This "preservation of rights" provision[35] was established by the Florida Legislature with an effective date of July 1, 1974.

The Florida Supreme Court has held that the Florida Legislature may only alter the benefits structure of the FRS prospectively.[36] The prospective application would only alter future benefits. Those benefits previously earned or accrued by the member, under the previous benefit structure, remain untouched and the member continues to enjoy that level of benefit for the period of time up until the effective date of the proposed changes.

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[34] Section 121.011(3)(d), F.S.

[35] The "preservation of rights" provision vests all rights and benefits already earned under the present retirement plan so the legislature may now only alter the benefits prospectively. *Florida Sheriffs Association v. Department of Administration, Division of Retirement*, 408 So. 2d 1033, 1037 (Fla. 1981).

[36] *Id*. at 1035.

Further, once the participating member reaches retirement status, the benefits under the terms of the FRS in effect at the time of the member's retirement vest.[37]

The Florida Supreme Court further held that the "preservation of rights" provision was not intended to bind future legislatures from prospectively altering benefits which accrue for future state service.[38] More recently, the Florida Supreme Court reaffirmed the previous holding, finding that the Legislature can alter the terms of the FRS, so long as the changes to the FRS are prospective.[39]

This bill does not change any benefits that a member earned prior to July 1, 2014.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

A number of the provisions of the bill will require actuarial studies to determine the fiscal impact on the FRS. This legislation impacts the FRS in the following ways:

- Shifts new members of the FRS to the Investment Plan if the member does not take an action to select participation in the Pension Plan of the FRS;
- Restricts new members initially enrolling in the Senior Management Class or the Elected Officers' Class from participating in the Pension Plan of the FRS;
- Increases the service credit needed to vest in the Pension Plan of the FRS from 8 years to 10 years;
- Reduces the employee contributions required for participation in the Investment Plan, resulting in increased employer contributions on behalf of those same participants.

The DMS has commissioned an actuarial study to determine the overall fiscal impacts of the policy modifications included in this legislation; the study is expected to be completed by April 12, 2013. In lieu of the overall study, the fiscal impacts of the component parts of the legislation are noted below. It should be noted that the fiscal impacts of the components should not be aggregated as a final estimate.

[37] *Id*. at 1036.
[38] *Id*. at 1037.
[39] *Rick Scott, et al. v. George Williams, et al*., 2013 WL 173955 (Fla. 2013).

Investment Plan as the default plan

Milliman, Inc., completed an actuarial study,[40] dated March 14, 2013, to determine the actuarial impact on the FRS of setting the Investment Plan as the default plan of participation when the newly enrolled member otherwise fails to make a plan participation election. Based on this special study, the savings associated with setting the default plan to the Investment Plan for the Regular Class and the Special Risk Class is shown in the table below. The savings reflect the potential annual reductions in employer contributions to be paid into the FRS.

Employer	Annualized Impact	Estimated General Revenue Costs	Estimated Trust Fund Costs
State agencies	($1.2 m)	($0.7 m)	($0.5 m)
School Boards	($2.4 m)	($2.4 m)	0
Universities	($0.7 m)	($0.7 m)	0
Colleges	($0.2 m)	($0.2 m)	0
Local Governments	($3.0 m)	0	0
Total	($7.5 m)	($4.0 m)	($.5 m)

Restricting Participation in the Pension Plan

Milliman, Inc., completed an actuarial study, dated March 1, 2013, to determine the actuarial impact of mandating members initially enrolling in the FRS on or after January 1, 2014, to be compulsory members of the Investment Plan. While the Milliman study was broader than the provisions of this legislation (which only mandate members initially enrolling in the FRS on or after January 1, 2014, as members of the Senior Management Class or the Elected Officers' Class to participate in the Investment Plan), the portion of the study limited to these two affected classes may be illustrative of the actuarial impacts of this legislation.

Based on the March 1 actuarial study, this policy modification has an insignificant actuarial impact on the FRS.

Ten year vesting in the Pension Plan

In 2012, Milliman, Inc., completed a special study[41] to determine the actuarial impact of increasing the vesting period for the Pension Plan from 8 years to 10 years for members initially enrolling on or after July 1, 2012. While this study should not be relied upon for budgeting purposes related to this legislation for the current year, it is illustrative of the magnitude of the potential impact of this policy modification.

[40] "Study Reflecting the Impact to the Florida Retirement System of Members Initially Enrolled on or after January 1, 2014, Defaulting into Investment Plan," prepared by Milliman, Inc. and dated March 13, 2013 (copy on file with the Senate Governmental Oversight and Accountability Committee).

[41] "Study Reflecting the Impact to the Florida Retirement System of Increasing the Vesting Period for Members Initially Enrolled on or after July 1, 2012," prepared by Milliman, Inc., and dated January 13, 2012 (copy on file with the Senate Governmental Oversight and Accountability Committee).

Based on this special study, dated January 13, 2012, the savings associated with extending the vesting period in the FRS Pension Plan is shown in the table below. The savings reflect the potential reductions in employer contributions to be paid into the FRS.

Employer	Annualized Impact	Estimated General Revenue Costs	Estimated Trust Fund Costs
State agencies	($2.2 m)	($1.2 m)	($1.0 m)
School Boards	($5.9 m)	($5.9 m)	0
Universities	($0.2 m)	($0.2 m)	0
Colleges	($0.4 m)	($0.4 m)	0
Local Governments	($4.4 m)	0	0
Total	($13.1 m)	($7.7 m)	($1.0 m)

Reducing employee contributions for Investment Plan members

This legislation reduces the retirement contribution paid by employees participating in the Investment Plan from 3 percent of salary to 2 percent of salary; however, the amounts deposited into the Investment Plan member accounts are not reduced. This results in an offsetting increase in the employer-paid contribution on behalf of the Investment Plan members. Based on data from the DMS, the aggregate employee contributions paid during calendar year 2012 were roughly $135.1 million. The table below shows the shift in costs from members to the applicable employers. These costs reflect the estimated increases in employer contributions to be paid into the FRS.

Employer	2012 Employee Contributions	2012 Payroll	1% member contribution	Estimated General Revenue Cost	Estimated Trust Fund Cost
State agencies	$26,168,300	$872,276,682	$8,722,766	$4.8 m	$3.9 m
School Boards	$51,490,241	$1,716,341,380	$17,163,413	$17.2 m	0
Universities	$7,244,173	$241,472,457	$2,414,724	$2.4 m	0
Colleges	$6,588,547	$219,618,263	$2,196,182	$2.2 m	0
Local Governments	$43,648,599	$1,454,953,301	$14,549,533	0	0
Total	$135,139,862	$4,504,662,083	$45,046,620	$26.6 m	$3.9 m

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on March 28, 2013:
The committee substitute makes the following changes to the bill:

- Changes the effective date of the bill from January 1, 2014 to July 1, 2014.
- Removes section 13 of the CS by Governmental Oversight and Accountability, which set up changes to the contributions rates necessary to fund the changes in the bill.

CS by Governmental Oversight and Accountability on March 14, 2013:
The CS makes technical and clarifying changes.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Benacquisto) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete everything after the enacting clause
4 and insert:
5 Section 1. Subsection (45) of section 121.021, Florida
6 Statutes, is amended to read:
7 121.021 Definitions.—The following words and phrases as
8 used in this chapter have the respective meanings set forth
9 unless a different meaning is plainly required by the context:
10 (45) "Vested" or "vesting" means the guarantee that a
11 member is eligible to receive a future retirement benefit upon
12 completion of the required years of creditable service for the

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13 employee's class of membership, even though the member may have
14 terminated covered employment before reaching normal or early
15 retirement date. Being vested does not entitle a member to a
16 disability benefit. Provisions governing entitlement to
17 disability benefits are set forth under s. 121.091(4).
18 (a) Effective July 1, 2001, through June 30, 2011, a 6-year
19 vesting requirement shall be implemented for the Florida
20 Retirement System Pension Plan:
21 1. Any member employed in a regularly established position
22 on July 1, 2001, who completes or has completed a total of 6
23 years of creditable service is considered vested.
24 2. Any member initially enrolled in the Florida Retirement
25 System before July 1, 2001, but not employed in a regularly
26 established position on July 1, 2001, shall be deemed vested
27 upon completion of 6 years of creditable service if such member
28 is employed in a covered position for at least 1 work year after
29 July 1, 2001. However, a member is not required to complete more
30 years of creditable service than would have been required for
31 that member to vest under retirement laws in effect before July
32 1, 2001.
33 3. Any member initially enrolled in the Florida Retirement
34 System on July 1, 2001, through June 30, 2011, shall be deemed
35 vested upon completion of 6 years of creditable service.
36 (b) Any member initially enrolled in the Florida Retirement
37 System on ~~or after~~ July 1, 2011, through June 30, 2013, shall be
38 vested in the pension plan upon completion of 8 years of
39 creditable service.
40 (c) Any member initially enrolled in the Florida Retirement
41 System on or after July 1, 2014, shall be vested in the pension

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42 plan upon completion of 10 years of creditable service.
43 Section 2. Paragraph (c) of subsection (2) of section
44 121.051, Florida Statutes, is amended, present subsections (3)
45 through (9) of that section are renumbered as subsections (4)
46 through (10), respectively, and a new subsection (3) is added to
47 that section, to read:
48 121.051 Participation in the system.—
49 (2) OPTIONAL PARTICIPATION.—
50 (c) Employees of public community colleges or charter
51 technical career centers sponsored by public community colleges,
52 designated in s. 1000.21(3), who are members of the Regular
53 Class of the Florida Retirement System and who comply with the
54 criteria set forth in this paragraph and s. 1012.875 may, in
55 lieu of participating in the Florida Retirement System, elect to
56 withdraw from the system altogether and participate in the State
57 Community College System Optional Retirement Program provided by
58 the employing agency under s. 1012.875.
59 1.a. Through June 30, 2001, the cost to the employer for
60 benefits under the optional retirement program equals the normal
61 cost portion of the employer retirement contribution which would
62 be required if the employee were a member of the pension plan's
63 Regular Class, plus the portion of the contribution rate
64 required by s. 112.363(8) which would otherwise be assigned to
65 the Retiree Health Insurance Subsidy Trust Fund.
66 b. Effective July 1, 2001, through June 30, 2011, each
67 employer shall contribute on behalf of each member of the
68 optional program an amount equal to 10.43 percent of the
69 employee's gross monthly compensation. The employer shall deduct
70 an amount for the administration of the program.

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71 c. Effective July 1, 2011, through June 30, 2012, each
72 member shall contribute an amount equal to the employee
73 contribution required under s. 121.71(3)(a). The employer shall
74 contribute on behalf of each program member an amount equal to
75 the difference between 10.43 percent of the employee's gross
76 monthly compensation and the employee's required contribution
77 based on the employee's gross monthly compensation.
78 d. Effective July 1, 2012, each member shall contribute an
79 amount equal to the employee contribution required under s.
80 121.71(3)(a). The employer shall contribute on behalf of each
81 program member an amount equal to the difference between 8.15
82 percent of the employee's gross monthly compensation and the
83 employee's required contribution based on the employee's gross
84 monthly compensation.
85 e. The employer shall contribute an additional amount to
86 the Florida Retirement System Trust Fund equal to the unfunded
87 actuarial accrued liability portion of the Regular Class
88 contribution rate.
89 2. The decision to participate in the optional retirement
90 program is irrevocable as long as the employee holds a position
91 eligible for participation, except as provided in subparagraph
92 3. Any service creditable under the Florida Retirement System is
93 retained after the member withdraws from the system; however,
94 additional service credit in the system may not be earned while
95 a member of the optional retirement program.
96 3. An employee who has elected to participate in the
97 optional retirement program shall have one opportunity, at the
98 employee's discretion, to transfer from the optional retirement
99 program to the pension plan of the Florida Retirement System or

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100 to the investment plan established under part II of this
101 chapter, subject to the terms of the applicable optional
102 retirement program contracts.
103 a. If the employee chooses to move to the investment plan,
104 any contributions, interest, and earnings creditable to the
105 employee under the optional retirement program are retained by
106 the employee in the optional retirement program, and the
107 applicable provisions of s. 121.4501(4) govern the election.
108 b. If the employee chooses to move to the pension plan of
109 the Florida Retirement System, the employee shall receive
110 service credit equal to his or her years of service under the
111 optional retirement program.
112 (I) The cost for such credit is the amount representing the
113 present value of the employee’s accumulated benefit obligation
114 for the affected period of service. The cost shall be calculated
115 as if the benefit commencement occurs on the first date the
116 employee becomes eligible for unreduced benefits, using the
117 discount rate and other relevant actuarial assumptions that were
118 used to value the Florida Retirement System Pension Plan
119 liabilities in the most recent actuarial valuation. The
120 calculation must include any service already maintained under
121 the pension plan in addition to the years under the optional
122 retirement program. The present value of any service already
123 maintained must be applied as a credit to total cost resulting
124 from the calculation. The division must ensure that the transfer
125 sum is prepared using a formula and methodology certified by an
126 enrolled actuary.
127 (II) The employee must transfer from his or her optional
128 retirement program account and from other employee moneys as

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129 necessary, a sum representing the present value of the
130 employee's accumulated benefit obligation immediately following
131 the time of such movement, determined assuming that attained
132 service equals the sum of service in the pension plan and
133 service in the optional retirement program.
134 4. Participation in the optional retirement program is
135 limited to employees who satisfy the following eligibility
136 criteria:
137 a. The employee is otherwise eligible for membership or
138 renewed membership in the Regular Class of the Florida
139 Retirement System, as provided in s. 121.021(11) and (12) or s.
140 121.122.
141 b. The employee is employed in a full-time position
142 classified in the Accounting Manual for Florida's Public
143 Community Colleges as:
144 (I) Instructional; or
145 (II) Executive Management, Instructional Management, or
146 Institutional Management and the community college determines
147 that recruiting to fill a vacancy in the position is to be
148 conducted in the national or regional market, and the duties and
149 responsibilities of the position include the formulation,
150 interpretation, or implementation of policies, or the
151 performance of functions that are unique or specialized within
152 higher education and that frequently support the mission of the
153 community college.
154 c. The employee is employed in a position not included in
155 the Senior Management Service Class of the Florida Retirement
156 System as described in s. 121.055.
157 5. Members of the program are subject to the same

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158 reemployment limitations, renewed membership provisions, and
159 forfeiture provisions applicable to regular members of the
160 Florida Retirement System under ss. 121.091(9), 121.122, and
161 121.091(5), respectively. A member who receives a program
162 distribution funded by employer and required employee
163 contributions is deemed to be retired from a state-administered
164 retirement system if the member is subsequently employed with an
165 employer that participates in the Florida Retirement System.
166 6. Eligible community college employees are compulsory
167 members of the Florida Retirement System until, pursuant to s.
168 1012.875, a written election to withdraw from the system and
169 participate in the optional retirement program is filed with the
170 program administrator and received by the division.
171 a. A community college employee whose program eligibility
172 results from initial employment shall be enrolled in the
173 optional retirement program retroactive to the first day of
174 eligible employment. The employer and employee retirement
175 contributions paid through the month of the employee plan change
176 shall be transferred to the community college to the employee's
177 optional program account, and, effective the first day of the
178 next month, the employer shall pay the applicable contributions
179 based upon subparagraph 1.
180 b. A community college employee whose program eligibility
181 is due to the subsequent designation of the employee's position
182 as one of those specified in subparagraph 4., or due to the
183 employee's appointment, promotion, transfer, or reclassification
184 to a position specified in subparagraph 4., must be enrolled in
185 the program on the first day of the first full calendar month
186 that such change in status becomes effective. The employer and

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187 employee retirement contributions paid from the effective date
188 through the month of the employee plan change must be
189 transferred to the community college to the employee's optional
190 program account, and, effective the first day of the next month,
191 the employer shall pay the applicable contributions based upon
192 subparagraph 1.
193 7. Effective July 1, 2003, through December 31, 2008, any
194 member of the optional retirement program who has service credit
195 in the pension plan of the Florida Retirement System for the
196 period between his or her first eligibility to transfer from the
197 pension plan to the optional retirement program and the actual
198 date of transfer may, during employment, transfer to the
199 optional retirement program a sum representing the present value
200 of the accumulated benefit obligation under the defined benefit
201 retirement program for the period of service credit. Upon
202 transfer, all service credit previously earned under the pension
203 plan during this period is nullified for purposes of entitlement
204 to a future benefit under the pension plan.
205 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—
206 (a) Employees initially enrolled on or after July 1, 2014,
207 in positions covered by the Elected Officers' Class or the
208 Senior Management Service Class are compulsory members of the
209 investment plan, except those eligible to withdraw from the
210 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
211 eligible for optional retirement programs under paragraph
212 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
213 membership continues if there is subsequent employment in a
214 position covered by another membership class. Membership in the
215 pension plan is not permitted except as provided in s.

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216 121.591(2). Employees initially enrolled in the Florida
217 Retirement System prior to July 1, 2014, may retain their
218 membership in the pension plan or investment plan and are
219 eligible to use the election opportunity specified in s.
220 121.4501(4)(f). Employees initially enrolled on or after July 1,
221 2014, are not eligible to use the election opportunity specified
222 in s. 121.4501(4)(f).
223 (b) Employees eligible to withdraw from the system under s.
224 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from
225 the system or to participate in the investment plan as provided
226 in these sections. Employees eligible for optional retirement
227 programs under paragraph (2)(c) or s. 121.35 may choose to
228 participate in the optional retirement program or the investment
229 plan as provided in this paragraph or this section. Eligible
230 employees required to participate pursuant to (1)(a) in the
231 optional retirement program as provided under s. 121.35 must
232 participate in the investment plan when employed in a position
233 not eligible for the optional retirement program.
234 Section 3. Paragraph (c) of subsection (3) of section
235 121.052, Florida Statutes, is amended to read:
236 121.052 Membership class of elected officers.—
237 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
238 1, 1990, participation in the Elected Officers' Class shall be
239 compulsory for elected officers listed in paragraphs (2)(a)-(d)
240 and (f) assuming office on or after said date, unless the
241 elected officer elects membership in another class or withdraws
242 from the Florida Retirement System as provided in paragraphs
243 (3)(a)-(d):
244 (c) Before July 1, 2014, any elected officer may, within 6

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245 months after assuming office, or within 6 months after this act
246 becomes a law for serving elected officers, elect membership in
247 the Senior Management Service Class as provided in s. 121.055 in
248 lieu of membership in the Elected Officers' Class. Any such
249 election made by a county elected officer shall have no effect
250 upon the statutory limit on the number of nonelective full-time
251 positions that may be designated by a local agency employer for
252 inclusion in the Senior Management Service Class under s.
253 121.055(1)(b)1.
254 Section 4. Paragraph (f) of subsection (1) and paragraph
255 (c) of subsection (6) of section 121.055, Florida Statutes, are
256 amended to read:
257 121.055 Senior Management Service Class.—There is hereby
258 established a separate class of membership within the Florida
259 Retirement System to be known as the "Senior Management Service
260 Class," which shall become effective February 1, 1987.
261 (1)
262 (f) Effective July 1, 1997, through June 30, 2014:
263 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
264 4., an elected state officer eligible for membership in the
265 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who
266 elects membership in the Senior Management Service Class under
267 s. 121.052(3)(c) may, within 6 months after assuming office or
268 within 6 months after this act becomes a law for serving elected
269 state officers, elect to participate in the Senior Management
270 Service Optional Annuity Program, as provided in subsection (6),
271 in lieu of membership in the Senior Management Service Class.
272 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
273 4., an elected officer of a local agency employer eligible for

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274 membership in the Elected Officers' Class under s. 121.052(2)(d)
275 who elects membership in the Senior Management Service Class
276 under s. 121.052(3)(c) may, within 6 months after assuming
277 office, or within 6 months after this act becomes a law for
278 serving elected officers of a local agency employer, elect to
279 withdraw from the Florida Retirement System, as provided in
280 subparagraph (b)2., in lieu of membership in the Senior
281 Management Service Class.
282 3. A retiree of a state-administered retirement system who
283 is initially reemployed in a regularly established position on
284 or after July 1, 2010, as an elected official eligible for the
285 Elected Officers' Class may not be enrolled in renewed
286 membership in the Senior Management Service Class or in the
287 Senior Management Service Optional Annuity Program as provided
288 in subsection (6), and may not withdraw from the Florida
289 Retirement System as a renewed member as provided in
290 subparagraph (b)2., as applicable, in lieu of membership in the
291 Senior Management Service Class.
292 4. On or after July 1, 2014, an elected officer eligible
293 for membership in the Elected Officers' Class may not be
294 enrolled in the Senior Management Service Class or in the Senior
295 Management Service Optional Annuity Program as provided in
296 subsection (6).
297 (6)
298 (c) *Participation.*—
299 1. An eligible employee who is employed on or before
300 February 1, 1987, may elect to participate in the optional
301 annuity program in lieu of participating in the Senior
302 Management Service Class. Such election must be made in writing

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303 and filed with the department and the personnel officer of the
304 employer on or before May 1, 1987. An eligible employee who is
305 employed on or before February 1, 1987, and who fails to make an
306 election to participate in the optional annuity program by May
307 1, 1987, shall be deemed to have elected membership in the
308 Senior Management Service Class.
309 2. Except as provided in subparagraph 6., an employee who
310 becomes eligible to participate in the optional annuity program
311 by reason of initial employment commencing after February 1,
312 1987, may, within 90 days after the date of commencing
313 employment, elect to participate in the optional annuity
314 program. Such election must be made in writing and filed with
315 the personnel officer of the employer. An eligible employee who
316 does not within 90 days after commencing employment elect to
317 participate in the optional annuity program shall be deemed to
318 have elected membership in the Senior Management Service Class.
319 3. A person who is appointed to a position in the Senior
320 Management Service Class and who is a member of an existing
321 retirement system or the Special Risk or Special Risk
322 Administrative Support Classes of the Florida Retirement System
323 may elect to remain in such system or class in lieu of
324 participating in the Senior Management Service Class or optional
325 annuity program. Such election must be made in writing and filed
326 with the department and the personnel officer of the employer
327 within 90 days after such appointment. An eligible employee who
328 fails to make an election to participate in the existing system,
329 the Special Risk Class of the Florida Retirement System, the
330 Special Risk Administrative Support Class of the Florida
331 Retirement System, or the optional annuity program shall be

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332 deemed to have elected membership in the Senior Management
333 Service Class.
334 4. Except as provided in subparagraph 5., an employee's
335 election to participate in the optional annuity program is
336 irrevocable if the employee continues to be employed in an
337 eligible position and continues to meet the eligibility
338 requirements set forth in this paragraph.
339 5. Effective from July 1, 2002, through September 30, 2002,
340 an active employee in a regularly established position who has
341 elected to participate in the Senior Management Service Optional
342 Annuity Program has one opportunity to choose to move from the
343 Senior Management Service Optional Annuity Program to the
344 Florida Retirement System Pension Plan.
345 a. The election must be made in writing and must be filed
346 with the department and the personnel officer of the employer
347 before October 1, 2002, or, in the case of an active employee
348 who is on a leave of absence on July 1, 2002, within 90 days
349 after the conclusion of the leave of absence. This election is
350 irrevocable.
351 b. The employee shall receive service credit under the
352 pension plan equal to his or her years of service under the
353 Senior Management Service Optional Annuity Program. The cost for
354 such credit is the amount representing the present value of that
355 employee's accumulated benefit obligation for the affected
356 period of service.
357 c. The employee must transfer the total accumulated
358 employer contributions and earnings on deposit in his or her
359 Senior Management Service Optional Annuity Program account. If
360 the transferred amount is not sufficient to pay the amount due,

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361 the employee must pay a sum representing the remainder of the
362 amount due. The employee may not retain any employer
363 contributions or earnings from the Senior Management Service
364 Optional Annuity Program account.
365 6. A retiree of a state-administered retirement system who
366 is initially reemployed on or after July 1, 2010, may not renew
367 membership in the Senior Management Service Optional Annuity
368 Program.
369 7. Effective July 1, 2014, the Senior Management Service
370 Optional Annuity Program is closed to new members. Members
371 enrolled in the Senior Management Service Optional Annuity
372 Program before July 1, 2014, may retain their membership in the
373 annuity program.
374 Section 5. Paragraph (a) of subsection (4) of section
375 121.091, Florida Statutes, is amended to read:
376 121.091 Benefits payable under the system.—Benefits may not
377 be paid under this section unless the member has terminated
378 employment as provided in s. 121.021(39)(a) or begun
379 participation in the Deferred Retirement Option Program as
380 provided in subsection (13), and a proper application has been
381 filed in the manner prescribed by the department. The department
382 may cancel an application for retirement benefits when the
383 member or beneficiary fails to timely provide the information
384 and documents required by this chapter and the department's
385 rules. The department shall adopt rules establishing procedures
386 for application for retirement benefits and for the cancellation
387 of such application when the required information or documents
388 are not received.
389 (4) DISABILITY RETIREMENT BENEFIT.—

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390 (a) *Disability retirement; entitlement and effective date.*—
391 1.a. A member who becomes totally and permanently disabled,
392 as defined in paragraph (b), after completing 5 years of
393 creditable service, or a member who becomes totally and
394 permanently disabled in the line of duty regardless of service,
395 is entitled to a monthly disability benefit; except that any
396 member with less than 5 years of creditable service on July 1,
397 1980, or any person who becomes a member of the Florida
398 Retirement System on or after such date must have completed 10
399 years of creditable service before becoming totally and
400 permanently disabled in order to receive disability retirement
401 benefits for any disability which occurs other than in the line
402 of duty. However, if a member employed on July 1, 1980, who has
403 less than 5 years of creditable service as of that date becomes
404 totally and permanently disabled after completing 5 years of
405 creditable service and is found not to have attained fully
406 insured status for benefits under the federal Social Security
407 Act, such member is entitled to a monthly disability benefit.
408 b. Effective July 1, 2001, a member of the pension plan
409 initially enrolled before July 1, 2014, who becomes totally and
410 permanently disabled, as defined in paragraph (b), after
411 completing 8 years of creditable service, or a member who
412 becomes totally and permanently disabled in the line of duty
413 regardless of service, is entitled to a monthly disability
414 benefit.
415 c. Effective July 1, 2014, a member of the pension plan
416 initially enrolled on or after July 1, 2014, who becomes totally
417 and permanently disabled, as defined in paragraph (b), after
418 completing 10 years of creditable service, or a member who

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419 becomes totally and permanently disabled in the line of duty
420 regardless of service, is entitled to a monthly disability
421 benefit.
422 2. If the division has received from the employer the
423 required documentation of the member's termination of
424 employment, the effective retirement date for a member who
425 applies and is approved for disability retirement shall be
426 established by rule of the division.
427 3. For a member who is receiving Workers' Compensation
428 payments, the effective disability retirement date may not
429 precede the date the member reaches Maximum Medical Improvement
430 (MMI), unless the member terminates employment before reaching
431 MMI.
432 Section 6. Subsection (1), paragraph (i) of subsection (2),
433 paragraph (b) of subsection (3), subsection (4), paragraph (c)
434 of subsection (5), subsection (8), and paragraphs (a), (b), (c),
435 and (h) of subsection (10) of section 121.4501, Florida
436 Statutes, are amended to read:
437 121.4501 Florida Retirement System Investment Plan.—
438 (1) The Trustees of the State Board of Administration shall
439 establish a defined contribution program called the "Florida
440 Retirement System Investment Plan" or "investment plan" for
441 members of the Florida Retirement System under which retirement
442 benefits will be provided for eligible employees who elect to
443 participate in the program and for employees initially enrolled
444 on or after July 1, 2014, in positions covered by the Elected
445 Officers' Class or the Senior Management Service Class and are
446 compulsory members of the investment plan unless otherwise
447 eligible to withdraw from the system under s. 121.052(3)(d) or

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448 s. 121.055(1)(b)2., or to participate in an optional retirement
449 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
450 Investment plan membership continues if there is subsequent
451 employment in a position covered by another membership class.
452 The retirement benefits shall be provided through member-
453 directed investments, in accordance with s. 401(a) of the
454 Internal Revenue Code and related regulations. The employer and
455 employee shall make contributions, as provided in this section
456 and ss. 121.571 and 121.71, to the Florida Retirement System
457 Investment Plan Trust Fund toward the funding of benefits.
458 (2) DEFINITIONS.—As used in this part, the term:
459 (i) "Member" or "employee" means an eligible employee who
460 enrolls in or is defaulted into the investment plan as provided
461 in subsection (4), a terminated Deferred Retirement Option
462 Program member as described in subsection (21), or a beneficiary
463 or alternate payee of a member or employee.
464 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—
465 (b) Notwithstanding paragraph (a), an eligible employee who
466 elects to participate in or is defaulted into the investment
467 plan and establishes one or more individual member accounts may
468 elect to transfer to the investment plan a sum representing the
469 present value of the employee's accumulated benefit obligation
470 under the pension plan, except as provided in paragraph (4)(b).
471 Upon transfer, all service credit earned under the pension plan
472 is nullified for purposes of entitlement to a future benefit
473 under the pension plan. A member may not transfer the
474 accumulated benefit obligation balance from the pension plan
475 after the time period for enrolling in the investment plan has
476 expired.

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477 1. For purposes of this subsection, the present value of
478 the member's accumulated benefit obligation is based upon the
479 member's estimated creditable service and estimated average
480 final compensation under the pension plan, subject to
481 recomputation under subparagraph 2. For state employees, initial
482 estimates shall be based upon creditable service and average
483 final compensation as of midnight on June 30, 2002; for district
484 school board employees, initial estimates shall be based upon
485 creditable service and average final compensation as of midnight
486 on September 30, 2002; and for local government employees,
487 initial estimates shall be based upon creditable service and
488 average final compensation as of midnight on December 31, 2002.
489 The dates specified are the "estimate date" for these employees.
490 The actuarial present value of the employee's accumulated
491 benefit obligation shall be based on the following:
492 a. The discount rate and other relevant actuarial
493 assumptions used to value the Florida Retirement System Trust
494 Fund at the time the amount to be transferred is determined,
495 consistent with the factors provided in sub-subparagraphs b. and
496 c.
497 b. A benefit commencement age, based on the member's
498 estimated creditable service as of the estimate date.
499 c. Except as provided under sub-subparagraph d., for a
500 member initially enrolled:
501 (I) Before July 1, 2011, the benefit commencement age is
502 the younger of the following, but may not be younger than the
503 member's age as of the estimate date:
504 (A) Age 62; or
505 (B) The age the member would attain if the member completed

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506 30 years of service with an employer, assuming the member worked
507 continuously from the estimate date, and disregarding any
508 vesting requirement that would otherwise apply under the pension
509 plan.
510 (II) On or after July 1, 2011, the benefit commencement age
511 is the younger of the following, but may not be younger than the
512 member’s age as of the estimate date:
513 (A) Age 65; or
514 (B) The age the member would attain if the member completed
515 33 years of service with an employer, assuming the member worked
516 continuously from the estimate date, and disregarding any
517 vesting requirement that would otherwise apply under the pension
518 plan.
519 d. For members of the Special Risk Class and for members of
520 the Special Risk Administrative Support Class entitled to retain
521 the special risk normal retirement date:
522 (I) Initially enrolled before July 1, 2011, the benefit
523 commencement age is the younger of the following, but may not be
524 younger than the member’s age as of the estimate date:
525 (A) Age 55; or
526 (B) The age the member would attain if the member completed
527 25 years of service with an employer, assuming the member worked
528 continuously from the estimate date, and disregarding any
529 vesting requirement that would otherwise apply under the pension
530 plan.
531 (II) Initially enrolled on or after July 1, 2011, the
532 benefit commencement age is the younger of the following, but
533 may not be younger than the member’s age as of the estimate
534 date:

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535 (A) Age 60; or
536 (B) The age the member would attain if the member completed
537 30 years of service with an employer, assuming the member worked
538 continuously from the estimate date, and disregarding any
539 vesting requirement that would otherwise apply under the pension
540 plan.
541 e. The calculation must disregard vesting requirements and
542 early retirement reduction factors that would otherwise apply
543 under the pension plan.
544 2. For each member who elects to transfer moneys from the
545 pension plan to his or her account in the investment plan, the
546 division shall recompute the amount transferred under
547 subparagraph 1. within 60 days after the actual transfer of
548 funds based upon the member's actual creditable service and
549 actual final average compensation as of the initial date of
550 participation in the investment plan. If the recomputed amount
551 differs from the amount transferred by $10 or more, the division
552 shall:
553 a. Transfer, or cause to be transferred, from the Florida
554 Retirement System Trust Fund to the member's account the excess,
555 if any, of the recomputed amount over the previously transferred
556 amount together with interest from the initial date of transfer
557 to the date of transfer under this subparagraph, based upon the
558 effective annual interest equal to the assumed return on the
559 actuarial investment which was used in the most recent actuarial
560 valuation of the system, compounded annually.
561 b. Transfer, or cause to be transferred, from the member's
562 account to the Florida Retirement System Trust Fund the excess,
563 if any, of the previously transferred amount over the recomputed

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564 amount, together with interest from the initial date of transfer
565 to the date of transfer under this subparagraph, based upon 6
566 percent effective annual interest, compounded annually, pro rata
567 based on the member’s allocation plan.
568 3. If contribution adjustments are made as a result of
569 employer errors or corrections, including plan corrections,
570 following recomputation of the amount transferred under
571 subparagraph 1., the member is entitled to the additional
572 contributions or is responsible for returning any excess
573 contributions resulting from the correction. However, any return
574 of such erroneous excess pretax contribution by the plan must be
575 made within the period allowed by the Internal Revenue Service.
576 The present value of the member’s accumulated benefit obligation
577 shall not be recalculated.
578 4. As directed by the member, the state board shall
579 transfer or cause to be transferred the appropriate amounts to
580 the designated accounts within 30 days after the effective date
581 of the member’s participation in the investment plan unless the
582 major financial markets for securities available for a transfer
583 are seriously disrupted by an unforeseen event that causes the
584 suspension of trading on any national securities exchange in the
585 country where the securities were issued. In that event, the 30-
586 day period may be extended by a resolution of the state board.
587 Transfers are not commissionable or subject to other fees and
588 may be in the form of securities or cash, as determined by the
589 state board. Such securities are valued as of the date of
590 receipt in the member’s account.
591 5. If the state board or the division receives notification
592 from the United States Internal Revenue Service that this

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593 paragraph or any portion of this paragraph will cause the
594 retirement system, or a portion thereof, to be disqualified for
595 tax purposes under the Internal Revenue Code, the portion that
596 will cause the disqualification does not apply. Upon such
597 notice, the state board and the division shall notify the
598 presiding officers of the Legislature.
599 (4) PARTICIPATION; ENROLLMENT.—
600 (a)1. Effective June 1, 2002, through February 28, 2003, a
601 90-day election period was provided to each eligible employee
602 participating in the Florida Retirement System, preceded by a
603 90-day education period, permitting each eligible employee to
604 elect membership in the investment plan, and an employee who
605 failed to elect the investment plan during the election period
606 remained in the pension plan. An eligible employee who was
607 employed in a regularly established position during the election
608 period was granted the option to make one subsequent election,
609 as provided in paragraph (f). With respect to an eligible
610 employee who did not participate in the initial election period
611 or who are initially ~~employee who is~~ employed in a regularly
612 established position after the close of the initial election
613 period but before July 1, 2014, ~~on June 1, 2002, by a state~~
614 ~~employer:~~
615 ~~a. Any such employee may elect to participate in the~~
616 ~~investment plan in lieu of retaining his or her membership in~~
617 ~~the pension plan. The election must be made in writing or by~~
618 ~~electronic means and must be filed with the third-party~~
619 ~~administrator by August 31, 2002, or, in the case of an active~~
620 ~~employee who is on a leave of absence on April 1, 2002, by the~~
621 ~~last business day of the 5th month following the month the leave~~

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622 ~~of absence concludes. This election is irrevocable, except as~~
623 ~~provided in paragraph (g). Upon making such election, the~~
624 ~~employee shall be enrolled as a member of the investment plan,~~
625 ~~the employee's membership in the Florida Retirement System is~~
626 ~~governed by the provisions of this part, and the employee's~~
627 ~~membership in the pension plan terminates. The employee's~~
628 ~~enrollment in the investment plan is effective the first day of~~
629 ~~the month for which a full month's employer contribution is made~~
630 ~~to the investment plan.~~
631 ~~b. Any such employee who fails to elect to participate in~~
632 ~~the investment plan within the prescribed time period is deemed~~
633 ~~to have elected to retain membership in the pension plan, and~~
634 ~~the employee's option to elect to participate in the investment~~
635 ~~plan is forfeited.~~
636 ~~2. With respect to employees who become eligible to~~
637 ~~participate in the investment plan by reason of employment in a~~
638 ~~regularly established position with a state employer commencing~~
639 ~~after April 1, 2002:~~
640 ~~a. Any~~ such employee shall, by default, be enrolled in the
641 pension plan at the commencement of employment, and may, by the
642 last business day of the 5th month following the employee's
643 month of hire, elect to participate in the investment plan. The
644 employee's election must be made in writing or by electronic
645 means and must be filed with the third-party administrator. The
646 election to participate in the investment plan is irrevocable,
647 except as provided in paragraph (f) ~~(g)~~.
648 a. ~~b.~~ If the employee files such election within the
649 prescribed time period, enrollment in the investment plan is
650 effective on the first day of employment. The retirement

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651 contributions paid through the month of the employee plan change
652 shall be transferred to the investment program, and, effective
653 the first day of the next month, the employer and employee must
654 pay the applicable contributions based on the employee
655 membership class in the program.
656 b.~~c.~~ An employee who fails to elect to participate in the
657 investment plan within the prescribed time period is deemed to
658 have elected to retain membership in the pension plan, and the
659 employee's option to elect to participate in the investment plan
660 is forfeited.
661 2.~~3.~~ With respect to employees who become eligible to
662 participate in the investment plan pursuant to s.
663 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
664 participate in the investment plan in lieu of retaining his or
665 her membership in the State Community College System Optional
666 Retirement Program or the State University System Optional
667 Retirement Program. The election must be made in writing or by
668 electronic means and must be filed with the third-party
669 administrator. This election is irrevocable, except as provided
670 in paragraph (f)~~(g)~~. Upon making such election, the employee
671 shall be enrolled as a member in the investment plan, the
672 employee's membership in the Florida Retirement System is
673 governed by the provisions of this part, and the employee's
674 participation in the State Community College System Optional
675 Retirement Program or the State University System Optional
676 Retirement Program terminates. The employee's enrollment in the
677 investment plan is effective on the first day of the month for
678 which a full month's employer and employee contribution is made
679 to the investment plan.

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680 (b)1. With respect to employees who become eligible to
681 participate in the investment plan, except as provided in
682 paragraph (g), by reason of employment in a regularly
683 established position commencing on or after July 1, 2014, any
684 such employee shall be enrolled in the pension plan at the
685 commencement of employment and may, by the last business day of
686 the 5th month following the employee's month of hire, elect to
687 participate in the pension plan or the investment plan. Eligible
688 employees may make a plan election only if they are earning
689 service credit in an employer-employee relationship consistent
690 with s. 121.021(17)(b), excluding leaves of absence without pay.
691 2. The employee's election must be made in writing or by
692 electronic means and must be filed with the third-party
693 administrator. The election to participate in the pension plan
694 or investment plan is irrevocable, except as provided in
695 paragraph (f).
696 3. If the employee fails to make an election of the pension
697 plan or investment plan within 5 months following the month of
698 hire, the employee is deemed to have elected the investment plan
699 and will be defaulted into the investment plan retroactively to
700 the employee's date of employment. The employee's option to
701 participate in the pension plan is forfeited, except as provided
702 in paragraph (f).
703 4. The amount of the employee and employer contributions
704 paid before the default to the investment plan shall be
705 transferred to the investment plan and shall be placed in a
706 default fund as designated by the State Board of Administration.
707 The employee may move the contributions once an account is
708 activated in the investment plan.

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709 5. Effective the first day of the month after an eligible
710 employee makes a plan election of the pension plan or investment
711 plan, or after the month of default to the investment plan, the
712 employee and employer shall pay the applicable contributions
713 based on the employee membership class in the pension plan or
714 investment plan.
715 ~~4. For purposes of this paragraph, "state employer" means~~
716 ~~any agency, board, branch, commission, community college,~~
717 ~~department, institution, institution of higher education, or~~
718 ~~water management district of the state, which participates in~~
719 ~~the Florida Retirement System for the benefit of certain~~
720 ~~employees.~~
721 ~~(b)1. With respect to an eligible employee who is employed~~
722 ~~in a regularly established position on September 1, 2002, by a~~
723 ~~district school board employer:~~
724 ~~a. Any such employee may elect to participate in the~~
725 ~~investment plan in lieu of retaining his or her membership in~~
726 ~~the pension plan. The election must be made in writing or by~~
727 ~~electronic means and must be filed with the third-party~~
728 ~~administrator by November 30, or, in the case of an active~~
729 ~~employee who is on a leave of absence on July 1, 2002, by the~~
730 ~~last business day of the 5th month following the month the leave~~
731 ~~of absence concludes. This election is irrevocable, except as~~
732 ~~provided in paragraph (g). Upon making such election, the~~
733 ~~employee shall be enrolled as a member of the investment plan,~~
734 ~~the employee's membership in the Florida Retirement System is~~
735 ~~governed by the provisions of this part, and the employee's~~
736 ~~membership in the pension plan terminates. The employee's~~
737 ~~enrollment in the investment plan is effective the first day of~~

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738 ~~the month for which a full month's employer contribution is made~~
739 ~~to the investment program.~~
740 ~~b. Any such employee who fails to elect to participate in~~
741 ~~the investment plan within the prescribed time period is deemed~~
742 ~~to have elected to retain membership in the pension plan, and~~
743 ~~the employee's option to elect to participate in the investment~~
744 ~~plan is forfeited.~~
745 ~~2. With respect to employees who become eligible to~~
746 ~~participate in the investment plan by reason of employment in a~~
747 ~~regularly established position with a district school board~~
748 ~~employer commencing after July 1, 2002:~~
749 ~~a. Any such employee shall, by default, be enrolled in the~~
750 ~~pension plan at the commencement of employment, and may, by the~~
751 ~~last business day of the 5th month following the employee's~~
752 ~~month of hire, elect to participate in the investment plan. The~~
753 ~~employee's election must be made in writing or by electronic~~
754 ~~means and must be filed with the third-party administrator. The~~
755 ~~election to participate in the investment plan is irrevocable,~~
756 ~~except as provided in paragraph (g).~~
757 ~~b. If the employee files such election within the~~
758 ~~prescribed time period, enrollment in the investment plan is~~
759 ~~effective on the first day of employment. The employer~~
760 ~~retirement contributions paid through the month of the employee~~
761 ~~plan change shall be transferred to the investment plan, and,~~
762 ~~effective the first day of the next month, the employer shall~~
763 ~~pay the applicable contributions based on the employee~~
764 ~~membership class in the investment plan.~~
765 ~~c. Any such employee who fails to elect to participate in~~
766 ~~the investment plan within the prescribed time period is deemed~~

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767 ~~to have elected to retain membership in the pension plan, and~~
768 ~~the employee's option to elect to participate in the investment~~
769 ~~plan is forfeited.~~
770 ~~3. For purposes of this paragraph, "district school board~~
771 ~~employer" means any district school board that participates in~~
772 ~~the Florida Retirement System for the benefit of certain~~
773 ~~employees, or a charter school or charter technical career~~
774 ~~center that participates in the Florida Retirement System as~~
775 ~~provided in s. 121.051(2)(d).~~
776 ~~(c)1. With respect to an eligible employee who is employed~~
777 ~~in a regularly established position on December 1, 2002, by a~~
778 ~~local employer:~~
779 ~~a. Any such employee may elect to participate in the~~
780 ~~investment plan in lieu of retaining his or her membership in~~
781 ~~the pension plan. The election must be made in writing or by~~
782 ~~electronic means and must be filed with the third-party~~
783 ~~administrator by February 28, 2003, or, in the case of an active~~
784 ~~employee who is on a leave of absence on October 1, 2002, by the~~
785 ~~last business day of the 5th month following the month the leave~~
786 ~~of absence concludes. This election is irrevocable, except as~~
787 ~~provided in paragraph (g). Upon making such election, the~~
788 ~~employee shall be enrolled as a participant of the investment~~
789 ~~plan, the employee's membership in the Florida Retirement System~~
790 ~~is governed by the provisions of this part, and the employee's~~
791 ~~membership in the pension plan terminates. The employee's~~
792 ~~enrollment in the investment plan is effective the first day of~~
793 ~~the month for which a full month's employer contribution is made~~
794 ~~to the investment plan.~~
795 ~~b. Any such employee who fails to elect to participate in~~

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796 ~~the investment plan within the prescribed time period is deemed~~
797 ~~to have elected to retain membership in the pension plan, and~~
798 ~~the employee's option to elect to participate in the investment~~
799 ~~plan is forfeited.~~
800 ~~2. With respect to employees who become eligible to~~
801 ~~participate in the investment plan by reason of employment in a~~
802 ~~regularly established position with a local employer commencing~~
803 ~~after October 1, 2002:~~
804 ~~a. Any such employee shall, by default, be enrolled in the~~
805 ~~pension plan at the commencement of employment, and may, by the~~
806 ~~last business day of the 5th month following the employee's~~
807 ~~month of hire, elect to participate in the investment plan. The~~
808 ~~employee's election must be made in writing or by electronic~~
809 ~~means and must be filed with the third-party administrator. The~~
810 ~~election to participate in the investment plan is irrevocable,~~
811 ~~except as provided in paragraph (g).~~
812 ~~b. If the employee files such election within the~~
813 ~~prescribed time period, enrollment in the investment plan is~~
814 ~~effective on the first day of employment. The employer~~
815 ~~retirement contributions paid through the month of the employee~~
816 ~~plan change shall be transferred to the investment plan, and,~~
817 ~~effective the first day of the next month, the employer shall~~
818 ~~pay the applicable contributions based on the employee~~
819 ~~membership class in the investment plan.~~
820 ~~c. Any such employee who fails to elect to participate in~~
821 ~~the investment plan within the prescribed time period is deemed~~
822 ~~to have elected to retain membership in the pension plan, and~~
823 ~~the employee's option to elect to participate in the investment~~
824 ~~plan is forfeited.~~

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825 ~~3. For purposes of this paragraph, "local employer" means~~
826 ~~any employer not included in paragraph (a) or paragraph (b).~~
827 (c) ~~(d)~~ Contributions available for self-direction by a
828 member who has not selected one or more specific investment
829 products shall be allocated as prescribed by the state board.
830 The third-party administrator shall notify the member at least
831 quarterly that the member should take an affirmative action to
832 make an asset allocation among the investment products.
833 (d) ~~(e)~~ On or after July 1, 2011, a member of the pension
834 plan who obtains a refund of employee contributions retains his
835 or her prior plan choice upon return to employment in a
836 regularly established position with a participating employer.
837 (e) ~~(f)~~ A member of the investment plan who takes a
838 distribution of any contributions from his or her investment
839 plan account is considered a retiree. A retiree who is initially
840 reemployed in a regularly established position on or after July
841 1, 2010, is not eligible to be enrolled in renewed membership.
842 (f) ~~(g)~~ After the period during which an eligible employee
843 had the choice to elect the pension plan or the investment plan,
844 or the month following the receipt of the eligible employee's
845 plan election, if sooner, the employee shall have one
846 opportunity, at the employee's discretion, to choose to move
847 from the pension plan to the investment plan or from the
848 investment plan to the pension plan. Eligible employees may
849 elect to move between plans only if they are earning service
850 credit in an employer-employee relationship consistent with s.
851 121.021(17)(b), excluding leaves of absence without pay.
852 Effective July 1, 2005, such elections are effective on the
853 first day of the month following the receipt of the election by

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854 the third-party administrator and are not subject to the
855 requirements regarding an employer-employee relationship or
856 receipt of contributions for the eligible employee in the
857 effective month, except when the election is received by the
858 third-party administrator. This paragraph is contingent upon
859 approval by the Internal Revenue Service. This paragraph is not
860 applicable to compulsory investment plan members under paragraph
861 (g).
862 1. If the employee chooses to move to the investment plan,
863 the provisions of subsection (3) govern the transfer.
864 2. If the employee chooses to move to the pension plan, the
865 employee must transfer from his or her investment plan account,
866 and from other employee moneys as necessary, a sum representing
867 the present value of that employee's accumulated benefit
868 obligation immediately following the time of such movement,
869 determined assuming that attained service equals the sum of
870 service in the pension plan and service in the investment plan.
871 Benefit commencement occurs on the first date the employee is
872 eligible for unreduced benefits, using the discount rate and
873 other relevant actuarial assumptions that were used to value the
874 pension plan liabilities in the most recent actuarial valuation.
875 For any employee who, at the time of the second election,
876 already maintains an accrued benefit amount in the pension plan,
877 the then-present value of the accrued benefit is deemed part of
878 the required transfer amount. The division must ensure that the
879 transfer sum is prepared using a formula and methodology
880 certified by an enrolled actuary. A refund of any employee
881 contributions or additional member payments made which exceed
882 the employee contributions that would have accrued had the

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883 member remained in the pension plan and not transferred to the
884 investment plan is not permitted.
885 3. Notwithstanding subparagraph 2., an employee who chooses
886 to move to the pension plan and who became eligible to
887 participate in the investment plan by reason of employment in a
888 regularly established position with a state employer after June
889 1, 2002; a district school board employer after September 1,
890 2002; or a local employer after December 1, 2002, must transfer
891 from his or her investment plan account, and from other employee
892 moneys as necessary, a sum representing the employee's actuarial
893 accrued liability. A refund of any employee contributions or
894 additional member ~~participant~~ payments made which exceed the
895 employee contributions that would have accrued had the member
896 remained in the pension plan and not transferred to the
897 investment plan is not permitted.
898 4. An employee's ability to transfer from the pension plan
899 to the investment plan pursuant to paragraphs (a) and (b)
900 ~~paragraphs (a)-(d)~~, and the ability of a current employee to
901 have an option to later transfer back into the pension plan
902 under subparagraph 2., shall be deemed a significant system
903 amendment. Pursuant to s. 121.031(4), any resulting unfunded
904 liability arising from actual original transfers from the
905 pension plan to the investment plan must be amortized within 30
906 plan years as a separate unfunded actuarial base independent of
907 the reserve stabilization mechanism defined in s. 121.031(3)(f).
908 For the first 25 years, a direct amortization payment may not be
909 calculated for this base. During this 25-year period, the
910 separate base shall be used to offset the impact of employees
911 exercising their second program election under this paragraph.

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912 The actuarial funded status of the pension plan will not be
913 affected by such second program elections in any significant
914 manner, after due recognition of the separate unfunded actuarial
915 base. Following the initial 25-year period, any remaining
916 balance of the original separate base shall be amortized over
917 the remaining 5 years of the required 30-year amortization
918 period.
919 5. If the employee chooses to transfer from the investment
920 plan to the pension plan and retains an excess account balance
921 in the investment plan after satisfying the buy-in requirements
922 under this paragraph, the excess may not be distributed until
923 the member retires from the pension plan. The excess account
924 balance may be rolled over to the pension plan and used to
925 purchase service credit or upgrade creditable service in the
926 pension plan.
927 (g)1. All employees initially enrolled on or after July 1,
928 2014, in positions covered by the Elected Officers' Class or the
929 Senior Management Service Class are compulsory members of the
930 investment plan, except those eligible to withdraw from the
931 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
932 eligible for optional retirement programs under s.
933 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
934 eligible to withdraw from the system under s. 121.052(3)(d) or
935 s. 121.055(1)(b)2. may choose to withdraw from the system or to
936 participate in the investment plan as provided in those
937 sections. Employees eligible for optional retirement programs
938 under s. 121.051(2)(c) or s. 121.35, except as provided in s.
939 121.051(1)(a), may choose to participate in the optional
940 retirement program or the investment plan as provided in those

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941 sections. Investment plan membership continues if there is
942 subsequent employment in a position covered by another
943 membership class. Membership in the pension plan is not
944 permitted except as provided in s. 121.591(2). Employees
945 initially enrolled in the Florida Retirement System prior to
946 July 1, 2014, may retain their membership in the pension plan or
947 investment plan and are eligible to use the election opportunity
948 specified in s. 121.4501(4)(f).
949 2. Employees initially enrolled on or after July 1, 2014,
950 are not permitted to use the election opportunity specified in
951 paragraph (f).
952 3. The amount of retirement contributions paid by the
953 employee and employer, as required under s. 121.72, shall be
954 placed in a default fund as designated by the state board, until
955 an account is activated in the investment plan, at which time
956 the member may move the contributions from the default fund to
957 other funds provided in the investment plan.
958 (5) CONTRIBUTIONS.—
959 (c) The state board, acting as plan fiduciary, must ensure
960 that all plan assets are held in a trust, pursuant to s. 401 of
961 the Internal Revenue Code. The fiduciary must ensure that such
962 contributions are allocated as follows:
963 1. The employer and employee contribution portion earmarked
964 for member accounts shall be used to purchase interests in the
965 appropriate investment vehicles as specified by the member, or
966 in accordance with paragraph (4)(c) ~~(4)(d)~~.
967 2. The employer contribution portion earmarked for
968 administrative and educational expenses shall be transferred to
969 the Florida Retirement System Investment Plan Trust Fund.

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970 3. The employer contribution portion earmarked for
971 disability benefits shall be transferred to the Florida
972 Retirement System Trust Fund.
973 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
974 shall be administered by the state board and affected employers.
975 The state board may require oaths, by affidavit or otherwise,
976 and acknowledgments from persons in connection with the
977 administration of its statutory duties and responsibilities for
978 the investment plan. An oath, by affidavit or otherwise, may not
979 be required of a member at the time of enrollment.
980 Acknowledgment of an employee's election to participate in the
981 program shall be no greater than necessary to confirm the
982 employee's election except for members initially enrolled on or
983 after July 1, 2014, as provided in paragraph (4)(g). The state
984 board shall adopt rules to carry out its statutory duties with
985 respect to administering the investment plan, including
986 establishing the roles and responsibilities of affected state,
987 local government, and education-related employers, the state
988 board, the department, and third-party contractors. The
989 department shall adopt rules necessary to administer the
990 investment plan in coordination with the pension plan and the
991 disability benefits available under the investment plan.
992 (a)1. The state board shall select and contract with a
993 third-party administrator to provide administrative services if
994 those services cannot be competitively and contractually
995 provided by the division. With the approval of the state board,
996 the third-party administrator may subcontract to provide
997 components of the administrative services. As a cost of
998 administration, the state board may compensate any such

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999 contractor for its services, in accordance with the terms of the
1000 contract, as is deemed necessary or proper by the board. The
1001 third-party administrator may not be an approved provider or be
1002 affiliated with an approved provider.
1003 2. These administrative services may include, but are not
1004 limited to, enrollment of eligible employees, collection of
1005 employer and employee contributions, disbursement of
1006 contributions to approved providers in accordance with the
1007 allocation directions of members; services relating to
1008 consolidated billing; individual and collective recordkeeping
1009 and accounting; asset purchase, control, and safekeeping; and
1010 direct disbursement of funds to and from the third-party
1011 administrator, the division, the state board, employers,
1012 members, approved providers, and beneficiaries. This section
1013 does not prevent or prohibit a bundled provider from providing
1014 any administrative or customer service, including accounting and
1015 administration of individual member benefits and contributions;
1016 individual member recordkeeping; asset purchase, control, and
1017 safekeeping; direct execution of the member’s instructions as to
1018 asset and contribution allocation; calculation of daily net
1019 asset values; direct access to member account information; or
1020 periodic reporting to members, at least quarterly, on account
1021 balances and transactions, if these services are authorized by
1022 the state board as part of the contract.
1023 (b)1. The state board shall select and contract with one or
1024 more organizations to provide educational services. With
1025 approval of the state board, the organizations may subcontract
1026 to provide components of the educational services. As a cost of
1027 administration, the state board may compensate any such

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1028 contractor for its services in accordance with the terms of the
1029 contract, as is deemed necessary or proper by the board. The
1030 education organization may not be an approved provider or be
1031 affiliated with an approved provider.
1032 2. Educational services shall be designed by the state
1033 board and department to assist employers, eligible employees,
1034 members, and beneficiaries in order to maintain compliance with
1035 United States Department of Labor regulations under s. 404(c) of
1036 the Employee Retirement Income Security Act of 1974 and to
1037 assist employees in their choice of pension plan or investment
1038 plan retirement alternatives. Educational services include, but
1039 are not limited to, disseminating educational materials;
1040 providing retirement planning education; explaining the pension
1041 plan and the investment plan; and offering financial planning
1042 guidance on matters such as investment diversification,
1043 investment risks, investment costs, and asset allocation. An
1044 approved provider may also provide educational information,
1045 including retirement planning and investment allocation
1046 information concerning its products and services.
1047 (c)1. In evaluating and selecting a third-party
1048 administrator, the state board shall establish criteria for
1049 evaluating the relative capabilities and qualifications of each
1050 proposed administrator. In developing such criteria, the state
1051 board shall consider:
1052 a. The administrator’s demonstrated experience in providing
1053 administrative services to public or private sector retirement
1054 systems.
1055 b. The administrator’s demonstrated experience in providing
1056 daily valued recordkeeping to defined contribution programs.

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1057 c. The administrator’s ability and willingness to
1058 coordinate its activities with employers, the state board, and
1059 the division, and to supply to such employers, the board, and
1060 the division the information and data they require, including,
1061 but not limited to, monthly management reports, quarterly member
1062 reports, and ad hoc reports requested by the department or state
1063 board.
1064 d. The cost-effectiveness and levels of the administrative
1065 services provided.
1066 e. The administrator’s ability to interact with the
1067 members, the employers, the state board, the division, and the
1068 providers; the means by which members may access account
1069 information, direct investment of contributions, make changes to
1070 their accounts, transfer moneys between available investment
1071 vehicles, and transfer moneys between investment products; and
1072 any fees that apply to such activities.
1073 f. Any other factor deemed necessary by the state board.
1074 2. In evaluating and selecting an educational provider, the
1075 state board shall establish criteria under which it shall
1076 consider the relative capabilities and qualifications of each
1077 proposed educational provider. In developing such criteria, the
1078 state board shall consider:
1079 a. Demonstrated experience in providing educational
1080 services to public or private sector retirement systems.
1081 b. Ability and willingness to coordinate its activities
1082 with the employers, the state board, and the division, and to
1083 supply to such employers, the board, and the division the
1084 information and data they require, including, but not limited
1085 to, reports on educational contacts.

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1086 c. The cost-effectiveness and levels of the educational
1087 services provided.
1088 d. Ability to provide educational services via different
1089 media, including, but not limited to, the Internet, personal
1090 contact, seminars, brochures, and newsletters.
1091 e. Any other factor deemed necessary by the state board.
1092 3. The establishment of the criteria shall be solely within
1093 the discretion of the state board.
1094 (d) The state board shall develop the form and content of
1095 any contracts to be offered under the investment plan. In
1096 developing the contracts, the board shall consider:
1097 1. The nature and extent of the rights and benefits to be
1098 afforded in relation to the contributions required under the
1099 plan.
1100 2. The suitability of the rights and benefits provided and
1101 the interests of employers in the recruitment and retention of
1102 eligible employees.
1103 (e)1. The state board may contract for professional
1104 services, including legal, consulting, accounting, and actuarial
1105 services, deemed necessary to implement and administer the
1106 investment plan. The state board may enter into a contract with
1107 one or more vendors to provide low-cost investment advice to
1108 members, supplemental to education provided by the third-party
1109 administrator. All fees under any such contract shall be paid by
1110 those members who choose to use the services of the vendor.
1111 2. The department may contract for professional services,
1112 including legal, consulting, accounting, and actuarial services,
1113 deemed necessary to implement and administer the investment plan
1114 in coordination with the pension plan. The department, in

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1115 coordination with the state board, may enter into a contract
1116 with the third-party administrator in order to coordinate
1117 services common to the various programs within the Florida
1118 Retirement System.
1119 (f) The third-party administrator may not receive direct or
1120 indirect compensation from an approved provider, except as
1121 specifically provided for in the contract with the state board.
1122 (g) The state board shall receive and resolve member
1123 complaints against the program, the third-party administrator,
1124 or any program vendor or provider; shall resolve any conflict
1125 between the third-party administrator and an approved provider
1126 if such conflict threatens the implementation or administration
1127 of the program or the quality of services to employees; and may
1128 resolve any other conflicts. The third-party administrator shall
1129 retain all member records for at least 5 years for use in
1130 resolving any member conflicts. The state board, the third-party
1131 administrator, or a provider is not required to produce
1132 documentation or an audio recording to justify action taken with
1133 regard to a member if the action occurred 5 or more years before
1134 the complaint is submitted to the state board. It is presumed
1135 that all action taken 5 or more years before the complaint is
1136 submitted was taken at the request of the member and with the
1137 member's full knowledge and consent. To overcome this
1138 presumption, the member must present documentary evidence or an
1139 audio recording demonstrating otherwise.
1140 (10) EDUCATION COMPONENT.—
1141 (a) The state board, in coordination with the department,
1142 shall provide for an education component for eligible employees
1143 ~~system members~~ in a manner consistent with the provisions of

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1144 this subsection ~~section~~. ~~The education component must be~~
1145 ~~available to eligible employees at least 90 days prior to the~~
1146 ~~beginning date of the election period for the employees of the~~
1147 ~~respective types of employers.~~
1148 (b) The education component must provide system members
1149 with impartial and balanced information about plan choices
1150 except for members initially enrolled on or after July 1, 2014,
1151 as provided in paragraph (4)(g). The education component must
1152 involve multimedia formats. Program comparisons must, to the
1153 greatest extent possible, be based upon the retirement income
1154 that different retirement programs may provide to the member.
1155 The state board shall monitor the performance of the contract to
1156 ensure that the program is conducted in accordance with the
1157 contract, applicable law, and the rules of the state board.
1158 (c) The state board, in coordination with the department,
1159 shall provide for an initial and ongoing transfer education
1160 component to provide system members except for those members
1161 initially enrolled on or after July 1, 2014, as provided in
1162 paragraph (4)(g), with information necessary to make informed
1163 plan choice decisions. The transfer education component must
1164 include, but is not limited to, information on:
1165 1. The amount of money available to a member to transfer to
1166 the defined contribution program.
1167 2. The features of and differences between the pension plan
1168 and the defined contribution program, both generally and
1169 specifically, as those differences may affect the member.
1170 3. The expected benefit available if the member were to
1171 retire under each of the retirement programs, based on
1172 appropriate alternative sets of assumptions.

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1173 4. The rate of return from investments in the defined
1174 contribution program and the period of time over which such rate
1175 of return must be achieved to equal or exceed the expected
1176 monthly benefit payable to the member under the pension plan.
1177 5. The historical rates of return for the investment
1178 alternatives available in the defined contribution programs.
1179 6. The benefits and historical rates of return on
1180 investments available in a typical deferred compensation plan or
1181 a typical plan under s. 403(b) of the Internal Revenue Code for
1182 which the employee may be eligible.
1183 7. The program choices available to employees of the State
1184 University System and the comparative benefits of each available
1185 program, if applicable.
1186 8. Payout options available in each of the retirement
1187 programs.
1188 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1189 ~~System employers have an obligation to regularly communicate the~~
1190 ~~existence of the two Florida Retirement System plans and the~~
1191 ~~plan choice in the natural course of administering their~~
1192 ~~personnel functions, using the educational materials supplied by~~
1193 ~~the state board and the Department of Management Services.~~
1194 Section 7. Paragraph (b) of subsection (2) of section
1195 121.591, Florida Statutes, is amended to read:
1196 121.591 Payment of benefits.—Benefits may not be paid under
1197 the Florida Retirement System Investment Plan unless the member
1198 has terminated employment as provided in s. 121.021(39)(a) or is
1199 deceased and a proper application has been filed as prescribed
1200 by the state board or the department. Benefits, including
1201 employee contributions, are not payable under the investment

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1202 plan for employee hardships, unforeseeable emergencies, loans,
1203 medical expenses, educational expenses, purchase of a principal
1204 residence, payments necessary to prevent eviction or foreclosure
1205 on an employee's principal residence, or any other reason except
1206 a requested distribution for retirement, a mandatory de minimis
1207 distribution authorized by the administrator, or a required
1208 minimum distribution provided pursuant to the Internal Revenue
1209 Code. The state board or department, as appropriate, may cancel
1210 an application for retirement benefits if the member or
1211 beneficiary fails to timely provide the information and
1212 documents required by this chapter and the rules of the state
1213 board and department. In accordance with their respective
1214 responsibilities, the state board and the department shall adopt
1215 rules establishing procedures for application for retirement
1216 benefits and for the cancellation of such application if the
1217 required information or documents are not received. The state
1218 board and the department, as appropriate, are authorized to cash
1219 out a de minimis account of a member who has been terminated
1220 from Florida Retirement System covered employment for a minimum
1221 of 6 calendar months. A de minimis account is an account
1222 containing employer and employee contributions and accumulated
1223 earnings of not more than $5,000 made under the provisions of
1224 this chapter. Such cash-out must be a complete lump-sum
1225 liquidation of the account balance, subject to the provisions of
1226 the Internal Revenue Code, or a lump-sum direct rollover
1227 distribution paid directly to the custodian of an eligible
1228 retirement plan, as defined by the Internal Revenue Code, on
1229 behalf of the member. Any nonvested accumulations and associated
1230 service credit, including amounts transferred to the suspense

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1231 account of the Florida Retirement System Investment Plan Trust
1232 Fund authorized under s. 121.4501(6), shall be forfeited upon
1233 payment of any vested benefit to a member or beneficiary, except
1234 for de minimis distributions or minimum required distributions
1235 as provided under this section. If any financial instrument
1236 issued for the payment of retirement benefits under this section
1237 is not presented for payment within 180 days after the last day
1238 of the month in which it was originally issued, the third-party
1239 administrator or other duly authorized agent of the state board
1240 shall cancel the instrument and credit the amount of the
1241 instrument to the suspense account of the Florida Retirement
1242 System Investment Plan Trust Fund authorized under s.
1243 121.4501(6). Any amounts transferred to the suspense account are
1244 payable upon a proper application, not to include earnings
1245 thereon, as provided in this section, within 10 years after the
1246 last day of the month in which the instrument was originally
1247 issued, after which time such amounts and any earnings
1248 attributable to employer contributions shall be forfeited. Any
1249 forfeited amounts are assets of the trust fund and are not
1250 subject to chapter 717.
1251 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1252 this subsection are payable in lieu of the benefits that would
1253 otherwise be payable under the provisions of subsection (1).
1254 Such benefits must be funded from employer contributions made
1255 under s. 121.571, transferred employee contributions and funds
1256 accumulated pursuant to paragraph (a), and interest and earnings
1257 thereon.
1258 (b) *Disability retirement; entitlement.*—
1259 1.a. A member of the investment plan initially enrolled

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1260 before July 1, 2014, who becomes totally and permanently
1261 disabled, as defined in paragraph (d), after completing 8 years
1262 of creditable service, or a member who becomes totally and
1263 permanently disabled in the line of duty regardless of length of
1264 service, is entitled to a monthly disability benefit.
1265 b. A member of the investment plan initially enrolled on or
1266 after July 1, 2014, who becomes totally and permanently
1267 disabled, as defined in paragraph (d), after completing 10 years
1268 of creditable service, or a member who becomes totally and
1269 permanently disabled in the line of duty regardless of service,
1270 is entitled to a monthly disability benefit.
1271 2. In order for service to apply toward the ~~8~~ years of
1272 creditable service required for regular disability benefits, or
1273 toward the creditable service used in calculating a service-
1274 based benefit as provided under paragraph (g), the service must
1275 be creditable service as described below:
1276 a. The member's period of service under the investment plan
1277 shall be considered creditable service, except as provided in
1278 subparagraph d.
1279 b. If the member has elected to retain credit for service
1280 under the pension plan as provided under s. 121.4501(3), all
1281 such service shall be considered creditable service.
1282 c. If the member elects to transfer to his or her member
1283 accounts a sum representing the present value of his or her
1284 retirement credit under the pension plan as provided under s.
1285 121.4501(3), the period of service under the pension plan
1286 represented in the present value amounts transferred shall be
1287 considered creditable service, except as provided in
1288 subparagraph d.

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1289 d. If a member has terminated employment and has taken
1290 distribution of his or her funds as provided in subsection (1),
1291 all creditable service represented by such distributed funds is
1292 forfeited for purposes of this subsection.
1293 Section 8. Subsection (3) of section 121.71, Florida
1294 Statutes, is amended to read:
1295 121.71 Uniform rates; process; calculations; levy.—
1296 (3)(a) Required employee retirement contribution rates for
1297 each membership class and subclass of the Florida Retirement
1298 System for the pension plan ~~both retirement plans~~ are as
1299 follows:
1300

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
Regular Class	3.00%
Special Risk Class	3.00%
Special Risk Administrative Support Class	3.00%

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Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
Elected Officers' Class— Justices, Judges	3.00%
Elected Officers' Class— County Elected Officers	3.00%
Senior Management Service Class	3.00%
DROP	0.00%

(b) Required employee retirement contribution rates for each membership class and subclass of the Florida Retirement System for the investment plan are as follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011	Percentage of Gross Compensation, Effective July 1, 2014

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1319
Regular Class 3.00% 2.00%
1320
Special Risk Class 3.00% 2.00%
1321
Special Risk Administrative Support Class 3.00% 2.00%
1322
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders 3.00% 2.00%
1323
Elected Officers' Class— Justices, Judges 3.00% 2.00%
1324
Elected Officers' Class— County Elected Officers 3.00% 2.00%

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1325

Senior Management Service Class	3.00%	2.00%

1326
1327 Section 9. Paragraph (a) of subsection (4) of section
1328 121.35, Florida Statutes, is amended to read:
1329 121.35 Optional retirement program for the State University
1330 System.—
1331 (4) CONTRIBUTIONS.—
1332 (a)1. Through June 30, 2001, each employer shall contribute
1333 on behalf of each member of the optional retirement program an
1334 amount equal to the normal cost portion of the employer
1335 retirement contribution which would be required if the employee
1336 were a regular member of the Florida Retirement System Pension
1337 Plan, plus the portion of the contribution rate required in s.
1338 112.363(8) that would otherwise be assigned to the Retiree
1339 Health Insurance Subsidy Trust Fund.
1340 2. Effective July 1, 2001, through June 30, 2011, each
1341 employer shall contribute on behalf of each member of the
1342 optional retirement program an amount equal to 10.43 percent of
1343 the employee’s gross monthly compensation.
1344 3. Effective July 1, 2011, through June 30, 2012, each
1345 member of the optional retirement program shall contribute an
1346 amount equal to the employee contribution required in s.
1347 121.71(3)(a). The employer shall contribute on behalf of each
1348 such member an amount equal to the difference between 10.43
1349 percent of the employee’s gross monthly compensation and the
1350 amount equal to the employee’s required contribution based on
1351 the employee’s gross monthly compensation.

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1352 4. Effective July 1, 2012, each member of the optional
1353 retirement program shall contribute an amount equal to the
1354 employee contribution required in s. 121.71(3)(a). The employer
1355 shall contribute on behalf of each such member an amount equal
1356 to the difference between 8.15 percent of the employee's gross
1357 monthly compensation and the amount equal to the employee's
1358 required contribution based on the employee's gross monthly
1359 compensation.
1360 5. The payment of the contributions, including
1361 contributions by the employee, shall be made by the employer to
1362 the department, which shall forward the contributions to the
1363 designated company or companies contracting for payment of
1364 benefits for members of the program. However, such contributions
1365 paid on behalf of an employee described in paragraph (3)(c) may
1366 not be forwarded to a company and do not begin to accrue
1367 interest until the employee has executed a contract and notified
1368 the department. The department shall deduct an amount from the
1369 contributions to provide for the administration of this program.
1370 Section 10. Section 238.072, Florida Statutes, is amended
1371 to read:
1372 238.072 Special service provisions for extension
1373 personnel.—All state and county cooperative extension personnel
1374 holding appointments by the United States Department of
1375 Agriculture for extension work in agriculture and home economics
1376 in this state who are joint representatives of the University of
1377 Florida and the United States Department of Agriculture, as
1378 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
1379 Teachers' Retirement System, chapter 238, and who are prohibited
1380 from transferring to and participating in the Florida Retirement

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1381 System, chapter 121, may retire with full benefits upon
1382 completion of 30 years of creditable service and shall be
1383 considered to have attained normal retirement age under this
1384 chapter, any law to the contrary notwithstanding. In order to
1385 comply with the provisions of s. 14, Art. X of the State
1386 Constitution, any liability accruing to the Florida Retirement
1387 System Trust Fund as a result of the provisions of this section
1388 shall be paid on an annual basis from the General Revenue Fund.
1389 Section 11. Subsection (11) of section 413.051, Florida
1390 Statutes, is amended to read:
1391 413.051 Eligible blind persons; operation of vending
1392 stands.—
1393 (11) Effective July 1, 1996, blind licensees who remain
1394 members of the Florida Retirement System pursuant to s.
1395 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1396 retirement costs from their net profits or from program income.
1397 Within 30 days after the effective date of this act, each blind
1398 licensee who is eligible to maintain membership in the Florida
1399 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1400 who elects to withdraw from the system as provided in s.
1401 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1402 1996, notify the Division of Blind Services and the Department
1403 of Management Services in writing of his or her election to
1404 withdraw. Failure to timely notify the divisions shall be deemed
1405 a decision to remain a compulsory member of the Florida
1406 Retirement System. However, if, at any time after July 1, 1996,
1407 sufficient funds are not paid by a blind licensee to cover the
1408 required contribution to the Florida Retirement System, that
1409 blind licensee shall become ineligible to participate in the

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1410 Florida Retirement System on the last day of the first month for
1411 which no contribution is made or the amount contributed is
1412 insufficient to cover the required contribution. For any blind
1413 licensee who becomes ineligible to participate in the Florida
1414 Retirement System as described in this subsection, no creditable
1415 service shall be earned under the Florida Retirement System for
1416 any period following the month that retirement contributions
1417 ceased to be reported. However, any such person may participate
1418 in the Florida Retirement System in the future if employed by a
1419 participating employer in a covered position.
1420 Section 12. Paragraph (a) of subsection (4) of section
1421 1012.875, Florida Statutes, is amended to read:
1422 1012.875 State Community College System Optional Retirement
1423 Program.—Each Florida College System institution may implement
1424 an optional retirement program, if such program is established
1425 therefor pursuant to s. 1001.64(20), under which annuity or
1426 other contracts providing retirement and death benefits may be
1427 purchased by, and on behalf of, eligible employees who
1428 participate in the program, in accordance with s. 403(b) of the
1429 Internal Revenue Code. Except as otherwise provided herein, this
1430 retirement program, which shall be known as the State Community
1431 College System Optional Retirement Program, may be implemented
1432 and administered only by an individual Florida College System
1433 institution or by a consortium of Florida College System
1434 institutions.
1435 (4)(a)1. Through June 30, 2011, each college must
1436 contribute on behalf of each program member an amount equal to
1437 10.43 percent of the employee’s gross monthly compensation.
1438 2. Effective July 1, 2011, through June 30, 2012, each

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1439 member shall contribute an amount equal to the employee
1440 contribution required under s. 121.71(3)(a). The employer shall
1441 contribute on behalf of each program member an amount equal to
1442 the difference between 10.43 percent of the employee's gross
1443 monthly compensation and the employee's required contribution
1444 based on the employee's gross monthly compensation.
1445 3. Effective July 1, 2012, each member shall contribute an
1446 amount equal to the employee contribution required under s.
1447 121.71(3)(a). The employer shall contribute on behalf of each
1448 program member an amount equal to the difference between 8.15
1449 percent of the employee's gross monthly compensation and the
1450 employee's required contribution based on the employee's gross
1451 monthly compensation.
1452 4. The college shall deduct an amount approved by the
1453 district board of trustees of the college to provide for the
1454 administration of the optional retirement program. Payment of
1455 this contribution must be made directly by the college or
1456 through the program administrator to the designated company
1457 contracting for payment of benefits to the program member.
1458 Section 13. The Legislature finds that a proper and
1459 legitimate state purpose is served when employees and retirees
1460 of the state and its political subdivisions, and the dependents,
1461 survivors, and beneficiaries of such employees and retirees, are
1462 extended the basic protections afforded by governmental
1463 retirement systems. These persons must be provided benefits that
1464 are fair and adequate and that are managed, administered, and
1465 funded in an actuarially sound manner, as required by s. 14,
1466 Article X of the State Constitution and part VII of chapter 112,
1467 Florida Statutes. Therefore, the Legislature determines and

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1468 declares that this act fulfills an important state interest.
1469 Section 14. This act shall take effect July 1, 2014.
1470
1471 ========== T I T L E A M E N D M E N T ==========
1472 And the title is amended as follows:
1473 Delete everything before the enacting clause
1474 and insert:
1475 A bill to be entitled
1476 An act relating to retirement; amending s. 121.021,
1477 F.S.; revising the definition of “vested” or
1478 “vesting”; providing that a member initially enrolled
1479 in the Florida Retirement System after a certain date
1480 is vested in the pension plan after 10 years of
1481 creditable service; amending s. 121.051, F.S.;
1482 providing for compulsory membership in the Florida
1483 Retirement System Investment Plan for employees in the
1484 Elected Officers’ Class or the Senior Management
1485 Service Class initially enrolled after a specified
1486 date; conforming cross-references to changes made by
1487 the act; amending s. 121.052, F.S.; prohibiting
1488 members of the Elected Officers’ Class from joining
1489 the Senior Management Service Class after a specified
1490 date; amending s. 121.055, F.S.; prohibiting an
1491 elected official eligible for membership in the
1492 Elected Officers’ Class from enrolling in the Senior
1493 Management Service Class or in the Senior Management
1494 Service Optional Annuity Program; closing the Senior
1495 Management Optional Annuity Program to new members
1496 after a specified date; amending s. 121.091, F.S.;

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1497 providing that certain members are entitled to a
1498 monthly disability benefit; revising provisions to
1499 conform to changes made by the act; amending s.
1500 121.4501, F.S.; requiring certain employees initially
1501 enrolled in the Florida Retirement System on or after
1502 a specified date to be compulsory members of the
1503 investment plan; revising the definition of "member"
1504 or "employee"; revising a provision relating to
1505 acknowledgement of an employee's election to
1506 participate in the investment plan; placing certain
1507 employees in the pension plan from their date of hire
1508 until they are automatically enrolled in the
1509 investment plan or timely elect enrollment in the
1510 pension plan; authorizing certain employees to elect
1511 to participate in the pension plan, rather than the
1512 default investment plan, within a specified time;
1513 providing for the transfer of certain contributions;
1514 revising the education component; deleting the
1515 obligation of system employers to communicate the
1516 existence of both retirement plans; conforming
1517 provisions and cross-references to changes made by the
1518 act; amending s. 121.591, F.S.; revising provisions
1519 relating to disability retirement benefits; amending
1520 s. 121.71, F.S.; decreasing the employee retirement
1521 contribution rates for investment plan members;
1522 amending ss. 121.35, 238.072, 413.051, and 1012.875,
1523 F.S.; conforming cross-references; providing that the
1524 act fulfills an important state interest; providing an
1525 effective date.

858238

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Margolis) recommended the following:

Senate Amendment to Amendment (726700) (with directory and title amendments)

Delete lines 36 - 42.

====== D I R E C T O R Y C L A U S E A M E N D M E N T ======
And the directory clause is amended as follows:
Delete lines 5 - 6
and insert:
Section 1. Paragraph (a) of subsection (45) of section 121.021, Florida Statutes, is amended to read:

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13 ========== T I T L E A M E N D M E N T ==========
14 And the title is amended as follows:
15 Delete lines 1478 - 1481
16 and insert:
17 "vesting"; amending s. 121.051, F.S.

359426

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Sobel) recommended the following:

Senate Amendment to Amendment (726700)

Delete lines 220 - 222
and insert:
121.4501(4)(g). Employees initially enrolled on or after July 1, 2014, are not eligible to use the election opportunity specified in s. 121.4501(4)(g).

401884

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Margolis) recommended the following:

Senate Amendment to Amendment (726700) (with title amendment)

Delete lines 374 - 431.
Delete lines 1194 - 1292.

========== T I T L E A M E N D M E N T ==========
And the title is amended as follows:
Delete lines 1496 - 1519
and insert:
after a specified date; amending s. 121.4501, F.S.; requiring certain employees initially enrolled in the

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13 Florida Retirement System on or after a specified date
14 to be compulsory members of the investment plan;
15 revising the definition of “member” or “employee”;
16 revising a provision relating to acknowledgement of an
17 employee’s election to participate in the investment
18 plan; placing certain employees in the pension plan
19 from their date of hire until they are automatically
20 enrolled in the investment plan or timely elect
21 enrollment in the pension plan; authorizing certain
22 employees to elect to participate in the pension plan,
23 rather than the default investment plan, within a
24 specified time; providing for the transfer of certain
25 contributions; revising the education component;
26 deleting the obligation of system employers to
27 communicate the existence of both retirement plans;
28 conforming provisions and cross-references to changes
29 made by the act; amending

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LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Sobel) recommended the following:

Senate Amendment to Amendment (726700) (with title amendment)

Delete lines 432 - 1162
and insert:
Section 6. Subsection (1), paragraphs (a) and (g) of subsection (4), subsection (8), and paragraphs (a), (b), (c), and (h) of subsection (10) of section 121.4501, Florida Statutes, are amended, and paragraph (h) is added to subsection (4) of that section, to read:
121.4501 Florida Retirement System Investment Plan.—
(1) The Trustees of the State Board of Administration shall

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13 establish a defined contribution program called the "Florida
14 Retirement System Investment Plan" or "investment plan" for
15 members of the Florida Retirement System under which retirement
16 benefits will be provided for eligible employees who elect to
17 participate in the program and for employees initially enrolled
18 on or after July 1, 2014, in positions covered by the Elected
19 Officers' Class or the Senior Management Service Class and are
20 compulsory members of the investment plan unless otherwise
21 eligible to withdraw from the system under s. 121.052(3)(d) or
22 s. 121.055(1)(b)2., or to participate in an optional retirement
23 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
24 Investment plan membership continues if there is subsequent
25 employment in a position covered by another membership class.
26 The retirement benefits shall be provided through member-
27 directed investments, in accordance with s. 401(a) of the
28 Internal Revenue Code and related regulations. The employer and
29 employee shall make contributions, as provided in this section
30 and ss. 121.571 and 121.71, to the Florida Retirement System
31 Investment Plan Trust Fund toward the funding of benefits.
32 (4) PARTICIPATION; ENROLLMENT.—
33 (a)1. Effective June 1, 2002, through February 28, 2003, a
34 90-day election period was provided to each eligible employee
35 participating in the Florida Retirement System, preceded by a
36 90-day education period, permitting each eligible employee to
37 elect membership in the investment plan, and an employee who
38 failed to elect the investment plan during the election period
39 remained in the pension plan. An eligible employee who was
40 employed in a regularly established position during the election
41 period was granted the option to make one subsequent election,

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42 as provided in paragraph (g). With respect to an eligible
43 employee who did not participate in the initial election period
44 or who was initially ~~employee who is~~ employed in a regularly
45 established position after the close of the initial election
46 period but before July 1, 2014, ~~on June 1, 2002, by a state~~
47 ~~employer:~~
48 ~~a. Any such employee may elect to participate in the~~
49 ~~investment plan in lieu of retaining his or her membership in~~
50 ~~the pension plan. The election must be made in writing or by~~
51 ~~electronic means and must be filed with the third-party~~
52 ~~administrator by August 31, 2002, or, in the case of an active~~
53 ~~employee who is on a leave of absence on April 1, 2002, by the~~
54 ~~last business day of the 5th month following the month the leave~~
55 ~~of absence concludes. This election is irrevocable, except as~~
56 ~~provided in paragraph (g). Upon making such election, the~~
57 ~~employee shall be enrolled as a member of the investment plan,~~
58 ~~the employee's membership in the Florida Retirement System is~~
59 ~~governed by the provisions of this part, and the employee's~~
60 ~~membership in the pension plan terminates. The employee's~~
61 ~~enrollment in the investment plan is effective the first day of~~
62 ~~the month for which a full month's employer contribution is made~~
63 ~~to the investment plan.~~
64 ~~b. Any such employee who fails to elect to participate in~~
65 ~~the investment plan within the prescribed time period is deemed~~
66 ~~to have elected to retain membership in the pension plan, and~~
67 ~~the employee's option to elect to participate in the investment~~
68 ~~plan is forfeited.~~
69 ~~2. With respect to employees who become eligible to~~
70 ~~participate in the investment plan by reason of employment in a~~

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71 ~~regularly established position with a state employer commencing~~
72 ~~after April 1, 2002:~~
73 ~~a. Any~~ such employee shall, by default, be enrolled in the
74 pension plan at the commencement of employment, and may, by the
75 last business day of the 5th month following the employee's
76 month of hire, elect to participate in the investment plan. The
77 employee's election must be made in writing or by electronic
78 means and must be filed with the third-party administrator. The
79 election to participate in the investment plan is irrevocable,
80 except as provided in paragraph (g).
81 a.~~b.~~ If the employee files such election within the
82 prescribed time period, enrollment in the investment plan is
83 effective on the first day of employment. The retirement
84 contributions paid through the month of the employee plan change
85 shall be transferred to the investment program, and, effective
86 the first day of the next month, the employer and employee must
87 pay the applicable contributions based on the employee
88 membership class in the program.
89 b.~~c.~~ An employee who fails to elect to participate in the
90 investment plan within the prescribed time period is deemed to
91 have elected to retain membership in the pension plan, and the
92 employee's option to elect to participate in the investment plan
93 is forfeited.
94 2.~~3.~~ With respect to employees who become eligible to
95 participate in the investment plan pursuant to s.
96 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
97 participate in the investment plan in lieu of retaining his or
98 her membership in the State Community College System Optional
99 Retirement Program or the State University System Optional

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100 Retirement Program. The election must be made in writing or by
101 electronic means and must be filed with the third-party
102 administrator. This election is irrevocable, except as provided
103 in paragraph (g). Upon making such election, the employee shall
104 be enrolled as a member in the investment plan, the employee's
105 membership in the Florida Retirement System is governed by the
106 provisions of this part, and the employee's participation in the
107 State Community College System Optional Retirement Program or
108 the State University System Optional Retirement Program
109 terminates. The employee's enrollment in the investment plan is
110 effective on the first day of the month for which a full month's
111 employer and employee contribution is made to the investment
112 plan.
113 3.~~4.~~ For purposes of this paragraph, "state employer" means
114 any agency, board, branch, commission, community college,
115 department, institution, institution of higher education, or
116 water management district of the state, which participates in
117 the Florida Retirement System for the benefit of certain
118 employees.
119 (g) After the period during which an eligible employee had
120 the choice to elect the pension plan or the investment plan, or
121 the month following the receipt of the eligible employee's plan
122 election, if sooner, the employee shall have one opportunity, at
123 the employee's discretion, to choose to move from the pension
124 plan to the investment plan or from the investment plan to the
125 pension plan. Eligible employees may elect to move between plans
126 only if they are earning service credit in an employer-employee
127 relationship consistent with s. 121.021(17)(b), excluding leaves
128 of absence without pay. Effective July 1, 2005, such elections

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129 are effective on the first day of the month following the
130 receipt of the election by the third-party administrator and are
131 not subject to the requirements regarding an employer-employee
132 relationship or receipt of contributions for the eligible
133 employee in the effective month, except when the election is
134 received by the third-party administrator. This paragraph is
135 contingent upon approval by the Internal Revenue Service. This
136 paragraph does not apply to compulsory investment plan members
137 under paragraph (h).
138 1. If the employee chooses to move to the investment plan,
139 the provisions of subsection (3) govern the transfer.
140 2. If the employee chooses to move to the pension plan, the
141 employee must transfer from his or her investment plan account,
142 and from other employee moneys as necessary, a sum representing
143 the present value of that employee's accumulated benefit
144 obligation immediately following the time of such movement,
145 determined assuming that attained service equals the sum of
146 service in the pension plan and service in the investment plan.
147 Benefit commencement occurs on the first date the employee is
148 eligible for unreduced benefits, using the discount rate and
149 other relevant actuarial assumptions that were used to value the
150 pension plan liabilities in the most recent actuarial valuation.
151 For any employee who, at the time of the second election,
152 already maintains an accrued benefit amount in the pension plan,
153 the then-present value of the accrued benefit is deemed part of
154 the required transfer amount. The division must ensure that the
155 transfer sum is prepared using a formula and methodology
156 certified by an enrolled actuary. A refund of any employee
157 contributions or additional member payments made which exceed

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158 the employee contributions that would have accrued had the
159 member remained in the pension plan and not transferred to the
160 investment plan is not permitted.
161 3. Notwithstanding subparagraph 2., an employee who chooses
162 to move to the pension plan and who became eligible to
163 participate in the investment plan by reason of employment in a
164 regularly established position with a state employer after June
165 1, 2002; a district school board employer after September 1,
166 2002; or a local employer after December 1, 2002, must transfer
167 from his or her investment plan account, and from other employee
168 moneys as necessary, a sum representing the employee's actuarial
169 accrued liability. A refund of any employee contributions or
170 additional member ~~participant~~ payments made which exceed the
171 employee contributions that would have accrued had the member
172 remained in the pension plan and not transferred to the
173 investment plan is not permitted.
174 4. An employee's ability to transfer from the pension plan
175 to the investment plan pursuant to paragraphs (a)-(d), and the
176 ability of a current employee to have an option to later
177 transfer back into the pension plan under subparagraph 2., shall
178 be deemed a significant system amendment. Pursuant to s.
179 121.031(4), any resulting unfunded liability arising from actual
180 original transfers from the pension plan to the investment plan
181 must be amortized within 30 plan years as a separate unfunded
182 actuarial base independent of the reserve stabilization
183 mechanism defined in s. 121.031(3)(f). For the first 25 years, a
184 direct amortization payment may not be calculated for this base.
185 During this 25-year period, the separate base shall be used to
186 offset the impact of employees exercising their second program

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187 election under this paragraph. The actuarial funded status of
188 the pension plan will not be affected by such second program
189 elections in any significant manner, after due recognition of
190 the separate unfunded actuarial base. Following the initial 25-
191 year period, any remaining balance of the original separate base
192 shall be amortized over the remaining 5 years of the required
193 30-year amortization period.
194 5. If the employee chooses to transfer from the investment
195 plan to the pension plan and retains an excess account balance
196 in the investment plan after satisfying the buy-in requirements
197 under this paragraph, the excess may not be distributed until
198 the member retires from the pension plan. The excess account
199 balance may be rolled over to the pension plan and used to
200 purchase service credit or upgrade creditable service in the
201 pension plan.
202 (h)1. All employees initially enrolled on or after July 1,
203 2014, in positions covered by the Elected Officers' Class or the
204 Senior Management Service Class are compulsory members of the
205 investment plan, except those eligible to withdraw from the
206 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
207 eligible for optional retirement programs under s.
208 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
209 eligible to withdraw from the system under s. 121.052(3)(d) or
210 s. 121.055(1)(b)2. may choose to withdraw from the system or to
211 participate in the investment plan as provided in those
212 sections. Employees eligible for optional retirement programs
213 under s. 121.051(2)(c) or s. 121.35, except as provided in s.
214 121.051(1)(a), may choose to participate in the optional
215 retirement program or the investment plan as provided in those

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216 sections. Investment plan membership continues if there is
217 subsequent employment in a position covered by another
218 membership class. Membership in the pension plan is not
219 permitted, except as provided in s. 121.591(2). Employees
220 initially enrolled in the Florida Retirement System before July
221 1, 2014, may retain their membership in the pension plan or
222 investment plan and are eligible to use the election opportunity
223 specified in paragraph (g).
224 2. Employees initially enrolled on or after July 1, 2014,
225 are not permitted to use the election opportunity specified in
226 paragraph (g).
227 3. The amount of retirement contributions paid by the
228 employee and employer, as required under s. 121.72, shall be
229 placed in a default fund as designated by the state board until
230 an account is activated in the investment plan, at which time
231 the member may move the contributions from the default fund to
232 other funds provided in the investment plan.
233 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
234 shall be administered by the state board and affected employers.
235 The state board may require oaths, by affidavit or otherwise,
236 and acknowledgments from persons in connection with the
237 administration of its statutory duties and responsibilities for
238 the investment plan. An oath, by affidavit or otherwise, may not
239 be required of a member at the time of enrollment.
240 Acknowledgment of an employee's election to participate in the
241 program shall be no greater than necessary to confirm the
242 employee's election, except for members initially enrolled on or
243 after July 1, 2014, as provided in paragraph (4)(h). The state
244 board shall adopt rules to carry out its statutory duties with

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245 respect to administering the investment plan, including
246 establishing the roles and responsibilities of affected state,
247 local government, and education-related employers, the state
248 board, the department, and third-party contractors. The
249 department shall adopt rules necessary to administer the
250 investment plan in coordination with the pension plan and the
251 disability benefits available under the investment plan.
252 (a)1. The state board shall select and contract with a
253 third-party administrator to provide administrative services if
254 those services cannot be competitively and contractually
255 provided by the division. With the approval of the state board,
256 the third-party administrator may subcontract to provide
257 components of the administrative services. As a cost of
258 administration, the state board may compensate any such
259 contractor for its services, in accordance with the terms of the
260 contract, as is deemed necessary or proper by the board. The
261 third-party administrator may not be an approved provider or be
262 affiliated with an approved provider.
263 2. These administrative services may include, but are not
264 limited to, enrollment of eligible employees, collection of
265 employer and employee contributions, disbursement of
266 contributions to approved providers in accordance with the
267 allocation directions of members; services relating to
268 consolidated billing; individual and collective recordkeeping
269 and accounting; asset purchase, control, and safekeeping; and
270 direct disbursement of funds to and from the third-party
271 administrator, the division, the state board, employers,
272 members, approved providers, and beneficiaries. This section
273 does not prevent or prohibit a bundled provider from providing

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274 any administrative or customer service, including accounting and
275 administration of individual member benefits and contributions;
276 individual member recordkeeping; asset purchase, control, and
277 safekeeping; direct execution of the member's instructions as to
278 asset and contribution allocation; calculation of daily net
279 asset values; direct access to member account information; or
280 periodic reporting to members, at least quarterly, on account
281 balances and transactions, if these services are authorized by
282 the state board as part of the contract.
283 (b)1. The state board shall select and contract with one or
284 more organizations to provide educational services. With
285 approval of the state board, the organizations may subcontract
286 to provide components of the educational services. As a cost of
287 administration, the state board may compensate any such
288 contractor for its services in accordance with the terms of the
289 contract, as is deemed necessary or proper by the board. The
290 education organization may not be an approved provider or be
291 affiliated with an approved provider.
292 2. Educational services shall be designed by the state
293 board and department to assist employers, eligible employees,
294 members, and beneficiaries in order to maintain compliance with
295 United States Department of Labor regulations under s. 404(c) of
296 the Employee Retirement Income Security Act of 1974 and to
297 assist employees in their choice of pension plan or investment
298 plan retirement alternatives. Educational services include, but
299 are not limited to, disseminating educational materials;
300 providing retirement planning education; explaining the pension
301 plan and the investment plan; and offering financial planning
302 guidance on matters such as investment diversification,

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303 investment risks, investment costs, and asset allocation. An
304 approved provider may also provide educational information,
305 including retirement planning and investment allocation
306 information concerning its products and services.
307 (c)1. In evaluating and selecting a third-party
308 administrator, the state board shall establish criteria for
309 evaluating the relative capabilities and qualifications of each
310 proposed administrator. In developing such criteria, the state
311 board shall consider:
312 a. The administrator’s demonstrated experience in providing
313 administrative services to public or private sector retirement
314 systems.
315 b. The administrator’s demonstrated experience in providing
316 daily valued recordkeeping to defined contribution programs.
317 c. The administrator’s ability and willingness to
318 coordinate its activities with employers, the state board, and
319 the division, and to supply to such employers, the board, and
320 the division the information and data they require, including,
321 but not limited to, monthly management reports, quarterly member
322 reports, and ad hoc reports requested by the department or state
323 board.
324 d. The cost-effectiveness and levels of the administrative
325 services provided.
326 e. The administrator’s ability to interact with the
327 members, the employers, the state board, the division, and the
328 providers; the means by which members may access account
329 information, direct investment of contributions, make changes to
330 their accounts, transfer moneys between available investment
331 vehicles, and transfer moneys between investment products; and

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332 any fees that apply to such activities.
333 f. Any other factor deemed necessary by the state board.
334 2. In evaluating and selecting an educational provider, the
335 state board shall establish criteria under which it shall
336 consider the relative capabilities and qualifications of each
337 proposed educational provider. In developing such criteria, the
338 state board shall consider:
339 a. Demonstrated experience in providing educational
340 services to public or private sector retirement systems.
341 b. Ability and willingness to coordinate its activities
342 with the employers, the state board, and the division, and to
343 supply to such employers, the board, and the division the
344 information and data they require, including, but not limited
345 to, reports on educational contacts.
346 c. The cost-effectiveness and levels of the educational
347 services provided.
348 d. Ability to provide educational services via different
349 media, including, but not limited to, the Internet, personal
350 contact, seminars, brochures, and newsletters.
351 e. Any other factor deemed necessary by the state board.
352 3. The establishment of the criteria shall be solely within
353 the discretion of the state board.
354 (d) The state board shall develop the form and content of
355 any contracts to be offered under the investment plan. In
356 developing the contracts, the board shall consider:
357 1. The nature and extent of the rights and benefits to be
358 afforded in relation to the contributions required under the
359 plan.
360 2. The suitability of the rights and benefits provided and

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361 the interests of employers in the recruitment and retention of
362 eligible employees.
363 (e)1. The state board may contract for professional
364 services, including legal, consulting, accounting, and actuarial
365 services, deemed necessary to implement and administer the
366 investment plan. The state board may enter into a contract with
367 one or more vendors to provide low-cost investment advice to
368 members, supplemental to education provided by the third-party
369 administrator. All fees under any such contract shall be paid by
370 those members who choose to use the services of the vendor.
371 2. The department may contract for professional services,
372 including legal, consulting, accounting, and actuarial services,
373 deemed necessary to implement and administer the investment plan
374 in coordination with the pension plan. The department, in
375 coordination with the state board, may enter into a contract
376 with the third-party administrator in order to coordinate
377 services common to the various programs within the Florida
378 Retirement System.
379 (f) The third-party administrator may not receive direct or
380 indirect compensation from an approved provider, except as
381 specifically provided for in the contract with the state board.
382 (g) The state board shall receive and resolve member
383 complaints against the program, the third-party administrator,
384 or any program vendor or provider; shall resolve any conflict
385 between the third-party administrator and an approved provider
386 if such conflict threatens the implementation or administration
387 of the program or the quality of services to employees; and may
388 resolve any other conflicts. The third-party administrator shall
389 retain all member records for at least 5 years for use in

939074

390 resolving any member conflicts. The state board, the third-party
391 administrator, or a provider is not required to produce
392 documentation or an audio recording to justify action taken with
393 regard to a member if the action occurred 5 or more years before
394 the complaint is submitted to the state board. It is presumed
395 that all action taken 5 or more years before the complaint is
396 submitted was taken at the request of the member and with the
397 member's full knowledge and consent. To overcome this
398 presumption, the member must present documentary evidence or an
399 audio recording demonstrating otherwise.
400 (10) EDUCATION COMPONENT.—
401 (a) The state board, in coordination with the department,
402 shall provide for an education component for eligible employees
403 ~~system members~~ in a manner consistent with the provisions of
404 this subsection ~~section~~. ~~The education component must be~~
405 ~~available to eligible employees at least 90 days prior to the~~
406 ~~beginning date of the election period for the employees of the~~
407 ~~respective types of employers.~~
408 (b) The education component must provide system members
409 with impartial and balanced information about plan choices
410 except for members initially enrolled on or after July 1, 2014,
411 as provided in paragraph (4)(h). The education component must
412 involve multimedia formats. Program comparisons must, to the
413 greatest extent possible, be based upon the retirement income
414 that different retirement programs may provide to the member.
415 The state board shall monitor the performance of the contract to
416 ensure that the program is conducted in accordance with the
417 contract, applicable law, and the rules of the state board.
418 (c) The state board, in coordination with the department,

939074

419 shall provide for an initial and ongoing transfer education
420 component to provide system members, except for those members
421 initially enrolled on or after July 1, 2014, as provided in
422 paragraph (4)(h), with information necessary to make informed
423
424 ========== T I T L E A M E N D M E N T ==========
425 And the title is amended as follows:
426 Delete lines 1503 - 1518
427 and insert:
428 investment plan; revising a provision relating to
429 acknowledgement of an employee's election to
430 participate in the investment plan; authorizing
431 certain employees to elect to participate in the
432 pension plan, rather than the default investment plan,
433 within a specified time; providing for the transfer of
434 certain contributions; revising the education
435 component; deleting the obligation of system employers
436 to communicate the existence of both retirement plans
437 to certain employees; conforming provisions and cross-
438 references to changes made by the act; amending s.
439 121.591, F.S.; revising provisions

675968

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Sobel) recommended the following:

1 **Senate Amendment to Amendment (726700)**
2
3 Delete lines 949 - 951
4 and insert:
5 2. Employees initially enrolled on or after July 1, 2014,
6 in positions covered by the Elected Officer's Class or the
7 Senior Management Service Class, are not permitted to use the
8 election opportunity specified in paragraph (f). Employees
9 initially enrolled on or after July 1, 2014, in positions
10 covered by membership classes other than the Elected Officer's
11 Class or the Senior Management Service Class, may use the
12 election opportunity specified in paragraph (f).

782204

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Joyner) recommended the following:

Senate Amendment to Amendment (726700) (with title amendment)

Between lines 972 and 973
insert:
4. The employer contribution to an investment plan member account shall be funded as the actuarial equivalent of the normal cost portion of the employer retirement contribution to the pension plan for each membership class on which service credit is earned, plus a risk premium of 1 percent; however, the employee contribution may not exceed 3 percent in any class.

782204

13 ========== T I T L E A M E N D M E N T ==========
14 And the title is amended as follows:
15 Between lines 1513 and 1514
16 insert:
17 specifying requirements for funding of the investment
18 plan member account; providing that the employee
19 contribution may not exceed a specified percentage;

249988

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Benacquisto) recommended the following:

1 **Senate Amendment to Amendment (726700)**
2
3 Delete line 37
4 and insert:
5 System on ~~or after~~ July 1, 2011, through June 30, 2014, shall be

104692

LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Sobel) recommended the following:

1 **Senate Amendment to Amendment (726700)**
2
3 Delete lines 686 - 697
4 and insert:
5 the 11th month following the employee's month of hire, elect to
6 participate in the pension plan or the investment plan. Eligible
7 employees may make a plan election only if they are earning
8 service credit in an employer-employee relationship consistent
9 with s. 121.021(17)(b), excluding leaves of absence without pay.
10 2. The employee's election must be made in writing or by
11 electronic means and must be filed with the third-party
12 administrator. The election to participate in the pension plan

104692

13 or investment plan is irrevocable, except as provided in
14 paragraph (f).
15 3. If the employee fails to make an election of the pension
16 plan or investment plan within 11 months following the month of

211356

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Margolis) recommended the following:

Senate Amendment (with directory and title amendments)

Delete lines 90 - 96.

====== D I R E C T O R Y C L A U S E A M E N D M E N T ======
And the directory clause is amended as follows:
Delete lines 59 - 60
and insert:
Section 1. Paragraph (a) of subsection (45) of section 121.021, Florida Statutes, is amended to read:

================= T I T L E A M E N D M E N T ================

211356

13 And the title is amended as follows:
14 Delete lines 4 - 7
15 and insert:
16 “vesting”; amending s. 121.051, F.S.;

By the Committee on Governmental Oversight and Accountability; and Senator Simpson

585-02415-13 20131392c1

A bill to be entitled

An act relating to retirement; amending s. 121.021, F.S.; revising the definition of "vested" or "vesting"; providing that a member initially enrolled in the Florida Retirement System after a certain date is vested in the pension plan after 10 years of creditable service; amending s. 121.051, F.S.; providing for compulsory membership in the Florida Retirement System Investment Plan for employees in the Elected Officers' Class or the Senior Management Service Class initially enrolled after a specified date; conforming cross-references to changes made by the act; amending s. 121.052, F.S.; prohibiting members of the Elected Officers' Class from joining the Senior Management Service Class after a specified date; amending s. 121.055, F.S.; prohibiting an elected official eligible for membership in the Elected Officers' Class from enrolling in the Senior Management Service Class or in the Senior Management Service Optional Annuity Program; closing the Senior Management Optional Annuity Program to new members after a specified date; amending s. 121.091, F.S.; providing that certain members are entitled to a monthly disability benefit; revising provisions to conform to changes made by the act; amending s. 121.4501, F.S.; requiring certain employees initially enrolled in the Florida Retirement System on or after a specified date to be compulsory members of the investment plan; revising the definition of "member"

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585-02415-13 20131392c1

or "employee"; revising a provision relating to acknowledgement of an employee's election to participate in the investment plan; placing certain employees in the pension plan from their date of hire until they are automatically enrolled in the investment plan or timely elect enrollment in the pension plan; authorizing certain employees to elect to participate in the pension plan, rather than the default investment plan, within a specified time; providing for the transfer of certain contributions; revising the education component; deleting the obligation of system employers to communicate the existence of both retirement plans; conforming provisions and cross-references to changes made by the act; amending s. 121.591, F.S.; revising provisions relating to disability retirement benefits; amending s. 121.71, F.S.; decreasing the employee retirement contribution rates for investment plan members; amending ss. 121.35, 238.072, 413.051, and 1012.875, F.S.; conforming cross-references; providing for contribution rate increases to fund the changes made by this act; directing the Division of Law Revision and Information to adjust contribution rates set forth in s. 121.071, F.S.; providing that the act fulfills an important state interest; providing an effective date.

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

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Section 1. Subsection (45) of section 121.021, Florida Statutes, is amended to read:

121.021 Definitions.—The following words and phrases as used in this chapter have the respective meanings set forth unless a different meaning is plainly required by the context:

(45) "Vested" or "vesting" means the guarantee that a member is eligible to receive a future retirement benefit upon completion of the required years of creditable service for the employee's class of membership, even though the member may have terminated covered employment before reaching normal or early retirement date. Being vested does not entitle a member to a disability benefit. Provisions governing entitlement to disability benefits are set forth under s. 121.091(4).

(a) Effective July 1, 2001, through June 30, 2011, a 6-year vesting requirement shall be implemented for the Florida Retirement System Pension Plan:

1. Any member employed in a regularly established position on July 1, 2001, who completes or has completed a total of 6 years of creditable service is considered vested.

2. Any member initially enrolled in the Florida Retirement System before July 1, 2001, but not employed in a regularly established position on July 1, 2001, shall be deemed vested upon completion of 6 years of creditable service if such member is employed in a covered position for at least 1 work year after July 1, 2001. However, a member is not required to complete more years of creditable service than would have been required for that member to vest under retirement laws in effect before July 1, 2001.

3. Any member initially enrolled in the Florida Retirement

System on July 1, 2001, through June 30, 2011, shall be deemed vested upon completion of 6 years of creditable service.

(b) Any member initially enrolled in the Florida Retirement System on ~~or after~~ July 1, 2011, through December 31, 2013, shall be vested in the pension plan upon completion of 8 years of creditable service.

(c) Any member initially enrolled in the Florida Retirement System on or after January 1, 2014, shall be vested in the pension plan upon completion of 10 years of creditable service.

Section 2. Paragraph (c) of subsection (2) of section 121.051, Florida Statutes, is amended, present subsections (3) through (9) of that section are renumbered as subsections (4) through (10), respectively, and a new subsection (3) is added to that section, to read:

121.051 Participation in the system.—

(2) OPTIONAL PARTICIPATION.—

(c) Employees of public community colleges or charter technical career centers sponsored by public community colleges, designated in s. 1000.21(3), who are members of the Regular Class of the Florida Retirement System and who comply with the criteria set forth in this paragraph and s. 1012.875 may, in lieu of participating in the Florida Retirement System, elect to withdraw from the system altogether and participate in the State Community College System Optional Retirement Program provided by the employing agency under s. 1012.875.

1.a. Through June 30, 2001, the cost to the employer for benefits under the optional retirement program equals the normal cost portion of the employer retirement contribution which would be required if the employee were a member of the pension plan's

117 Regular Class, plus the portion of the contribution rate
118 required by s. 112.363(8) which would otherwise be assigned to
119 the Retiree Health Insurance Subsidy Trust Fund.
120 b. Effective July 1, 2001, through June 30, 2011, each
121 employer shall contribute on behalf of each member of the
122 optional program an amount equal to 10.43 percent of the
123 employee's gross monthly compensation. The employer shall deduct
124 an amount for the administration of the program.
125 c. Effective July 1, 2011, through June 30, 2012, each
126 member shall contribute an amount equal to the employee
127 contribution required under s. 121.71(3)(a). The employer shall
128 contribute on behalf of each program member an amount equal to
129 the difference between 10.43 percent of the employee's gross
130 monthly compensation and the employee's required contribution
131 based on the employee's gross monthly compensation.
132 d. Effective July 1, 2012, each member shall contribute an
133 amount equal to the employee contribution required under s.
134 121.71(3)(a). The employer shall contribute on behalf of each
135 program member an amount equal to the difference between 8.15
136 percent of the employee's gross monthly compensation and the
137 employee's required contribution based on the employee's gross
138 monthly compensation.
139 e. The employer shall contribute an additional amount to
140 the Florida Retirement System Trust Fund equal to the unfunded
141 actuarial accrued liability portion of the Regular Class
142 contribution rate.
143 2. The decision to participate in the optional retirement
144 program is irrevocable as long as the employee holds a position
145 eligible for participation, except as provided in subparagraph

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146 3. Any service creditable under the Florida Retirement System is
147 retained after the member withdraws from the system; however,
148 additional service credit in the system may not be earned while
149 a member of the optional retirement program.
150 3. An employee who has elected to participate in the
151 optional retirement program shall have one opportunity, at the
152 employee's discretion, to transfer from the optional retirement
153 program to the pension plan of the Florida Retirement System or
154 to the investment plan established under part II of this
155 chapter, subject to the terms of the applicable optional
156 retirement program contracts.
157 a. If the employee chooses to move to the investment plan,
158 any contributions, interest, and earnings creditable to the
159 employee under the optional retirement program are retained by
160 the employee in the optional retirement program, and the
161 applicable provisions of s. 121.4501(4) govern the election.
162 b. If the employee chooses to move to the pension plan of
163 the Florida Retirement System, the employee shall receive
164 service credit equal to his or her years of service under the
165 optional retirement program.
166 (I) The cost for such credit is the amount representing the
167 present value of the employee's accumulated benefit obligation
168 for the affected period of service. The cost shall be calculated
169 as if the benefit commencement occurs on the first date the
170 employee becomes eligible for unreduced benefits, using the
171 discount rate and other relevant actuarial assumptions that were
172 used to value the Florida Retirement System Pension Plan
173 liabilities in the most recent actuarial valuation. The
174 calculation must include any service already maintained under

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175 the pension plan in addition to the years under the optional
176 retirement program. The present value of any service already
177 maintained must be applied as a credit to total cost resulting
178 from the calculation. The division must ensure that the transfer
179 sum is prepared using a formula and methodology certified by an
180 enrolled actuary.
181 (II) The employee must transfer from his or her optional
182 retirement program account and from other employee moneys as
183 necessary, a sum representing the present value of the
184 employee's accumulated benefit obligation immediately following
185 the time of such movement, determined assuming that attained
186 service equals the sum of service in the pension plan and
187 service in the optional retirement program.
188 4. Participation in the optional retirement program is
189 limited to employees who satisfy the following eligibility
190 criteria:
191 a. The employee is otherwise eligible for membership or
192 renewed membership in the Regular Class of the Florida
193 Retirement System, as provided in s. 121.021(11) and (12) or s.
194 121.122.
195 b. The employee is employed in a full-time position
196 classified in the Accounting Manual for Florida's Public
197 Community Colleges as:
198 (I) Instructional; or
199 (II) Executive Management, Instructional Management, or
200 Institutional Management and the community college determines
201 that recruiting to fill a vacancy in the position is to be
202 conducted in the national or regional market, and the duties and
203 responsibilities of the position include the formulation,

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204 interpretation, or implementation of policies, or the
205 performance of functions that are unique or specialized within
206 higher education and that frequently support the mission of the
207 community college.
208 c. The employee is employed in a position not included in
209 the Senior Management Service Class of the Florida Retirement
210 System as described in s. 121.055.
211 5. Members of the program are subject to the same
212 reemployment limitations, renewed membership provisions, and
213 forfeiture provisions applicable to regular members of the
214 Florida Retirement System under ss. 121.091(9), 121.122, and
215 121.091(5), respectively. A member who receives a program
216 distribution funded by employer and required employee
217 contributions is deemed to be retired from a state-administered
218 retirement system if the member is subsequently employed with an
219 employer that participates in the Florida Retirement System.
220 6. Eligible community college employees are compulsory
221 members of the Florida Retirement System until, pursuant to s.
222 1012.875, a written election to withdraw from the system and
223 participate in the optional retirement program is filed with the
224 program administrator and received by the division.
225 a. A community college employee whose program eligibility
226 results from initial employment shall be enrolled in the
227 optional retirement program retroactive to the first day of
228 eligible employment. The employer and employee retirement
229 contributions paid through the month of the employee plan change
230 shall be transferred to the community college to the employee's
231 optional program account, and, effective the first day of the
232 next month, the employer shall pay the applicable contributions

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233 based upon subparagraph 1.
234 b. A community college employee whose program eligibility
235 is due to the subsequent designation of the employee's position
236 as one of those specified in subparagraph 4., or due to the
237 employee's appointment, promotion, transfer, or reclassification
238 to a position specified in subparagraph 4., must be enrolled in
239 the program on the first day of the first full calendar month
240 that such change in status becomes effective. The employer and
241 employee retirement contributions paid from the effective date
242 through the month of the employee plan change must be
243 transferred to the community college to the employee's optional
244 program account, and, effective the first day of the next month,
245 the employer shall pay the applicable contributions based upon
246 subparagraph 1.
247 7. Effective July 1, 2003, through December 31, 2008, any
248 member of the optional retirement program who has service credit
249 in the pension plan of the Florida Retirement System for the
250 period between his or her first eligibility to transfer from the
251 pension plan to the optional retirement program and the actual
252 date of transfer may, during employment, transfer to the
253 optional retirement program a sum representing the present value
254 of the accumulated benefit obligation under the defined benefit
255 retirement program for the period of service credit. Upon
256 transfer, all service credit previously earned under the pension
257 plan during this period is nullified for purposes of entitlement
258 to a future benefit under the pension plan.
259 (3) INVESTMENT PLAN MEMBERSHIP COMPULSORY.—
260 (a) Employees initially enrolled on or after January 1,
261 2014, in positions covered by the Elected Officers' Class or the

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262 Senior Management Service Class are compulsory members of the
263 investment plan, except those eligible to withdraw from the
264 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
265 eligible for optional retirement programs under paragraph
266 (1)(a), paragraph (2)(c), or s. 121.35. Investment plan
267 membership continues if there is subsequent employment in a
268 position covered by another membership class. Membership in the
269 pension plan is not permitted except as provided in s.
270 121.591(2). Employees initially enrolled in the Florida
271 Retirement System prior to January 1, 2014, may retain their
272 membership in the pension plan or investment plan and are
273 eligible to use the election opportunity specified in s.
274 121.4501(4)(f). Employees initially enrolled on or after January
275 1, 2014, are not eligible to use the election opportunity
276 specified in s. 121.4501(4)(f).
277 (b) Employees eligible to withdraw from the system under s.
278 121.052(3)(d) or s. 121.055(1)(b)2. may choose to withdraw from
279 the system or to participate in the investment plan as provided
280 in these sections. Employees eligible for optional retirement
281 programs under paragraph (2)(c) or s. 121.35 may choose to
282 participate in the optional retirement program or the investment
283 plan as provided in this paragraph or this section. Eligible
284 employees required to participate pursuant to (1)(a) in the
285 optional retirement program as provided under s. 121.35 must
286 participate in the investment plan when employed in a position
287 not eligible for the optional retirement program.
288 Section 3. Paragraph (c) of subsection (3) of section
289 121.052, Florida Statutes, is amended to read:
290 121.052 Membership class of elected officers.—

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291 (3) PARTICIPATION AND WITHDRAWAL, GENERALLY.—Effective July
292 1, 1990, participation in the Elected Officers' Class shall be
293 compulsory for elected officers listed in paragraphs (2)(a)-(d)
294 and (f) assuming office on or after said date, unless the
295 elected officer elects membership in another class or withdraws
296 from the Florida Retirement System as provided in paragraphs
297 (3)(a)-(d):
298 (c) Before January 1, 2014, any elected officer may, within
299 6 months after assuming office, or within 6 months after this
300 act becomes a law for serving elected officers, elect membership
301 in the Senior Management Service Class as provided in s. 121.055
302 in lieu of membership in the Elected Officers' Class. Any such
303 election made by a county elected officer shall have no effect
304 upon the statutory limit on the number of nonelective full-time
305 positions that may be designated by a local agency employer for
306 inclusion in the Senior Management Service Class under s.
307 121.055(1)(b)1.
308 Section 4. Paragraph (f) of subsection (1) and paragraph
309 (c) of subsection (6) of section 121.055, Florida Statutes, are
310 amended to read:
311 121.055 Senior Management Service Class.—There is hereby
312 established a separate class of membership within the Florida
313 Retirement System to be known as the "Senior Management Service
314 Class," which shall become effective February 1, 1987.
315 (1)
316 (f) Effective July 1, 1997, through December 31, 2013:
317 1. Except as provided in subparagraphs ~~subparagraph~~ 3. and
318 4., an elected state officer eligible for membership in the
319 Elected Officers' Class under s. 121.052(2)(a), (b), or (c) who

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320 elects membership in the Senior Management Service Class under
321 s. 121.052(3)(c) may, within 6 months after assuming office or
322 within 6 months after this act becomes a law for serving elected
323 state officers, elect to participate in the Senior Management
324 Service Optional Annuity Program, as provided in subsection (6),
325 in lieu of membership in the Senior Management Service Class.
326 2. Except as provided in subparagraphs ~~subparagraph~~ 3. and
327 4., an elected officer of a local agency employer eligible for
328 membership in the Elected Officers' Class under s. 121.052(2)(d)
329 who elects membership in the Senior Management Service Class
330 under s. 121.052(3)(c) may, within 6 months after assuming
331 office, or within 6 months after this act becomes a law for
332 serving elected officers of a local agency employer, elect to
333 withdraw from the Florida Retirement System, as provided in
334 subparagraph (b)2., in lieu of membership in the Senior
335 Management Service Class.
336 3. A retiree of a state-administered retirement system who
337 is initially reemployed in a regularly established position on
338 or after July 1, 2010, as an elected official eligible for the
339 Elected Officers' Class may not be enrolled in renewed
340 membership in the Senior Management Service Class or in the
341 Senior Management Service Optional Annuity Program as provided
342 in subsection (6), and may not withdraw from the Florida
343 Retirement System as a renewed member as provided in
344 subparagraph (b)2., as applicable, in lieu of membership in the
345 Senior Management Service Class.
346 4. On or after January 1, 2014, an elected officer eligible
347 for membership in the Elected Officers' Class may not be
348 enrolled in the Senior Management Service Class or in the Senior

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349 Management Service Optional Annuity Program as provided in
350 subsection (6).
351 (6)
352 (c) *Participation.*—
353 1. An eligible employee who is employed on or before
354 February 1, 1987, may elect to participate in the optional
355 annuity program in lieu of participating in the Senior
356 Management Service Class. Such election must be made in writing
357 and filed with the department and the personnel officer of the
358 employer on or before May 1, 1987. An eligible employee who is
359 employed on or before February 1, 1987, and who fails to make an
360 election to participate in the optional annuity program by May
361 1, 1987, shall be deemed to have elected membership in the
362 Senior Management Service Class.
363 2. Except as provided in subparagraph 6., an employee who
364 becomes eligible to participate in the optional annuity program
365 by reason of initial employment commencing after February 1,
366 1987, may, within 90 days after the date of commencing
367 employment, elect to participate in the optional annuity
368 program. Such election must be made in writing and filed with
369 the personnel officer of the employer. An eligible employee who
370 does not within 90 days after commencing employment elect to
371 participate in the optional annuity program shall be deemed to
372 have elected membership in the Senior Management Service Class.
373 3. A person who is appointed to a position in the Senior
374 Management Service Class and who is a member of an existing
375 retirement system or the Special Risk or Special Risk
376 Administrative Support Classes of the Florida Retirement System
377 may elect to remain in such system or class in lieu of

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378 participating in the Senior Management Service Class or optional
379 annuity program. Such election must be made in writing and filed
380 with the department and the personnel officer of the employer
381 within 90 days after such appointment. An eligible employee who
382 fails to make an election to participate in the existing system,
383 the Special Risk Class of the Florida Retirement System, the
384 Special Risk Administrative Support Class of the Florida
385 Retirement System, or the optional annuity program shall be
386 deemed to have elected membership in the Senior Management
387 Service Class.
388 4. Except as provided in subparagraph 5., an employee's
389 election to participate in the optional annuity program is
390 irrevocable if the employee continues to be employed in an
391 eligible position and continues to meet the eligibility
392 requirements set forth in this paragraph.
393 5. Effective from July 1, 2002, through September 30, 2002,
394 an active employee in a regularly established position who has
395 elected to participate in the Senior Management Service Optional
396 Annuity Program has one opportunity to choose to move from the
397 Senior Management Service Optional Annuity Program to the
398 Florida Retirement System Pension Plan.
399 a. The election must be made in writing and must be filed
400 with the department and the personnel officer of the employer
401 before October 1, 2002, or, in the case of an active employee
402 who is on a leave of absence on July 1, 2002, within 90 days
403 after the conclusion of the leave of absence. This election is
404 irrevocable.
405 b. The employee shall receive service credit under the
406 pension plan equal to his or her years of service under the

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407 Senior Management Service Optional Annuity Program. The cost for
408 such credit is the amount representing the present value of that
409 employee's accumulated benefit obligation for the affected
410 period of service.
411 c. The employee must transfer the total accumulated
412 employer contributions and earnings on deposit in his or her
413 Senior Management Service Optional Annuity Program account. If
414 the transferred amount is not sufficient to pay the amount due,
415 the employee must pay a sum representing the remainder of the
416 amount due. The employee may not retain any employer
417 contributions or earnings from the Senior Management Service
418 Optional Annuity Program account.
419 6. A retiree of a state-administered retirement system who
420 is initially reemployed on or after July 1, 2010, may not renew
421 membership in the Senior Management Service Optional Annuity
422 Program.
423 7. Effective January 1, 2014, the Senior Management Service
424 Optional Annuity Program is closed to new members. Members
425 enrolled in the Senior Management Service Optional Annuity
426 Program before January 1, 2014, may retain their membership in
427 the annuity program.
428 Section 5. Paragraph (a) of subsection (4) of section
429 121.091, Florida Statutes, is amended to read:
430 121.091 Benefits payable under the system.—Benefits may not
431 be paid under this section unless the member has terminated
432 employment as provided in s. 121.021(39)(a) or begun
433 participation in the Deferred Retirement Option Program as
434 provided in subsection (13), and a proper application has been
435 filed in the manner prescribed by the department. The department

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436 may cancel an application for retirement benefits when the
437 member or beneficiary fails to timely provide the information
438 and documents required by this chapter and the department's
439 rules. The department shall adopt rules establishing procedures
440 for application for retirement benefits and for the cancellation
441 of such application when the required information or documents
442 are not received.
443 (4) DISABILITY RETIREMENT BENEFIT.—
444 (a) *Disability retirement; entitlement and effective date.*—
445 1.a. A member who becomes totally and permanently disabled,
446 as defined in paragraph (b), after completing 5 years of
447 creditable service, or a member who becomes totally and
448 permanently disabled in the line of duty regardless of service,
449 is entitled to a monthly disability benefit; except that any
450 member with less than 5 years of creditable service on July 1,
451 1980, or any person who becomes a member of the Florida
452 Retirement System on or after such date must have completed 10
453 years of creditable service before becoming totally and
454 permanently disabled in order to receive disability retirement
455 benefits for any disability which occurs other than in the line
456 of duty. However, if a member employed on July 1, 1980, who has
457 less than 5 years of creditable service as of that date becomes
458 totally and permanently disabled after completing 5 years of
459 creditable service and is found not to have attained fully
460 insured status for benefits under the federal Social Security
461 Act, such member is entitled to a monthly disability benefit.
462 b. Effective July 1, 2001, a member of the pension plan
463 initially enrolled before January 1, 2014, who becomes totally
464 and permanently disabled, as defined in paragraph (b), after

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465 completing 8 years of creditable service, or a member who
466 becomes totally and permanently disabled in the line of duty
467 regardless of service, is entitled to a monthly disability
468 benefit.
469 c. Effective January 1, 2014, a member of the pension plan
470 initially enrolled on or after January 1, 2014, who becomes
471 totally and permanently disabled, as defined in paragraph (b),
472 after completing 10 years of creditable service, or a member who
473 becomes totally and permanently disabled in the line of duty
474 regardless of service, is entitled to a monthly disability
475 benefit.
476 2. If the division has received from the employer the
477 required documentation of the member's termination of
478 employment, the effective retirement date for a member who
479 applies and is approved for disability retirement shall be
480 established by rule of the division.
481 3. For a member who is receiving Workers' Compensation
482 payments, the effective disability retirement date may not
483 precede the date the member reaches Maximum Medical Improvement
484 (MMI), unless the member terminates employment before reaching
485 MMI.
486 Section 6. Subsection (1), paragraph (i) of subsection (2),
487 paragraph (b) of subsection (3), subsection (4), paragraph (c)
488 of subsection (5), subsection (8), and paragraphs (a), (b), (c),
489 and (h) of subsection (10) of section 121.4501, Florida
490 Statutes, are amended to read:
491 121.4501 Florida Retirement System Investment Plan.—
492 (1) The Trustees of the State Board of Administration shall
493 establish a defined contribution program called the "Florida

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494 Retirement System Investment Plan" or "investment plan" for
495 members of the Florida Retirement System under which retirement
496 benefits will be provided for eligible employees who elect to
497 participate in the program and for employees initially enrolled
498 on or after January 1, 2014, in positions covered by the Elected
499 Officers' Class or the Senior Management Service Class and are
500 compulsory members of the investment plan unless otherwise
501 eligible to withdraw from the system under s. 121.052(3)(d) or
502 s. 121.055(1)(b)2., or to participate in an optional retirement
503 program under s. 121.051(1)(a), s. 121.051(2)(c), or s. 121.35.
504 Investment plan membership continues if there is subsequent
505 employment in a position covered by another membership class.
506 The retirement benefits shall be provided through member-
507 directed investments, in accordance with s. 401(a) of the
508 Internal Revenue Code and related regulations. The employer and
509 employee shall make contributions, as provided in this section
510 and ss. 121.571 and 121.71, to the Florida Retirement System
511 Investment Plan Trust Fund toward the funding of benefits.
512 (2) DEFINITIONS.—As used in this part, the term:
513 (i) "Member" or "employee" means an eligible employee who
514 enrolls in or is defaulted into the investment plan as provided
515 in subsection (4), a terminated Deferred Retirement Option
516 Program member as described in subsection (21), or a beneficiary
517 or alternate payee of a member or employee.
518 (3) RETIREMENT SERVICE CREDIT; TRANSFER OF BENEFITS.—
519 (b) Notwithstanding paragraph (a), an eligible employee who
520 elects to participate in or is defaulted into the investment
521 plan and establishes one or more individual member accounts may
522 elect to transfer to the investment plan a sum representing the

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523 present value of the employee's accumulated benefit obligation
524 under the pension plan, except as provided in paragraph (4)(b).
525 Upon transfer, all service credit earned under the pension plan
526 is nullified for purposes of entitlement to a future benefit
527 under the pension plan. A member may not transfer the
528 accumulated benefit obligation balance from the pension plan
529 after the time period for enrolling in the investment plan has
530 expired.
531 1. For purposes of this subsection, the present value of
532 the member's accumulated benefit obligation is based upon the
533 member's estimated creditable service and estimated average
534 final compensation under the pension plan, subject to
535 recomputation under subparagraph 2. For state employees, initial
536 estimates shall be based upon creditable service and average
537 final compensation as of midnight on June 30, 2002; for district
538 school board employees, initial estimates shall be based upon
539 creditable service and average final compensation as of midnight
540 on September 30, 2002; and for local government employees,
541 initial estimates shall be based upon creditable service and
542 average final compensation as of midnight on December 31, 2002.
543 The dates specified are the "estimate date" for these employees.
544 The actuarial present value of the employee's accumulated
545 benefit obligation shall be based on the following:
546 a. The discount rate and other relevant actuarial
547 assumptions used to value the Florida Retirement System Trust
548 Fund at the time the amount to be transferred is determined,
549 consistent with the factors provided in sub-subparagraphs b. and
550 c.
551 b. A benefit commencement age, based on the member's

552 estimated creditable service as of the estimate date.
553 c. Except as provided under sub-subparagraph d., for a
554 member initially enrolled:
555 (I) Before July 1, 2011, the benefit commencement age is
556 the younger of the following, but may not be younger than the
557 member's age as of the estimate date:
558 (A) Age 62; or
559 (B) The age the member would attain if the member completed
560 30 years of service with an employer, assuming the member worked
561 continuously from the estimate date, and disregarding any
562 vesting requirement that would otherwise apply under the pension
563 plan.
564 (II) On or after July 1, 2011, the benefit commencement age
565 is the younger of the following, but may not be younger than the
566 member's age as of the estimate date:
567 (A) Age 65; or
568 (B) The age the member would attain if the member completed
569 33 years of service with an employer, assuming the member worked
570 continuously from the estimate date, and disregarding any
571 vesting requirement that would otherwise apply under the pension
572 plan.
573 d. For members of the Special Risk Class and for members of
574 the Special Risk Administrative Support Class entitled to retain
575 the special risk normal retirement date:
576 (I) Initially enrolled before July 1, 2011, the benefit
577 commencement age is the younger of the following, but may not be
578 younger than the member's age as of the estimate date:
579 (A) Age 55; or
580 (B) The age the member would attain if the member completed

581 25 years of service with an employer, assuming the member worked
582 continuously from the estimate date, and disregarding any
583 vesting requirement that would otherwise apply under the pension
584 plan.
585 (II) Initially enrolled on or after July 1, 2011, the
586 benefit commencement age is the younger of the following, but
587 may not be younger than the member's age as of the estimate
588 date:
589 (A) Age 60; or
590 (B) The age the member would attain if the member completed
591 30 years of service with an employer, assuming the member worked
592 continuously from the estimate date, and disregarding any
593 vesting requirement that would otherwise apply under the pension
594 plan.
595 e. The calculation must disregard vesting requirements and
596 early retirement reduction factors that would otherwise apply
597 under the pension plan.
598 2. For each member who elects to transfer moneys from the
599 pension plan to his or her account in the investment plan, the
600 division shall recompute the amount transferred under
601 subparagraph 1. within 60 days after the actual transfer of
602 funds based upon the member's actual creditable service and
603 actual final average compensation as of the initial date of
604 participation in the investment plan. If the recomputed amount
605 differs from the amount transferred by $10 or more, the division
606 shall:
607 a. Transfer, or cause to be transferred, from the Florida
608 Retirement System Trust Fund to the member's account the excess,
609 if any, of the recomputed amount over the previously transferred

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610 amount together with interest from the initial date of transfer
611 to the date of transfer under this subparagraph, based upon the
612 effective annual interest equal to the assumed return on the
613 actuarial investment which was used in the most recent actuarial
614 valuation of the system, compounded annually.
615 b. Transfer, or cause to be transferred, from the member's
616 account to the Florida Retirement System Trust Fund the excess,
617 if any, of the previously transferred amount over the recomputed
618 amount, together with interest from the initial date of transfer
619 to the date of transfer under this subparagraph, based upon 6
620 percent effective annual interest, compounded annually, pro rata
621 based on the member's allocation plan.
622 3. If contribution adjustments are made as a result of
623 employer errors or corrections, including plan corrections,
624 following recomputation of the amount transferred under
625 subparagraph 1., the member is entitled to the additional
626 contributions or is responsible for returning any excess
627 contributions resulting from the correction. However, any return
628 of such erroneous excess pretax contribution by the plan must be
629 made within the period allowed by the Internal Revenue Service.
630 The present value of the member's accumulated benefit obligation
631 shall not be recalculated.
632 4. As directed by the member, the state board shall
633 transfer or cause to be transferred the appropriate amounts to
634 the designated accounts within 30 days after the effective date
635 of the member's participation in the investment plan unless the
636 major financial markets for securities available for a transfer
637 are seriously disrupted by an unforeseen event that causes the
638 suspension of trading on any national securities exchange in the

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639 country where the securities were issued. In that event, the 30-
640 day period may be extended by a resolution of the state board.
641 Transfers are not commissionable or subject to other fees and
642 may be in the form of securities or cash, as determined by the
643 state board. Such securities are valued as of the date of
644 receipt in the member's account.
645 5. If the state board or the division receives notification
646 from the United States Internal Revenue Service that this
647 paragraph or any portion of this paragraph will cause the
648 retirement system, or a portion thereof, to be disqualified for
649 tax purposes under the Internal Revenue Code, the portion that
650 will cause the disqualification does not apply. Upon such
651 notice, the state board and the division shall notify the
652 presiding officers of the Legislature.
653 (4) PARTICIPATION; ENROLLMENT.—
654 (a)1. Effective June 1, 2002, through February 28, 2003, a
655 90-day election period was provided to each eligible employee
656 participating in the Florida Retirement System, preceded by a
657 90-day education period, permitting each eligible employee to
658 elect membership in the investment plan, and an employee who
659 failed to elect the investment plan during the election period
660 remained in the pension plan. An eligible employee who was
661 employed in a regularly established position during the election
662 period was granted the option to make one subsequent election,
663 as provided in paragraph (f). With respect to ~~an~~ eligible
664 employees who did not participate in the initial election period
665 or who are initially ~~employee who is~~ employed in a regularly
666 established position after the close of the initial election
667 period but before January 1, 2014, ~~on June 1, 2002, by a state~~

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668 ~~employer:~~
669 ~~a. Any such employee may elect to participate in the~~
670 ~~investment plan in lieu of retaining his or her membership in~~
671 ~~the pension plan. The election must be made in writing or by~~
672 ~~electronic means and must be filed with the third party~~
673 ~~administrator by August 31, 2002, or, in the case of an active~~
674 ~~employee who is on a leave of absence on April 1, 2002, by the~~
675 ~~last business day of the 5th month following the month the leave~~
676 ~~of absence concludes. This election is irrevocable, except as~~
677 ~~provided in paragraph (g). Upon making such election, the~~
678 ~~employee shall be enrolled as a member of the investment plan,~~
679 ~~the employee's membership in the Florida Retirement System is~~
680 ~~governed by the provisions of this part, and the employee's~~
681 ~~membership in the pension plan terminates. The employee's~~
682 ~~enrollment in the investment plan is effective the first day of~~
683 ~~the month for which a full month's employer contribution is made~~
684 ~~to the investment plan.~~
685 ~~b. Any such employee who fails to elect to participate in~~
686 ~~the investment plan within the prescribed time period is deemed~~
687 ~~to have elected to retain membership in the pension plan, and~~
688 ~~the employee's option to elect to participate in the investment~~
689 ~~plan is forfeited.~~
690 ~~2. With respect to employees who become eligible to~~
691 ~~participate in the investment plan by reason of employment in a~~
692 ~~regularly established position with a state employer commencing~~
693 ~~after April 1, 2002:~~
694 ~~a. Any~~ such employee shall, by default, be enrolled in the
695 pension plan at the commencement of employment, and may, by the
696 last business day of the 5th month following the employee's

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697 month of hire, elect to participate in the investment plan. The
698 employee's election must be made in writing or by electronic
699 means and must be filed with the third-party administrator. The
700 election to participate in the investment plan is irrevocable,
701 except as provided in paragraph (f)~~(g)~~.
702 a.~~b.~~ If the employee files such election within the
703 prescribed time period, enrollment in the investment plan is
704 effective on the first day of employment. The retirement
705 contributions paid through the month of the employee plan change
706 shall be transferred to the investment program, and, effective
707 the first day of the next month, the employer and employee must
708 pay the applicable contributions based on the employee
709 membership class in the program.
710 b.~~c.~~ An employee who fails to elect to participate in the
711 investment plan within the prescribed time period is deemed to
712 have elected to retain membership in the pension plan, and the
713 employee's option to elect to participate in the investment plan
714 is forfeited.
715 2.~~3.~~ With respect to employees who become eligible to
716 participate in the investment plan pursuant to s.
717 121.051(2)(c)3. or s. 121.35(3)(i), the employee may elect to
718 participate in the investment plan in lieu of retaining his or
719 her membership in the State Community College System Optional
720 Retirement Program or the State University System Optional
721 Retirement Program. The election must be made in writing or by
722 electronic means and must be filed with the third-party
723 administrator. This election is irrevocable, except as provided
724 in paragraph (f)~~(g)~~. Upon making such election, the employee
725 shall be enrolled as a member in the investment plan, the

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726 employee's membership in the Florida Retirement System is
727 governed by the provisions of this part, and the employee's
728 participation in the State Community College System Optional
729 Retirement Program or the State University System Optional
730 Retirement Program terminates. The employee's enrollment in the
731 investment plan is effective on the first day of the month for
732 which a full month's employer and employee contribution is made
733 to the investment plan.
734 (b)1. With respect to employees who become eligible to
735 participate in the investment plan, except as provided in
736 paragraph (g), by reason of employment in a regularly
737 established position commencing on or after January 1, 2014, any
738 such employee shall be enrolled in the pension plan at the
739 commencement of employment and may, by the last business day of
740 the 5th month following the employee's month of hire, elect to
741 participate in the pension plan or the investment plan. Eligible
742 employees may make a plan election only if they are earning
743 service credit in an employer-employee relationship consistent
744 with s. 121.021(17)(b), excluding leaves of absence without pay.
745 2. The employee's election must be made in writing or by
746 electronic means and must be filed with the third-party
747 administrator. The election to participate in the pension plan
748 or investment plan is irrevocable, except as provided in
749 paragraph (f).
750 3. If the employee fails to make an election of the pension
751 plan or investment plan within 5 months following the month of
752 hire, the employee is deemed to have elected the investment plan
753 and will be defaulted into the investment plan retroactively to
754 the employee's date of employment. The employee's option to

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755 participate in the pension plan is forfeited, except as provided
756 in paragraph (f).
757 4. The amount of the employee and employer contributions
758 paid before the default to the investment plan shall be
759 transferred to the investment plan and shall be placed in a
760 default fund as designated by the State Board of Administration.
761 The employee may move the contributions once an account is
762 activated in the investment plan.
763 5. Effective the first day of the month after an eligible
764 employee makes a plan election of the pension plan or investment
765 plan, or after the month of default to the investment plan, the
766 employee and employer shall pay the applicable contributions
767 based on the employee membership class in the pension plan or
768 investment plan.
769 ~~4. For purposes of this paragraph, "state employer" means~~
770 ~~any agency, board, branch, commission, community college,~~
771 ~~department, institution, institution of higher education, or~~
772 ~~water management district of the state, which participates in~~
773 ~~the Florida Retirement System for the benefit of certain~~
774 ~~employees.~~
775 ~~(b)1. With respect to an eligible employee who is employed~~
776 ~~in a regularly established position on September 1, 2002, by a~~
777 ~~district school board employer:~~
778 ~~a. Any such employee may elect to participate in the~~
779 ~~investment plan in lieu of retaining his or her membership in~~
780 ~~the pension plan. The election must be made in writing or by~~
781 ~~electronic means and must be filed with the third party~~
782 ~~administrator by November 30, or, in the case of an active~~
783 ~~employee who is on a leave of absence on July 1, 2002, by the~~

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784 ~~last business day of the 5th month following the month the leave~~
785 ~~of absence concludes. This election is irrevocable, except as~~
786 ~~provided in paragraph (g). Upon making such election, the~~
787 ~~employee shall be enrolled as a member of the investment plan,~~
788 ~~the employee's membership in the Florida Retirement System is~~
789 ~~governed by the provisions of this part, and the employee's~~
790 ~~membership in the pension plan terminates. The employee's~~
791 ~~enrollment in the investment plan is effective the first day of~~
792 ~~the month for which a full month's employer contribution is made~~
793 ~~to the investment program.~~
794 ~~b. Any such employee who fails to elect to participate in~~
795 ~~the investment plan within the prescribed time period is deemed~~
796 ~~to have elected to retain membership in the pension plan, and~~
797 ~~the employee's option to elect to participate in the investment~~
798 ~~plan is forfeited.~~
799 ~~2. With respect to employees who become eligible to~~
800 ~~participate in the investment plan by reason of employment in a~~
801 ~~regularly established position with a district school board~~
802 ~~employer commencing after July 1, 2002:~~
803 ~~a. Any such employee shall, by default, be enrolled in the~~
804 ~~pension plan at the commencement of employment, and may, by the~~
805 ~~last business day of the 5th month following the employee's~~
806 ~~month of hire, elect to participate in the investment plan. The~~
807 ~~employee's election must be made in writing or by electronic~~
808 ~~means and must be filed with the third party administrator. The~~
809 ~~election to participate in the investment plan is irrevocable,~~
810 ~~except as provided in paragraph (g).~~
811 ~~b. If the employee files such election within the~~
812 ~~prescribed time period, enrollment in the investment plan is~~

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~~effective on the first day of employment. The employer retirement contributions paid through the month of the employee plan change shall be transferred to the investment plan, and, effective the first day of the next month, the employer shall pay the applicable contributions based on the employee membership class in the investment plan.~~

~~c. Any such employee who fails to elect to participate in the investment plan within the prescribed time period is deemed to have elected to retain membership in the pension plan, and the employee's option to elect to participate in the investment plan is forfeited.~~

~~3. For purposes of this paragraph, "district school board employer" means any district school board that participates in the Florida Retirement System for the benefit of certain employees, or a charter school or charter technical career center that participates in the Florida Retirement System as provided in s. 121.051(2)(d).~~

~~(c)1. With respect to an eligible employee who is employed in a regularly established position on December 1, 2002, by a local employer:~~

~~a. Any such employee may elect to participate in the investment plan in lieu of retaining his or her membership in the pension plan. The election must be made in writing or by electronic means and must be filed with the third party administrator by February 28, 2003, or, in the case of an active employee who is on a leave of absence on October 1, 2002, by the last business day of the 5th month following the month the leave of absence concludes. This election is irrevocable, except as provided in paragraph (g). Upon making such election, the employee shall be enrolled as a participant of the investment plan, the employee's membership in the Florida Retirement System is governed by the provisions of this part, and the employee's membership in the pension plan terminates. The employee's enrollment in the investment plan is effective the first day of the month for which a full month's employer contribution is made to the investment plan.~~

~~b. Any such employee who fails to elect to participate in the investment plan within the prescribed time period is deemed to have elected to retain membership in the pension plan, and the employee's option to elect to participate in the investment plan is forfeited.~~

~~2. With respect to employees who become eligible to participate in the investment plan by reason of employment in a regularly established position with a local employer commencing after October 1, 2002:~~

~~a. Any such employee shall, by default, be enrolled in the pension plan at the commencement of employment, and may, by the last business day of the 5th month following the employee's month of hire, elect to participate in the investment plan. The employee's election must be made in writing or by electronic means and must be filed with the third party administrator. The election to participate in the investment plan is irrevocable, except as provided in paragraph (g).~~

~~b. If the employee files such election within the prescribed time period, enrollment in the investment plan is effective on the first day of employment. The employer retirement contributions paid through the month of the employee plan change shall be transferred to the investment plan, and,~~

871 ~~effective the first day of the next month, the employer shall~~
872 ~~pay the applicable contributions based on the employee~~
873 ~~membership class in the investment plan.~~
874 ~~c. Any such employee who fails to elect to participate in~~
875 ~~the investment plan within the prescribed time period is deemed~~
876 ~~to have elected to retain membership in the pension plan, and~~
877 ~~the employee's option to elect to participate in the investment~~
878 ~~plan is forfeited.~~
879 ~~3. For purposes of this paragraph, "local employer" means~~
880 ~~any employer not included in paragraph (a) or paragraph (b).~~
881 (c) ~~(d)~~ Contributions available for self-direction by a
882 member who has not selected one or more specific investment
883 products shall be allocated as prescribed by the state board.
884 The third-party administrator shall notify the member at least
885 quarterly that the member should take an affirmative action to
886 make an asset allocation among the investment products.
887 (d) ~~(e)~~ On or after July 1, 2011, a member of the pension
888 plan who obtains a refund of employee contributions retains his
889 or her prior plan choice upon return to employment in a
890 regularly established position with a participating employer.
891 (e) ~~(f)~~ A member of the investment plan who takes a
892 distribution of any contributions from his or her investment
893 plan account is considered a retiree. A retiree who is initially
894 reemployed in a regularly established position on or after July
895 1, 2010, is not eligible to be enrolled in renewed membership.
896 (f) ~~(g)~~ After the period during which an eligible employee
897 had the choice to elect the pension plan or the investment plan,
898 or the month following the receipt of the eligible employee's
899 plan election, if sooner, the employee shall have one

900 opportunity, at the employee's discretion, to choose to move
901 from the pension plan to the investment plan or from the
902 investment plan to the pension plan. Eligible employees may
903 elect to move between plans only if they are earning service
904 credit in an employer-employee relationship consistent with s.
905 121.021(17)(b), excluding leaves of absence without pay.
906 Effective July 1, 2005, such elections are effective on the
907 first day of the month following the receipt of the election by
908 the third-party administrator and are not subject to the
909 requirements regarding an employer-employee relationship or
910 receipt of contributions for the eligible employee in the
911 effective month, except when the election is received by the
912 third-party administrator. This paragraph is contingent upon
913 approval by the Internal Revenue Service. This paragraph is not
914 applicable to compulsory investment plan members under paragraph
915 (g).
916 1. If the employee chooses to move to the investment plan,
917 the provisions of subsection (3) govern the transfer.
918 2. If the employee chooses to move to the pension plan, the
919 employee must transfer from his or her investment plan account,
920 and from other employee moneys as necessary, a sum representing
921 the present value of that employee's accumulated benefit
922 obligation immediately following the time of such movement,
923 determined assuming that attained service equals the sum of
924 service in the pension plan and service in the investment plan.
925 Benefit commencement occurs on the first date the employee is
926 eligible for unreduced benefits, using the discount rate and
927 other relevant actuarial assumptions that were used to value the
928 pension plan liabilities in the most recent actuarial valuation.

929 For any employee who, at the time of the second election,
930 already maintains an accrued benefit amount in the pension plan,
931 the then-present value of the accrued benefit is deemed part of
932 the required transfer amount. The division must ensure that the
933 transfer sum is prepared using a formula and methodology
934 certified by an enrolled actuary. A refund of any employee
935 contributions or additional member payments made which exceed
936 the employee contributions that would have accrued had the
937 member remained in the pension plan and not transferred to the
938 investment plan is not permitted.
939 3. Notwithstanding subparagraph 2., an employee who chooses
940 to move to the pension plan and who became eligible to
941 participate in the investment plan by reason of employment in a
942 regularly established position with a state employer after June
943 1, 2002; a district school board employer after September 1,
944 2002; or a local employer after December 1, 2002, must transfer
945 from his or her investment plan account, and from other employee
946 moneys as necessary, a sum representing the employee's actuarial
947 accrued liability. A refund of any employee contributions or
948 additional member ~~participant~~ payments made which exceed the
949 employee contributions that would have accrued had the member
950 remained in the pension plan and not transferred to the
951 investment plan is not permitted.
952 4. An employee's ability to transfer from the pension plan
953 to the investment plan pursuant to paragraphs (a) and (b)
954 ~~paragraphs (a) (d)~~, and the ability of a current employee to
955 have an option to later transfer back into the pension plan
956 under subparagraph 2., shall be deemed a significant system
957 amendment. Pursuant to s. 121.031(4), any resulting unfunded

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958 liability arising from actual original transfers from the
959 pension plan to the investment plan must be amortized within 30
960 plan years as a separate unfunded actuarial base independent of
961 the reserve stabilization mechanism defined in s. 121.031(3)(f).
962 For the first 25 years, a direct amortization payment may not be
963 calculated for this base. During this 25-year period, the
964 separate base shall be used to offset the impact of employees
965 exercising their second program election under this paragraph.
966 The actuarial funded status of the pension plan will not be
967 affected by such second program elections in any significant
968 manner, after due recognition of the separate unfunded actuarial
969 base. Following the initial 25-year period, any remaining
970 balance of the original separate base shall be amortized over
971 the remaining 5 years of the required 30-year amortization
972 period.
973 5. If the employee chooses to transfer from the investment
974 plan to the pension plan and retains an excess account balance
975 in the investment plan after satisfying the buy-in requirements
976 under this paragraph, the excess may not be distributed until
977 the member retires from the pension plan. The excess account
978 balance may be rolled over to the pension plan and used to
979 purchase service credit or upgrade creditable service in the
980 pension plan.
981 (g)1. All employees initially enrolled on or after January
982 1, 2014, in positions covered by the Elected Officers' Class or
983 the Senior Management Service Class are compulsory members of
984 the investment plan, except those eligible to withdraw from the
985 system under s. 121.052(3)(d) or s. 121.055(1)(b)2., or those
986 eligible for optional retirement programs under s.

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987 121.051(1)(a), s. 121.051(2)(c), or s. 121.35. Employees
988 eligible to withdraw from the system under s. 121.052(3)(d) or
989 s. 121.055(1)(b)2. may choose to withdraw from the system or to
990 participate in the investment plan as provided in those
991 sections. Employees eligible for optional retirement programs
992 under s. 121.051(2)(c) or s. 121.35, except as provided in s.
993 121.051(1)(a), may choose to participate in the optional
994 retirement program or the investment plan as provided in those
995 sections. Investment plan membership continues if there is
996 subsequent employment in a position covered by another
997 membership class. Membership in the pension plan is not
998 permitted except as provided in s. 121.591(2). Employees
999 initially enrolled in the Florida Retirement System prior to
1000 January 1, 2014, may retain their membership in the pension plan
1001 or investment plan and are eligible to use the election
1002 opportunity specified in s. 121.4501(4)(f).
1003 2. Employees initially enrolled on or after January 1,
1004 2014, are not permitted to use the election opportunity
1005 specified in paragraph (f).
1006 3. The amount of retirement contributions paid by the
1007 employee and employer, as required under s. 121.72, shall be
1008 placed in a default fund as designated by the state board, until
1009 an account is activated in the investment plan, at which time
1010 the member may move the contributions from the default fund to
1011 other funds provided in the investment plan.
1012 (5) CONTRIBUTIONS.—
1013 (c) The state board, acting as plan fiduciary, must ensure
1014 that all plan assets are held in a trust, pursuant to s. 401 of
1015 the Internal Revenue Code. The fiduciary must ensure that such

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1016 contributions are allocated as follows:
1017 1. The employer and employee contribution portion earmarked
1018 for member accounts shall be used to purchase interests in the
1019 appropriate investment vehicles as specified by the member, or
1020 in accordance with paragraph (4)(c) ~~(4)(d)~~.
1021 2. The employer contribution portion earmarked for
1022 administrative and educational expenses shall be transferred to
1023 the Florida Retirement System Investment Plan Trust Fund.
1024 3. The employer contribution portion earmarked for
1025 disability benefits shall be transferred to the Florida
1026 Retirement System Trust Fund.
1027 (8) INVESTMENT PLAN ADMINISTRATION.—The investment plan
1028 shall be administered by the state board and affected employers.
1029 The state board may require oaths, by affidavit or otherwise,
1030 and acknowledgments from persons in connection with the
1031 administration of its statutory duties and responsibilities for
1032 the investment plan. An oath, by affidavit or otherwise, may not
1033 be required of a member at the time of enrollment.
1034 Acknowledgment of an employee's election to participate in the
1035 program shall be no greater than necessary to confirm the
1036 employee's election except for members initially enrolled on or
1037 after January 1, 2014, as provided in paragraph (4)(g). The
1038 state board shall adopt rules to carry out its statutory duties
1039 with respect to administering the investment plan, including
1040 establishing the roles and responsibilities of affected state,
1041 local government, and education-related employers, the state
1042 board, the department, and third-party contractors. The
1043 department shall adopt rules necessary to administer the
1044 investment plan in coordination with the pension plan and the

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1045 disability benefits available under the investment plan.
1046 (a)1. The state board shall select and contract with a
1047 third-party administrator to provide administrative services if
1048 those services cannot be competitively and contractually
1049 provided by the division. With the approval of the state board,
1050 the third-party administrator may subcontract to provide
1051 components of the administrative services. As a cost of
1052 administration, the state board may compensate any such
1053 contractor for its services, in accordance with the terms of the
1054 contract, as is deemed necessary or proper by the board. The
1055 third-party administrator may not be an approved provider or be
1056 affiliated with an approved provider.
1057 2. These administrative services may include, but are not
1058 limited to, enrollment of eligible employees, collection of
1059 employer and employee contributions, disbursement of
1060 contributions to approved providers in accordance with the
1061 allocation directions of members; services relating to
1062 consolidated billing; individual and collective recordkeeping
1063 and accounting; asset purchase, control, and safekeeping; and
1064 direct disbursement of funds to and from the third-party
1065 administrator, the division, the state board, employers,
1066 members, approved providers, and beneficiaries. This section
1067 does not prevent or prohibit a bundled provider from providing
1068 any administrative or customer service, including accounting and
1069 administration of individual member benefits and contributions;
1070 individual member recordkeeping; asset purchase, control, and
1071 safekeeping; direct execution of the member's instructions as to
1072 asset and contribution allocation; calculation of daily net
1073 asset values; direct access to member account information; or

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1074 periodic reporting to members, at least quarterly, on account
1075 balances and transactions, if these services are authorized by
1076 the state board as part of the contract.
1077 (b)1. The state board shall select and contract with one or
1078 more organizations to provide educational services. With
1079 approval of the state board, the organizations may subcontract
1080 to provide components of the educational services. As a cost of
1081 administration, the state board may compensate any such
1082 contractor for its services in accordance with the terms of the
1083 contract, as is deemed necessary or proper by the board. The
1084 education organization may not be an approved provider or be
1085 affiliated with an approved provider.
1086 2. Educational services shall be designed by the state
1087 board and department to assist employers, eligible employees,
1088 members, and beneficiaries in order to maintain compliance with
1089 United States Department of Labor regulations under s. 404(c) of
1090 the Employee Retirement Income Security Act of 1974 and to
1091 assist employees in their choice of pension plan or investment
1092 plan retirement alternatives. Educational services include, but
1093 are not limited to, disseminating educational materials;
1094 providing retirement planning education; explaining the pension
1095 plan and the investment plan; and offering financial planning
1096 guidance on matters such as investment diversification,
1097 investment risks, investment costs, and asset allocation. An
1098 approved provider may also provide educational information,
1099 including retirement planning and investment allocation
1100 information concerning its products and services.
1101 (c)1. In evaluating and selecting a third-party
1102 administrator, the state board shall establish criteria for

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1103 evaluating the relative capabilities and qualifications of each
1104 proposed administrator. In developing such criteria, the state
1105 board shall consider:
1106 a. The administrator's demonstrated experience in providing
1107 administrative services to public or private sector retirement
1108 systems.
1109 b. The administrator's demonstrated experience in providing
1110 daily valued recordkeeping to defined contribution programs.
1111 c. The administrator's ability and willingness to
1112 coordinate its activities with employers, the state board, and
1113 the division, and to supply to such employers, the board, and
1114 the division the information and data they require, including,
1115 but not limited to, monthly management reports, quarterly member
1116 reports, and ad hoc reports requested by the department or state
1117 board.
1118 d. The cost-effectiveness and levels of the administrative
1119 services provided.
1120 e. The administrator's ability to interact with the
1121 members, the employers, the state board, the division, and the
1122 providers; the means by which members may access account
1123 information, direct investment of contributions, make changes to
1124 their accounts, transfer moneys between available investment
1125 vehicles, and transfer moneys between investment products; and
1126 any fees that apply to such activities.
1127 f. Any other factor deemed necessary by the state board.
1128 2. In evaluating and selecting an educational provider, the
1129 state board shall establish criteria under which it shall
1130 consider the relative capabilities and qualifications of each
1131 proposed educational provider. In developing such criteria, the

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1132 state board shall consider:
1133 a. Demonstrated experience in providing educational
1134 services to public or private sector retirement systems.
1135 b. Ability and willingness to coordinate its activities
1136 with the employers, the state board, and the division, and to
1137 supply to such employers, the board, and the division the
1138 information and data they require, including, but not limited
1139 to, reports on educational contacts.
1140 c. The cost-effectiveness and levels of the educational
1141 services provided.
1142 d. Ability to provide educational services via different
1143 media, including, but not limited to, the Internet, personal
1144 contact, seminars, brochures, and newsletters.
1145 e. Any other factor deemed necessary by the state board.
1146 3. The establishment of the criteria shall be solely within
1147 the discretion of the state board.
1148 (d) The state board shall develop the form and content of
1149 any contracts to be offered under the investment plan. In
1150 developing the contracts, the board shall consider:
1151 1. The nature and extent of the rights and benefits to be
1152 afforded in relation to the contributions required under the
1153 plan.
1154 2. The suitability of the rights and benefits provided and
1155 the interests of employers in the recruitment and retention of
1156 eligible employees.
1157 (e)1. The state board may contract for professional
1158 services, including legal, consulting, accounting, and actuarial
1159 services, deemed necessary to implement and administer the
1160 investment plan. The state board may enter into a contract with

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1161 one or more vendors to provide low-cost investment advice to
1162 members, supplemental to education provided by the third-party
1163 administrator. All fees under any such contract shall be paid by
1164 those members who choose to use the services of the vendor.
1165 2. The department may contract for professional services,
1166 including legal, consulting, accounting, and actuarial services,
1167 deemed necessary to implement and administer the investment plan
1168 in coordination with the pension plan. The department, in
1169 coordination with the state board, may enter into a contract
1170 with the third-party administrator in order to coordinate
1171 services common to the various programs within the Florida
1172 Retirement System.
1173 (f) The third-party administrator may not receive direct or
1174 indirect compensation from an approved provider, except as
1175 specifically provided for in the contract with the state board.
1176 (g) The state board shall receive and resolve member
1177 complaints against the program, the third-party administrator,
1178 or any program vendor or provider; shall resolve any conflict
1179 between the third-party administrator and an approved provider
1180 if such conflict threatens the implementation or administration
1181 of the program or the quality of services to employees; and may
1182 resolve any other conflicts. The third-party administrator shall
1183 retain all member records for at least 5 years for use in
1184 resolving any member conflicts. The state board, the third-party
1185 administrator, or a provider is not required to produce
1186 documentation or an audio recording to justify action taken with
1187 regard to a member if the action occurred 5 or more years before
1188 the complaint is submitted to the state board. It is presumed
1189 that all action taken 5 or more years before the complaint is

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1190 submitted was taken at the request of the member and with the
1191 member's full knowledge and consent. To overcome this
1192 presumption, the member must present documentary evidence or an
1193 audio recording demonstrating otherwise.
1194 (10) EDUCATION COMPONENT.—
1195 (a) The state board, in coordination with the department,
1196 shall provide for an education component for eligible employees
1197 ~~system members~~ in a manner consistent with the provisions of
1198 this subsection ~~section~~. ~~The education component must be~~
1199 ~~available to eligible employees at least 90 days prior to the~~
1200 ~~beginning date of the election period for the employees of the~~
1201 ~~respective types of employers.~~
1202 (b) The education component must provide system members
1203 with impartial and balanced information about plan choices
1204 except for members initially enrolled on or after January 1,
1205 2014, as provided in paragraph (4)(g). The education component
1206 must involve multimedia formats. Program comparisons must, to
1207 the greatest extent possible, be based upon the retirement
1208 income that different retirement programs may provide to the
1209 member. The state board shall monitor the performance of the
1210 contract to ensure that the program is conducted in accordance
1211 with the contract, applicable law, and the rules of the state
1212 board.
1213 (c) The state board, in coordination with the department,
1214 shall provide for an initial and ongoing transfer education
1215 component to provide system members except for those members
1216 initially enrolled on or after January 1, 2014, as provided in
1217 paragraph (4)(g), with information necessary to make informed
1218 plan choice decisions. The transfer education component must

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1219 include, but is not limited to, information on:
1220 1. The amount of money available to a member to transfer to
1221 the defined contribution program.
1222 2. The features of and differences between the pension plan
1223 and the defined contribution program, both generally and
1224 specifically, as those differences may affect the member.
1225 3. The expected benefit available if the member were to
1226 retire under each of the retirement programs, based on
1227 appropriate alternative sets of assumptions.
1228 4. The rate of return from investments in the defined
1229 contribution program and the period of time over which such rate
1230 of return must be achieved to equal or exceed the expected
1231 monthly benefit payable to the member under the pension plan.
1232 5. The historical rates of return for the investment
1233 alternatives available in the defined contribution programs.
1234 6. The benefits and historical rates of return on
1235 investments available in a typical deferred compensation plan or
1236 a typical plan under s. 403(b) of the Internal Revenue Code for
1237 which the employee may be eligible.
1238 7. The program choices available to employees of the State
1239 University System and the comparative benefits of each available
1240 program, if applicable.
1241 8. Payout options available in each of the retirement
1242 programs.
1243 ~~(h) Pursuant to subsection (8), all Florida Retirement~~
1244 ~~System employers have an obligation to regularly communicate the~~
1245 ~~existence of the two Florida Retirement System plans and the~~
1246 ~~plan choice in the natural course of administering their~~
1247 ~~personnel functions, using the educational materials supplied by~~

1248 ~~the state board and the Department of Management Services.~~
1249 Section 7. Paragraph (b) of subsection (2) of section
1250 121.591, Florida Statutes, is amended to read:
1251 121.591 Payment of benefits.—Benefits may not be paid under
1252 the Florida Retirement System Investment Plan unless the member
1253 has terminated employment as provided in s. 121.021(39)(a) or is
1254 deceased and a proper application has been filed as prescribed
1255 by the state board or the department. Benefits, including
1256 employee contributions, are not payable under the investment
1257 plan for employee hardships, unforeseeable emergencies, loans,
1258 medical expenses, educational expenses, purchase of a principal
1259 residence, payments necessary to prevent eviction or foreclosure
1260 on an employee's principal residence, or any other reason except
1261 a requested distribution for retirement, a mandatory de minimis
1262 distribution authorized by the administrator, or a required
1263 minimum distribution provided pursuant to the Internal Revenue
1264 Code. The state board or department, as appropriate, may cancel
1265 an application for retirement benefits if the member or
1266 beneficiary fails to timely provide the information and
1267 documents required by this chapter and the rules of the state
1268 board and department. In accordance with their respective
1269 responsibilities, the state board and the department shall adopt
1270 rules establishing procedures for application for retirement
1271 benefits and for the cancellation of such application if the
1272 required information or documents are not received. The state
1273 board and the department, as appropriate, are authorized to cash
1274 out a de minimis account of a member who has been terminated
1275 from Florida Retirement System covered employment for a minimum
1276 of 6 calendar months. A de minimis account is an account

1277 containing employer and employee contributions and accumulated
1278 earnings of not more than $5,000 made under the provisions of
1279 this chapter. Such cash-out must be a complete lump-sum
1280 liquidation of the account balance, subject to the provisions of
1281 the Internal Revenue Code, or a lump-sum direct rollover
1282 distribution paid directly to the custodian of an eligible
1283 retirement plan, as defined by the Internal Revenue Code, on
1284 behalf of the member. Any nonvested accumulations and associated
1285 service credit, including amounts transferred to the suspense
1286 account of the Florida Retirement System Investment Plan Trust
1287 Fund authorized under s. 121.4501(6), shall be forfeited upon
1288 payment of any vested benefit to a member or beneficiary, except
1289 for de minimis distributions or minimum required distributions
1290 as provided under this section. If any financial instrument
1291 issued for the payment of retirement benefits under this section
1292 is not presented for payment within 180 days after the last day
1293 of the month in which it was originally issued, the third-party
1294 administrator or other duly authorized agent of the state board
1295 shall cancel the instrument and credit the amount of the
1296 instrument to the suspense account of the Florida Retirement
1297 System Investment Plan Trust Fund authorized under s.
1298 121.4501(6). Any amounts transferred to the suspense account are
1299 payable upon a proper application, not to include earnings
1300 thereon, as provided in this section, within 10 years after the
1301 last day of the month in which the instrument was originally
1302 issued, after which time such amounts and any earnings
1303 attributable to employer contributions shall be forfeited. Any
1304 forfeited amounts are assets of the trust fund and are not
1305 subject to chapter 717.

1306 (2) DISABILITY RETIREMENT BENEFITS.—Benefits provided under
1307 this subsection are payable in lieu of the benefits that would
1308 otherwise be payable under the provisions of subsection (1).
1309 Such benefits must be funded from employer contributions made
1310 under s. 121.571, transferred employee contributions and funds
1311 accumulated pursuant to paragraph (a), and interest and earnings
1312 thereon.
1313 (b) *Disability retirement; entitlement.*—
1314 1.a. A member of the investment plan initially enrolled
1315 before January 1, 2014, who becomes totally and permanently
1316 disabled, as defined in paragraph (d), after completing 8 years
1317 of creditable service, or a member who becomes totally and
1318 permanently disabled in the line of duty regardless of length of
1319 service, is entitled to a monthly disability benefit.
1320 b. A member of the investment plan initially enrolled on or
1321 after January 1, 2014, who becomes totally and permanently
1322 disabled, as defined in paragraph (d), after completing 10 years
1323 of creditable service, or a member who becomes totally and
1324 permanently disabled in the line of duty regardless of service,
1325 is entitled to a monthly disability benefit.
1326 2. In order for service to apply toward the ~~8~~ years of
1327 creditable service required for regular disability benefits, or
1328 toward the creditable service used in calculating a service-
1329 based benefit as provided under paragraph (g), the service must
1330 be creditable service as described below:
1331 a. The member's period of service under the investment plan
1332 shall be considered creditable service, except as provided in
1333 subparagraph d.
1334 b. If the member has elected to retain credit for service

1335 under the pension plan as provided under s. 121.4501(3), all
1336 such service shall be considered creditable service.
1337 c. If the member elects to transfer to his or her member
1338 accounts a sum representing the present value of his or her
1339 retirement credit under the pension plan as provided under s.
1340 121.4501(3), the period of service under the pension plan
1341 represented in the present value amounts transferred shall be
1342 considered creditable service, except as provided in
1343 subparagraph d.
1344 d. If a member has terminated employment and has taken
1345 distribution of his or her funds as provided in subsection (1),
1346 all creditable service represented by such distributed funds is
1347 forfeited for purposes of this subsection.
1348 Section 8. Subsection (3) of section 121.71, Florida
1349 Statutes, is amended to read:
1350 121.71 Uniform rates; process; calculations; levy.—
1351 (3)(a) Required employee retirement contribution rates for
1352 each membership class and subclass of the Florida Retirement
1353 System for the pension plan ~~both retirement plans~~ are as
1354 follows:

Membership Class	Percentage of Gross Compensation, Effective July 1, 2011
1355	
1356	
Regular Class	3.00%

1357	
Special Risk Class	3.00%
1358	
Special Risk Administrative Support Class	3.00%
1359	
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%
1360	
Elected Officers' Class— Justices, Judges	3.00%
1361	
Elected Officers' Class— County Elected Officers	3.00%
1362	
Senior Management Service Class	3.00%
1363	
DROP	0.00%
1364	

1365 (b) Required employee retirement contribution rates for
1366 each membership class and subclass of the Florida Retirement
1367 System for the investment plan are as follows:

Membership Class	Percentage of Gross	Percentage of Gross

	Compensation, Effective July 1, 2011	Compensation, Effective January 1, 2014
Regular Class	3.00%	2.00%
Special Risk Class	3.00%	2.00%
Special Risk Administrative Support Class	3.00%	2.00%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	3.00%	2.00%
Elected Officers' Class— Justices, Judges	3.00%	2.00%

Elected Officers' Class— County Elected Officers	3.00%	2.00%
Senior Management Service Class	3.00%	2.00%

Section 9. Paragraph (a) of subsection (4) of section 121.35, Florida Statutes, is amended to read:

121.35 Optional retirement program for the State University System.—

(4) CONTRIBUTIONS.—

(a)1. Through June 30, 2001, each employer shall contribute on behalf of each member of the optional retirement program an amount equal to the normal cost portion of the employer retirement contribution which would be required if the employee were a regular member of the Florida Retirement System Pension Plan, plus the portion of the contribution rate required in s. 112.363(8) that would otherwise be assigned to the Retiree Health Insurance Subsidy Trust Fund.

2. Effective July 1, 2001, through June 30, 2011, each employer shall contribute on behalf of each member of the optional retirement program an amount equal to 10.43 percent of the employee's gross monthly compensation.

3. Effective July 1, 2011, through June 30, 2012, each member of the optional retirement program shall contribute an amount equal to the employee contribution required in s.

1397 121.71(3)(a). The employer shall contribute on behalf of each
1398 such member an amount equal to the difference between 10.43
1399 percent of the employee's gross monthly compensation and the
1400 amount equal to the employee's required contribution based on
1401 the employee's gross monthly compensation.
1402 4. Effective July 1, 2012, each member of the optional
1403 retirement program shall contribute an amount equal to the
1404 employee contribution required in s. 121.71(3)(a). The employer
1405 shall contribute on behalf of each such member an amount equal
1406 to the difference between 8.15 percent of the employee's gross
1407 monthly compensation and the amount equal to the employee's
1408 required contribution based on the employee's gross monthly
1409 compensation.
1410 5. The payment of the contributions, including
1411 contributions by the employee, shall be made by the employer to
1412 the department, which shall forward the contributions to the
1413 designated company or companies contracting for payment of
1414 benefits for members of the program. However, such contributions
1415 paid on behalf of an employee described in paragraph (3)(c) may
1416 not be forwarded to a company and do not begin to accrue
1417 interest until the employee has executed a contract and notified
1418 the department. The department shall deduct an amount from the
1419 contributions to provide for the administration of this program.
1420 Section 10. Section 238.072, Florida Statutes, is amended
1421 to read:
1422 238.072 Special service provisions for extension
1423 personnel.—All state and county cooperative extension personnel
1424 holding appointments by the United States Department of
1425 Agriculture for extension work in agriculture and home economics

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1426 in this state who are joint representatives of the University of
1427 Florida and the United States Department of Agriculture, as
1428 provided in s. 121.051(8) ~~121.051(7)~~, who are members of the
1429 Teachers' Retirement System, chapter 238, and who are prohibited
1430 from transferring to and participating in the Florida Retirement
1431 System, chapter 121, may retire with full benefits upon
1432 completion of 30 years of creditable service and shall be
1433 considered to have attained normal retirement age under this
1434 chapter, any law to the contrary notwithstanding. In order to
1435 comply with the provisions of s. 14, Art. X of the State
1436 Constitution, any liability accruing to the Florida Retirement
1437 System Trust Fund as a result of the provisions of this section
1438 shall be paid on an annual basis from the General Revenue Fund.
1439 Section 11. Subsection (11) of section 413.051, Florida
1440 Statutes, is amended to read:
1441 413.051 Eligible blind persons; operation of vending
1442 stands.—
1443 (11) Effective July 1, 1996, blind licensees who remain
1444 members of the Florida Retirement System pursuant to s.
1445 121.051(7)(b)1. ~~121.051(6)(b)1.~~ shall pay any unappropriated
1446 retirement costs from their net profits or from program income.
1447 Within 30 days after the effective date of this act, each blind
1448 licensee who is eligible to maintain membership in the Florida
1449 Retirement System under s. 121.051(7)(b)1. ~~121.051(6)(b)1.~~, but
1450 who elects to withdraw from the system as provided in s.
1451 121.051(7)(b)3. ~~121.051(6)(b)3.~~, must, on or before July 31,
1452 1996, notify the Division of Blind Services and the Department
1453 of Management Services in writing of his or her election to
1454 withdraw. Failure to timely notify the divisions shall be deemed

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1455 a decision to remain a compulsory member of the Florida
1456 Retirement System. However, if, at any time after July 1, 1996,
1457 sufficient funds are not paid by a blind licensee to cover the
1458 required contribution to the Florida Retirement System, that
1459 blind licensee shall become ineligible to participate in the
1460 Florida Retirement System on the last day of the first month for
1461 which no contribution is made or the amount contributed is
1462 insufficient to cover the required contribution. For any blind
1463 licensee who becomes ineligible to participate in the Florida
1464 Retirement System as described in this subsection, no creditable
1465 service shall be earned under the Florida Retirement System for
1466 any period following the month that retirement contributions
1467 ceased to be reported. However, any such person may participate
1468 in the Florida Retirement System in the future if employed by a
1469 participating employer in a covered position.
1470 Section 12. Paragraph (a) of subsection (4) of section
1471 1012.875, Florida Statutes, is amended to read:
1472 1012.875 State Community College System Optional Retirement
1473 Program.—Each Florida College System institution may implement
1474 an optional retirement program, if such program is established
1475 therefor pursuant to s. 1001.64(20), under which annuity or
1476 other contracts providing retirement and death benefits may be
1477 purchased by, and on behalf of, eligible employees who
1478 participate in the program, in accordance with s. 403(b) of the
1479 Internal Revenue Code. Except as otherwise provided herein, this
1480 retirement program, which shall be known as the State Community
1481 College System Optional Retirement Program, may be implemented
1482 and administered only by an individual Florida College System
1483 institution or by a consortium of Florida College System

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1484 institutions.
1485 (4)(a)1. Through June 30, 2011, each college must
1486 contribute on behalf of each program member an amount equal to
1487 10.43 percent of the employee's gross monthly compensation.
1488 2. Effective July 1, 2011, through June 30, 2012, each
1489 member shall contribute an amount equal to the employee
1490 contribution required under s. 121.71(3)(a). The employer shall
1491 contribute on behalf of each program member an amount equal to
1492 the difference between 10.43 percent of the employee's gross
1493 monthly compensation and the employee's required contribution
1494 based on the employee's gross monthly compensation.
1495 3. Effective July 1, 2012, each member shall contribute an
1496 amount equal to the employee contribution required under s.
1497 121.71(3)(a). The employer shall contribute on behalf of each
1498 program member an amount equal to the difference between 8.15
1499 percent of the employee's gross monthly compensation and the
1500 employee's required contribution based on the employee's gross
1501 monthly compensation.
1502 4. The college shall deduct an amount approved by the
1503 district board of trustees of the college to provide for the
1504 administration of the optional retirement program. Payment of
1505 this contribution must be made directly by the college or
1506 through the program administrator to the designated company
1507 contracting for payment of benefits to the program member.
1508 Section 13. (1) In order to fund the benefit changes
1509 provided for in this act, the required employer contribution
1510 rates of the Florida Retirement System established in 121.71(4),
1511 Florida Statutes, shall be adjusted as follows:
1512 (a) The Regular Class is increased by X.XX percentage

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1513 points.
1514 (b) The Special Risk Class is increased by X.XX percentage
1515 points.
1516 (c) The Special Risk Administrative Support Class is
1517 increased by X.XX percentage points.
1518 (d) The Elected Officers' Class—Legislators, Governor, Lt.
1519 Governor, Cabinet Officers, State Attorneys, Public Defenders is
1520 increased by X.XX percentage points.
1521 (e) The Elected Officers' Class—Justices, Judges is
1522 increased by X.XX percentage points.
1523 (f) The Elected Officer's Class—County Elected Officers is
1524 increased by X.XX percentage points.
1525 (g) The Senior Management Service Class is increased by
1526 X.XX percentage points.
1527 (h) The DROP class is increased by X.XX percentage points.
1528 (2) In order to fund for the benefit changes provided for
1529 in this act, the required employer contribution rates for the
1530 unfunded actuarial liability of the Florida Retirement System
1531 established in s. 121.71(5), Florida Statutes, shall be adjusted
1532 as follows:
1533 (a) The Regular Class is increased by X.XX percentage
1534 points.
1535 (b) The Special Risk Class is increased by X.XX percentage
1536 points.
1537 (c) The Special Risk Administrative Support Class is
1538 increased by X.XX percentage points.
1539 (d) The Elected Officers' Class—Legislators, Governor, Lt.
1540 Governor, Cabinet Officers, State Attorneys, Public Defenders is
1541 increased by X.XX percentage points.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1542 (e) The Elected Officers' Class—Justices, Judges is
1543 increased by X.XX percentage points.
1544 (f) The Elected Officer's Class—County Elected Officers is
1545 increased by X.XX percentage points.
1546 (g) The Senior Management Service Class is increased by
1547 X.XX percentage points.
1548 (h) The DROP class is increased by X.XX percentage points.
1549 (3) The adjustments provided in subsections (1) and (2)
1550 shall be made in addition to other changes to such contribution
1551 rates which may be enacted into law to take effect on July 1,
1552 2013, and July 1, 2014. The Division of Law Revision and
1553 Information is requested to adjust accordingly the contribution
1554 rates provided in s. 121.71, Florida Statutes.
1555 Section 14. The Legislature finds that a proper and
1556 legitimate state purpose is served when employees and retirees
1557 of the state and its political subdivisions, and the dependents,
1558 survivors, and beneficiaries of such employees and retirees, are
1559 extended the basic protections afforded by governmental
1560 retirement systems. These persons must be provided benefits that
1561 are fair and adequate and that are managed, administered, and
1562 funded in an actuarially sound manner, as required by s. 14,
1563 Article X of the State Constitution and part VII of chapter 112,
1564 Florida Statutes. Therefore, the Legislature determines and
1565 declares that this act fulfills an important state interest.
1566 Section 15. This act shall take effect January 1, 2014.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Pensions

Bill Number: 1392 *(if applicable)*

Name: Gary Rainey

Amendment Barcode: 104692 *(if applicable)*

Job Title: President

Address: 345 W Madison St
Street

Tallahassee, FL 32301
City *State* *Zip*

Phone:

E-mail:

Speaking: ☐ For ☐ Against ☐ Information

Representing: Florida Professional Firefighters

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Pension

Bill Number: 1392 *(if applicable)*

Name: Amy Datz

Amendment Barcode: _____ *(if applicable)*

Job Title: Retired State Employee

Address: 1130 Crestview Ave.
Street

Tallahassee FL 32303
City *State* *Zip*

Phone: 850 322-7599

E-mail: amaliedatz@mac.com

Speaking: ☐ For ☑ Against ☐ Information

Representing: Self

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☐ Yes ☑ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Retirement Bill

Bill Number: 1392 *(if applicable)*

Name: Jon Costello

Amendment Barcode: *(if applicable)*

Job Title: Lobbyist

Address: 2566 Twain Dr
Street

Tallahassee FL 32311
City *State* *Zip*

Phone: 850-766-8654

E-mail: jon@REUSHLAW.com

Speaking: [✓] For [ ] Against [ ] Information

Representing: Associated Industries of Florida

Appearing at request of Chair: [ ] Yes [✓] No

Lobbyist registered with Legislature: [✓] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: FRS

Bill Number: 1392 *(if applicable)*

Name: BRETT SANDLIN

Amendment Barcode: *(if applicable)*

Job Title: PRESIDENT ALACHUA COUNTY FIREFIGHTERS

Address: 1949 NE 27TH AVE
Street

GAINESVILLE FL 32609
City *State* *Zip*

Phone: 352 535 5342

E-mail: PRESIDENT@COUN32B2.COM

Speaking: [X] For [ ] Against [ ] Information

Representing: ALACHUA COUNTY FIREFIGHTERS

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [ ] Yes [X] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

03.28.13
Meeting Date

Topic: FRS

Bill Number: 1392 *(if applicable)*

Name: WALTER DIX

Amendment Barcode: *(if applicable)*

Job Title: PRESIDENT

Address: 2650 W. ST. RD. 84
Street

FT. LAUD. FL 33312
City *State* *Zip*

Phone: 954-587-3333

E-mail: WDIX@IAFF.ORG

Speaking: [✓] For [ ] Against [ ] Information

Representing: BROWARD COUNTY FIRE FIGHTERS

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28
Meeting Date

Topic: SB 1392

Bill Number: 1392 *(if applicable)*

Name: Gary Rainey

Amendment Barcode: *(if applicable)*

Job Title: President

Address: 315 W Madison St
Street

Tallahassee, FL 32301
City, State, Zip

Phone: 305 525 7722

E-mail: raineyg@gmail.com

Speaking: [x] For [ ] Against [ ] Information

Representing: Florida Professional Firefighters

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic FRS

Bill Number 1392 *(if applicable)*

Name Manly Bolin

Amendment Barcode _____ *(if applicable)*

Job Title Dist V.P

Address 806 SW El Prado
Street

Lake City Florida 32025
City *State* *Zip*

Phone 386-719-9133

E-mail mbolin@iaff.org

Speaking: ☒ For ☐ Against ☐ Information

Representing Florida Prof. Firefighters

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____

Bill Number 1392 (if applicable)

Name Leticia Adams

Amendment Barcode _____ (if applicable)

Job Title Director of Governance Policy

Address 136 S. Bronough St
Street

Tall FL 32301
City State Zip

Phone 850 544 6866

E-mail _____

Speaking: [X] For [ ] Against [ ] Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

24 March
Meeting Date

Topic: Retirement

Bill Number: SB 1392 *(if applicable)*

Name: Shari Gewanter

Amendment Barcode: *(if applicable)*

Job Title: Teacher - Leon Cty. Schools

Address: 2213 Pontiac Dr
Street

Tallahassee, FL 32301
City, State, Zip

Phone: 850-294-6257 (C)

E-mail: sharigewanter@comcast.net

Speaking: ☐ For ☑ Against ☐ Information

Representing: N/A teacher in local school

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☐ Yes ☑ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic _____ Bill Number 1392 *(if applicable)*

Name ROWAN TAYLOR Amendment Barcode _____ *(if applicable)*

Job Title FIREFIGHTER

Address 8000 NW 21 ST
Street

MIAMI FL 33122
City *State* *Zip*

Phone _____

E-mail _____

Speaking: [✓] For [ ] Against [ ] Information

Representing MIAMI-DADE FIREFIGHTERS

Appearing at request of Chair: [ ] Yes [✓] No

Lobbyist registered with Legislature: [ ] Yes [✓] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/2013
Meeting Date

Topic: FRS

Bill Number: SB 1392 *(if applicable)*

Name: Matt Puckett

Amendment Barcode: _____ *(if applicable)*

Job Title: Lobbyist

Address: 300 East Brevard St.
Street

Tallahassee, FL 32301
City *State* *Zip*

Phone: _____

E-mail: _____

Speaking: [X] For [ ] Against [ ] Information

Representing: Florida Police Benevolent Association

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Pension Reform FRS

Bill Number: 1392 *(if applicable)*

Name: Ron Silver

Amendment Barcode: *(if applicable)*

Job Title:

Address: 2031 NE 209 ST
Street

MIAMI, FL 33179
City, State, Zip

Phone: 305-502-1199

E-mail: RSilver378@AOL.com

Speaking: [ ] For [X] Against [ ] Information

Representing: Teamsters

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: FRS

Bill Number: SB 1392 *(if applicable)*

Name: Ron Poppell

Amendment Barcode: _____ *(if applicable)*

Job Title: Senior DC Programs Officer

Address: 1801 Hermitage Blvd
Street

Tallahassee, FL 32308
City *State* *Zip*

Phone: 413-1497

E-mail: _____

Speaking: ☐ For ☐ Against ☒ Information

Representing: State Board of Administration

Appearing at request of Chair: ☒ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

2-28-13
Meeting Date

Topic: PRS

Bill Number: 1392 *(if applicable)*

Name: Lynda Russell

Amendment Barcode: _____ *(if applicable)*

Job Title: _____

Address: 213 S. Adams
Street

Tallahassee
City *State* *Zip*

Phone: _____

E-mail: _____

Speaking: ☐ For ☒ Against ☐ Information

Representing: Florida Education Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/2013
Meeting Date

Topic: FRS Retirement

Bill Number: SB 1392 *(if applicable)*

Name: Sammie Jones

Amendment Barcode: _____ *(if applicable)*

Job Title: UF Student

Address: 2309 Old Bainbridge Rd
Street

Tallahassee, FL 32303
City, State, Zip

Phone: (904) 861-8524

E-mail: sammiejay357@gmail.com

Speaking: [ ] For [X] Against [ ] Information

Representing: Self

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [ ] Yes [X] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: FRS

Bill Number: 1392 *(if applicable)*

Name: Doug Martin

Amendment Barcode: *(if applicable)*

Job Title: Legislative Dir

Address: 3064 Highland Oaks Terr.
Street

Tallahassee, FL 32301
City *State* *Zip*

Phone: 850-212-7417 cell

E-mail: dmartin@afscmefl.org

Speaking: ☐ For ☑ Against ☐ Information

Representing: AFSCME Florida Council 79

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/2013
Meeting Date

Topic: FRS Retirement

Bill Number: SB 1392 *(if applicable)*

Name: Pat Dix

Amendment Barcode: *(if applicable)*

Job Title: Legislative Advocate

Address: 213 S. Adams Street
Street

Tallahassee, FL 32301
City *State* *Zip*

Phone: 850-274-8781

E-mail: pat.dix@floridaea.org

Speaking: ☐ For ☒ Against ☐ Information

Representing: FL Education Assn

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Pension Reform

Bill Number: 1392 *(if applicable)*

Name: DAVID JACOBSEN

Amendment Barcode: *(if applicable)*

Job Title: Retired

Address: 3019 Windy Hill LN
Street

Tallahassee FL 32308
City *State* *Zip*

Phone: 850 385 6504

E-mail: daveyacobsen@msn.com

Speaking: ☐ For ☒ Against ☐ Information

Representing: NW FL AFSCME Retirees

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 1632

INTRODUCER: Appropriations Committee; Transportation Committee; and Senator Latvala

SUBJECT: Transportation

DATE: April 4, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Price	Eichin	TR	**Fav/CS**
2.	Carey	Hansen	AP	**Fav/CS**
3.				
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 1632 revises provisions relating to the Florida Department of Transportation's (FDOT) disposal and lease of real and personal property and revises provisions contained in ch. 479, F.S., relating to outdoor advertising.

The bill has an indeterminate fiscal impact on State Transportation Trust Fund. In addition, a positive impact to local revenue is expected as properties formerly owned by FDOT are returned to the ad valorem tax roll. See Section V.

Primarily, the bill:

- Authorizes the FDOT to contract for auction services used in the conveyance of real or personal property or of leasehold interests.
- Revises the terms and conditions under which the FDOT may sell or lease properties acquired for transportation rights-of-way.
- Authorizes the FDOT, when it determines property is not needed for a transportation facility, to dispose of the property through negotiations, sealed competitive bids, auctions, or any

other means the FDOT deems to be in its best interest and after due advertisement if the property is valued at greater than $10,000.

- Prohibits a sale at a price less than the FDOT's current estimate of value, except under certain conditions.
- Authorizes the FDOT to enter into a lease through negotiations, sealed competitive bids, auctions, or any other means the FDOT deems to be in its best interest; and prohibits the FDOT from entering into a lease at a price less than the FDOT's current estimate of value.
- Requires the FDOT's estimate of value to be prepared in accordance with the FDOT procedures, guidelines, and rules for valuation of real property; and requires, if the value of the property exceeds $50,000 as determined by the FDOT's estimate, the sale or lease must be at a negotiated price not less than the estimate of value as determined by an independent appraisal prepared in accordance with the FDOT procedures, guidelines, and rules, the cost of which must be paid by the party seeking the purchase or lease of the property.
- Relocates, revises, and repeals various definitions, and revises various duties of the FDOT with respect to administration and enforcement of state and federal outdoor advertising provisions.
- Provides that the FDOT shall permit signs only in commercial or industrial zones, as determined by the local government, as specified; provides criteria required for local government determinations as to zoning for a parcel; and provides certain uses and activities that may not be independently recognized as commercial or industrial, the bulk of which is relocated from existing law.
- Requires the FDOT to notify a sign applicant in writing if the FDOT disagrees with a local government determination that a proposed sign location is on a parcel that is in a commercial or industrial zone, authorizes an applicant whose application for a permit is denied to request an administrative hearing, and requires the FDOT to notify the local government that the applicant has requested a hearing.
- Provides that if the FDOT determines that the parcel does not meet sign permit requirements, the applicant must remove the sign within 30 days after the date of the order and is responsible for all sign removal costs; and provides for a reduction in transportation funding to a local government if a local government fails to comply.
- Revises various fees; revises provisions relating to signs visible from more than one highway; makes permanent a pilot program in specified locations under which the distance between certain permitted signs may be reduced to 1,000 feet; revises provisions relating to vegetation management and revises provisions relating to relocated or reconstruction of signs situated upon right-of-way acquired by the FDOT.
- Provides for additional signs that can be erected without a permit, but prohibits implementation or continuation of the authorized signs as specified; revises provisions relating to increasing the height of a sign at its permitted location if a noise-attenuation barrier is permitted or erected by any governmental entity, as specified; and expands the logo sign program to the right-of-way of the limited-access system.
- Makes various grammatical changes to aid readability, provides various technical corrections, and conforms terminology to changes made in the act.
- Repeals a pilot program authorized in 2012 for signs for tourist-oriented commerce signs, which is replaced by authority to erect such signs without a permit under certain conditions.
- Requires the FDOT to submit for legislative approval in the next regular legislative session a program that allows participation in the maintenance of highway roadside rights-of-way

through monetary contributions in exchange for the placement of organic corporate emblems in view of passing motorists in recognition of services provided, if the Federal Government approves such a program.
- Provides an effective date.

This bill substantially amends the following sections of the Florida Statutes: 337.25, 479.01, 479.02, 479.03, 479.04, 479.05, 479.07, 479.08, 479.10, 479.105, 479.106, 479.107, 479.111, 479.15, 479.1546, 479.16, 479.24, 479.25, 479.261, and 479.313.

This bill creates section 479.024, Florida Statutes.

The bill repeals section 76 of chapter 2012-174, Laws of Florida.

II. Present Situation:

Disposal and Lease of Real and Personal Property

The FDOT is authorized to purchase, lease, exchange, or otherwise acquire any land, property interests, buildings or other improvements necessary for rights-of-way for existing or anticipated transportation facilities on the State Highway System, on the State Park Road System, or in an FDOT designated rail or transportation corridor. The FDOT may also accept donations of land, building, or other improvements for transportation rights-of-way and may compensate an entity by providing replacement facilities when the land, building, or other improvements are needed for transportation purposes but are held by a federal, state, or local governmental entity and used for public purposes other than transportation.[1]

The FDOT is required to conduct a complete inventory of all real or personal property immediately upon acquisition, including an itemized listing of all appliances, fixtures, and other severable items, a statement of the location or site of each piece of realty, structure, or severable item; and the serial number assigned to each.[2] The FDOT must evaluate the inventory of real property which has been owned for at least 10 years and which is not within a transportation corridor or the right-of-way of a transportation facility. If the property is not located within a transportation corridor or is not needed for a transportation facility, FDOT is authorized to dispose of the property.[3] According to the FDOT, 85 percent of its currently-owned surplus property is valued at under $50,000.

Sale of Property

The FDOT is authorized to sell any land, building, or other real or personal property it acquired if the FDOT determines the property is not needed for a transportation facility.[4] The FDOT is required to first offer the property ("first right of refusal") to the local government in whose jurisdiction the property is located, with the exception of the following parcels:

[1] Section 337.25(1), F.S.
[2] Section 337.25(2), F.S.
[3] Section 337.25(3), F.S.
[4] Section 337.25(4), F.S.

- The FDOT may negotiate the sale of property, at no less than fair market value as determined by an independent appraisal, to the owner holding title to abutting property, if in the FDOT's discretion public sale would be inequitable.[5]
- The FDOT may sell property acquired for use as a borrow pit, at no less than fair market value, to the owner of abutting land from which the pit was originally acquired, if the pit is no longer needed.[6]
- The FDOT may convey to a county without consideration any property acquired by a county or by the FDOT using constitutional gas tax funds for a right-of-way or borrow pit for a road on the State Highway System, State Park Road System, or county road system if the property is no longer used or needed by the FDOT; and the county may sell the property on receipt of competitive bids.[7]
- A governmental entity may authorize re-conveyance to the original donor of property donated to the state for transportation purposes if the facility has not been constructed for at least five years, no plans have been prepared for construction of the facility, and the property is not located within a transportation corridor.[8]
- The FDOT may negotiate the sale of property as replacement housing if the property was originally acquired for persons displaced by transportation projects and if the state receives no less than its investment in such properties or fair market value, whichever is lower. This benefit extends only to persons actually displaced by a project, and dispositions to any other person must be for fair market value. [9]

Once the FDOT determines the property is not needed for a transportation facility and has extended and received rejection of required first rights of refusal, FDOT is also authorized to:

- Negotiate the sale of property if its value is $10,000 or less as determined by FDOT estimate;[10]
- Sell the property to the highest bidder through "due advertisement" of receipt of sealed competitive bids or by public auction if its value exceeds $10,000 as determined by the FDOT estimate;[11]
- Determine the fair market value of property through appraisal conducted by an FDOT appraiser, if the FDOT begins the process for disposing of property on its own initiative, either by authorized negotiation or by authorized receipt of sealed competitive bids or public auction;[12]
- Convey the property without consideration to a governmental entity if the property is to be used for a public purpose;[13]and
- Use the projected maintenance costs of the property over the next five years to offset the market value in establishing a value for disposal of the property, even if that value is zero, if

[5] Section 337.25(4)(c), F.S.
[6] Section 337.25(4)(d), F.S.
[7] Section 337.25(4)(f), F.S.
[8] Section 337.25(4)(g), F.S.
[9] Section 337.25(4)(i), F.S.
[10] Section 337.25(4)(a), F.S.
[11] Section 337.25(4)(b), F.S.
[12] Section 337.25(4)(e), F.S.
[13] Section 337.25(4)(h), F.S.

the FDOT determines that the property will require significant costs to be incurred or that continued ownership of the property exposes the FDOT to significant liability risks.[14]

Lease of Property

The FDOT is further authorized to convey a leasehold interest for commercial or other purposes to any acquired land, building, or other property, real or personal, subject to the following:[15]

- The FDOT may negotiate such a lease at the prevailing market value with the owner from whom the property was acquired; with the holders of leasehold estates existing at the time of the FDOT's acquisition; or, if public bidding would be inequitable, with the owner of privately owned abutting property, after reasonable notice to all other abutting property owners.[16]
- All other leases must be by competitive bid.[17]
- Such leases are limited to five years in duration, but the FDOT may renegotiate a lease for an additional five-year term without rebidding.[18]
- Each lease must require that any improvements made to the property during the lease term be removed at the lessee's expense.[19]
- If property is to be used for a public purpose, including a fair, art show, or other educational, cultural, or fundraising activity, the property may be leased without consideration to a governmental entity or school board.[20]
- No lease may be used by the lessee to establish the four years' standing required by eminent domain law if the business had not been established for four years on the date title passed to the FDOT.[21]
- The FDOT may enter into a long-term lease without compensation with certain public ports for rail corridors used for the operation of a short-line railroad to the port.[22]

The appraisals currently required under s. 337.25(4)(c) and (d), F.S., must be prepared in accordance with the FDOT guidelines and rules by an independent appraiser certified by the FDOT.[23] When "due advertisement" is required, an advertisement in a newspaper of general circulation in the area of the improvements of not less than 14 calendar days prior to the date of the receipt of bids or the date on which a public auction is to be held satisfies the requirement.[24]

Control of Outdoor Advertising

Since the passage of the Highway Beautification Act (HBA) in 1965, the Federal Highway Administration (FHWA) has established controls for outdoor advertising along Federal-aid

[14] Section 337.25(4)(j), F.S.
[15] Section 337.25(5), F.S.
[16] Section 337.25(5)(a), F.S.
[17] Section 337.25(5)(b), F.S.
[18] Section 337.25(5)(c), F.S.
[19] Section 337.25(5)(d), F.S.
[20] Section 337.25(5)(e), F.S.
[21] Section 337.25(5)(g), F.S.
[22] Section 337.25(5)(h), F.S.
[23] Section 337.25(7), F.S.
[24] Section 337.25(8), F.S.

Primary, Interstate, and National Highway System roads. The HBA allows the location of billboards in commercial or industrial areas, mandates a state compliance program, requires the development of state standards, promotes the expeditious removal of illegal signs, and requires just compensation for takings.

The primary features of the Highway Beautification Act include:

- Billboards are allowed, by statute, in commercial and industrial areas consistent with size, lighting, and spacing provisions as agreed to by the state and federal governments. Billboard controls apply to all Interstates, Federal-Aid Primaries, and other highways that are part of the national Highway System.
- States have the discretion to remove legal nonconforming signs[25] along highways. However, the payment of just compensation is required for the removal of any lawfully erected billboard along the specified roads.
- States and localities may enact stricter laws than stipulated in the HBA.

The HBA mandates state compliance and the development of standards for certain signs as well as the removal of nonconforming signs. While the states are not directly forced to control signs, failure to impose the required controls can result in a substantial penalty. The penalty for noncompliance with the HBA is a 10 percent reduction of the state's annual federal-aid highway apportionment.[26]

Under the provisions of a 1972 agreement between the State of Florida and the U.S. Department of Transportation (USDOT)[27] incorporating the HBA's required controls, the FDOT requires commercial signs to meet certain requirements when they are within 660 feet of Interstate and Federal-Aid Primary highways in urban areas, or visible at any distance from the same roadways when outside of urban areas. The agreement embodies the federally-required "effective control of the erection and maintenance of outdoor advertising signs, displays, and devices." Absent this effective control, the non-compliance penalty of 10 percent of federal highway funds may be imposed.

Florida's outdoor advertising laws are found in ch. 479, F.S., and are based on federal law and regulations, and the 1972 agreement.

Commercial and Industrial Areas

Outdoor advertising signs may legally be located in commercial or industrial areas. In conformance with the 1972 agreement, s. 479.01(4), F.S., currently defines "commercial or industrial zone" as a parcel of land designated for commercial or industrial use under both the Future Land Use Map (FLUM) of the local comprehensive plan and the land development regulations adopted pursuant to ch. 163, F.S. This allows the FDOT to consider both land

[25] A legal "nonconforming sign" is a sign that was legally erected according to the applicable laws and regulations of the time, but which does not meet current laws or regulations. (s. 479.01(17), F.S.)
[26] 23 U.S.C. § 131(b)
[27] Copy on file in the Senate Transportation Committee.

development regulations and future land use maps in determining commercial and industrial land use areas and issuing permits for sign locations in such areas.

Unzoned Commercial and Industrial Areas

If a parcel is located in an area designated for multiple uses on the FLUM, and the land development regulations do not clearly designate the parcel for a specific use, the area will be considered an unzoned commercial or industrial area and outdoor advertising signs may be permitted there provided three or more separate commercial or industrial activities take place.[28] However, the following criteria must be met:

- One of the commercial or industrial activities must be located within 800 feet of the sign and on the same side of the highway,
- The commercial or industrial activity must be within 660 feet of the right-of-way, and
- The commercial or industrial activities must be within 1,600 feet of each other.

Regardless of whether the criteria above are met, the following activities are specifically excluded from being recognized as commercial or industrial activities and therefore cannot be considered when determining whether a parcel is an unzoned commercial or industrial area:

- Signs.
- Agricultural, forestry, ranching, grazing, farming, and related activities.
- Transient or temporary activities.
- Activities not visible from the main-traveled way.
- Activities conducted more than 660 feet from the right-of-way.
- Activities conducted in a building principally used as a residence.
- Railroad tracks and minor sidings.
- Communications towers.[29]

With the exception of communication towers, the exclusion of these activities is specifically required by the 1972 agreement between the State and the United States Department of Transportation (USDOT).

Entry Upon Privately Owned Lands

For the purposes of ch. 479, F.S., all of the state is deemed as the territory under the FDOT's jurisdiction.[30] Employees, agents, or independent contractors working for the FDOT are authorized to enter upon any land upon which a sign is displayed, is proposed to be erected, or is being erected and to make sign inspections, surveys, and removals. After receiving consent by the landowner, operator, or person in charge, or appropriate inspection warrant issued by an appropriate judge, that the removal of an illegal outdoor advertising sign is necessary, the FDOT is authorized to enter upon any intervening privately-owned lands for the purpose of removal of illegal signs, provided the FDOT has determined that no other legal or economically feasible

[28] Section 479.01(26), F.S.
[29] Id.
[30] Section 479.03, F.S.

means of entry to the sign site are reasonably available. The FDOT is responsible for the repair or replacement in like manner of any physical damage or destruction of the private property.

License to Engage in the Business of Outdoor Advertising

A person is prohibited from engaging in the business of outdoor advertising without first obtaining a license from the FDOT. A person is not required to obtain the license to erect outdoor advertising signs or structures as an incidental part of a building construction contract.[31]

Denial or Revocation of License

The FDOT may deny or revoke any license requested or granted under ch. 479, F.S., in any case in which the FDOT determines that the application for the license contains knowingly false or misleading information, or that the licensee has violated any of the provisions of that chapter, unless such licensee corrects such false or misleading information or complies with the provisions of that chapter within 30 days after the receipt of the FDOT notice. Any person aggrieved by any FDOT action in denying or revoking a license is authorized to apply to the FDOT for an administrative hearing within 30 days from the receipt of the notice.[32]

Permit Application Documentation

Section 479.07(1), F.S., except as otherwise specified, provides that a person may not erect, operate, use, or maintain, or cause to be erected, operated, used, or maintained, any sign on the State Highway System outside an urban area, as defined in s. 334.03(31), F.S., or on any portion of the interstate or federal-aid primary highway system without first obtaining a permit for the sign from FDOT and paying the required annual fee. Subsection (2) prohibits a person from applying for a permit unless the person has first obtained the written permission of the owner or other person in lawful possession or control of the site designated as the location of the sign in the application for the permit. As a part of the application, the applicant or authorized representative must certify in a notarized signed statement that he or she has obtained the written permission of the owner or other person in lawful possession of the site designated as the location of the sign in the permit application.

Outdoor Advertising Annual Permit Fee/Multiple Transfer Fee/Permit Reinstatement Fee

The FDOT is required to establish by rule an annual permit fee for each sign facing[33] in an amount sufficient to offset the total cost to the FDOT for the program, but shall not exceed $100.[34] The current fee is $71, with some exceptions for small signs. The FDOT advises it has no immediate plans to increase the fee but notes the data base currently used for the program was written in 1999. While the system is in need of an upgrade, the upgrade is well down the list of priorities. However, when upgraded, the annual permit fee will need to be increased to offset the

[31] Section 479.04, F.S.
[32] Section 479.05, F.S.
[33] A "sign facing" includes all sign faces and automatic changeable faces displayed at the same location and facing the same direction. A "sign face" means the part of the sign, including trim and background, which contains the message or informative contents. (s. 479.01(22) and (23), F.S.)
[34] Section 479.07(3)(c), F.S.

total cost to the FDOT for the program. No application fee to cover the FDOT's administrative costs in processing applications is currently required.

The transfer of valid permits from one sign owner to another is currently authorized upon written acknowledgement from the current permittee and submittal of a transfer fee of $5 for each permit to be transferred.[35] The maximum transfer fee for any multiple transfer between two outdoor advertisers in a single transaction is $100. The FDOT advises the $100 fee is insufficient to cover its administrative costs in frequent cases of bulk transfers between two outdoor advertisers in a single transaction.

Current law provides a process for sign removal if a permittee has not submitted all license and permit renewal fees by the expiration date of the license or permit.[36] With respect to sign permits, if at any time before removal of the sign, the permittee demonstrates that a good faith error on the part of the permittee resulted in cancellation or nonrenewal of the permit, the FDOT is authorized to reinstate the permit if the permit reinstatement fee of up to $300 based on the size of the sign is paid; all other permit renewal and delinquent permit fees due as of the reinstatement date are paid; and the permittee reimburses the FDOT for all actual costs resulting from the permit cancellation or nonrenewal. The FDOT advises its administrative costs associated with reviewing reinstatement requests are the same regardless of the size of the sign.

Permit Tag Placement/Replacement Tags

The FDOT is currently required to furnish to a permittee a serially numbered permanent metal permit tag which the permittee is required to securely attach to the sign facing or, if there is no facing, on the pole nearest the highway. Further, effective July 1, 2012, the tag must be securely attached to the upper 50 percent of the pole nearest the highway and must be attached in such a manner as to be plainly visible from the main traveled way. In addition, the permit becomes void unless the permit tag is properly and permanently displayed at the permitted site within 30 days after the date of permit issuance.[37]

That section also provides for the FDOT issuance of a replacement tag in the event a permit tag is lost, stolen, or destroyed and, alternatively, authorizes a permittee to provide its own replacement tag pursuant to the FDOT specifications that the FDOT shall adopt by rule at the time it establishes the service fee for replacement tags.[38]

Signs Visible From More than One Highway

If a sign is visible from the controlled area of more than one highway subject to the FDOT jurisdiction, the sign must meet the permitting requirements of, and be permitted to, the highway having the more stringent permitting requirements.[39]

[35] Section 479.07(6), F.S
[36] Section 479.07(8), F.S.
[37] Section 479.07(5), F.S.
[38] Rule 14-10.004(5), F.A.C.
[39] Section 479.07(9)(a), F.S.

Pilot Program/Reduction of Distance Between Permitted Signs

Current law establishes a pilot program in Orange, Hillsborough, and Osceola Counties, and within the boundaries of the City of Miami, under which the distance between permitted signs on the same side of an interstate highway may be reduced to 1,000 fee under the specified conditions and directs the FDOT to maintain statistics tracking the use of the provisions of the pilot program based on notifications received by the FDOT from local governments.[40]

Sign Removal Following Permit Revocation

A sign permittee is currently required to remove a sign within 30 days after the date of revocation of the permit for the sign and, if the permittee fails to do so, the FDOT is required to remove the sign without further notice and without incurring any liability.[41] Further, all costs incurred by the FDOT in connection with the removal of a sign located within a controlled area adjacent to the State Highway System, interstate highway system, or federal-aid primary highway system following the revocation of the sign permit shall be assessed and collected from the permittee.[42]

Notices of Violation/Signs Erected or Maintained Without Required Permit

Any sign located adjacent to the right-of-way of any highway on the State Highway System outside an incorporated area or adjacent to the right-of-way on any portion of the interstate or federal-aid primary highway system without the required the FDOT permit must be removed. Prior to removal, the FDOT is required to prominently post on the sign face a notice that the sign is illegal and must be removed within 30 days after the date on which the notice was posted. If the sign bears the name of the licensee or the name and address of the non-licensed sign owner, concurrently with and in addition to posting the notice, the FDOT must provide a written notice to the owner stating that the sign is illegal and must be permanently removed within the 30-day period; and that the sign owner has a right to request a hearing, which request must be filed with the FDOT within 30 days after the date of the written notice. If after notice the sign owner does not remove the sign, the FDOT is required to do so.[43]

Issuance of Permits for Conforming or Nonconforming Signs

If a sign owner demonstrates to FDOT that:

- A given sign has been unpermitted, structurally unchanged, and continuously maintained at the same location for a period of seven years or more;
- The sign would have met the criteria established in ch. 479, F.S., for issuance of a permit at any time during the period in which the sign has been erected;
- The FDOT has not initiated a notice of violation or taken other action to remove the sign during the initial seven-year period; and

[40] Section 479.07(9)(c), F.S.
[41] Section 479.10, F.S.
[42] Section 479.313, F.S.
[43] Section 479.105(1)(a) and (b), F.S.

- The FDOT determines that the sign is not located on state right-of-way and is not a safety hazard.

The FDOT is authorized to consider the sign a conforming or nonconforming sign and to issue a permit for the sign upon application and payment of a penalty fee of $300 and all pertinent fees required by ch. 479, F.S., including annual permit renewal fees payable since the date of the erection of the sign.[44]

Vegetation Management and View Zones for Outdoor Advertising

Section 479.106, F.S., addresses vegetation management and establishes "view zones" for lawfully permitted outdoor advertising signs on interstates, expressways, federal-aid primary highways, and the State Highway System, excluding privately or other publicly owned property. The intent of the section is to create partnering relationships which will have the effect of improving the appearance of Florida's highways and creating a net increase in the vegetative habitat along the roads.[45]

The section requires anyone desiring to remove, cut, or trim trees or vegetation on public right-of-way to improve the visibility of a sign or future sign to obtain written permission from the FDOT. To receive a permit to remove vegetation, the applicant must provide a plan for the removal and for the management of any vegetation planted as the result of a mitigation plan. Rule 14-10.057, F.A.C., requires mitigation where:

- Cutting, trimming, or damaging vegetation permanently detracts from the appearance or health of trees, shrubs, or herbaceous plants, or where such activity is not done in accordance with published standard practices. This does not apply to invasive exotic and other noxious plants;
- Trees taller than the surrounding shrubs and herbaceous plants are permanently damaged or destroyed;
- Species of trees or shrubs not likely to grow to interfere with visibility are damaged or removed;
- Trees or shrubs that are likely to interfere with visibility are trimmed improperly, permanently damaged, or removed; or
- Herbaceous plants are permanently damaged.

When the installation of a new sign requires the removal, cutting, or trimming of existing trees or vegetation on public right-of-way, the FDOT may only grant a permit for the new sign when the sign owner has removed at least two non-conforming signs of comparable size and surrendered those signs' permits for cancellation. For signs originally permitted after July 1, 1996,[46] the FDOT is prohibited from granting any permit where such trees or vegetation are part of a beautification project implemented before the date of the original sign permit application, as specified.

[44] Section 479.105(1)(e), F.S.
[45] Section 479.106(8), F.S.
[46] The date of enactment of s. 479.106, F.S.

Vegetation Management Application Fee/Multiple Site Fee/Administrative Penalty

The FDOT is currently authorized to establish an application fee not to exceed $25 for each individual application to defer the costs of processing such application and a fee not to exceed $200 to defer the costs of processing an application for multiple sites.[47] Further, any person who violates or benefits from a violation of ch. 479, F.S., is subject to an administrative penalty of up to $1,000 and is required to mitigate for the unauthorized removal, cutting, or trimming of trees or vegetation.[48]

Cost of Sign Removal/Additional Fine for Violations

Section 479.107(5), F.S., requires that the cost of removing a specified sign, whether by the FDOT or an independent contractor, shall be assessed by the FDOT against the owner of the sign. In addition, the FDOT is directed to assess a fine of $75 against the sign owner for any sign which violates the requirements of that section. The FDOT advises assessment is infrequent and collection is rare.

Relocation or Reconstruction of a Publicly Acquired Sign

When the FDOT acquires land with a lawful nonconforming sign, the sign may, at the election of its owner and the FDOT and subject to the FHWA approval, be relocated or reconstructed adjacent to the new right-of-way along the roadway within 100 feet of the current location, provided the nonconforming sign is not relocated on a parcel zoned residential, and provided further that such relocation is subject to applicable setback requirements.[49] The relocation is required to be adjacent to the current site, and the face of the sign may not be increased in size or height or structurally modified at the point of relocation in conflict with the building codes of the jurisdiction in which the sign is located.[50]

Permits Not Required for Certain Signs

Section 479.16, F.S., currently identifies a number of signs for which permits are not required, including without limitation:

- On-premise signs (signs on property stating only the name of the owner, lessee, or occupant of the premises and not exceeding 8 square feet in area;
- Signs that are not in excess of 8 square feet that are owned by and relate to the facilities or activities of churches, civic organizations, fraternal organizations, charitable organizations, or units or agencies of government;
- Signs place on benches, transit shelters, and waste receptacles; and
- Signs not in excess of 16 square feet placed at a road junction with the State Highway System denoting only the distance or direction of a residence or farm operation, or, in a rural area where a hardship is created because a small business is not visible from the road junction, one sign not in excess of 16 square feet, denoting only the name of, and the distance

[47] Section 479.106(4), F.S.
[48] Section 479.106(7), F.S.
[49] Section 479.15(3), F.S.
[50] Section 479.15(4), F.S.

and direction to, the business. This provision does not apply to charter counties and may not be implemented if the federal government notifies the FDOT that implementation will adversely affect the allocation of federal funds to the FDOT.

Compensation for Removal of Signs

The FDOT is currently required to pay just compensation upon its removal of a lawful nonconforming sign along any portion of the interstate or federal-aid primary highway system.[51]

Noise-Attenuation Barriers Blocking View of Signs

The owner of a lawfully erected sign is authorized to increase the height above ground level of such sign at its permitted location if any governmental entity permits or erects a noise-attenuation barrier in such a way as to block visibility of the sign. If construction of a proposed noise-attenuation barrier will screen a lawfully permitted sign, the FDOT is required to provide notice to the local government or jurisdiction in which the sign is located before erection of the noise attenuation barrier. If it is determined that the increase in height will violate a local ordinance or land development regulation, the local government or jurisdiction is required to notify the FDOT.

When notice has been received from the local government or jurisdiction prior to erection of the noise-attenuation barrier, the FDOT is required to conduct a written survey of all property owners identified as impacted by highway noise and who may benefit from the proposed barrier. The written survey must, in addition to stating the date, time, and location of a required public hearing, specifically advise the impacted property owners that:

- Erection of the noise-attenuation barrier may block the visibility of an existing outdoor advertising sign;
- The local government or local jurisdiction may restrict or prohibit increasing the height of the existing outdoor advertising sign to make it visible over the barrier; and
- If a majority of the impacted property owners vote for construction of the noise-attenuation barrier, the local government or local jurisdiction is required to:
  - Allow an increase in the height of the sign in violation of a local ordinance or land development regulation;
  - Allow the sign to be relocated or reconstructed at another location if the sign owner agrees; or
  - Pay the fair market value of the sign and its associated interest in the real property.

The FDOT must hold the public hearing and receive input on the proposed noise-attenuation barrier and its conflict with the local ordinance or land development regulations, and suggest or consider alternatives or modification to the proposed barrier to alleviate or minimize the conflict with the local ordinance or regulation or minimize any costs associated with relocating, reconstructing, or paying for the affected sign. Notice of the hearing, in addition to general provisions, must specifically state the same items specified for inclusion in the written survey above.

[51] Section 479.24, F.S.

The FDOT is prohibited from permitting erection of the noise-attenuation barrier to the extent that the barrier screens or blocks visibility of the sign until after the public hearing and until such time as the survey has been conducted and a majority of the impacted property owners have indicated approval. When approved, the FDOT must notify the local governments or local jurisdictions, and the local government or jurisdiction must, notwithstanding any conflicting ordinance or regulation:

- Issue a permit by variance or otherwise for the reconstruction of a sign;
- Allow the relocation of a sign, or construction of another sign, at an alternative location that is permittable, if the sign owner agrees to relocate the sign or construct another sign; or
- Refuse to issue the required permits for reconstruction of a sign and pay fair market value of the sign and its associated interest in the real property to the sign owner.[52]

Logo Program

The FDOT is required to establish a logo sign program for the rights-of-way of the interstate highway system to provide information to motorists about available gas, food, lodging, camping, attractions, and other services, as approved by the Federal Highway Administration, at interchanges through the use of business logos and may include additional interchanges under the program.[53] As indicated, the program is limited to the interstate highway system, but under the Manual on Uniform Traffic Control Devices,[54] the program may be extended to other limited-access facilities, thereby expanding opportunities for business participation in the program.

III. Effect of Proposed Changes:

Section 1 amends s. 337.25, F.S., relating to the FDOT acquisition, lease, and disposal of real and personal property, to:

- Authorize the FDOT to contract for auction services used in the conveyance of real or personal property or leasehold interests and to authorize such contracts to allow the contractor to retain a portion of the proceeds as compensation.
- Make “plain language” revisions to the provisions requiring an inventory upon the FDOT possession or acquisition of real or personal property to remove the required itemized listing in the inventory and replaces it with including a statement of the location or site of each piece of realty, structure, or severable item.
- Replace the FDOT authority to “sell” any land, building, or other real or personal property when the FDOT determines the property isn’t needed for a transportation facility with authority to “convey” the same; authorizes the FDOT, when it determines the property is not needed for a transportation facility, to dispose of property through negotiations, sealed competitive bids, auctions, or any other means the FDOT deems to be in its best interest.
- Requires due advertisement of properties valued at more than $10,000.

[52] Section 479.25, F.S.
[53] Section 479.261, F.S.
[54] Adopted by FDOT pursuant to s. 316.0745, F.S.

- Prohibits a sale at a price less than the FDOT's current estimate of value.
- Authorize (rather than require) the FDOT to afford a right of first refusal to a political subdivision (in addition to a local government) in which the parcel is located, except in conveyances transacted under revised paragraphs (4)(a), (c), and (e).
- Revise the paragraphs of current subsection (4) as follows:
  - Removes the FDOT authority to negotiate the sale of property valued at $10,000 or less as determined by the FDOT's estimate and relocates from paragraph (g) to paragraph (a) the authority of a governmental entity to authorize re-conveyance to the original donor of property donated to the state for transportation purposes under the specified conditions.
  - Relocates from paragraph (h) to paragraph (b) the FDOT's authority to convey property without consideration to a governmental entity if the property is to be used for a public purpose.
  - Removes the FDOT authority to negotiate the sale of property, at no less than fair market value, to the owner holding title to abutting property, if in the FDOT's discretion public sale would be inequitable and relocates revised authority from paragraph (c) to paragraph (e); relocates from paragraph (i) to paragraph (c) the FDOT's authority to negotiate the sale of property as replacement housing if the property was originally acquired for persons displaced by transportation projects and if the state receives no less than its investment in such properties or the FDOT's current estimate of value (rather than fair market value), whichever is lower; and also replaces fair market value dispositions to any other persons with dispositions for no less than the FDOT's current estimate of value.
  - Removes the FDOT authority to sell property acquired for use as a borrow pit, at no less than fair market value, to the owner of abutting land from which the pit was originally acquired, if the pit is no longer needed; and relocates from paragraph (j) to paragraph (d) the FDOT's authority to use the projected maintenance costs of the property over the next ten (rather than five) years to offset the market value in establishing a value for disposal of the property, even if that value is zero, if the FDOT determines that the property will require significant costs to be incurred or that continued ownership of the property exposes the FDOT to significant liability risks.
  - Relocates the FDOT authority to sell property to an abutting property owner currently in paragraph (c) to paragraph (e) and revises the authority to provide that if, in the FDOT's discretion, a sale to anyone other than an abutting property owner would be inequitable, the property may be sold to the abutting owner for the FDOT's current estimate of value (rather than no less than fair market value as determined by an independent appraisal).
  - Deletes current paragraph (f) authorizing the FDOT to convey to a county without consideration any property acquired by a county or by the FDOT using constitutional gas tax funds for a right-of-way or borrow pit;
  - Deletes current paragraphs (g), (h), and (i), which language is relocated as already described.
- Prohibit the FDOT from conveying a leasehold interest at a price less than the FDOT's current estimate of value, except as provided in revised paragraphs (4)(a)-(d).
- Revise the paragraphs of current subsection (5) as follows:
  - Removes the FDOT authority to negotiate a lease at the prevailing market value with the owner from whom the property was acquired and with the holders of leasehold estates existing at the time of the FDOT's acquisition and relocates revised authority from paragraph (a) to paragraph (b).

  - Removes the requirement that all other leases be by competitive bid; relocates the FDOT authority to sell property to an abutting property owner currently in paragraph (a) to paragraph (b); and revises the authority to provide that if, in the FDOT's discretion, a lease to a person other than an abutting property owner or tenant with a leasehold interest in the abutting property would be inequitable, the FDOT may lease the property to the abutting owner or tenant for no less than the FDOT's current estimate of value (rather than at the prevailing market value).
  - Retains the five-year limitation on the duration of leases entered into through the general authority granted to the FDOT to enter into a lease through negotiations, sealed competitive bids, auctions, or any other means the FDOT deems to be in its best interest; removes that limitation from the revised the FDOT authority to lease property to an abutting owner or tenant if a lease to another would be inequitable; and authorizes the FDOT, in addition to its authority to renegotiate a lease, to extend a lease for an additional five years as the FDOT deems appropriate (rather than without rebidding).
  - Revises the requirement that each lease contain a provision requiring any improvements made to the property during the term of lease to be removed at the lessee's expense by adding, "unless otherwise directed by the lessor."
  - Deletes the identified public purposes (a fair, art show, or other educational, cultural, or fundraising activity) for which the FDOT may lease property without consideration; removes a school board as an entity to which the FDOT may grant such a lease; and provides that a lease for a public purpose is exempt from the five-year, renegotiation or extension limits.
- Remove direction that appraisals required by current paragraphs (4)(c) [sale of property to an abutting owner if public sale would be inequitable] and (4)(d) [sale of borrow pit to abutting owner from which originally required] be prepared in accordance with the FDOT guidelines and rules by an FDOT certified independent appraiser; remove direction that if federal funds were used in the acquisition of the property, the appraisal shall also be subject to the approval of the Federal Highway Administration; require the FDOT's estimate of value required by revised subsections (4) [conveyance of any land, building, or other real or personal property] and (5) [lease of any land, building, or other real or personal property] be prepared in accordance with the FDOT procedures, guidelines, and rules for valuation of real property; and require, if the value of the property exceeds $50,000 as determined by the FDOT estimate, the sale or lease must be at a negotiated price not less than the estimate of value as determined by an appraisal prepared in accordance with the FDOT procedures, guidelines, and rules for valuation of property, the cost of which shall be paid by the party seeking the purchase or lease of the property.
-
- Provide that this section does not modify the eminent domain requirements of s. 73.013, F.S.

Section 2 requires the FDOT to submit for legislative approval in the next regular legislative session a program that allows participation in the maintenance of highway roadside rights-of-way through monetary contributions in exchange for the placement of organic corporate emblems in view of passing motorists in recognition of services provided, if the Federal Government approves such a program.

Section 3 amends s. 479.01, F.S., definitions as used in ch. 479, F.S., as follows:

- Revises the definition of "business of outdoor advertising," to eliminate "constructing," "erecting," or "using," outdoor advertising structures, signs, or advertisements from activities requiring a license.
- Repeals the definition of "commercial or industrial zone," and relocates provisions to a new s. 479.024, F.S., under which local governments are required to determine the location of commercial or industrial zones in accordance with ch. 163, F.S..
- Revises the definition of "federal-aid primary highway system," to conform to federal terminology.
- Revises the definition of "remove," to mean to disassemble all sign materials above ground level and transport them from the sign site. Revises the definition of "sign face," to include an automatic changeable face.
- Revises the definition of "State Highway System," by referencing the existing definition in s. 334.03, F.S..
- Repeals the definition of "unzoned commercial or industrial area," and relocates the criteria for determination of such an area to a new s. 479.024, F.S. The bill also relocates and revises provisions related to specified activities that may not be recognized as commercial or industrial activities.

Section 4 amends s. 479.02, F.S., duties of the FDOT, as follows:

- In the duty to administer and enforce the provisions of ch. 479, F.S., the agreement between the FDOT and the USDOT, Title 23 USC, and federal regulations, inserts the year of the agreement, 1972, and expressly incorporates provisions of the referenced chapter, agreement, law and regulations pertaining to the maintenance, continuance, and removal of nonconforming signs.
- In the duty to regulate size, height, lighting, and spacing of permitted signs, revises language to distinguish between commercial and industrial *parcels* and unzoned commercial or industrial *areas.*
- Directs the FDOT to determine such parcels and areas in the manner provided in the new s. 479.024, F.S.
- In the duty to adopt rules necessary for proper administration of ch. 479, F.S., including rules that identify activities that may not be recognized as industrial or commercial activities, revises language to distinguish between commercial and industrial *parcels* and unzoned commercial or industrial *areas* and requires the rules to provide for determination of such parcels and areas in the manner provided in the new s. 479.024, F.S.
- In the duty to inventory and determine the location of all signs, makes "plain language" revisions and repeals the FDOT direction to adopt rules regarding what information is to be collected and preserved in the inventory.

Section 5 creates s. 479.024, entitled "*Commercial and industrial parcels,*" providing a framework for local government determinations as to zoning for a parcel, the bulk of which is taken from existing law. The bill:

- Requires that the FDOT permit signs only in commercial or industrial zones, as determined by the local government in compliance with ch. 163, F.S., unless otherwise provided in ch. 479, F.S.

- Defines "parcel" to mean the property where the sign is located or proposed to be located; and defines "utilities" to include all privately, publicly, or cooperatively owned lines, facilities, and systems for producing, transmitting, or distributing communications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, and stormwater not connected with the highway drainage, and other similar commodities.
- Requires the local government determination as to zoning for a parcel to meet the following criteria:
  - The parcel is comprehensively zoned and includes commercial or industrial uses as allowable uses.
  - The parcel can reasonably accommodate a commercial or industrial use under the future land use map of the comprehensive plan and land use development regulations, as follows:
    - Sufficient utilities are available to support commercial or industrial development; and
    - The size, configuration, and public access of the parcel are sufficient to accommodate a commercial or industrial use, given requirements in the comp plan and land development regulations for vehicular access, on-site circulation, building setbacks, buffering, parking, and other applicable standards, or the parcel consists of railroad tracks or minor sidings abutting commercial or industrial property that meets the criteria of this subsection;
    - The parcel is not being used exclusively for noncommercial or nonindustrial uses.
- Provides, if a local government has not designated zoning through land development regulations in compliance with ch. 163 but has designated the parcel under the future land use map of the comp plan for uses that include commercial or industrial uses, the parcel shall be considered an unzoned commercial or industrial area; provides that for a permit to be issued for a sign in an unzoned commercial or industrial area, there must be three or more distinct commercial or industrial activities within 1,600 feet of each other, with at least one of the commercial or industrial activities located on the same side of the highway as the sign location, and within 800 feet of the sign location; and requires multiple commercial or industrial activities enclosed in one building when all uses have only shared building entrances to be considered one use.
- Modifies two of the existing uses and activities, and adds another, that may not be independently recognized as commercial or industrial, as follows:
  - Activities not visible from the main-traveled way, unless an FDOT facility is the only cause for the activity not being visible;
  - Railroad tracks and minor sidings, unless such use is immediately abutted by commercial or industrial property that meets specified criteria; and
  - Governmental uses, unless those uses would be industrial in nature if privately owned and operated. Such industrial uses must be the present and actual use, not merely be among the allowed uses.
- Requires the FDOT to notify a sign applicant in writing if the local government has indicated that a proposed sign location is on a parcel that is in a commercial or industrial zone and the FDOT finds it is not.
- Authorizes an applicant whose application is denied to request an administrative hearing for a determination of whether the parcel is located in a commercial or industrial zone and requires the FDOT to notify the local government that the applicant has requested a hearing, as specified.

- Provides that if the FDOT in a final order determines that the parcel does not meet the specified permitting conditions and a sign structure exists on the parcel the applicant shall remove the sign within 30 days after the date of the order and is responsible for all sign removal costs.
- Requires that if the FHWA reduces funds that would otherwise be apportioned to the FDOT due to a local government's failure to be compliant, the must FDOT reduce apportioned transportation funding to the local government by an equivalent amount.

Section 6 amends s. 479.03, F.S., to revise the FDOT's authority to enter upon privately owned lands to remove a sign by striking receipt of consent, inserting a specified written notice requirement, and expanding those to whom written notice must be alternatively given to include a person in charge of an intervening privately owned land.

Section 7 amends s. 479.04, F.S., relating to the required license to engage in the business of outdoor advertising, to provide that a person is not required to obtain a license solely to erect or construct outdoor advertising signs or structures, to conform to the revised definition of "business of outdoor advertising."

Section 8 amends s. 479.05, F.S., to authorize suspension of any license requested or granted under ch. 479, F.S., in addition to denial or revocation, in any case when the FDOT determines the application for the license contains false or misleading information of material consequence, that the licensee has failed to pay fees or costs owed to the FDOT for outdoor advertising purposes, or that the licensee has violated any of the provisions of s. 479, F.S., unless such licensee, within 30 days after receipt of the FDOT notice, corrects such false or misleading information, pays the outstanding amounts, or complies with the provisions of s. 479, F.S.

Section 9 amends s. 479.07, F.S., which prohibits any sign on the State Highway System outside an urban area or on any portion of the interstate or federal-aid primary highway system without first obtaining a permit, as follows:

- Streamlines processes by removing a requirement for a notarized affidavit in addition to certifying that all information contained in the application is true and correct and by removing an unnecessary certification of receipt of landowner written permission for the designated sign location.
- Removes a prohibition against prorating a fee for a period less than the remainder of the permit year to accommodate short-term publicity features.
- Provides for a non-refundable application fee of $25 to accompany each permit application.
- Clarifies that the FDOT must act on a permit application within 30 days after receipt of the application by granting, denying, or returning the incomplete application.
- Revises requirements for placement of permit tags on sign structures; removes a provision rendering a permit void unless the permit tag is properly and permanently displayed as specified, removes permittee authorization to provide its own replacement tag; and removes the FDOT authority to adopt by rule specifications for the replacement tags.
- Increases the maximum transfer fee for any multiple transfers between two outdoor advertisers in a single transaction from $100 to $1,000.

- Revises the permit reinstatement fee from up to $300 based on the size of the sign, to a static $300.
- Makes "plain language" revisions to provisions relating to permitting signs visible to more than one highway subject to the FDOT jurisdiction and within the controlled area of the highways.
- Makes permanent a pilot program in specified locations under which the distance between permitted signs on the same side of an interstate highway may be reduced to 1,000 feet under specified and revised conditions and removes the FDOT's duty to maintain statistics on the pilot program.
- Deletes obsolete language.

Section 10 amends s. 479.08, F.S., revising FDOT's authority to deny or revoke any permit when it determines that the application contains false or misleading information of material consequence, eliminating that the information is knowingly false or misleading.

Section 11 amends s. 479.10, F.S., regarding sign removal, to require a permittee to remove a sign within 30 days after the date of cancellation (in addition to revocation) of the permit for the sign and specifies removal of the sign is at the permittee's expense if FDOT remove the sign because the permittee fails to do so;

Section 12 amends s. 479.105, F.S., regarding signs erected or maintained without a required permit, to:

- Revise provisions for placement of an FDOT notice of violation on a sign;
- Require the FDOT to concurrently with and in addition to posting the notice, provide a written notice to the owner of the sign, the advertiser displayed on the sign, or the owner of the property;
- Remove the condition that notice be given concurrently to the owner only if the sign bears the name of the licensee or the name and address of the non-licensed sign owner;
- Provide that the written notice state that a hearing may be requested as specified;
- Include the advertiser displayed on the sign or the owner of the property along with the owner in the FDOT's duty to remove the sign if not removed by the sign owner; and,
- Relocate and clarify existing provisions for the FDOT issuance of permits for conforming and nonconforming signs erected or maintained without the required permit.

Section 13 amends s. 479.106, F.S., relating to vegetation management and sign visibility, to:

- Require for signs originally permitted after July 1, 1996, the first application, or application for a change of view zone, for the removal, cutting, or trimming of trees or vegetation must require, in addition to mitigation or contribution to a plan of mitigation, the removal of two nonconforming signs; and
- Provide that the administrative penalty for engaging in removal, cutting, or trimming in violation of this section or benefiting from such actions is up to $1,000 per sign facing.

Section 14 amends s. 479.107(5), F.S., to repeal a $75 fine against a sign owner who has been assessed the costs of removing a sign.

Section 15 amends s. 479.111(2), F.S., to insert in a reference to the agreement between the state and the USDOT the year the agreement was entered into; i.e., 1972.

Section 16 amends s. 479.15, F.S., providing for harmony of state and local regulations, to:

- Strike the definition of "federal-aid primary highway system," also defined in s. 479.01, F.S.;
- Provide, subject to the FHWA approval and whenever public acquisition of land which has a lawful permitted (rather than nonconforming) sign occurs, the sign may, at the election of its owner and the FDOT, be relocated or reconstructed adjacent to the new ROW and in close proximity to the current site (rather than along the roadway within 100 feet of the current location), provided the sign is not relocated in an area inconsistent with s. 479.024, F.S., (rather than on a parcel zoned residential) and provided further that such relocation shall be subject to requirements (rather than applicable setback requirements) in the 1972 agreement between the state and the USDOT;
- Provide the face of a nonconforming sign may not be increased in size or height or structurally modified at the point of relocation as specified; and
- Provide a neighboring sign that is already permitted and that is within the spacing requirements of s. 479.07(9)(a), F.S., is not caused to become nonconforming.

Section 17 amends s. 479.156, F.S., relating to wall murals, to replace references to the "Highway Beautification Act" with references to its statutory placement in federal law, 23 U.S.C. s. 131, and to correct cross-references.

Section 18 amends s. 479.16, F.S., relating to signs for which permits are not required, to:

- Provide that specified provisions allowing certain signs without a permit may not be implemented or continued if the federal government notifies FDOT that implementation or continuation will adversely affect the allocation of federal funds to the FDOT;
- Increase the allowable size of certain signs from eight square feet to sixteen square feet;
- Revise a list of items to conform to the title of a cross-referenced section of law;
- Remove a provision rendering the small business sign authorization inapplicable to charter counties and strikes relocated language;
- Authorize local tourist-oriented business signs within rural areas of critical economic concern under specified conditions;
- Authorize temporary harvest season signs under specified conditions; and
- Authorize "acknowledgement signs," intended to inform the traveling public that a public school club, team, or event has been sponsored by a person, firm, or other entity, erected upon publicly funded school premises and relating to a specific public school club, team, or event under specified conditions.

Section 19 amends s. 479.24, F.S., to require the FDOT to pay just compensation for acquisition (rather than *removal*) of a lawful *conforming or* nonconforming sign.

Section 20 amends s. 479.25, F.S., relating to erection of noise-attenuation barriers blocking the view of a sign, to:

- Make "plain language" and conforming changes;
- Require, upon a determination that an increase in height as allowed will violate a provision contained in an ordinance or land development regulation, *prior to construction*, the local government or jurisdiction shall provide a variance or waiver to allow an increase in the height of the sign; and,
- Strike an FDOT requirement to conduct a written survey of all property owners impacted by noise and who may benefit from the barrier.

Section 21 amends s. 479.261, F.S., to expand the logo sign program to the entire limited-access highway system, rather than just the interstate highway system, as is already authorized under the Manual on Uniform Traffic Control Devices, thereby increasing opportunities for business participation.

Section 22 amends s. 479.313, F.S., relating to sign removal, to include *cancellation*, along with revocation, in the direction that all costs incurred by the FDOT in connection with the removal of a sign be assessed against and collected from the permittee.

Section 23 repeals section 76 of chapter 2012-174, Laws of Florida, which was a pilot program for tourist-oriented commerce outdoor advertising signs in rural areas of critical economic concern, which is replaced by authority to erect such signs without a permit under certain conditions.

Section 24 provides the bill takes effect on July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference has not analyzed the fiscal impact of this bill.

B. Private Sector Impact:

Section 9

The bill provides for a nonrefundable application fee of $25 to accompany each outdoor advertising sign permit application. FDOT advises that a significant number of applications must be returned for failure to provide complete information and that some applications are returned numerous times, even after extensive assistance from the FDOT staff. The fee is intended to cover the FDOT's administrative costs for reviewing applications and to encourage applicants to provide more complete information without multiple submissions.

The maximum transfer fee for any multiple transfer between two outdoor advertisers in a single transaction is increased from $100 to $1,000. The FDOT notes the transfer fee of $5 for each permit to be transferred is not changing; however, in many instances, the transfer requests are so numerous that the $100 fee is not covering the FDOT's actual costs to transfer the permits.

As to the permit reinstatement fee, the bill strikes the words "up to" and "based on the size of the sign," leaving the fee at a static $300. The FDOT currently charges $300 for permit reinstatement; no private sector fiscal impact will occur.

Section 13

The bill clarifies that the administrative penalty for vegetation management violations is up to $1,000 per sign facing. The FDOT advises it has always interpreted the statute in that fashion and has assessed fines accordingly and, therefore, no private sector impact is expected.

C. Government Sector Impact:

The fiscal impact of the modified terms and conditions governing the FDOT's sale or lease of surplus property is indeterminate. However, according to the FDOT, a net positive impact to local revenue is expected as properties are returned to the ad valorem tax roll. In addition, an indeterminate savings to the state is expected as a result of reduced appraisal expenses, especially in cases when such costs approach and even exceed the price received by the FDOT.

Section 9

The FDOT expects to recoup its administrative expenses associated with: (a) processing applications for outdoor advertising sign permits as a result of the nonrefundable application fee, and (b) processing large requests for multiple transfers at the same fee of $5 per transfer, but with the increased cap of $1,000 for multiple transfers.

Section 13

The FDOT expects no impact from the clarification that the penalty of up to $1,000 is per sign facing.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on April 3, 2013:
The committee substitute:

- Requires due advertisement by FDOT when conveying or selling property which is valued at more than $10,000.
- Prohibits the lease of any property at less than the property's current estimate of value.
- Restores definition of "due advertisement" to current law.
- Restores the cap on annual permit fee for each sign facing to $100 to current law.
- Restores vegetation management application fee to current law.
- Revises the list of non-permitted signs that are required to be removed, at the owner's expense, if the FDOT is notified by the Federal Government of an adverse effect on the allocation of federal funds to the department.
- Clarifies sports facilities meet permitting exceptions if the display is related to the facility's activities or the presence of the products or services exist at the facility.

CS by Transportation on March 14, 2013:

- Revises the terms and conditions under which the FDOT may sell or lease properties acquired for right-of-way but which are no longer needed for transportation purposes;
- Restores the definition of "new highway" contained in current law;
- Restores to current law language rendering inapplicable to certain municipal jurisdictions provisions regarding relocation of and compensation for signs on land acquired by the FDOT; and
- Repeals a pilot program authorized in 2012 for tourist-oriented commerce signs in rural areas of critical economic concern, which is replaced by authority to erect such signs without a permit under certain conditions.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

109158

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
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The Committee on Appropriations (Latvala) recommended the following:

1 **Senate Amendment**
2
3 Delete line 190
4 and insert:
5 best interest, with due advertisement for property valued by the
6 department at greater than $10,000. A sale may not occur at a
7 price less than the

209672

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
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	.	
	.	

The Committee on Appropriations (Latvala) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 304 - 305
4 and insert:
5
6 department's current estimate of value.

648894

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
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	.	

The Committee on Appropriations (Latvala) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 372 - 391
4 and insert:
5 (8) A "due advertisement" under this section is an
6 advertisement in a newspaper of general circulation in the area
7 of the improvements of not less than 14 calendar days prior to
8 the date of the receipt of bids or the date on which a public
9 auction is to be held.
10 (9) The department, with the approval of the Chief
11 Financial Officer, is authorized to disburse state funds for
12 real estate closings in a manner consistent with good business

648894

13 practices and in a manner minimizing costs and risks to the
14 state.
15 (10) The department is authorized to purchase title
16 insurance in those instances where it is determined that such
17 insurance is necessary to protect the public's investment in
18 property being acquired for transportation purposes. The
19 department shall adopt procedures to be followed in making the
20 determination to purchase title insurance for a particular
21 parcel or group of parcels which, at a minimum, shall set forth
22 criteria which the parcels must meet.
23 (11) This section does not modify the requirements of s.
24 73.013.

220380

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
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	.	

The Committee on Appropriations (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete line 860
and insert:
shall not exceed $100. The ~~A fee may not be prorated for a~~

========== T I T L E A M E N D M E N T ==========
And the title is amended as follows:
Delete line 59
and insert:
requiring an

556482

LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
04/03/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1199 - 1206
and insert:
Section 1. Subsections (5) and (7) of section 479.106, Florida Statutes, are amended to read:
479.106 Vegetation management.—

========== T I T L E A M E N D M E N T ==========
And the title is amended as follows:
Delete lines 74 - 75
and insert:

556482

13 479.106, F.S.;

342890

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Latvala) recommended the following:

1 **Senate Substitute for Amendment (556482) (with title**
2 **amendment)**
3
4 Delete lines 1199 - 1206
5 and insert:
6 Section 13. Subsections (5) and (7) of section 479.106,
7 Florida Statutes, are amended to read:
8 479.106 Vegetation management.—
9
10 ========== T I T L E A M E N D M E N T ==========
11 And the title is amended as follows:
12 Delete lines 74 - 75

342890

13 and insert:
14 479.106, F.S.;

599024

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
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	.	
	.	

The Committee on Appropriations (Latvala) recommended the following:

Senate Amendment (with title amendment)

Delete line 1382
and insert:
and the provisions of subsections (15)-(19) may not be

Delete lines 1509 - 1510
and insert:

If the exemptions in subsections (15)-(19) are not implemented or continued due to notification from the Federal Government to the department that the allocation of federal funds to the

599024

13 department will be adversely impacted, the department shall
14 provide notice to the sign owner that the sign must be removed
15 within 30 days after receiving the notice. If the sign is not
16 removed within the 30 days, the department may remove the sign
17 and all costs incurred in connection with the sign removal shall
18 be assessed against and collected from the sign owner.
19
20 ========== T I T L E A M E N D M E N T ==========
21 And the title is amended as follows:
22 Delete lines 94 - 95
23 and insert:
24 premises, and certain displays on specific sports
25 facilities; providing for the removal of signs if
26 certain exemptions do not apply because the allocation
27 of federal funds to the department will be adversely
28 impacted;

495018

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/03/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Latvala) recommended the following:

1 **Senate Amendment**
2
3 Delete line 1500
4 and insert:
5 content directly related to the facility's activities or where

By the Committee on Transportation; and Senator Latvala

596-02422-13 20131632c1

A bill to be entitled

An act relating to transportation; amending s. 337.25, F.S.; authorizing the Department of Transportation to use auction services in the conveyance of certain property or leasehold interests; revising certain inventory requirements; revising provisions and providing criteria for the department to dispose of certain excess property; providing such criteria for the disposition of donated property, property used for a public purpose, or property acquired to provide replacement housing for certain displaced persons; providing value offsets for property that requires significant maintenance costs or exposes the department to significant liability; providing procedures for the sale of property to abutting property owners; deleting provisions to conform to changes made by the act; providing monetary restrictions and criteria for the conveyance of certain leasehold interests; providing exceptions to restrictions for leases entered into for a public purpose; providing criteria for the preparation of estimates of value prepared by the department; providing that the requirements of s. 73.013, F.S., relating to eminent domain, are not modified; providing that certain programs approved by the Federal Government relating to the maintenance of highway roadside rights-of-way must be submitted to the Legislature for approval; amending provisions of ch. 479, F.S., relating to outdoor advertising signs;

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

596-02422-13 20131632c1

amending s. 479.01, F.S.; revising and deleting definitions; amending s. 479.02, F.S.; revising powers of the department relating to nonconforming signs; deleting a requirement that the department adopt certain rules; creating s. 479.024, F.S.; limiting the placement of signs in commercial or industrial zones; defining the terms “parcel” and “utilities”; providing mandatory criteria for local governments to use in determining zoning for commercial or industrial parcels; providing that certain parcels are considered unzoned commercial or industrial areas; providing that specified uses may not be independently recognized as commercial or industrial areas; providing an appeal process for an applicant whose permit is denied; requiring an applicant whose application is denied to remove an existing sign pertaining to the application; requiring the department to reduce certain transportation funding in certain circumstances; amending s. 479.03, F.S.; providing for notice to owners of intervening privately owned lands before entering upon such lands to remove an illegal sign; amending s. 479.04, F.S.; providing that an outdoor advertising license is not required solely to erect outdoor signs or structures; amending s. 479.05, F.S.; authorizing the department to suspend a license for certain offenses and specifying activities that the licensee may engage in during the suspension; amending s. 479.07, F.S.; revising requirements for obtaining sign permits; conforming and clarifying provisions;

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

59 increasing the allowable permit fee and requiring an
60 application fee; revising sign placement requirements
61 for signs on certain highways; deleting provisions
62 that establish a pilot program relating to placement
63 and removing a permit reinstatement fee; amending s.
64 479.08, F.S.; clarifying provisions relating to the
65 denial or revocation of a permit because of false or
66 misleading information in the permit application;
67 amending s. 479.10, F.S.; providing for cancellation
68 of a permit; amending s. 479.105, F.S.; revising
69 notice requirements to owners and advertisers relating
70 to signs erected or maintained without a permit;
71 revising procedures providing for the department to
72 issue a permit as a conforming or nonconforming sign
73 to the owner of an unpermitted sign; amending s.
74 479.106, F.S.; deleting limits on application fees for
75 permits to remove vegetation on public rights-of-way;
76 increasing an administrative penalty for illegally
77 removing certain vegetation; amending s. 479.107,
78 F.S.; deleting fines for certain signs on highway
79 rights-of-way; amending s. 479.111, F.S.; clarifying
80 provisions relating to signs allowed on certain
81 highways; amending s. 479.15, F.S.; deleting a
82 definition; clarifying and conforming provisions
83 related to permitted signs on property that is the
84 subject of public acquisition; amending s. 479.156,
85 F.S.; clarifying provisions related to the regulation
86 of wall murals; amending s. 479.16, F.S.; providing
87 that certain provisions relating to the regulation of

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

88 signs may not be implemented or continued if such
89 actions will adversely affect the allocation of
90 federal funds to the department; exempting from permit
91 requirements certain signs placed by tourist-oriented
92 businesses, certain farm signs during harvest season,
93 acknowledgement signs on publicly funded school
94 premises, certain displays on specific sports
95 facilities, and certain signs at welcome centers;
96 amending s. 479.24, F.S.; clarifying provisions
97 relating to compensation paid for the department's
98 acquisition of lawful signs; amending s. 479.25, F.S.;
99 requiring a local government to grant a variance or
100 waiver to a local ordinance or regulation to allow the
101 owner of a lawfully permitted sign to increase the
102 height of the sign if a noise-attenuation barrier is
103 permitted by or erected by a governmental entity in a
104 way that interferes with the visibility of the sign;
105 deleting provisions to conform; amending s. 479.261,
106 F.S.; conforming provisions related to a logo sign
107 program on limited access highways; amending s.
108 479.313, F.S.; requiring a permittee to pay the cost
109 of removing certain signs following the cancellation
110 of the permit for the sign; repealing s. 76 of chapter
111 2012-174, Laws of Florida, relating to authorizing the
112 department to seek Federal Highway Administration
113 approval of a tourist-oriented commerce sign pilot
114 program and directing the department to submit the
115 approved pilot program for legislative approval;
116 providing an effective date.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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

Section 1. Section 337.25, Florida Statutes, is amended to read:

337.25 Acquisition, lease, and disposal of real and personal property.—

(1)(a) The department may purchase, lease, exchange, or otherwise acquire any land, property interests, or buildings or other improvements, including personal property within such buildings or on such lands, necessary to secure or utilize transportation rights-of-way for existing, proposed, or anticipated transportation facilities on the State Highway System, on the State Park Road System, in a rail corridor, or in a transportation corridor designated by the department. Such property shall be held in the name of the state.

(b) The department may accept donations of any land or buildings or other improvements, including personal property within such buildings or on such lands with or without such conditions, reservations, or reverter provisions as are acceptable to the department. Such donations may be used as transportation rights-of-way or to secure or utilize transportation rights-of-way for existing, proposed, or anticipated transportation facilities on the State Highway System, on the State Park Road System, or in a transportation corridor designated by the department.

(c) When lands, buildings, or other improvements are needed for transportation purposes, but are held by a federal, state, or local governmental entity and utilized for public purposes

other than transportation, the department may compensate the entity for such properties by providing functionally equivalent replacement facilities. The providing of replacement facilities under this subsection may only be undertaken with the agreement of the governmental entity affected.

(d) The department may contract pursuant to s. 287.055 for auction services used in the conveyance of real or personal property or the conveyance of leasehold interests under the provisions of subsections (4) and (5). The contract may allow for the contractor to retain a portion of the proceeds as compensation for the contractor's services.

(2) A complete inventory shall be made of all real or personal property immediately upon possession or acquisition. Such inventory shall include a statement of the location or site of each piece of realty, structure, or severable item ~~an itemized listing of all appliances, fixtures, and other severable items; a statement of the location or site of each piece of realty, structure, or severable item; and the serial number assigned to each~~. Copies of each inventory shall be filed in the district office in which the property is located. Such inventory shall be carried forward to show the final disposition of each item of property, both real and personal.

(3) The inventory of real property which was acquired by the state after December 31, 1988, which has been owned by the state for 10 or more years, and which is not within a transportation corridor or within the right-of-way of a transportation facility shall be evaluated to determine the necessity for retaining the property. If the property is not needed for the construction, operation, and maintenance of a

transportation facility, or is not located within a transportation corridor, the department may dispose of the property pursuant to subsection (4).

(4) The department may convey ~~sell~~, in the name of the state, any land, building, or other property, real or personal, which was acquired under the provisions of subsection (1) and which the department has determined is not needed for the construction, operation, and maintenance of a transportation facility. ~~With the exception of any parcel governed by paragraph (c), paragraph (d), paragraph (f), paragraph (g), or paragraph (i), the department shall afford first right of refusal to the local government in the jurisdiction of which the parcel is situated.~~ When such a determination has been made, property may be disposed of through negotiations, sealed competitive bids, auctions, or any other means the department deems to be in its best interest. A sale may not occur at a price less than the department's current estimate of value, except as provided in paragraphs (a)-(d). The department may afford a right of first refusal to the local government or other political subdivision in the jurisdiction in which the parcel is situated, except in conveyances transacted under paragraph (a), paragraph (c), or paragraph (e). ~~in the following manner:~~

(a) If the ~~value of the~~ property has been donated to the state for transportation purposes and a facility has not been constructed for a period of at least 5 years, plans have not been prepared for the construction of such facility, and the property is not located in a transportation corridor, the governmental entity may authorize reconveyance of the donated property for no consideration to the original donor or the

donor's heirs, successors, assigns, or representatives ~~is $10,000 or less as determined by department estimate, the department may negotiate the sale~~.

(b) If ~~the value of~~ the property is to be used for a public purpose, the property may be conveyed without consideration to a governmental entity ~~exceeds $10,000 as determined by department estimate, such property may be sold to the highest bidder through receipt of sealed competitive bids, after due advertisement, or by public auction held at the site of the improvement which is being sold~~.

(c) If the property was originally acquired specifically to provide replacement housing for persons displaced by transportation projects, the department may negotiate for the sale of such property as replacement housing. As compensation, the state shall receive no less than its investment in such property or the department's current estimate of value, whichever is lower. It is expressly intended that this benefit be extended only to persons actually displaced by the project. Dispositions to any other person must be for no less than the department's current estimate of value~~, in the discretion of the department, public sale would be inequitable, properties may be sold by negotiation to the owner holding title to the property abutting the property to be sold, provided such sale is at a negotiated price not less than fair market value as determined by an independent appraisal, the cost of which shall be paid by the owner of the abutting land. If negotiations do not result in the sale of the property to the owner of the abutting land and the property is sold to someone else, the cost of the independent appraisal shall be borne by the purchaser; and the~~

233 ~~owner of the abutting land shall have the cost of the appraisal~~
234 ~~refunded to him or her. If, however, no purchase takes place,~~
235 ~~the owner of the abutting land shall forfeit the sum paid by him~~
236 ~~or her for the independent appraisal. If, due to action of the~~
237 ~~department, the property is removed from eligibility for sale,~~
238 ~~the cost of any appraisal prepared shall be refunded to the~~
239 ~~owner of the abutting land~~.
240 (d) If the department determines that the property will
241 require significant costs to be incurred or that continued
242 ownership of the property exposes the department to significant
243 liability risks, the department may use the projected
244 maintenance costs over the next 10 years to offset the
245 property's value in establishing a value for disposal of the
246 property, even if that value is zero ~~property acquired for use~~
247 ~~as a borrow pit is no longer needed, the department may sell~~
248 ~~such property to the owner of the parcel of abutting land from~~
249 ~~which the borrow pit was originally acquired, provided the sale~~
250 ~~is at a negotiated price not less than fair market value as~~
251 ~~determined by an independent appraisal, the cost of which shall~~
252 ~~be paid by the owner of such abutting land~~.
253 (e) If, in the discretion of the department, a sale to
254 anyone other than an abutting property owner would be
255 inequitable, the property may be sold to the abutting owner for
256 the department's current estimate of value. If the department
257 begins the process for disposing of the property on its own
258 initiative, either by negotiation under the provisions of
259 paragraph (a), paragraph (c), or paragraph (d), ~~or paragraph~~
260 ~~(i),~~ or by receipt of sealed competitive bids or public auction
261 under the provisions of paragraph (b) ~~or paragraph (i)~~, a

262 department staff appraiser may determine the fair market value
263 of the property by an appraisal.
264 ~~(f) Any property which was acquired by a county or by the~~
265 ~~department using constitutional gas tax funds for the purpose of~~
266 ~~a right of way or borrow pit for a road on the State Highway~~
267 ~~System, State Park Road System, or county road system and which~~
268 ~~is no longer used or needed by the department may be conveyed~~
269 ~~without consideration to that county. The county may then sell~~
270 ~~such surplus property upon receipt of competitive bids in the~~
271 ~~same manner prescribed in this section.~~
272 ~~(g) If a property has been donated to the state for~~
273 ~~transportation purposes and the facility has not been~~
274 ~~constructed for a period of at least 5 years and no plans have~~
275 ~~been prepared for the construction of such facility and the~~
276 ~~property is not located in a transportation corridor, the~~
277 ~~governmental entity may authorize reconveyance of the donated~~
278 ~~property for no consideration to the original donor or the~~
279 ~~donor's heirs, successors, assigns, or representatives.~~
280 ~~(h) If property is to be used for a public purpose, the~~
281 ~~property may be conveyed without consideration to a governmental~~
282 ~~entity.~~
283 ~~(i) If property was originally acquired specifically to~~
284 ~~provide replacement housing for persons displaced by~~
285 ~~transportation projects, the department may negotiate for the~~
286 ~~sale of such property as replacement housing. As compensation,~~
287 ~~the state shall receive no less than its investment in such~~
288 ~~properties or fair market value, whichever is lower. It is~~
289 ~~expressly intended that this benefit be extended only to those~~
290 ~~persons actually displaced by such project. Dispositions to any~~

291 ~~other persons must be for fair market value.~~
292 ~~(j) If the department determines that the property will~~
293 ~~require significant costs to be incurred or that continued~~
294 ~~ownership of the property exposes the department to significant~~
295 ~~liability risks, the department may use the projected~~
296 ~~maintenance costs over the next 5 years to offset the market~~
297 ~~value in establishing a value for disposal of the property, even~~
298 ~~if that value is zero.~~
299 (5) The department may convey a leasehold interest for
300 commercial or other purposes, in the name of the state, to any
301 land, building, or other property, real or personal, which was
302 acquired under the provisions of subsection (1). However, a
303 lease may not be entered into at a price less than the
304 department's current estimate of value, except as provided in
305 paragraphs (4)(a)-(d).
306 (a) A lease may be through negotiations, sealed competitive
307 bids, auctions, or any other means the department deems to be in
308 its best interest ~~The department may negotiate such a lease at~~
309 ~~the prevailing market value with the owner from whom the~~
310 ~~property was acquired; with the holders of leasehold estates~~
311 ~~existing at the time of the department's acquisition; or, if~~
312 ~~public bidding would be inequitable, with the owner holding~~
313 ~~title to privately owned abutting property, if reasonable notice~~
314 ~~is provided to all other owners of abutting property~~. The
315 department may allow an outdoor advertising sign to remain on
316 the property acquired, or be relocated on department property,
317 and such sign shall not be considered a nonconforming sign
318 pursuant to chapter 479.
319 (b) If, in the discretion of the department, a lease to a

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320 person other than an abutting property owner or tenant with a
321 leasehold interest in the abutting property would be
322 inequitable, the property may be leased to the abutting owner or
323 tenant for no less than the department's current estimate of
324 value ~~All other leases shall be by competitive bid~~.
325 (c) No lease signed pursuant to paragraph (a) ~~or paragraph~~
326 ~~(b)~~ shall be for a period of more than 5 years; however, the
327 department may renegotiate or extend such a lease for an
328 additional term of 5 years as the department deems appropriate
329 ~~without rebidding~~.
330 (d) Each lease shall provide that, unless otherwise
331 directed by the lessor, any improvements made to the property
332 during the term of the lease shall be removed at the lessee's
333 expense.
334 (e) If property is to be used for a public purpose,
335 ~~including a fair, art show, or other educational, cultural, or~~
336 ~~fundraising activity,~~ the property may be leased without
337 consideration to a governmental entity ~~or school board~~. A lease
338 for a public purpose is exempt from the term limits in paragraph
339 (c).
340 (f) Paragraphs (c) and (e) ~~(d)~~ do not apply to leases
341 entered into pursuant to s. 260.0161(3), except as provided in
342 such a lease.
343 (g) No lease executed under this subsection may be utilized
344 by the lessee to establish the ~~4 years'~~ standing required by s.
345 73.071(3)(b) if the business had not been established for the
346 specified number of ~~4~~ years on the date title passed to the
347 department.
348 (h) The department may enter into a long-term lease without

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349 compensation with a public port listed in s. 403.021(9)(b) for
350 rail corridors used for the operation of a short-line railroad
351 to the port.
352 (6) Nothing in this chapter prevents the joint use of
353 right-of-way for alternative modes of transportation; provided
354 that the joint use does not impair the integrity and safety of
355 the transportation facility.
356 (7) The department's estimate of value, required by
357 subsections (4) and (5), shall be prepared in accordance with
358 department procedures, guidelines, and rules for valuation of
359 real property. If the value of the property exceeds $50,000, as
360 determined by the department estimate, the sale or lease must be
361 at a negotiated price not less than the estimate of value as
362 determined by an appraisal prepared in accordance with
363 department procedures, guidelines, and rules for valuation of
364 real property, the cost of which shall be paid by the party
365 seeking the purchase or lease of the property ~~appraisal required~~
366 ~~by paragraphs (4)(c) and (d) shall be prepared in accordance~~
367 ~~with department guidelines and rules by an independent appraiser~~
368 ~~who has been certified by the department. If federal funds were~~
369 ~~used in the acquisition of the property, the appraisal shall~~
370 ~~also be subject to the approval of the Federal Highway~~
371 ~~Administration~~.
372 ~~(8) A "due advertisement" under this section is an~~
373 ~~advertisement in a newspaper of general circulation in the area~~
374 ~~of the improvements of not less than 14 calendar days prior to~~
375 ~~the date of the receipt of bids or the date on which a public~~
376 ~~auction is to be held.~~
377 (8)~~(9)~~ The department, with the approval of the Chief

378 Financial Officer, is authorized to disburse state funds for
379 real estate closings in a manner consistent with good business
380 practices and in a manner minimizing costs and risks to the
381 state.
382 (9)~~(10)~~ The department is authorized to purchase title
383 insurance in those instances where it is determined that such
384 insurance is necessary to protect the public's investment in
385 property being acquired for transportation purposes. The
386 department shall adopt procedures to be followed in making the
387 determination to purchase title insurance for a particular
388 parcel or group of parcels which, at a minimum, shall set forth
389 criteria which the parcels must meet.
390 (10) This section does not modify the requirements of s.
391 73.013.
392 Section 2. If the Federal Government approves a program
393 that allows participation in the maintenance of highway roadside
394 rights-of-way through monetary contributions in exchange for
395 recognition of services provided in the form of organic
396 corporate emblems placed in view of passing motorists, the
397 Department of Transportation shall submit the program for
398 legislative approval in the next regular legislative session.
399 Section 3. Section 479.01, Florida Statutes, is amended to
400 read:
401 479.01 Definitions.—As used in this chapter, the term:
402 (1) "Allowable uses" means those uses that are authorized
403 within a zoning category without the requirement to obtain a
404 variance or waiver. The term includes conditional uses and those
405 allowed by special exception, but does not include uses that are
406 accessory, incidental to the allowable uses, or allowed only on

a temporary basis.

(2) “Automatic changeable facing” means a facing that is capable of delivering two or more advertising messages through an automated or remotely controlled process.

(3) “Business of outdoor advertising” means the business of ~~constructing, erecting,~~ operating, ~~using,~~ maintaining, leasing, or selling outdoor advertising structures, outdoor advertising signs, or outdoor advertisements.

~~(4) “Commercial or industrial zone” means a parcel of land designated for commercial or industrial uses under both the future land use map of the comprehensive plan and the land use development regulations adopted pursuant to chapter 163. If a parcel is located in an area designated for multiple uses on the future land use map of a comprehensive plan and the zoning category of the land development regulations does not clearly designate that parcel for a specific use, the area will be considered an unzoned commercial or industrial area if it meets the criteria of subsection (26).~~

(4) ~~(5)~~ “Commercial use” means activities associated with the sale, rental, or distribution of products or the performance of services. The term includes, without limitation, such uses or activities as retail sales; wholesale sales; rentals of equipment, goods, or products; offices; restaurants; food service vendors; sports arenas; theaters; and tourist attractions.

(5) ~~(6)~~ “Controlled area” means 660 feet or less from the nearest edge of the right-of-way of any portion of the State Highway System, interstate, or federal-aid primary system and beyond 660 feet of the nearest edge of the right-of-way of any

portion of the State Highway System, interstate, or federal-aid primary system outside an urban area.

(6) ~~(7)~~ “Department” means the Department of Transportation.

(7) ~~(8)~~ “Erect” means to construct, build, raise, assemble, place, affix, attach, create, paint, draw, or in any other way bring into being or establish; but it does not include any of the foregoing activities when performed as an incident to the change of advertising message or customary maintenance or repair of a sign.

(8) ~~(9)~~ “Federal-aid primary highway system” means the federal-aid primary highway system in existence on June 1, 1991, and any highway that was not a part of such system as of that date, but that is, or became after June 1, 1991, a part of the National Highway System, including portions that have been accepted as part of the National Highway System but are unbuilt or unopened ~~existing, unbuilt, or unopened system of highways or portions thereof, which shall include the National Highway System, designated as the federal-aid primary highway system by the department~~.

(9) ~~(10)~~ “Highway” means any road, street, or other way open or intended to be opened to the public for travel by motor vehicles.

(10) ~~(11)~~ “Industrial use” means activities associated with the manufacture, assembly, processing, or storage of products or the performance of services relating thereto. The term includes, without limitation, such uses or activities as automobile manufacturing or repair, boat manufacturing or repair, junk yards, meat packing facilities, citrus processing and packing facilities, produce processing and packing facilities,

465 electrical generating plants, water treatment plants, sewage
466 treatment plants, and solid waste disposal sites.
467 (11)~~(12)~~ "Interstate highway system" means the existing,
468 unbuilt, or unopened system of highways or portions thereof
469 designated as the national system of interstate and defense
470 highways by the department.
471 (12)~~(13)~~ "Main-traveled way" means the traveled way of a
472 highway on which through traffic is carried. In the case of a
473 divided highway, the traveled way of each of the separate
474 roadways for traffic in opposite directions is a main-traveled
475 way. It does not include such facilities as frontage roads,
476 turning roadways which specifically include on-ramps or off-
477 ramps to the interstate highway system, or parking areas.
478 (13)~~(14)~~ "Maintain" means to allow to exist.
479 (14)~~(15)~~ "Motorist services directional signs" means signs
480 providing directional information about goods and services in
481 the interest of the traveling public where such signs were
482 lawfully erected and in existence on or before May 6, 1976, and
483 continue to provide directional information to goods and
484 services in a defined area.
485 (15)~~(16)~~ "New highway" means the construction of any road,
486 paved or unpaved, where no road previously existed or the act of
487 paving any previously unpaved road.
488 (16)~~(17)~~ "Nonconforming sign" means a sign which was
489 lawfully erected but which does not comply with the land use,
490 setback, size, spacing, and lighting provisions of state or
491 local law, rule, regulation, or ordinance passed at a later date
492 or a sign which was lawfully erected but which later fails to
493 comply with state or local law, rule, regulation, or ordinance

494 due to changed conditions.
495 (17)~~(18)~~ "Premises" means all the land areas under
496 ownership or lease arrangement to the sign owner which are
497 contiguous to the business conducted on the land except for
498 instances where such land is a narrow strip contiguous to the
499 advertised activity or is connected by such narrow strip, the
500 only viable use of such land is to erect or maintain an
501 advertising sign. When the sign owner is a municipality or
502 county, "premises" shall mean all lands owned or leased by such
503 municipality or county within its jurisdictional boundaries as
504 set forth by law.
505 (18)~~(19)~~ "Remove" means to disassemble all sign materials
506 above ground level and~~,~~ transport them from the site~~, and~~
507 ~~dispose of sign materials by sale or destruction~~.
508 (19)~~(20)~~ "Sign" means any combination of structure and
509 message in the form of an outdoor sign, display, device, figure,
510 painting, drawing, message, placard, poster, billboard,
511 advertising structure, advertisement, logo, symbol, or other
512 form, whether placed individually or on a V-type, back-to-back,
513 side-to-side, stacked, or double-faced display or automatic
514 changeable facing, designed, intended, or used to advertise or
515 inform, any part of the advertising message or informative
516 contents of which is visible from any place on the main-traveled
517 way. The term does not include an official traffic control sign,
518 official marker, or specific information panel erected, caused
519 to be erected, or approved by the department.
520 (20)~~(21)~~ "Sign direction" means that direction from which
521 the message or informative contents are most visible to oncoming
522 traffic on the main-traveled way.

(21)~~(22)~~ “Sign face” means the part of the sign, including trim and background, which contains the message or informative contents, including an automatic changeable face.

(22)~~(23)~~ “Sign facing” includes all sign faces and automatic changeable faces displayed at the same location and facing the same direction.

(23)~~(24)~~ “Sign structure” means all the interrelated parts and material, such as beams, poles, and stringers, which are constructed for the purpose of supporting or displaying a message or informative contents.

(24)~~(25)~~ “State Highway System” has the same meaning as in s. 334.03 ~~means the existing, unbuilt, or unopened system of highways or portions thereof designated as the State Highway System by the department~~.

~~(26) “Unzoned commercial or industrial area” means a parcel of land designated by the future land use map of the comprehensive plan for multiple uses that include commercial or industrial uses but are not specifically designated for commercial or industrial uses under the land development regulations, in which three or more separate and distinct conforming industrial or commercial activities are located.~~

~~(a) These activities must satisfy the following criteria:~~

~~1. At least one of the commercial or industrial activities must be located on the same side of the highway and within 800 feet of the sign location;~~

~~2. The commercial or industrial activities must be within 660 feet from the nearest edge of the right of way; and~~

~~3. The commercial industrial activities must be within 1,600 feet of each other.~~

~~Distances specified in this paragraph must be measured from the nearest outer edge of the primary building or primary building complex when the individual units of the complex are connected by covered walkways.~~

~~(b) Certain activities, including, but not limited to, the following, may not be so recognized as commercial or industrial activities:~~

~~1. Signs.~~

~~2. Agricultural, forestry, ranching, grazing, farming, and related activities, including, but not limited to, wayside fresh produce stands.~~

~~3. Transient or temporary activities.~~

~~4. Activities not visible from the main traveled way.~~

~~5. Activities conducted more than 660 feet from the nearest edge of the right of way.~~

~~6. Activities conducted in a building principally used as a residence.~~

~~7. Railroad tracks and minor sidings.~~

~~8. Communication towers.~~

(25)~~(27)~~ “Urban area” has the same meaning as ~~defined~~ in s. 334.03(31).

(26)~~(28)~~ “Visible commercial or industrial activity” means a commercial or industrial activity that is capable of being seen without visual aid by a person of normal visual acuity from the main-traveled way and that is generally recognizable as commercial or industrial.

(27)~~(29)~~ “Visible sign” means that the advertising message or informative contents of a sign, whether or not legible, is

581 capable of being seen without visual aid by a person of normal
582 visual acuity.
583 (28)~~(30)~~ "Wall mural" means a sign that is a painting or an
584 artistic work composed of photographs or arrangements of color
585 and that displays a commercial or noncommercial message, relies
586 solely on the side of the building for rigid structural support,
587 and is painted on the building or depicted on vinyl, fabric, or
588 other similarly flexible material that is held in place flush or
589 flat against the surface of the building. The term excludes a
590 painting or work placed on a structure that is erected for the
591 sole or primary purpose of signage.
592 (29)~~(31)~~ "Zoning category" means the designation under the
593 land development regulations or other similar ordinance enacted
594 to regulate the use of land as provided in s. 163.3202(2)(b),
595 which designation sets forth the allowable uses, restrictions,
596 and limitations on use applicable to properties within the
597 category.
598 Section 4. Section 479.02, Florida Statutes, is amended to
599 read:
600 479.02 Duties of the department. ~~It shall be the duty of~~
601 The department shall ~~to~~:
602 (1) Administer and enforce the provisions of this chapter,
603 ~~and~~ the 1972 agreement between the state and the United States
604 Department of Transportation, ~~relating to the size, lighting,~~
605 ~~and spacing of signs in accordance with Title I of the Highway~~
606 ~~Beautification Act of 1965 and~~ Title 23, United States Code, and
607 federal regulations, including, but not limited to, those
608 pertaining to the maintenance, continuance, and removal of
609 nonconforming signs ~~in effect as of the effective date of this~~

610 ~~act~~.
611 (2) Regulate size, height, lighting, and spacing of signs
612 permitted on commercial and industrial parcels and in unzoned
613 commercial or industrial areas ~~in zoned and unzoned commercial~~
614 ~~areas and zoned and unzoned industrial areas~~ on the interstate
615 highway system and the federal-aid primary highway system.
616 (3) Determine ~~unzoned~~ commercial and industrial parcels and
617 unzoned commercial or ~~areas and unzoned~~ industrial areas in the
618 manner provided in s. 479.024.
619 (4) Implement a specific information panel program on the
620 limited access ~~interstate~~ highway system to promote tourist-
621 oriented businesses by providing directional information safely
622 and aesthetically.
623 (5) Implement a rest area information panel or devices
624 program at rest areas along the interstate highway system and
625 the federal-aid primary highway system to promote tourist-
626 oriented businesses.
627 (6) Test and, if economically feasible, implement
628 alternative methods of providing information in the specific
629 interest of the traveling public which allow the traveling
630 public freedom of choice, conserve natural beauty, and present
631 information safely and aesthetically.
632 (7) Adopt such rules as it deems necessary or proper for
633 the administration of this chapter, including rules that ~~which~~
634 identify activities that may not be recognized as industrial or
635 commercial activities for purposes of determination of a ~~an area~~
636 ~~as an unzoned~~ commercial or industrial parcel or an unzoned
637 commercial or industrial area in the manner provided in s.
638 479.024.

639 (8) ~~Prior to July 1, 1998,~~ Inventory and determine the
640 location of all signs on the state, interstate and federal-aid
641 primary highway systems to be used as~~. Upon completion of the~~
642 ~~inventory, it shall become~~ the database and permit information
643 for all permitted signs ~~permitted at the time of completion, and~~
644 ~~the previous records of the department shall be amended~~
645 ~~accordingly~~. The inventory shall be updated no less than every 2
646 years. ~~The department shall adopt rules regarding what~~
647 ~~information is to be collected and preserved to implement the~~
648 ~~purposes of this chapter.~~ The department may perform the
649 inventory using department staff~~,~~ or may contract with a private
650 firm to perform the work, whichever is more cost efficient. The
651 department shall maintain a database of sign inventory
652 information such as sign location, size, height, and structure
653 type, the permitholder's name, and any other information the
654 department finds necessary to administer the program.
655 Section 5. Section 479.024, Florida Statutes, is created to
656 read:
657 479.024 Commercial and industrial parcels.—Signs shall only
658 be permitted by the department in commercial or industrial
659 zones, as determined by the local government, in compliance with
660 chapter 163, unless otherwise provided in this chapter.
661 (1) As used in this section, the term:
662 (a) "Parcel" means the property where the sign is located
663 or is proposed to be located.
664 (b) "Utilities" includes all privately, publicly, or
665 cooperatively owned lines, facilities, and systems for
666 producing, transmitting, or distributing communications, power,
667 electricity, light, heat, gas, oil, crude products, water,

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668 steam, waste, and stormwater not connected with the highway
669 drainage, and other similar commodities.
670 (2) The determination as to zoning by the local government
671 for the parcel must meet the following criteria:
672 (a) The parcel is comprehensively zoned and includes
673 commercial or industrial uses as allowable uses.
674 (b) The parcel can reasonably accommodate a commercial or
675 industrial use under the future land use map of the
676 comprehensive plan and land use development regulations, as
677 follows:
678 1. Sufficient utilities are available to support commercial
679 or industrial development.
680 2. The size, configuration, and public access of the parcel
681 are sufficient to accommodate a commercial or industrial use,
682 given requirements in the comprehensive plan and land
683 development regulations for vehicular access, on-site
684 circulation, building setbacks, buffering, parking, and other
685 applicable standards or the parcel consists of railroad tracks
686 or minor sidings abutting commercial or industrial property that
687 meets the criteria of this subsection.
688 (c) The parcel is not being used exclusively for
689 noncommercial or nonindustrial uses.
690 (3) If a local government has not designated zoning through
691 land development regulations in compliance with chapter 163, but
692 has designated the parcel under the future land use map of the
693 comprehensive plan for uses that include commercial or
694 industrial uses, the parcel shall be considered an unzoned
695 commercial or industrial area. For a permit to be issued for a
696 sign in an unzoned commercial or industrial area, there must be

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697 three or more distinct commercial or industrial activities
698 within 1,600 feet of each other, with at least one of the
699 commercial or industrial activities located on the same side of
700 the highway as the sign location, and within 800 feet of the
701 sign location. Multiple commercial or industrial activities
702 enclosed in one building when all uses have only shared building
703 entrances shall be considered one use.
704 (4) For purposes of this section, certain uses and
705 activities may not be independently recognized as commercial or
706 industrial, including, but not limited to:
707 (a) Signs.
708 (b) Agricultural, forestry, ranching, grazing, farming, and
709 related activities, including, but not limited to, wayside fresh
710 produce stands.
711 (c) Transient or temporary activities.
712 (d) Activities not visible from the main-traveled way,
713 unless a department transportation facility is the only cause
714 for the activity not being visible.
715 (e) Activities conducted more than 660 feet from the
716 nearest edge of the right-of-way.
717 (f) Activities conducted in a building principally used as
718 a residence.
719 (g) Railroad tracks and minor sidings, unless such use is
720 immediately abutted by commercial or industrial property that
721 meets the criteria in subsection (2).
722 (h) Communication towers.
723 (i) Governmental uses, unless those governmental uses would
724 be industrial in nature if privately owned and operated. Such
725 industrial uses must be the present and actual use, not merely

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726 be among the allowed uses.
727 (5) If the local government has indicated that the proposed
728 sign location is on a parcel that is in a commercial or
729 industrial zone, but the department finds that it is not, the
730 department shall notify the sign applicant in writing of its
731 determination.
732 (6) An applicant whose application for a permit is denied
733 may, within 30 days after the receipt of the notification of
734 intent to deny, request an administrative hearing pursuant to
735 chapter 120 for a determination of whether the parcel is located
736 in a commercial or industrial zone. Upon receipt of such
737 request, the department shall notify the local government that
738 the applicant has requested an administrative hearing pursuant
739 to chapter 120.
740 (7) If the department in a final order determines that the
741 parcel does not meet the permitting conditions in this section
742 and a sign structure exists on the parcel, the applicant shall
743 remove the sign within 30 days after the date of the order and
744 is responsible for all sign removal costs.
745 (8) If the Federal Highway Administration reduces funds
746 that would otherwise be apportioned to the department due to a
747 local government's failure to be compliant with this section,
748 the department shall reduce apportioned transportation funding
749 to the local government by an equivalent amount.
750 Section 6. Section 479.03, Florida Statutes, is amended to
751 read:
752 479.03 Jurisdiction of the Department of Transportation;
753 entry upon privately owned lands.—The territory under the
754 jurisdiction of the department for the purpose of this chapter

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755 shall include all the state. Employees, agents, or independent
756 contractors working for the department, in the performance of
757 their functions and duties under the provisions of this chapter,
758 may enter into and upon any land upon which a sign is displayed,
759 is proposed to be erected, or is being erected and make such
760 inspections, surveys, and removals as may be relevant. Upon
761 written notice to ~~After receiving consent by~~ the landowner,
762 operator, or person in charge of an intervening privately owned
763 land that ~~or appropriate inspection warrant issued by a judge of~~
764 ~~any county court or circuit court of this state which has~~
765 ~~jurisdiction of the place or thing to be removed, that~~ the
766 removal of an illegal outdoor advertising sign is necessary and
767 has been authorized by a final order or results from an
768 uncontested notice to the sign owner, the department may ~~shall~~
769 ~~be authorized to~~ enter upon any intervening privately owned
770 lands for the purposes of effectuating removal of illegal signs,
771 provided that the department shall only do so in circumstances
772 where it has determined that no other legal or economically
773 feasible means of entry to the sign site are reasonably
774 available. Except as otherwise provided by this chapter, the
775 department shall be responsible for the repair or replacement in
776 a like manner for any physical damage or destruction of private
777 property, other than the sign, incidental to the department's
778 entry upon such intervening privately owned lands.
779 Section 7. Section 479.04, Florida Statutes, is amended to
780 read:
781 479.04 Business of outdoor advertising; license
782 requirement; renewal; fees.—
783 (1) A ~~No~~ person may not ~~shall~~ engage in the business of

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784 outdoor advertising in this state without first obtaining a
785 license ~~therefor~~ from the department. Such license shall be
786 renewed annually. The fee for such license, and for each annual
787 renewal, is $300. License renewal fees shall be payable as
788 provided for in s. 479.07.
789 (2) A ~~No~~ person is not ~~shall be~~ required to obtain the
790 license provided for in this section solely to erect or
791 construct outdoor advertising signs or structures ~~as an~~
792 ~~incidental part of a building construction contract~~.
793 Section 8. Section 479.05, Florida Statutes, is amended to
794 read:
795 479.05 Denial, suspension, or revocation of license.—The
796 department may ~~has authority to~~ deny, suspend, or revoke any
797 license requested or granted under this chapter in any case in
798 which it determines that the application for the license
799 contains ~~knowingly~~ false or misleading information of material
800 consequence, that the licensee has failed to pay fees or costs
801 owed to the department for outdoor advertising purposes, or that
802 the licensee has violated any of the provisions of this chapter,
803 unless such licensee, within 30 days after the receipt of notice
804 by the department, corrects such false or misleading
805 information, pays the outstanding amounts, or complies with the
806 provisions of this chapter. Suspension of a license allows the
807 licensee to maintain existing sign permits, but the department
808 may not grant a transfer of an existing permit or issue an
809 additional permit to a licensee with a suspended license. Any
810 person aggrieved by an ~~any~~ action of the department which
811 denies, suspends, or revokes ~~in denying or revoking~~ a license
812 under this chapter may, within 30 days after ~~from~~ the receipt of

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813 the notice, apply to the department for an administrative
814 hearing pursuant to chapter 120.
815 Section 9. Section 479.07, Florida Statutes, is amended to
816 read:
817 479.07 Sign permits.—
818 (1) Except as provided in ss. 479.105(1) ~~479.105(1)(c)~~ and
819 479.16, a person may not erect, operate, use, or maintain, or
820 cause to be erected, operated, used, or maintained, any sign on
821 the State Highway System outside an urban area, ~~as defined in s.~~
822 ~~334.03(31),~~ or on any portion of the interstate or federal-aid
823 primary highway system without first obtaining a permit for the
824 sign from the department and paying the annual fee as provided
825 in this section. As used in this section, the term "on any
826 portion of the State Highway System, interstate, or federal-aid
827 primary system" means a sign located within the controlled area
828 which is visible from any portion of the main-traveled way of
829 such system.
830 (2) ~~A person may not apply for a permit unless he or she~~
831 ~~has first obtained the~~ Written permission of the owner or other
832 person in lawful possession or control of the site designated as
833 the location of the sign is required for issuance of a ~~in the~~
834 ~~application for the~~ permit.
835 (3)(a) An application for a sign permit must be made on a
836 form prescribed by the department, and a separate application
837 must be submitted for each permit requested. A permit is
838 required for each sign facing.
839 (b) As part of the application, the applicant or his or her
840 authorized representative must certify ~~in a notarized signed~~
841 ~~statement~~ that all information provided in the application is

842 true and correct ~~and that, pursuant to subsection (2), he or she~~
843 ~~has obtained the written permission of the owner or other person~~
844 ~~in lawful possession of the site designated as the location of~~
845 ~~the sign in the permit application~~. Every permit application
846 must be accompanied by the appropriate permit fee, ~~;~~ a signed
847 statement by the owner or other person in lawful control of the
848 site on which the sign is located or will be erected,
849 authorizing the placement of the sign on that site, ~~;~~ and~~, where~~
850 ~~local governmental regulation of signs exists,~~ a statement from
851 the appropriate local governmental official indicating that the
852 sign complies with all local government ~~governmental~~
853 requirements and, if a local government permit is required for a
854 sign, that the agency or unit of local government will issue a
855 permit to that applicant upon approval of the state permit
856 application by the department.
857 (c) The annual permit fee for each sign facing shall be
858 established by the department by rule in an amount sufficient to
859 offset the total cost to the department for the program, but
860 shall not exceed $200 ~~$100~~. The ~~A fee may not be prorated for a~~
861 ~~period less than the remainder of the permit year to accommodate~~
862 ~~short-term publicity features; however, a~~ first-year fee may be
863 prorated by payment of an amount equal to one-fourth of the
864 annual fee for each remaining whole quarter or partial quarter
865 of the permit year. Applications received after the end of the
866 third quarter of the permit year must include fees for the last
867 quarter of the current year and fees for the succeeding year. A
868 nonrefundable application fee of $25 must accompany each permit
869 application.
870 (4) An application for a permit shall be acted on by

871 granting, denying, or returning the incomplete application ~~the~~
872 ~~department~~ within 30 days after receipt of the application by
873 the department.
874 (5)(a) For each permit issued, the department shall furnish
875 to the applicant a serially numbered permanent metal permit tag.
876 The permittee is responsible for maintaining a valid permit tag
877 on each permitted sign facing at all times. The tag shall be
878 securely attached to the upper 50 percent of the sign structure
879 ~~sign facing or, if there is no facing, on the pole nearest the~~
880 ~~highway;~~ and ~~it~~ shall be attached in such a manner as to be
881 plainly visible from the main-traveled way. ~~Effective July 1,~~
882 ~~2012, the tag must be securely attached to the upper 50 percent~~
883 ~~of the pole nearest the highway and must be attached in such a~~
884 ~~manner as to be plainly visible from the main traveled way.~~ The
885 permit ~~becomes void unless the permit~~ tag must be ~~is~~ properly
886 and permanently displayed at the permitted site within 30 days
887 after the date of permit issuance. If the permittee fails to
888 erect a completed sign on the permitted site within 270 days
889 after the date on which the permit was issued, the permit will
890 be void, and the department may not issue a new permit to that
891 permittee for the same location for 270 days after the date on
892 which the permit became void.
893 (b) If a permit tag is lost, stolen, or destroyed, the
894 permittee to whom the tag was issued must apply to the
895 department for a replacement tag. The department shall adopt a
896 rule establishing a service fee for replacement tags in an
897 amount that will recover the actual cost of providing the
898 replacement tag. Upon receipt of the application accompanied by
899 the service fee, the department shall issue a replacement permit

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900 tag. ~~Alternatively, the permittee may provide its own~~
901 ~~replacement tag pursuant to department specifications that the~~
902 ~~department shall adopt by rule at the time it establishes the~~
903 ~~service fee for replacement tags.~~
904 (6) A permit is valid only for the location specified in
905 the permit. Valid permits may be transferred from one sign owner
906 to another upon written acknowledgment from the current
907 permittee and submittal of a transfer fee of $5 for each permit
908 to be transferred. However, the maximum transfer fee for any
909 multiple transfer between two outdoor advertisers in a single
910 transaction is $1,000 ~~$100~~.
911 (7) A permittee shall at all times maintain the permission
912 of the owner or other person in lawful control of the sign site
913 to have and maintain a sign at such site.
914 (8)(a) In order to reduce peak workloads, the department
915 may adopt rules providing for staggered expiration dates for
916 licenses and permits. Unless otherwise provided for by rule, all
917 licenses and permits expire annually on January 15. All license
918 and permit renewal fees are required to be submitted to the
919 department by no later than the expiration date. At least 105
920 days before ~~prior to~~ the expiration date of licenses and
921 permits, the department shall send to each permittee a notice of
922 fees due for all licenses and permits that ~~which~~ were issued to
923 him or her before ~~prior to~~ the date of the notice. Such notice
924 shall list the permits and the permit fees due for each sign
925 facing. The permittee shall, no later than 45 days before ~~prior~~
926 ~~to~~ the expiration date, advise the department of any additions,
927 deletions, or errors contained in the notice. Permit tags which
928 are not renewed shall be returned to the department for

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929 cancellation by the expiration date. Permits which are not
930 renewed or are canceled shall be certified in writing at that
931 time as canceled or not renewed by the permittee, and permit
932 tags for such permits shall be returned to the department or
933 shall be accounted for by the permittee in writing, which
934 writing shall be submitted with the renewal fee payment or the
935 cancellation certification. However, failure of a permittee to
936 submit a permit cancellation does ~~shall~~ not affect the
937 nonrenewal of a permit. Before ~~Prior to~~ cancellation of a
938 permit, the permittee shall provide written notice to all
939 persons or entities having a right to advertise on the sign that
940 the permittee intends to cancel the permit.
941 (b) If a permittee has not submitted his or her fee payment
942 by the expiration date of the licenses or permits, the
943 department shall send a notice of violation to the permittee
944 within 45 days after the expiration date, requiring the payment
945 of the permit fee within 30 days after the date of the notice
946 and payment of a delinquency fee equal to 10 percent of the
947 original amount due or, in the alternative to these payments,
948 requiring the filing of a request for an administrative hearing
949 to show cause why the ~~his or her~~ sign should not be subject to
950 immediate removal due to expiration of his or her license or
951 permit. If the permittee submits payment as required by the
952 violation notice, the ~~his or her~~ license or permit will be
953 automatically reinstated and such reinstatement will be
954 retroactive to the original expiration date. If the permittee
955 does not respond to the notice of violation within the 30-day
956 period, the department shall, within 30 days, issue a final
957 notice of sign removal and may, following 90 days after the date

958 of the department's final notice of sign removal, remove the
959 sign without incurring any liability as a result of such
960 removal. However, if at any time before removal of the sign, the
961 permittee demonstrates that a good faith error on the part of
962 the permittee resulted in cancellation or nonrenewal of the
963 permit, the department may reinstate the permit if:
964 1. The permit reinstatement fee of ~~up to~~ $300 ~~based on the~~
965 ~~size of the sign~~ is paid;
966 2. All other permit renewal and delinquent permit fees due
967 as of the reinstatement date are paid; and
968 3. The permittee reimburses the department for all actual
969 costs resulting from the permit cancellation or nonrenewal.
970 (c) Conflicting applications filed by other persons for the
971 same or competing sites covered by a permit subject to paragraph
972 (b) may not be approved until after the sign subject to the
973 expired permit has been removed.
974 (d) The cost for removing a sign, whether by the department
975 or an independent contractor, shall be assessed by the
976 department against the permittee.
977 (9)(a) A permit may ~~shall~~ not be granted for any sign for
978 which a permit had not been granted by the effective date of
979 this act unless such sign is located at least:
980 1. One thousand five hundred feet from any other permitted
981 sign on the same side of the highway, if on an interstate
982 highway.
983 2. One thousand feet from any other permitted sign on the
984 same side of the highway, if on a federal-aid primary highway.
985
986 The minimum spacing provided in this paragraph does not preclude

987 the permitting of V-type, back-to-back, side-to-side, stacked,
988 or double-faced signs at the permitted sign site. If a sign is
989 visible to more than one highway subject to the jurisdiction of
990 the department and within the controlled area of the highways
991 ~~from the controlled area of more than one highway subject to the~~
992 ~~jurisdiction of the department~~, the sign must ~~shall~~ meet the
993 permitting requirements of all highways~~,~~ and~~, if the sign meets~~
994 ~~the applicable permitting requirements,~~ be permitted to~~,~~ the
995 highway having the more stringent permitting requirements.
996 (b) A permit may ~~shall~~ not be granted for a sign pursuant
997 to this chapter to locate such sign on any portion of the
998 interstate or federal-aid primary highway system, which sign:
999 1. Exceeds 50 feet in sign structure height above the crown
1000 of the main-traveled way to which the sign is permitted, if
1001 outside an incorporated area;
1002 2. Exceeds 65 feet in sign structure height above the crown
1003 of the main-traveled way to which the sign is permitted, if
1004 inside an incorporated area; or
1005 3. Exceeds 950 square feet of sign facing including all
1006 embellishments.
1007 (c) Notwithstanding subparagraph (a)1., ~~there is~~
1008 ~~established a pilot program in Orange, Hillsborough, and Osceola~~
1009 ~~Counties, and within the boundaries of the City of Miami, under~~
1010 ~~which~~ the distance between permitted signs on the same side of
1011 an interstate highway may be reduced to 1,000 feet if all other
1012 requirements of this chapter are met and if:
1013 1. The local government has adopted a plan, program,
1014 resolution, ordinance, or other policy encouraging the voluntary
1015 removal of signs in a downtown, historic, redevelopment, infill,

1016 or other designated area which also provides for a new or
1017 replacement sign to be erected on an interstate highway within
1018 that jurisdiction if a sign in the designated area is removed;
1019 2. The sign owner and the local government mutually agree
1020 to the terms of the removal and replacement; and
1021 3. The local government notifies the department of its
1022 intention to allow such removal and replacement as agreed upon
1023 pursuant to subparagraph 2.
1024 ~~4. The new or replacement sign to be erected on an~~
1025 ~~interstate highway within that jurisdiction is to be located on~~
1026 ~~a parcel of land specifically designated for commercial or~~
1027 ~~industrial use under both the future land use map of the~~
1028 ~~comprehensive plan and the land use development regulations~~
1029 ~~adopted pursuant to chapter 163, and such parcel shall not be~~
1030 ~~subject to an evaluation in accordance with the criteria set~~
1031 ~~forth in s. 479.01(26) to determine if the parcel can be~~
1032 ~~considered an unzoned commercial or industrial area.~~
1033
1034 ~~The department shall maintain statistics tracking the use of the~~
1035 ~~provisions of this pilot program based on the notifications~~
1036 ~~received by the department from local governments under this~~
1037 ~~paragraph.~~
1038 (d) This subsection does not cause a sign that was
1039 conforming on October 1, 1984, to become nonconforming.
1040 (10) Commercial or industrial zoning that ~~which~~ is not
1041 comprehensively enacted or that ~~which~~ is enacted primarily to
1042 permit signs may ~~shall~~ not be recognized as commercial or
1043 industrial zoning for purposes of this provision, and permits
1044 may ~~shall~~ not be issued for signs in such areas. The department

1045 shall adopt rules that ~~within 180 days after this act takes~~
1046 ~~effect which shall~~ provide criteria to determine whether such
1047 zoning is comprehensively enacted or enacted primarily to permit
1048 signs.
1049 Section 10. Section 479.08, Florida Statutes, is amended to
1050 read:
1051 479.08 Denial or revocation of permit.—The department may
1052 deny or revoke any permit requested or granted under this
1053 chapter in any case in which it determines that the application
1054 for the permit contains ~~knowingly~~ false or misleading
1055 information of material consequence. The department may revoke
1056 any permit granted under this chapter in any case in which the
1057 permittee has violated any of the provisions of this chapter,
1058 unless such permittee, within 30 days after the receipt of
1059 notice by the department, complies with the provisions of this
1060 chapter. For the purpose of this section, the notice of
1061 violation issued by the department must describe in detail the
1062 alleged violation. Any person aggrieved by any action of the
1063 department in denying or revoking a permit under this chapter
1064 may, within 30 days after receipt of the notice, apply to the
1065 department for an administrative hearing pursuant to chapter
1066 120. If a timely request for hearing has been filed and the
1067 department issues a final order revoking a permit, such
1068 revocation shall be effective 30 days after the date of
1069 rendition. Except for department action pursuant to s.
1070 479.107(1), the filing of a timely and proper notice of appeal
1071 shall operate to stay the revocation until the department's
1072 action is upheld.
1073 Section 11. Section 479.10, Florida Statutes, is amended to

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1074 read:
1075 479.10 Sign removal following permit revocation or
1076 cancellation.—A sign shall be removed by the permittee within 30
1077 days after the date of revocation or cancellation of the permit
1078 for the sign. If the permittee fails to remove the sign within
1079 the 30-day period, the department shall remove the sign at the
1080 permittee's expense with or without further notice and without
1081 incurring any liability as a result of such removal.
1082 Section 12. Section 479.105, Florida Statutes, is amended
1083 to read:
1084 479.105 Signs erected or maintained without required
1085 permit; removal.—
1086 (1) Any sign which is located adjacent to the right-of-way
1087 of any highway on the State Highway System outside an
1088 incorporated area or adjacent to the right-of-way on any portion
1089 of the interstate or federal-aid primary highway system, which
1090 sign was erected, operated, or maintained without the permit
1091 required by s. 479.07(1) having been issued by the department,
1092 is declared to be a public nuisance and a private nuisance and
1093 shall be removed as provided in this section.
1094 (a) Upon a determination by the department that a sign is
1095 in violation of s. 479.07(1), the department shall prominently
1096 post on the sign, or as close to the sign as possible for those
1097 locations where the sign is not easily accessible, ~~face~~ a notice
1098 stating that the sign is illegal and must be removed within 30
1099 days after the date on which the notice was posted. ~~However, if~~
1100 ~~the sign bears the name of the licensee or the name and address~~
1101 ~~of the nonlicensed sign owner,~~ The department shall,
1102 concurrently with and in addition to posting the notice on the

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1103 sign, provide a written notice to the owner of the sign, the
1104 advertiser displayed on the sign, or the owner of the property,
1105 stating that the sign is illegal and must be permanently removed
1106 within the 30-day period specified on the posted notice. The
1107 written notice shall further state that a hearing may be
1108 requested, ~~the sign owner has a right to request a hearing,~~
1109 which request must be filed with the department within 30 days
1110 after receipt ~~the date~~ of the written notice. However, the
1111 filing of a request for a hearing will not stay the removal of
1112 the sign.
1113 (b) If, pursuant to the notice provided, the sign is not
1114 removed by the ~~sign~~ owner of the sign, the advertiser displayed
1115 on the sign, or the owner of the property within the prescribed
1116 period, the department shall immediately remove the sign without
1117 further notice; and, for that purpose, the employees, agents, or
1118 independent contractors of the department may enter upon private
1119 property without incurring any liability for so entering.
1120 (c) However, the department may issue a permit for a sign,
1121 as a conforming or nonconforming sign, if the sign owner
1122 demonstrates to the department one of the following:
1123 1. If the sign meets the current requirements of this
1124 chapter for a sign permit, the sign owner may submit the
1125 required application package and receive a permit as a
1126 conforming sign, upon payment of all applicable fees.
1127 2. If the sign does not meet the current requirements of
1128 this chapter for a sign permit, the sign owner may receive a
1129 permit as a nonconforming sign if the department determines that
1130 the sign is not located on state right-of-way and is not a
1131 safety hazard and if the sign owner pays a penalty fee of $300

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1132 and all pertinent fees required by this chapter, including
1133 annual permit renewal fees payable since the date of the
1134 erection of the sign, and attaches to the permit application
1135 package documentation that demonstrates that:
1136 a. The sign has been unpermitted, structurally unchanged,
1137 and continuously maintained at the same location for a period of
1138 7 years or more;
1139 b. During the entire period in which the sign has been
1140 erected, a permit was required but was not obtained;
1141 c. During the initial 7 years in which the sign has been
1142 erected, the sign would have met the criteria established in
1143 this chapter at that time for issuance of a permit; and
1144 d. The department has not initiated a notice of violation
1145 or taken other action to remove the sign during the initial 7-
1146 year period.
1147 (d) This subsection does not cause a neighboring sign that
1148 is permitted and that is within the spacing requirements in s.
1149 479.07(9)(a) to become nonconforming.
1150 (e) ~~(c)~~ For purposes of this subsection, a notice to the
1151 sign owner, when required, constitutes sufficient notice; and
1152 notice is not required to be provided to the lessee, advertiser,
1153 or the owner of the real property on which the sign is located.
1154 (f) ~~(d)~~ If, after a hearing, it is determined that a sign
1155 has been wrongfully or erroneously removed pursuant to this
1156 subsection, the department, at the sign owner's discretion,
1157 shall either pay just compensation to the owner of the sign or
1158 reerect the sign in kind at the expense of the department.
1159 ~~(e) However, if the sign owner demonstrates to the~~
1160 ~~department that:~~

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1161 ~~1. The sign has been unpermitted, structurally unchanged,~~
1162 ~~and continuously maintained at the same location for a period of~~
1163 ~~7 years or more;~~
1164 ~~2. At any time during the period in which the sign has been~~
1165 ~~erected, the sign would have met the criteria established in~~
1166 ~~this chapter for issuance of a permit;~~
1167 ~~3. The department has not initiated a notice of violation~~
1168 ~~or taken other action to remove the sign during the initial 7-~~
1169 ~~year period described in subparagraph 1.; and~~
1170 ~~4. The department determines that the sign is not located~~
1171 ~~on state right of way and is not a safety hazard,~~
1172
1173 ~~the sign may be considered a conforming or nonconforming sign~~
1174 ~~and may be issued a permit by the department upon application in~~
1175 ~~accordance with this chapter and payment of a penalty fee of~~
1176 ~~$300 and all pertinent fees required by this chapter, including~~
1177 ~~annual permit renewal fees payable since the date of the~~
1178 ~~erection of the sign.~~
1179 (2)(a) If a sign is under construction and the department
1180 determines that a permit has not been issued for the sign as
1181 required under the provisions of this chapter, the department is
1182 authorized to require that all work on the sign cease until the
1183 sign owner shows that the sign does not violate the provisions
1184 of this chapter. The order to cease work shall be prominently
1185 posted on the sign structure, and no further notice is required
1186 to be given. The failure of a sign owner or her or his agents to
1187 immediately comply with the order shall subject the sign to
1188 prompt removal by the department.
1189 (b) For the purposes of this subsection only, a sign is

1190 under construction when it is in any phase of initial
1191 construction prior to the attachment and display of the
1192 advertising message in final position for viewing by the
1193 traveling public. A sign that is undergoing routine maintenance
1194 or change of the advertising message only is not considered to
1195 be under construction for the purposes of this subsection.
1196 (3) The cost of removing a sign, whether by the department
1197 or an independent contractor, shall be assessed against the
1198 owner of the sign by the department.
1199 Section 13. Subsections (4), (5), and (7) of section
1200 479.106, Florida Statutes, are amended to read:
1201 479.106 Vegetation management.—
1202 (4) The department may establish an application fee by rule
1203 ~~not to exceed $25 for each individual application~~ to defer the
1204 costs of processing such application ~~and a fee not to exceed~~
1205 ~~$200 to defer the costs of processing an application for~~
1206 ~~multiple sites~~.
1207 (5) The department may only grant a permit pursuant to s.
1208 479.07 for a new sign which requires the removal, cutting, or
1209 trimming of existing trees or vegetation on public right-of-way
1210 for the sign face to be visible from the highway when the sign
1211 owner has removed at least two nonconforming signs of
1212 approximate comparable size and surrendered the permits for the
1213 nonconforming signs to the department for cancellation. For
1214 signs originally permitted after July 1, 1996, the first
1215 application, or application for a change of view zone, ~~no permit~~
1216 for the removal, cutting, or trimming of trees or vegetation
1217 shall require, in addition to mitigation or contribution to a
1218 plan of mitigation, the removal of two nonconforming signs. No

1219 permits for the removal, cutting, or trimming of trees may be
1220 granted for signs permitted after July 1, 1996 ~~be granted~~ where
1221 such trees or vegetation are part of a beautification project
1222 implemented before ~~prior to~~ the date of the original sign permit
1223 application, when the beautification project is specifically
1224 identified in the department's construction plans, permitted
1225 landscape projects, or agreements.
1226 (7) Any person engaging in removal, cutting, or trimming of
1227 trees or vegetation in violation of this section or benefiting
1228 from such actions shall be subject to an administrative penalty
1229 of up to $1,000 per sign facing and required to mitigate for the
1230 unauthorized removal, cutting, or trimming in such manner and in
1231 such amount as may be required under the rules of the
1232 department.
1233 Section 14. Subsection (5) of section 479.107, Florida
1234 Statutes, is amended to read:
1235 479.107 Signs on highway rights-of-way; removal.—
1236 (5) The cost of removing a sign, whether by the department
1237 or an independent contractor, shall be assessed by the
1238 department against the owner of the sign. ~~Furthermore, the~~
1239 ~~department shall assess a fine of $75 against the sign owner for~~
1240 ~~any sign which violates the requirements of this section.~~
1241 Section 15. Section 479.111, Florida Statutes, is amended
1242 to read:
1243 479.111 Specified signs allowed within controlled portions
1244 of the interstate and federal-aid primary highway system.—Only
1245 the following signs shall be allowed within controlled portions
1246 of the interstate highway system and the federal-aid primary
1247 highway system as set forth in s. 479.11(1) and (2):

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1248 (1) Directional or other official signs and notices which
1249 conform to 23 C.F.R. ss. 750.151-750.155.
1250 (2) Signs in commercial-zoned and industrial-zoned areas or
1251 commercial-unzoned and industrial-unzoned areas and within 660
1252 feet of the nearest edge of the right-of-way, subject to the
1253 requirements set forth in the 1972 agreement between the state
1254 and the United States Department of Transportation.
1255 (3) Signs for which permits are not required under s.
1256 479.16.
1257 Section 16. Section 479.15, Florida Statutes, is amended to
1258 read:
1259 479.15 Harmony of regulations.—
1260 (1) No zoning board or commission or other public officer
1261 or agency shall issue a permit to erect any sign which is
1262 prohibited under the provisions of this chapter or the rules of
1263 the department, nor shall the department issue a permit for any
1264 sign which is prohibited by any other public board, officer, or
1265 agency in the lawful exercise of its powers.
1266 (2) A municipality, county, local zoning authority, or
1267 other local governmental entity may not remove, or cause to be
1268 removed, any lawfully erected sign along any portion of the
1269 interstate or federal-aid primary highway system without first
1270 paying just compensation for such removal. A local governmental
1271 entity may not cause in any way the alteration of any lawfully
1272 erected sign located along any portion of the interstate or
1273 federal-aid primary highway system without payment of just
1274 compensation if such alteration constitutes a taking under state
1275 law. The municipality, county, local zoning authority, or other
1276 local government entity that adopts requirements for such

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1277 alteration shall pay just compensation to the sign owner if such
1278 alteration constitutes a taking under state law. This subsection
1279 applies only to a lawfully erected sign the subject matter of
1280 which relates to premises other than the premises on which it is
1281 located or to merchandise, services, activities, or
1282 entertainment not sold, produced, manufactured, or furnished on
1283 the premises on which the sign is located. ~~As used in this~~
1284 ~~subsection, the term "federal aid primary highway system" means~~
1285 ~~the federal aid primary highway system in existence on June 1,~~
1286 ~~1991, and any highway that was not a part of such system as of~~
1287 ~~that date but that is or becomes after June 1, 1991, a part of~~
1288 ~~the National Highway System.~~ This subsection shall not be
1289 interpreted as explicit or implicit legislative recognition that
1290 alterations do or do not constitute a taking under state law.
1291 (3) It is the express intent of the Legislature to limit
1292 the state right-of-way acquisition costs on state and federal
1293 roads in eminent domain proceedings, the provisions of ss.
1294 479.07 and 479.155 notwithstanding. Subject to approval by the
1295 Federal Highway Administration, whenever public acquisition of
1296 land upon which is situated a lawful permitted ~~nonconforming~~
1297 sign occurs, as provided in this chapter, the sign may, at the
1298 election of its owner and the department, be relocated or
1299 reconstructed adjacent to the new right-of-way and in close
1300 proximity to the current site ~~along the roadway within 100 feet~~
1301 ~~of the current location~~, provided the ~~nonconforming~~ sign is not
1302 relocated in an area inconsistent with s. 479.024 ~~on a parcel~~
1303 ~~zoned residential~~, and provided further that such relocation
1304 shall be subject to ~~applicable setback~~ requirements in the 1972
1305 agreement between the state and the United States Department of

1306 Transportation. The sign owner shall pay all costs associated
1307 with relocating or reconstructing any sign under this
1308 subsection, and neither the state nor any local government shall
1309 reimburse the sign owner for such costs, unless part of such
1310 relocation costs are required by federal law. If no adjacent
1311 property is available for the relocation, the department shall
1312 be responsible for paying the owner of the sign just
1313 compensation for its removal.
1314 (4) For a nonconforming sign, ~~Such relocation shall be~~
1315 ~~adjacent to the current site and~~ the face of the sign may ~~shall~~
1316 not be increased in size or height or structurally modified at
1317 the point of relocation in a manner inconsistent with the
1318 current building codes of the jurisdiction in which the sign is
1319 located.
1320 (5) In the event that relocation can be accomplished but is
1321 inconsistent with the ordinances of the municipality or county
1322 within whose jurisdiction the sign is located, the ordinances of
1323 the local government shall prevail, provided that the local
1324 government shall assume the responsibility to provide the owner
1325 of the sign just compensation for its removal, but in no event
1326 shall compensation paid by the local government exceed the
1327 compensation required under state or federal law. Further, the
1328 provisions of this section shall not impair any agreement or
1329 future agreements between a municipality or county and the owner
1330 of a sign or signs within the jurisdiction of the municipality
1331 or county. ~~Nothing in this section shall be deemed to cause a~~
1332 ~~nonconforming sign to become conforming solely as a result of~~
1333 ~~the relocation allowed in this section.~~
1334 (6) The provisions of subsections (3), (4), and (5) of this

1335 section shall not apply within the jurisdiction of any
1336 municipality which is engaged in any litigation concerning its
1337 sign ordinance on April 23, 1999, nor shall such provisions
1338 apply to any municipality whose boundaries are identical to the
1339 county within which said municipality is located.
1340 (7) This section does not cause a neighboring sign that is
1341 already permitted and that is within the spacing requirements
1342 established in s. 479.07(9)(a) to become nonconforming.
1343 Section 17. Section 479.156, Florida Statutes, is amended
1344 to read:
1345 479.156 Wall murals.—Notwithstanding any other provision of
1346 this chapter, a municipality or county may permit and regulate
1347 wall murals within areas designated by such government. If a
1348 municipality or county permits wall murals, a wall mural that
1349 displays a commercial message and is within 660 feet of the
1350 nearest edge of the right-of-way within an area adjacent to the
1351 interstate highway system or the federal-aid primary highway
1352 system shall be located in an area that is zoned for industrial
1353 or commercial use and the municipality or county shall establish
1354 and enforce regulations for such areas that, at a minimum, set
1355 forth criteria governing the size, lighting, and spacing of wall
1356 murals consistent with the intent of 23 U.S.C. s. 131 ~~the~~
1357 ~~Highway Beautification Act of 1965~~ and with customary use.
1358 Whenever a municipality or county exercises such control and
1359 makes a determination of customary use pursuant to 23 U.S.C. s.
1360 131(d), such determination shall be accepted in lieu of controls
1361 in the agreement between the state and the United States
1362 Department of Transportation, and the department shall notify
1363 the Federal Highway Administration pursuant to the agreement, 23

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1364 U.S.C. s. 131(d), and 23 C.F.R. s. 750.706(c). A wall mural that
1365 is subject to municipal or county regulation and 23 U.S.C. s.
1366 131 ~~the Highway Beautification Act of 1965~~ must be approved by
1367 the Department of Transportation and the Federal Highway
1368 Administration when required by federal law and federal
1369 regulation under the agreement between the state and the United
1370 States Department of Transportation and federal regulations
1371 enforced by the Department of Transportation under s. 479.02(1).
1372 The existence of a wall mural as defined in s. 479.01(28)
1373 ~~479.01(30)~~ shall not be considered in determining whether a sign
1374 as defined in s. 479.01(19) ~~479.01(20)~~, either existing or new,
1375 is in compliance with s. 479.07(9)(a).
1376 Section 18. Section 479.16, Florida Statutes, is amended to
1377 read:
1378 479.16 Signs for which permits are not required.—The
1379 following signs are exempt from the requirement that a permit
1380 for a sign be obtained under the provisions of this chapter but
1381 are required to comply with the provisions of s. 479.11(4)-(8),
1382 and the provisions of subsections (15)-(20) may not be
1383 implemented or continued if the Federal Government notifies the
1384 department that implementation or continuation will adversely
1385 affect the allocation of federal funds to the department:
1386 (1) Signs erected on the premises of an establishment,
1387 which signs consist primarily of the name of the establishment
1388 or which identify the principal or accessory merchandise,
1389 services, activities, or entertainment sold, produced,
1390 manufactured, or furnished on the premises of the establishment
1391 and which comply with the lighting restrictions ~~under department~~
1392 ~~rule adopted~~ pursuant to s. 479.11(5), or signs owned by a

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1393 municipality or a county located on the premises of such
1394 municipality or such county which display information regarding
1395 government services, activities, events, or entertainment. For
1396 purposes of this section, the following types of messages shall
1397 not be considered information regarding government services,
1398 activities, events, or entertainment:
1399 (a) Messages which specifically reference any commercial
1400 enterprise.
1401 (b) Messages which reference a commercial sponsor of any
1402 event.
1403 (c) Personal messages.
1404 (d) Political campaign messages.
1405
1406 If a sign located on the premises of an establishment consists
1407 principally of brand name or trade name advertising and the
1408 merchandise or service is only incidental to the principal
1409 activity, or if the owner of the establishment receives rental
1410 income from the sign, then the sign is not exempt under this
1411 subsection.
1412 (2) Signs erected, used, or maintained on a farm by the
1413 owner or lessee of such farm and relating solely to farm
1414 produce, merchandise, service, or entertainment sold, produced,
1415 manufactured, or furnished on such farm.
1416 (3) Signs posted or displayed on real property by the owner
1417 or by the authority of the owner, stating that the real property
1418 is for sale or rent. However, if the sign contains any message
1419 not pertaining to the sale or rental of that real property, then
1420 it is not exempt under this section.
1421 (4) Official notices or advertisements posted or displayed

1422 on private property by or under the direction of any public or
1423 court officer in the performance of her or his official or
1424 directed duties, or by trustees under deeds of trust or deeds of
1425 assignment or other similar instruments.
1426 (5) Danger or precautionary signs relating to the premises
1427 on which they are located; forest fire warning signs erected
1428 under the authority of the Florida Forest Service of the
1429 Department of Agriculture and Consumer Services; and signs,
1430 notices, or symbols erected by the United States Government
1431 under the direction of the United States Forestry Service.
1432 (6) Notices of any railroad, bridge, ferry, or other
1433 transportation or transmission company necessary for the
1434 direction or safety of the public.
1435 (7) Signs, notices, or symbols for the information of
1436 aviators as to location, directions, and landings and conditions
1437 affecting safety in aviation erected or authorized by the
1438 department.
1439 (8) Signs or notices erected or maintained upon property
1440 stating only the name of the owner, lessee, or occupant of the
1441 premises and not exceeding 16 ~~8~~ square feet in area.
1442 (9) Historical markers erected by duly constituted and
1443 authorized public authorities.
1444 (10) Official traffic control signs and markers erected,
1445 caused to be erected, or approved by the department.
1446 (11) Signs erected upon property warning the public against
1447 hunting and fishing or trespassing thereon.
1448 (12) Signs not in excess of 16 ~~8~~ square feet that are owned
1449 by and relate to the facilities and activities of churches,
1450 civic organizations, fraternal organizations, charitable

1451 organizations, or units or agencies of government.
1452 (13) ~~Except that~~ Signs placed on benches, transit shelters,
1453 modular news racks, street light poles, public pay telephones,
1454 and waste receptacles, within the right-of-way, as provided for
1455 in s. 337.408 are exempt from all provisions of this chapter.
1456 (14) Signs relating exclusively to political campaigns.
1457 (15) Signs not in excess of 16 square feet placed at a road
1458 junction with the State Highway System denoting only the
1459 distance or direction of a residence or farm operation, or,
1460 outside an incorporated ~~in a rural~~ area where a hardship is
1461 created because a small business is not visible from the road
1462 junction with the State Highway System, one sign not in excess
1463 of 16 square feet, denoting only the name of the business and
1464 the distance and direction to the business. ~~The small business~~
1465 ~~sign provision of this subsection does not apply to charter~~
1466 ~~counties and may not be implemented if the Federal Government~~
1467 ~~notifies the department that implementation will adversely~~
1468 ~~affect the allocation of federal funds to the department.~~
1469 (16) Signs placed by a local tourist-oriented business
1470 located within a rural area of critical economic concern, as
1471 defined by s. 288.0656(2)(d)and(e), and are:
1472 (a) Not more than 8 square feet in size or more than 4 feet
1473 in height;
1474 (b) Located only in rural areas, along non-limited access
1475 highways;
1476 (c) Located within 2 miles of the business location and are
1477 not less than 500 feet apart;
1478 (d) Located only in two directions leading to the business;
1479 and

1480 (e) Not located within the road right-of-way.
1481
1482 A business placing such signs must be at least 4 miles from any
1483 other business using this exemption and may not participate in
1484 any other department directional signage program.
1485 (17) Signs not in excess of 32 square feet placed
1486 temporarily during harvest season of a farm operation for a
1487 period of no more than 4 months at a road junction with the
1488 State Highway System denoting only the distance or direction of
1489 the farm operation.
1490 (18) Acknowledgement signs erected upon publicly funded
1491 school premises relating to a specific public school club, team,
1492 or event placed no closer than 1,000 feet from another
1493 acknowledgment sign on the same side of the roadway. All sponsor
1494 information on an acknowledgement sign may constitute no more
1495 than 100 square feet of the sign. As used in this subsection,
1496 the term “acknowledgement signs” means signs that are intended
1497 to inform the traveling public that a public school club, team,
1498 or event has been sponsored by a person, firm, or other entity.
1499 (19) Displays erected upon a sports facility which display
1500 content directly related to the facility’s activities and where
1501 a presence of the products or services offered on the property
1502 exists. Displays are to be mounted flush or flat to the surface
1503 of the sports facility and rely upon the building facade for
1504 structural support. For purposes of this subsection, the term
1505 “sports facility”, means any athletic complex, athletic arena,
1506 or athletic stadium, including physically connected parking
1507 facilities, which is open to the public and has a permanent
1508 installed seating capacity of 15,000 or more.

1509 (20) Signs related to Florida tourism, allowed by the
1510 department at welcome centers operated pursuant to s. 288.12265.
1511 Section 19. Section 479.24, Florida Statutes, is amended to
1512 read:
1513 479.24 Compensation for ~~removal of~~ signs; eminent domain;
1514 exceptions.—
1515 (1) Just compensation shall be paid by the department upon
1516 the department's acquisition ~~removal~~ of a lawful conforming or
1517 nonconforming sign along any portion of the interstate or
1518 federal-aid primary highway system. This section does not apply
1519 to a sign which is illegal at the time of its removal. A sign
1520 will lose its nonconforming status and become illegal at such
1521 time as it fails to be permitted or maintained in accordance
1522 with all applicable laws, rules, ordinances, or regulations
1523 other than the provision which makes it nonconforming. A legal
1524 nonconforming sign under state law or rule will not lose its
1525 nonconforming status solely because it additionally becomes
1526 nonconforming under an ordinance or regulation of a local
1527 governmental entity passed at a later date. The department shall
1528 make every reasonable effort to negotiate the purchase of the
1529 signs to avoid litigation and congestion in the courts.
1530 (2) The department is not required to remove any sign under
1531 this section if the federal share of the just compensation to be
1532 paid upon removal of the sign is not available to make such
1533 payment, unless an appropriation by the Legislature for such
1534 purpose is made to the department.
1535 (3)(a) The department is authorized to use the power of
1536 eminent domain when necessary to carry out the provisions of
1537 this chapter.

1538 (b) If eminent domain procedures are instituted, just
1539 compensation shall be made pursuant to the state's eminent
1540 domain procedures, chapters 73 and 74.
1541 Section 20. Section 479.25, Florida Statutes, is amended to
1542 read:
1543 479.25 Erection of noise-attenuation barrier blocking view
1544 of sign; procedures; application.—
1545 (1) The owner of a lawfully erected sign that is governed
1546 by and conforms to state and federal requirements for land use,
1547 size, height, and spacing may increase the height above ground
1548 level of such sign at its permitted location if a noise-
1549 attenuation barrier is permitted by or erected by any
1550 governmental entity in such a way as to screen or block
1551 visibility of the sign. Any increase in height permitted under
1552 this section may only be the increase in height which is
1553 required to achieve the same degree of visibility from the
1554 right-of-way which the sign had prior to the construction of the
1555 noise-attenuation barrier, notwithstanding the restrictions
1556 contained in s. 479.07(9)(b). A sign reconstructed under this
1557 section shall comply with the building standards and wind load
1558 requirements set forth in the Florida Building Code. If
1559 construction of a proposed noise-attenuation barrier will screen
1560 a sign lawfully permitted under this chapter, the department
1561 shall provide notice to the local government or local
1562 jurisdiction within which the sign is located prior to
1563 construction ~~erection of the noise-attenuation barrier~~. Upon a
1564 determination that an increase in the height of a sign as
1565 permitted under this section will violate a provision contained
1566 in an ordinance or land development regulation of the local

1567 government or local jurisdiction, prior to construction, the
1568 local government or local jurisdiction shall ~~so notify the~~
1569 ~~department. When notice has been received from the local~~
1570 ~~government or local jurisdiction prior to erection of the noise-~~
1571 ~~attenuation barrier, the department shall~~:
1572 (a) Provide a variance or waiver to the local ordinance or
1573 land development regulations to ~~Conduct a written survey of all~~
1574 ~~property owners identified as impacted by highway noise and who~~
1575 ~~may benefit from the proposed noise attenuation barrier. The~~
1576 ~~written survey shall inform the property owners of the location,~~
1577 ~~date, and time of the public hearing described in paragraph (b)~~
1578 ~~and shall specifically advise the impacted property owners that:~~
1579 ~~1. Erection of the noise attenuation barrier may block the~~
1580 ~~visibility of an existing outdoor advertising sign;~~
1581 ~~2. The local government or local jurisdiction may restrict~~
1582 ~~or prohibit increasing the height of the existing outdoor~~
1583 ~~advertising sign to make it visible over the barrier; and~~
1584 ~~3. If a majority of the impacted property owners vote for~~
1585 ~~construction of the noise attenuation barrier, the local~~
1586 ~~government or local jurisdiction will be required to:~~
1587 ~~a.~~ allow an increase in the height of the sign ~~in violation~~
1588 ~~of a local ordinance or land development regulation~~;
1589 (b)~~b.~~ Allow the sign to be relocated or reconstructed at
1590 another location if the sign owner agrees; or
1591 (c)~~c.~~ Pay the fair market value of the sign and its
1592 associated interest in the real property.
1593 (2)~~(b)~~ The department shall hold ~~Hold~~ a public hearing
1594 within the boundaries of the affected local governments or local
1595 jurisdictions to receive input on the proposed noise-attenuation

1596 barrier and its conflict with the local ordinance or land
1597 development regulation and to suggest or consider alternatives
1598 or modifications ~~to the proposed noise attenuation barrier~~ to
1599 alleviate or minimize the conflict with the local ordinance or
1600 land development regulation or minimize any costs that may be
1601 associated with relocating, reconstructing, or paying for the
1602 affected sign. The public hearing may be held concurrently with
1603 other public hearings scheduled for the project. The department
1604 shall provide a written notification to the local government or
1605 local jurisdiction of the date and time of the public hearing
1606 and shall provide general notice of the public hearing in
1607 accordance with the notice provisions of s. 335.02(1). The
1608 notice shall not be placed in that portion of a newspaper in
1609 which legal notices or classified advertisements appear. The
1610 notice shall specifically state that:
1611 (a)~~1.~~ Erection of the proposed noise-attenuation barrier
1612 may block the visibility of an existing outdoor advertising
1613 sign;
1614 (b)~~2.~~ The local government or local jurisdiction may
1615 restrict or prohibit increasing the height of the existing
1616 outdoor advertising sign ~~to make it visible over the barrier~~;
1617 and
1618 (c)~~3.~~ Upon ~~If a majority of the impacted property owners~~
1619 ~~vote for~~ construction of the noise-attenuation barrier, the
1620 local government or local jurisdiction shall ~~will be required~~
1621 ~~to~~:
1622 1.~~a.~~ Allow an increase in the height of the sign through a
1623 waiver or variance to ~~in violation of~~ a local ordinance or land
1624 development regulation;

1625 2.~~b.~~ Allow the sign to be relocated or reconstructed at
1626 another location if the sign owner agrees; or
1627 3.~~c.~~ Pay the fair market value of the sign and its
1628 associated interest in the real property.
1629 (3)~~(2)~~ The department may ~~shall~~ not permit erection of the
1630 noise-attenuation barrier to the extent the barrier screens or
1631 blocks visibility of the sign until after the public hearing is
1632 held ~~and until such time as the survey has been conducted and a~~
1633 ~~majority of the impacted property owners have indicated approval~~
1634 ~~to erect the noise attenuation barrier~~. ~~When the impacted~~
1635 ~~property owners approve of the noise attenuation barrier~~
1636 ~~construction, the department shall notify the local governments~~
1637 ~~or local jurisdictions. The local government or local~~
1638 ~~jurisdiction shall, notwithstanding the provisions of a~~
1639 ~~conflicting ordinance or land development regulation:~~
1640 ~~(a) Issue a permit by variance or otherwise for the~~
1641 ~~reconstruction of a sign under this section;~~
1642 ~~(b) Allow the relocation of a sign, or construction of~~
1643 ~~another sign, at an alternative location that is permittable~~
1644 ~~under the provisions of this chapter, if the sign owner agrees~~
1645 ~~to relocate the sign or construct another sign; or~~
1646 ~~(c) Refuse to issue the required permits for reconstruction~~
1647 ~~of a sign under this section and pay fair market value of the~~
1648 ~~sign and its associated interest in the real property to the~~
1649 ~~owner of the sign.~~
1650 (4)~~(3)~~ This section does ~~shall~~ not apply to the provisions
1651 of any existing written agreement executed before July 1, 2006,
1652 between any local government and the owner of an outdoor
1653 advertising sign.

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1654 Section 21. Subsection (1) of section 479.261, Florida
1655 Statutes, is amended to read:
1656 479.261 Logo sign program.—
1657 (1) The department shall establish a logo sign program for
1658 the rights-of-way of the limited access ~~interstate~~ highway
1659 system to provide information to motorists about available gas,
1660 food, lodging, camping, attractions, and other services, as
1661 approved by the Federal Highway Administration, at interchanges
1662 through the use of business logos and may include additional
1663 interchanges under the program.
1664 (a) As used in this chapter, the term “attraction” means an
1665 establishment, site, facility, or landmark that is open a
1666 minimum of 5 days a week for 52 weeks a year; that has as its
1667 principal focus family-oriented entertainment, cultural,
1668 educational, recreational, scientific, or historical activities;
1669 and that is publicly recognized as a bona fide tourist
1670 attraction.
1671 (b) The department shall incorporate the use of RV-friendly
1672 markers on specific information logo signs for establishments
1673 that cater to the needs of persons driving recreational
1674 vehicles. Establishments that qualify for participation in the
1675 specific information logo program and that also qualify as “RV-
1676 friendly” may request the RV-friendly marker on their specific
1677 information logo sign. An RV-friendly marker must consist of a
1678 design approved by the Federal Highway Administration. The
1679 department shall adopt rules in accordance with chapter 120 to
1680 administer this paragraph, including rules setting forth the
1681 minimum requirements that establishments must meet in order to
1682 qualify as RV-friendly. These requirements shall include large

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1683 parking spaces, entrances, and exits that can easily accommodate
1684 recreational vehicles and facilities having appropriate overhead
1685 clearances, if applicable.
1686 Section 22. Section 479.313, Florida Statutes, is amended
1687 to read:
1688 479.313 Permit revocation and cancellation; cost of
1689 removal.—All costs incurred by the department in connection with
1690 the removal of a sign located within a controlled area adjacent
1691 to the State Highway System, interstate highway system, or
1692 federal-aid primary highway system following the revocation or
1693 cancellation of the permit for such sign shall be assessed
1694 against and collected from the permittee.
1695 Section 23. Section 76 of chapter 2012-174, Laws of
1696 Florida, is repealed.
1697 Section 24. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Ethics and Elections, *Chair*
Appropriations
Appropriations Subcommittee on General Government
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Community Affairs
Environmental Preservation and Conservation
Gaming
Judiciary
Rules

SENATOR JACK LATVALA
20th District

March 14, 2013

The Honorable Joe Negron
Senate Appropriations Committee
404 S. Monroe St., 201C
Tallahassee, FL 32399-1100

Dear Chairman Negron:

I respectfully request that my bill, SB 1632/Transportation, be placed on the agenda of the Senate Appropriations Committee at the earliest possible time. The bill was favorably considered by the Senate Transportation Committee on March 14.

This bill updates Chapter 479 including statutes relating to land use and zoning. Florida DOT has worked on a project to update the Chapter to provide consistence and clarity to the regulatory responsibilities relating to outdoor advertising. The Department and the industry have agreed to this language.

Please contact me if you have any questions regarding this request. I appreciate your consideration.

Sincerely,

Jack Latvala
State Senator
District 20

JL:tc

CC: Mike Hansen, Staff Director

REPLY TO:
❒ 26133 U.S. Highway 19 North, Suite 201, Clearwater, Florida 33763 (727) 793-2797 FAX: (727) 793-2799
❒ 408 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5020

Senate's Website: *www.flsenate.gov*

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Ethics and Elections, *Chair*
Appropriations
Appropriations Subcommittee on General Government
Appropriations Subcommittee on Transportation, Tourism, and Economic Development
Community Affairs
Environmental Preservation and Conservation
Gaming
Judiciary
Rules

SENATOR JACK LATVALA
20th District

March 14, 2013

The Honorable Joe Negron
Senate Appropriations Committee
404 S. Monroe St., 201C
Tallahassee, FL 32399-1100

Dear Chairman Negron:

I respectfully request that my bill, SB 1632/Transportation, be placed on the agenda of the Senate Appropriations Committee at the earliest possible time. The bill was favorably considered by the Senate Transportation Committee on March 14.

This bill updates Chapter 479 including statutes relating to land use and zoning. Florida DOT has worked on a project to update the Chapter to provide consistence and clarity to the regulatory responsibilities relating to outdoor advertising. The Department and the industry have agreed to this language.

Please contact me if you have any questions regarding this request. I appreciate your consideration.

Sincerely,

Jack Latvala
State Senator
District 20

JL:tc

CC: Mike Hansen, Staff Director

SENATE APPROPRIATIONS
RECEIVED
13 MAR 18 AM 8:55
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STAFF DIR. _____ STAFF _____

REPLY TO:
☐ 26133 U.S. Highway 19 North, Suite 201, Clearwater, Florida 33763 (727) 793-2797 FAX: (727) 793-2799
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The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 1660

INTRODUCER: Committee on Appropriations; Children, Families, and Elder Affairs Committee; and Senator Flores

SUBJECT: Quality Cancer Care and Research

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Stovall	Stovall	HP	**Favorable**
2.	Hendon	Hendon	CF	**Fav/CS**
3.	Brown	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 1660 establishes a Cancer Center of Excellence Award to recognize hospitals, treatment centers, and other providers in Florida that demonstrate excellence in patient-centered, coordinated care for persons undergoing cancer treatment and therapy. This bill provides for the development of performance measures, a rating system, and a rating standard that must be achieved to be eligible for recognition. The award and designation may be used in the provider's advertising and marketing for up to three years and it entitles the recipient to preferential consideration in competitive solicitations by a state agency or state university.

This bill also provides for endowments to cancer research institutions in the state to establish a funded research chair that will attract and retain a promising researcher in order to serve as a catalyst to attract other national grant-producing researchers to the state. The endowments are contingent upon funding in the General Appropriations Act.

This bill, if funds are appropriated, would have a fiscal impact on the state and has an effective date of July 1, 2013.

This bill substantially amends sections 215.5602, 381.922, and 1004.435, Florida Statutes.

The bill creates section 381.925, Florida Statutes.

II. Present Situation:

Cancer is the general name for a group of more than 100 diseases. Although there are many kinds of cancer, all cancers start because abnormal cells grow out of control. Untreated cancers can cause serious illness and death. Half of all men and one-third of all women in the U.S. will develop cancer during their lifetimes.[1]

About 1,660,290 new cancer cases are expected to be diagnosed in 2013 in the United States, with approximately 118,290 of those occurring in Florida. In 2013, about 580,350 Americans are expected to die of cancer, almost 1,600 people per day. Cancer is the second most common cause of death in the United States, exceeded only by heart disease, accounting for nearly one of every four deaths. The National Cancer Institute estimates that approximately 13.7 million Americans with a history of cancer were alive on January 1, 2012. Some of these individuals were cancer free, while others still had evidence of cancer and may have been undergoing treatment. [2]

Cancer is the leading cause of death in Florida. Florida has the second-highest number of new cases of cancer in the U.S., even though it is the fourth-largest state in terms of population. However, there is only one National Cancer Institute-designated comprehensive cancer center in the state.[3] National Cancer Institute designation is nationally recognized as a marker of high-quality in cancer care and research and is linked to higher federal funding for cancer. Florida has fewer designated cancer centers than peer states. For example, New York has four centers, Texas has three, and California has ten.[4]

Florida Cancer Control and Research Advisory Council

The Florida Cancer Control and Research Advisory Council (Council) is created within the H. Lee Moffitt Cancer Center and Research Institute, Inc. (Moffitt).[5] The Council:

- Advises the Board of Governors, the state surgeon general, and the Legislature on cancer control and research in Florida;
- Annually approves the Florida Cancer Plan;
- Provides recommendations for the Florida Cancer Plan to include the coordination and integration of plans concerned with cancer control and research provided by other stakeholders;
- Formulates and recommends to the state surgeon general:

---

[1] American Cancer Society, *What is Cancer, available at*: http://www.cancer.org/cancer/cancerbasics/what-is-cancer (last visited March 12, 2013).
[2] American Cancer Society, *Cancer Facts and Figures 2013, available at*: http://www.cancer.org/acs/groups/content/@epidemiologysurveilance/documents/document/acspc-036845.pdf (last visited March 12, 2013).
[3] H. Lee Moffitt Cancer Center is the only designated cancer center.
[4] Department of Health, *SB 1660 Bill Analysis* (March 8, 2013), (on file with the Senate Health Policy Committee).
[5] s. 1004.435(4), F.S.

  - A plan for the care and treatment of persons suffering from cancer,
  - Standard requirements for organization, equipment, and conduct of cancer units or departments in hospitals and clinics, and
  - The designation of cancer units following a survey of needs and facilities for treatment of cancer throughout the state;
- Recommends grant awards and contracts to qualified recipients;
- Develops educational materials and programs; and
- Recommends rules and methods of implementing or enforcing laws concerned with cancer control, research, and education.

The Council consists of 35 members including appointees by the speaker of the House of Representatives, the president of the Senate, and the governor and other persons representing the: American Cancer Society, Florida Tumor Registrars Association, Sylvester Comprehensive Cancer Center of the University of Miami, Department of Health (DOH), University of Florida Shands Cancer Center, Agency for Health Care Administration, Florida Nurses Association, Florida Osteopathic Medical Association, American College of Surgeons, School of Medicine of the University of Miami, College of Medicine of the University of Florida, NOVA Southeastern College of Osteopathic Medicine, College of Medicine of the University of South Florida, College of Public Health of the University of South Florida, Florida Society of Clinical Oncology, Florida Obstetric and Gynecologic Society, Florida Ovarian Cancer Alliance Speaks, Florida Medical Association, Florida Pediatric Society, Florida Radiological Society, Florida Society of Pathologists, Moffitt, Florida Dental Association, Florida Hospital Association, Association of Community Cancer Centers, statutory teaching hospitals, Florida Association of Pediatric Tumor Programs, Inc., Cancer Information Services, Florida Agricultural and Mechanical University Institute of Public Health, Florida Society of Oncology Social Workers, and consumer advocates from the general public.

Biomedical Research Advisory Council (BRAC)

The Biomedical Research Advisory Council (BRAC) is established within the DOH.[6] The BRAC advises the state surgeon general as to the direction and scope of the state's biomedical research program. This responsibility includes:

- Providing advice on program priorities, emphases, and overall program budget;
- Participating in periodic program evaluation;
- Assisting in developing guidelines for fairness, neutrality, principles of merit, and quality in the conduct of the program;
- Assisting in developing linkages to nonacademic entities such as voluntary organizations, health care delivery institutions, industry, government agencies, and public officials;
- Developing guidelines, criteria and standards for the solicitation, review, and award of research grants and fellowships; and
- Developing and providing oversight regarding mechanisms for disseminating research results.

[6] s. 215.5602(3), F.S.

The BRAC consists of 11 members, including appointees by: the speaker of the House of Representatives from a professional medical organization or a comprehensive cardiovascular program with experience in biomedical research approved by the American College of Cardiology, and from a cancer program approved by the American College of Surgeons; the president of the Senate with expertise in behavioral or social research, and from a cancer program approved by the American College of Surgeons; and the governor with expertise in biomedical research, from a research university in Florida, and one representing the general public; and other persons representing the American Cancer Society, American Heart Association, and American Lung Association.

Commission on Cancer for the American College of Surgeons

The Commission on Cancer (CoC) Accreditation Program[7] encourages hospitals, treatment centers, and other facilities to improve their quality of patient care through various cancer-related programs. These programs focus on prevention, early diagnosis, pretreatment evaluation, staging, optimal treatment, rehabilitation, surveillance for recurrent disease, support services, and end-of-life care.

Accredited cancer programs are assigned an accreditation category that describes the services available at the facility and the number of cases. Category assignments are made by CoC staff and are retained, unless there are changes to the services provided or the facility caseload over a three-year period. The cancer accreditation categories include:[8]

- Academic Comprehensive Cancer Program
- Community Cancer Program
- Comprehensive Community Cancer Program
- Free Standing Cancer Center Program
- Hospital Associate Cancer Program
- Integrated Network Cancer Program
- NCI-Designated Comprehensive Cancer Center Program
- Pediatric Cancer Program
- Veterans Affairs Cancer Program.

Cancer Control Collaborative

In 2001, the Florida Comprehensive Cancer Control Program (CCC Program) within the DOH was created through a cooperative agreement with the federal Centers for Disease Control and Prevention (CDC). The main objective of the cooperative agreement is to reduce the cancer burden through a collaborative effort with public and private partners. The CCC Program supports regional cancer collaboratives, which are networks of volunteer groups to enhance communications and efforts to reduce cancer incidence, morbidity, and mortality through prevention, early detection, treatment, rehabilitation, and palliation. There are five regional

[7] *See* http://www.facs.org/cancer/coc/approval.html (last visited on March 12, 2013).
[8] *See* American College of Surgeons Cancer Programs Categories of Accreditation for a description of the distinguishing characteristics of these categories, *available at:* http://www.facs.org/cancer/coc/categories3.html (last visited on March 12, 2013).

cancer control collaboratives in Florida: the Northwest Region, Northeast Region, North Central Region, Southwest Region, and the Southeast Region.[9]

State Supported Cancer Research in Florida

The Florida Biomedical Research Programs administered by the DOH includes two grant-funding programs: the James and Esther King Biomedical Research Program (King Program)[10] and the Bankhead-Coley Cancer Research Program (Bankhead-Coley Program).[11] Annually the Florida Legislature appropriates funds for competitive awards for biomedical research related to the goals of these two programs. The goals of the King Program are to:

- Improve the health of Floridians by researching better prevention, diagnoses, treatments, and cures for cancer, cardiovascular disease, stroke, and pulmonary disease.
- Expand the foundation of biomedical knowledge relating to the prevention, diagnosis, treatment, and cure of diseases related to tobacco use, including cancer, cardiovascular disease, stroke, and pulmonary disease.
- Improve the quality of the state's academic health centers by bringing the advances of biomedical research into the training of physicians and other health care providers.
- Increase the state's per capita funding for research by undertaking new initiatives in public health and biomedical research that will attract additional funding from outside the state.
- Stimulate economic activity in the state in areas related to biomedical research, such as the research and production of pharmaceuticals, biotechnology, and medical devices.

The goals of the Bankhead-Coley Program are to:

- Significantly expand cancer research capacity in the state by:
  - Identifying ways to attract new research talent and attendant national grant-producing researchers to cancer research facilities in this state;
  - Implementing a peer-reviewed, competitive process to identify and fund the best proposals to expand cancer research institutes in this state;
  - Funding, through available resource those proposals that demonstrate the greatest opportunity to attract federal research grants and private financial support;
  - Encouraging the employment of bioinformatics in order to create a cancer informatics infrastructure that enhances information and resource exchange and integration through researchers working in diverse disciplines to facilitate the full spectrum of cancer investigations;
  - Facilitating the technical coordination, business development, and support of intellectual property as it relates to the advancement of cancer research; and
  - Aiding in other multidisciplinary, research-support activities as they inure to the advancement of cancer research.
- Improve both research and treatment through greater participation in clinical trials networks.
- Reduce the impact of cancer on disparate groups.

[9] http://www.doh.state.fl.us/family/cancer/ccc/index.html (last visited March 12, 2013).
[10] s. 215.5602, F.S.
[11] s. 381.922, F.S.

Any university or research institute in Florida may apply for grant funding to support the goals of either program and all qualified investigators in the state, regardless of institution, have equal opportunity to compete for funding. All awards are made based on scientific merit, as determined by open competitive peer review.

The extent of funding for these programs has varied significantly from year-to-year. In FY 2012-2013, funding for biomedical research occurred through several appropriations:

- The King Program received $5 million from the DOH which was funded from the tobacco surcharge. This funding was allocated through grants.
  - The total awarded under the King Program was $3,946,000 (rounded).
  - The largest research award under the King Program was $400,000.
- The Bankhead-Coley Program received $5 million from the DOH which was funded from the tobacco surcharge. These funds were allocated through grants.
  - The total awarded under the Bankhead/Coley Program was $3,606,000 (rounded).
  - The largest research award under the Bankhead/Coley Program was $374,000.
- Direct appropriations to institutions.
  - Moffitt received $5 million from the DOH which was funded from the tobacco surcharge and $10,576,930 in the General Appropriations Act (Section 2 – Education: Division of Universities).
  - Shands Cancer Hospital received $5 million from the DOH which was funded from tobacco surcharge and $2.5 million from General Revenue.
  - Sylvester Comprehensive Cancer Center at the University of Miami received $5 million from the DOH which was funded from the tobacco surcharge and $2.5 million from General Revenue.
  - Sanford-Burnham Medical Research Institute received $3 million from General Revenue.

III. Effect of Proposed Changes:

Section 1 creates s. 381.925, F.S., to establish the Cancer Center of Excellence Award. The award will recognize hospitals, treatment centers, and other providers in Florida that demonstrate excellence in patient-centered, coordinated care for persons undergoing cancer treatment and therapy in this state. The goal is to encourage not only excellence in cancer care in this state, but to attract and retain the best cancer care providers and help Florida to be recognized nationally as a preferred destination for quality cancer care.

The Council and the BRAC will jointly develop rigorous performance measures, a rating system, a rating standard, and an application form that includes submission of documentation that the performance measures have been met. The Council and the BRAC are required to review and jointly revise, if applicable, the performance measures, rating system, and rating standard to ensure providers are continually enhancing their programs to reflect best practices and advances in cancer treatment and care. The performance measures, at a minimum, must require a provider to:

- Maintain a license in Florida that authorizes health care services to be provided. The provider may not have been disciplined or subject to any administrative enforcement action by state or federal regulatory authorities within the preceding three years;

- Be accredited by the Commission on Cancer for the American College of Surgeons;
- Actively participate in at least one regional cancer control collaborative; and
- Meet enhanced cancer care coordination standards which, at a minimum, focus on:
  - Coordination of care by cancer specialists, nurses, and allied health professionals;
  - Psychosocial assessment and services;
  - Suitable and timely referrals and follow-up;
  - Providing accurate and complete information on treatment options that are tailored to the patient's needs, regardless of whether the services are available from that provider;
  - Participation in a comprehensive network of cancer specialists of multiple disciplines so that the patient may consult with various experts to examine treatment alternatives;
  - Family services and support;
  - Aftercare and survivor services; and
  - Patient and family satisfaction survey results.

The DOH will conduct two application cycles annually. The CS provides that the application is not an application for licensure, so the provisions of s. 120.60, F.S., related to licensure do not apply. Also, the state surgeon general's notification to the governor of entities that are eligible for the award is not final agency action, so the provisions in ch. 120, F.S., related to challenges to agency action do not apply.

The state surgeon general will appoint an independent evaluation team from among various groups specified in the bill to determine eligibility for the award. Each application is to be evaluated independently of any other application. Up to two evaluation team members may verify on-site documentation that is submitted with the application. Once each team member has reported the score for the applicants, the state surgeon general will notify the governor regarding the providers that are eligible to receive the Cancer Center of Excellence Award.

A provider who excels in providing quality, comprehensive, and patient-centered coordinated care, as recognized through this program, will be designated as a Cancer Center of Excellence for three years and will be able to use that designation in advertising and marketing, as well as to receive preferential consideration in competitive solicitations by a state agency or state university.

A provider may reapply for subsequent awards.

By January 31, 2014, and annually thereafter, the state surgeon general is required to report to the speaker of the House of Representatives and the president of the Senate on the status of implementing the program, the number of applicants and awards earned, as well as the name of recipients and any recommended legislation to improve the program. The DOH is required to adopt rules for the application cycle and process for the awards.

Section 2 amends s. 215.5602(4), F.S., to include duties related to the Cancer Center for Excellence Award program within the BRAC's responsibilities. Specifically, this requires the BRAC and the Council to develop performance measures, a rating system, a rating standard and an application for the Cancer Center of Excellence Award. The BRAC must provide two members to serve on the evaluation team.

Section 3 amends s. 381.922, F.S., to establish endowments for cancer research institutions in Florida so that the institutions can fund an endowed research chair. Subject to an appropriation, the endowments are to provide a stable funding for a period of at least seven years so that the research institutions are able to recruit and retain experienced and promising researchers. These endowed chairs are to facilitate research coordination among other research institutions within the state and attract other promising researchers and national funding to the state.

If a research institution that has been granted an endowed chair must replace the researcher, the endowment must cease funding expenses associated with the endowed chair, other than reasonable costs for recruitment, until a replacement researcher has been retained. While the chair is vacant, the endowment must continue to earn interest, and all earnings must be added to the endowment balance. A vacancy tolls the seven-year timeframe for the endowed chair.

Any research institution that receives an endowed chair must submit a report to the governor, the president of the Senate and speaker of the House of Representatives describing the research program and the responsibilities of the endowed chair. Upon final selection of the researcher, or if it becomes necessary to replace a research chair, the research institution must notify the chairs of the appropriations committees of the Senate and House of Representatives of the name of the researcher and specific information about the endowment budget and research responsibilities. The research institution must annually report to the president of the Senate and the speaker of the House of Representatives the name, salary, and specific research responsibilities of the chair, as well as progress toward achieving the goals of the program, and financial information pertaining to the endowment.

The bill provides that the endowment is awarded to the research institution, not to the selected researcher.

Section 4 amends s. 1004.435(4), F.S., to include within the Council's responsibilities, the responsibilities assigned to the Council under the Cancer Center for Excellence Award program. Specifically, this includes requiring the Council and the BRAC to develop performance measures, a rating system, a rating standard, and an application for the Cancer Center of Excellence Award. The bill requires the council to provide three members to serve on the evaluation team.

Section 5 provides an effective date of July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Although application for the Cancer Center of Excellence award is voluntary, providers in the state who wish to be designated as such will incur indeterminable costs to bring their programs to the level contemplated by this bill. Providers receiving the award may be able to secure additional patient revenues as a result of the notoriety of their care.

C. Government Sector Impact:

The bill requires the DOH to incur administrative costs to support the two programs established in the bill, but these costs are not expected to be significant. The amount of the endowments for the research chairs would need to be appropriated in the General Appropriations Act and would be significant.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Appropriations on March 28, 2013:
The committee substitute provides that:

- The Council and the BRAC are required to review and jointly revise, if applicable, the performance measures, rating system, and rating standard to ensure providers are continually enhancing their programs to reflect best practices and advances in cancer treatment and care.
- If a research institution that has been granted an endowed chair must replace the researcher, the endowment must cease funding expenses associated with the endowed chair, other than reasonable costs for recruitment, until a replacement researcher has been retained. While the chair is vacant, the endowment must continue to earn interest, and all earnings must be added to the endowment balance. A vacancy tolls the seven-year timeframe for the endowed chair.

CS by Children, Families, and Elder Affairs on March 18, 2013:

- The CS changes the responsibility for establishing the application cycles for the Cancer Center of Excellence Award Program from the Council to the DOH and requires the DOH to adopt rules related to the application process.
- The CS provides that the provisions of ch. 120, F.S., do not apply to the application or the notification of eligible entities for the award.
- The CS provides that an application is to be evaluated independently of any other application and documentation may be verified on-site.
- The CS includes, within the Council's responsibilities in the statute establishing the Council and the BRAC's responsibilities in the statute establishing the BRAC, the responsibilities assigned to them under the Cancer Center for Excellence Award program.
- The purpose of the endowment is expanded to provide secure funding for at least 7 years and is not limited to funding the salary of the endowed chair.
- Requires the research institution to report to the governor and the Legislature rather than to the DOH.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

742744

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Benacquisto) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete line 81
4 and insert:
5 comprehensive, and patient-centered coordinated care program.
6 The two councils shall review at least every three years, and
7 jointly revise if applicable, the performance measures, rating
8 system, and rating standard to ensure providers are continually
9 enhancing their programs to reflect best practices and advances
10 in cancer treatment and care from the perspective of
11 comprehensive and patient-centered coordinated care. At
12

742744

13 ========== T I T L E A M E N D M E N T ==========
14 And the title is amended as follows:
15 Delete line 9
16 and insert:
17 jointly develop and periodically update performance
18 measures, a rating system,

851056

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Benacquisto) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete lines 220 - 238
4 and insert:
5 (a) If it becomes necessary for a research institution that
6 has been granted an endowed chair to replace the researcher, the
7 endowment must cease funding expenses associated with the
8 endowed chair other than reasonable costs for recruitment until
9 a replacement researcher has been retained for the endowed
10 chair. While the endowed chair is vacant, the endowment must
11 continue to earn interest and all earnings must be added to the
12 balance of the endowment. A vacancy tolls the 7-year timeframe

851056

13 for the endowed chair.
14 (b) Any research institution funded pursuant to this
15 subsection shall provide to the Governor, the President of the
16 Senate, and the Speaker of the House of Representatives a report
17 that must, at a minimum, describe the research program and
18 general responsibilities of the researcher who is to be selected
19 for the endowed chair. Upon final selection of the research
20 chair, or if it becomes necessary to replace a research chair,
21 the research institution shall notify the chair of the
22 Appropriations Committee of the Senate and the chair of the
23 Appropriations Committee of the House of Representatives the
24 research chair's name, the endowment budget, and the specific
25 research responsibilities. The research institution shall
26 annually report to the President of the Senate and the Speaker
27 of the House of Representatives the research chair's name,
28 current salary, research responsibilities, percentage of time
29 devoted to research if the chair also serves as a member of the
30 faculty, research progress, progress toward achieving the goals
31 of this program, endowment expenditures and balance, interest
32 rate, and interest earned on the endowment.
33
34 ========== T I T L E A M E N D M E N T ==========
35 And the title is amended as follows:
36 Delete lines 47 - 48
37 and insert:
38 upon an appropriation; providing procedures if the
39 endowed chair becomes vacant; requiring that research
40 institutions report

By the Committee on Children, Families, and Elder Affairs; and Senator Flores

586-02627-13 20131660c1

A bill to be entitled

An act relating to quality cancer care and research; creating s. 381.925, F.S.; providing legislative intent and goals; establishing a Cancer Center of Excellence Award for providers that excel in providing cancer care and treatment in this state; requiring the Florida Cancer Control and Research Advisory Council and the Biomedical Research Advisory Council to jointly develop performance measures, a rating system, and a rating standard in accordance with specified criteria for applicants to qualify for the award; providing minimum standards; authorizing a provider to apply to the Department of Health for the award; requiring the Florida Cancer Control and Research Advisory Council and the Biomedical Research Advisory Council to jointly develop an application form; requiring the department to conduct two application cycles each year; specifying that ch. 120, F.S., does not apply to the applications or notification of entities that are eligible for the award; requiring the State Surgeon General to assemble an evaluation team to assess applications; requiring each application to be evaluated independently of any other application; providing membership of and requirements for the evaluation team; providing duties of the members of the evaluation team; requiring the State Surgeon General to notify the Governor of the providers that are eligible to receive the award; limiting the duration of the award; authorizing an

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

586-02627-13 20131660c1

award-winning cancer provider to use the designation in its advertising and marketing; providing that an award-winning cancer provider is granted preference in competitive solicitations for a specified period of time; requiring the State Surgeon General to report to the Legislature by a specified date, and annually thereafter, the status of implementing the award program; requiring the Department of Health to adopt rules related to the application cycles and submission of the application forms; amending s. 215.5602, F.S.; revising the responsibilities of the Biomedical Research Advisory Council with regard to the Cancer Center of Excellence Award program; amending s. 381.922, F.S.; authorizing endowments under the William G. “Bill” Bankhead, Jr., and David Coley Cancer Research Program for establishing funded research chairs at research institutions contingent upon an appropriation; requiring submission of proposals; requiring that research institutions report certain information regarding the selected research chair of the endowment and other information about the endowment; providing for qualifications of the chair; specifying the use of the funds in the endowment; amending s. 1004.435, F.S.; revising the responsibilities of the Florida Cancer Control and Research Advisory Council with regard to the Cancer Center of Excellence Award program; providing an effective date.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

59 Be It Enacted by the Legislature of the State of Florida:
60
61 Section 1. Section 381.925, Florida Statutes, is created to
62 read:
63 381.925 Cancer Center of Excellence Award.—
64 (1) The Legislature intends to recognize hospitals,
65 treatment centers, and other providers in this state which
66 demonstrate excellence in patient-centered, coordinated care for
67 persons undergoing cancer treatment and therapy in this state.
68 The goal of this program is to encourage excellence in cancer
69 care in this state, attract and retain the best cancer care
70 providers to the state, and help Florida providers be recognized
71 nationally as a preferred destination for quality cancer care.
72 The Cancer Center of Excellence Award will recognize providers
73 that exceed service standards and excel in providing a quality,
74 comprehensive, and patient-centered, coordinated care program.
75 (2) The Florida Cancer Control and Research Advisory
76 Council, established in s. 1004.435, and the Biomedical Research
77 Advisory Council, established in s. 215.5602, shall jointly
78 develop rigorous performance measures, a rating system, and a
79 rating standard that must be achieved to document and
80 distinguish a cancer center that excels in providing a quality,
81 comprehensive, and patient-centered coordinated care program. At
82 a minimum, the criteria must require that each hospital,
83 treatment center, or other provider:
84 (a) Maintain a license in this state which authorizes
85 health care services to be provided. A provider may not have
86 been disciplined or subjected to any administrative enforcement
87 action by state or federal regulatory authorities within the

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

88 preceding 3 years.
89 (b) Be accredited by the Commission on Cancer of the
90 American College of Surgeons.
91 (c) Actively participate in at least one regional cancer
92 control collaborative that is operating pursuant to the Florida
93 Comprehensive Cancer Control Program's cooperative agreement
94 with the Centers for Disease Control and Prevention's National
95 Comprehensive Cancer Control Program.
96 (d) Meet enhanced cancer care coordination standards set by
97 the councils which, at a minimum, focus on:
98 1. Coordination of care by cancer specialists and nursing
99 and allied health professionals.
100 2. Psychosocial assessment and services.
101 3. Suitable and timely referrals and followup.
102 4. Providing accurate and complete information on treatment
103 options, including clinical trials, which consider each person's
104 needs, preferences, and resources, whether provided by that
105 center or available through other health care providers.
106 5. Participation in a comprehensive network of cancer
107 specialists of multiple disciplines, which enables the patient
108 to consult with a variety of experts to examine treatment
109 alternatives.
110 6. Family services and support.
111 7. Aftercare and survivor services.
112 8. Patient and family satisfaction survey results.
113 (3)(a) A provider may apply to the Department of Health for
114 a Cancer Center of Excellence Award. The Florida Cancer Control
115 and Research Advisory Council and the Biomedical Research
116 Advisory Council shall jointly develop an application form that

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

117 requires, among other things, submission of documentation by the
118 provider which demonstrates that the criteria in subsection (2)
119 have been met.
120 (b) The Department of Health shall annually conduct two
121 application cycles. The applications are not applications for
122 licensure; the notification by the State Surgeon General to the
123 Governor of the entities that are eligible for the award is not
124 final agency action; and the Cancer Center of Excellence Award
125 program is not subject to the provisions of chapter 120.
126 (4)(a) The State Surgeon General shall appoint a team of
127 independent evaluators to assess applicants to determine
128 eligibility for the award. An application is to be evaluated
129 independently of any other application. The team shall consist
130 of five evaluators to be selected, in any combination, from the
131 following:
132 1. No more than five health care practitioners or health
133 care facilities not licensed in this state which provide health
134 care services involving cancer diagnoses or treatment;
135 2. No more than three members from the Florida Cancer
136 Control and Research Advisory Council;
137 3. No more than two members from the Biomedical Research
138 and Advisory Council; and
139 4. No more than one layperson who has experience as a
140 cancer patient or as a family member of a cancer patient if that
141 person or his or her family member did not receive care from the
142 applicant or providers being evaluated.
143 (b) Each evaluator must be independent and free of any
144 conflict of interest with respect to a health care provider or
145 facility licensed in this state. Each person selected to

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

146 participate on the evaluation team must sign a conflict of
147 interest attestation before being appointed to the evaluation
148 team.
149 (5)(a) Two evaluation team members may, as necessary,
150 verify onsite documentation submitted with an application for
151 the award.
152 (b) Each member on the evaluation team shall report to the
153 State Surgeon General those applicants that achieved or exceeded
154 the required score based on the rating system developed in
155 subsection (2) which demonstrates the cancer center excels in
156 providing a quality, comprehensive, and patient-centered
157 coordinated care program.
158 (6) The State Surgeon General shall notify the Governor
159 regarding the providers that are eligible to receive the Cancer
160 Center of Excellence Award.
161 (7) The award shall be recognized for a period of 3 years
162 from the date of the award. A provider may reapply for
163 subsequent awards.
164 (8) A provider that receives a Cancer Center of Excellence
165 Award may use the designation in its advertising and marketing
166 for up to 3 years from the date of the award. In addition, a
167 provider that receives a Cancer Center of Excellence Award may
168 be granted, for 3 years from the date of the award, a preference
169 in competitive solicitations undertaken by a state agency or
170 state university.
171 (9) The State Surgeon General shall report to the President
172 of the Senate and the Speaker of the House of Representatives by
173 January 31, 2014, and annually thereafter, the status of
174 implementing the Cancer Center of Excellence Award program,

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175 metrics on the number of applications received and the number of
176 award recipients by application cycle, a list of award
177 recipients, and recommendations for legislation to strengthen
178 the program.
179 (10) The Department of Health shall adopt rules related to
180 the application cycles and submission of the application form.
181 Section 2. Paragraph (j) is added to subsection (4) of
182 section 215.5602, Florida Statutes, to read:
183 215.5602 James and Esther King Biomedical Research
184 Program.—
185 (4) The council shall advise the State Surgeon General as
186 to the direction and scope of the biomedical research program.
187 The responsibilities of the council may include, but are not
188 limited to:
189 (j) The council shall, with the Florida Cancer Control and
190 Research Advisory Council, jointly develop performance measures,
191 a rating system, a rating standard, and an application form for
192 the Cancer Center of Excellence Award created in s. 381.925. The
193 council shall also support the State Surgeon General in
194 implementing the award program by ensuring that at least two
195 members of the council, who must be independent of the
196 applicants for the award, are available to serve on the
197 evaluation team as requested by the State Surgeon General. The
198 council shall advise the State Surgeon General with respect to
199 the Cancer Center for Excellence Award program.
200 Section 3. Subsection (4) of section 381.922, Florida
201 Statutes, is renumbered as subsection (5), and a new subsection
202 (4) is added to that section, to read:
203 381.922 William G. "Bill" Bankhead, Jr., and David Coley

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

204 Cancer Research Program.—
205 (4) In order to attract and retain experienced research
206 talent and attendant national grant-producing researchers to
207 cancer research institutions in this state, the Department of
208 Health shall award endowments to cancer research institutions
209 for establishing a funded research chair, pursuant to the
210 General Appropriations Act specifying an appropriation for this
211 purpose. The purpose of the endowment is to provide a secure
212 funding for at least 7 years to attract an experienced and
213 promising researcher whose continued employment for this period
214 is not contingent upon grant awards associated with time-limited
215 research projects. In addition, the Legislature intends for a
216 chair to specialize in a cancer-related research field that will
217 facilitate coordination among research institutions within the
218 state and attract other promising researchers and funding to the
219 state.
220 (a) Any research institution funded pursuant to this
221 subsection shall provide to the Governor, the President of the
222 Senate, and the Speaker of the House of Representatives a report
223 that must, at a minimum, describe the research program and
224 general responsibilities of the researcher who is to selected
225 for the endowed chair. Upon final selection of the research
226 chair, or if it becomes necessary to identify a replacement
227 research chair, the research institution shall notify the chair
228 of the Appropriations Committee of the Senate and the chair of
229 the Appropriations Committee of the House of Representatives the
230 research chair's name, the endowment budget, and the specific
231 research responsibilities. The research institution shall
232 annually report to the President of the Senate and the Speaker

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

233 of the House of Representatives the research chair's name,
234 current salary, research responsibilities, percentage of time
235 devoted to research if the chair also serves as a member of the
236 faculty, reports on research progress and progress toward
237 achieving the goals of this program, endowment expenditures and
238 balance, interest rate, and interest earned on the endowment.
239 Section 4. Paragraph (r) of subsection (4) of section
240 1004.435, Florida Statutes, is redesignated as paragraph (s),
241 and a new paragraph (r) is added to that subsection, to read:
242 1004.435 Cancer control and research.—
243 (4) FLORIDA CANCER CONTROL AND RESEARCH ADVISORY COUNCIL;
244 CREATION; COMPOSITION.—
245 (r) The council shall, with the Biomedical Research
246 Advisory Council, jointly develop performance measures, a rating
247 system, a rating standard, and an application form for the
248 Cancer Center of Excellence Award created in s. 381.925. The
249 council shall also support the State Surgeon General in
250 implementing the Cancer Center of Excellence Award program by
251 ensuring that at least three members of the council, who must be
252 independent of the applicants for the award, are available to
253 serve on the evaluation team as requested by the State Surgeon
254 General. The council shall advise the State Surgeon General with
255 respect to the Cancer Center for Excellence Award program.
256 Section 5. This act shall take effect July 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate

Committee Agenda Request

To: Senator Joe Negron, Chair
Committee on Appropriations

Subject: Committee Agenda Request

Date: March 22, 2013

I respectfully request that **Senate Bill #1660**, relating to Quality Cancer Care and Research, be placed on the:

☐ committee agenda at your earliest possible convenience.

☒ next committee agenda.

Anitere Flores

Senator Anitere Flores
Florida Senate, District 37

SENATE APPROPRIATIONS
RECEIVED
13 MAR 22 PM 1:52
SENT TO: CHAIRMAN
STAFF DIR. ____ STAFF ____

File signed original with committee office

S-020 (03/2004)

The Florida Senate

Committee Agenda Request

To: Senator Joe Negron, Chair
Committee on Appropriations

Subject: Committee Agenda Request

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Senator Anitere Flores
Florida Senate, District 37

SENATE APPROPRIATIONS
RECEIVED
13 MAR 27 AM 10: 03
SENT TO: CHAIRMAN
STAFF DIR. ____ STAFF ____

File signed original with committee office

S-020 (03/2004)

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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Galvano) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Delete lines 347 - 520
4 and insert:
5 (j) Four hundred or more doctoral degrees awarded annually,
6 as reported in the Board of Governors Annual Accountability
7 Report.
8 (k) Two hundred or more postdoctoral appointees annually,
9 as reported in the TARU annual report.
10 (l) An endowment of $500 million or more, as reported in
11 the Board of Governors Annual Accountability Report.
12 (3) PREEMINENT STATE RESEARCH UNIVERSITY DESIGNATION.—The

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13 Board of Governors shall designate each state research
14 university that meets at least 11 of the 12 academic and
15 research excellence standards identified in subsection (2) a
16 preeminent state research university.
17 (4) PREEMINENT STATE RESEARCH UNIVERSITY INSTITUTE FOR
18 ONLINE LEARNING.—The state research university that has attained
19 the highest level on the academic and research excellence
20 standards identified in subsection (2), as verified by the Board
21 of Governors, shall establish an institute for online learning.
22 The institute shall establish a robust offering of high-quality,
23 fully online baccalaureate degree programs at an affordable cost
24 in accordance with this subsection.
25 (a) By August 1, 2013, the Board of Governors shall convene
26 an advisory board to support the development of high-quality,
27 fully online baccalaureate degree programs at the preeminent
28 university.
29 (b) The advisory board shall:
30 1. Offer expert advice, as requested by the preeminent
31 university, in the development and implementation of a business
32 plan to expand the offering of high-quality, fully online
33 baccalaureate degree programs.
34 2. Authorize the release of funding to the preeminent
35 university subject to appropriation in the General
36 Appropriations Act and upon approval by the Board of Governors
37 of the plan developed by the preeminent university.
38 3. Monitor, evaluate, and report on the implementation of
39 the plan to the Board of Governors, the Governor, the President
40 of the Senate, and the Speaker of the House of Representatives.
41 (c) The advisory board shall be composed of the following

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42 five members:
43 1. The chair of the Board of Governors or the chair's
44 permanent designee.
45 2. A member with expertise in online learning, appointed by
46 the Board of Governors.
47 3. A member with expertise in global marketing, appointed
48 by the Governor.
49 4. A member with expertise in cloud virtualization,
50 appointed by the President of the Senate.
51 5. A member with expertise in disruptive innovation,
52 appointed by the Speaker of the House of Representatives.
53 (d) The president of the preeminent university shall be
54 consulted on the advisory board member appointments.
55 (e) A majority of the advisory board constitutes a quorum,
56 elect the chair, and appoint an executive director.
57 (f) By September 1, 2013, the university shall submit to
58 the advisory board a comprehensive plan to expand high-quality,
59 fully online baccalaureate degree program offerings. The plan
60 must include:
61 1. Existing on-campus general education courses and
62 baccalaureate degree programs that will be offered online.
63 2. New courses that will be developed and offered online.
64 3. Support services that will be offered to students
65 enrolled in online baccalaureate degree programs.
66 4. A tuition and fee structure that meets the requirements
67 in paragraph (k) for online courses, baccalaureate degree
68 programs, and student support services.
69 5. A timeline for offering, marketing, and enrolling
70 students in the online baccalaureate degree programs.

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71 6. A budget for developing and marketing the online
72 baccalaureate degree programs.
73 7. Detailed strategies for ensuring the success of students
74 and the sustainability of the online baccalaureate degree
75 programs.
76
77 Upon recommendation of the plan by the advisory board and
78 approval by the Board of Governors, the Board of Governors shall
79 award the university funds for implementation of the online
80 baccalaureate degree program, as provided in the General
81 Appropriations Act.
82 (g) Beginning in January 2014, the university shall offer
83 high-quality, fully online baccalaureate degree programs that:
84 1. Accept full-time, first-time-in-college students.
85 2. Have the same rigorous admissions criteria as equivalent
86 on-campus degree programs.
87 3. Offer curriculum of equivalent rigor to on-campus degree
88 programs.
89 4. Offer rolling enrollment or multiple opportunities for
90 enrollment throughout the year.
91 5. Do not require any on-campus courses. However, for
92 courses or programs that require clinical training or
93 laboratories that cannot be delivered online, the university
94 shall offer convenient locational options to the student, which
95 may include, but are not limited to, the option to complete such
96 requirements at a summer-in-residence on the university campus.
97 The university may provide a network of sites at convenient
98 locations and contract with commercial testing centers or
99 identify other secure testing services for the purpose of

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100 proctoring assessments or testing.
101 6. Apply the university's existing policy for accepting
102 credits for both freshman applicants and transfer applicants.
103 (h) The university may offer a fully online Masters in
104 Business Administration degree program and other masters degree
105 programs.
106 (i) The university may develop and offer degree programs
107 and courses that are competency based as appropriate for the
108 quality and success of the program.
109 (j) The university shall periodically expand its offering
110 of online baccalaureate degree programs to meet student and
111 market demands.
112 (k) The university shall establish a tuition structure for
113 its online institute in accordance with this paragraph,
114 notwithstanding any other provision of law.
115 1. For students classified as residents for tuition
116 purposes, tuition for an online baccalaureate degree program
117 shall be set at no more than 75 percent of the tuition rate as
118 specified in the General Appropriations Act pursuant to s.
119 1009.24(4) and 75 percent of the tuition differential pursuant
120 to s. 1009.24(16). No distance learning fee, fee for campus
121 facilities, or fee for on-campus services may be assessed,
122 except that online students shall pay the university's
123 technology fee, financial aid fee, and Capital Improvement Trust
124 Fund fee. The revenues generated from the Capital Improvement
125 Trust Fund fee shall be dedicated to the university's institute
126 for online learning.
127 2. For students classified as nonresidents for tuition
128 purposes, tuition may be set at market rates in accordance with

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129 the business plan.
130 3. Tuition for an online degree program must include all
131 costs associated with instruction, materials, and enrollment,
132 excluding costs associated with the provision of textbooks
133 pursuant to s. 1004.085 and physical laboratory supplies.
134 4. Subject to the limitations in subparagraph 1., tuition
135 may be differentiated by degree program as appropriate to the
136 instructional and other costs of the program in accordance with
137 the business plan. Pricing must incorporate innovative
138 approaches that incentivize persistence and completion,
139 including, but not limited to, a fee for assessment, a bundled
140 or all-inclusive rate, and sliding scale features.
141 5. The university shall accept advance payment contracts
142 and student financial aid.
143 6. Fifty percent of the net revenues generated from the
144 online institute of the university shall be used to enhance and
145 enrich the online institute offerings, and 50 percent of the net
146 revenues generated from the online institute shall be used to
147 enhance and enrich the university's campus state-of-the-art
148 research programs and facilities.
149 7. The institute may charge additional local user fees
150 pursuant to s. 1009.24(14) upon the approval of the Board of
151 Governors.
152 8. The institute shall submit a proposal to the president
153 of the university authorizing additional user fees for the
154 provision of voluntary student participation in activities and
155 additional student services.
156 (5) PREEMINENT STATE RESEARCH UNIVERSITY SUPPORT.—The state
157 research university that has attained the highest level on the

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158 academic and research excellence standards identified in
159 subsection (2), as verified by the Board of Governors, shall
160 submit to the Board of Governors a 5-year benchmark plan with
161 target rankings on key performance metrics for national
162 excellence. Upon approval by the Board of Governors, and upon
163 the university's meeting the benchmark plan goals annually, the
164 Board of Governors shall award the university funding for this
165 purpose, as provided in the General Appropriations Act.
166 (6) PREEMINENT STATE RESEARCH UNIVERSITY ENHANCEMENT
167 INITIATIVE.—The state research university that has attained the
168 second highest level on the academic and research excellence
169 standards identified in subsection (2), as verified by the Board
170 of Governors, shall submit to the Board of Governors a 5-year
171 benchmark plan with target rankings on key performance metrics
172 for national excellence. Upon the university's meeting the
173 benchmark plan goals annually, the Board of Governors shall
174 award the university funding as provided in the General
175 Appropriations Act for the purpose of recruiting National
176 Academy Members, expediting the provision of a masters degree in
177 cloud virtualization, and instituting an entrepreneurs-in-
178 residence program throughout its campus.
179 (7) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE
180 REQUIREMENT AUTHORITY.—In order to provide a jointly shared
181 educational experience, a university that is designated a
182 preeminent state research university may require its incoming
183 first-time-in-college students to take a 9-to-12-credit set of
184 unique courses specifically determined by the university and
185 published on the university's website. The university may
186 stipulate that credit for such courses may not be earned through

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187 any acceleration mechanism pursuant to s. 1007.27 or s. 1007.271
188 or any other transfer credit. All accelerated credits earned up
189 to the limits specified in ss. 1007.27 and 1007.271 shall be
190 applied toward graduation at the student's request.
191 (8) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
192 AUTHORITY.—The Board of Governors is encouraged to identify and
193 grant all reasonable, feasible authority and flexibility to
194 ensure that a designated preeminent state research university is
195 free from unnecessary restrictions.
196 (9) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE UNIVERSITY
197 SYSTEM.—The Board of Governors is encouraged to establish
198 standards and measures whereby individual programs in state
199 universities which objectively reflect national excellence can
200 be identified and make recommendations to the Legislature as to
201 how any such programs could be enhanced and promoted.
202
203 ========== T I T L E A M E N D M E N T ==========
204 And the title is amended as follows:
205 Delete lines 26 - 66
206 and insert:
207 establishing academic and research excellence
208 standards for a university to be designated a
209 preeminent state research university; providing for a
210 preeminent state research university to establish an
211 institute for online learning; providing duties and
212 responsibilities of an advisory board, the university,
213 and the Board of Governors to provide high-quality,
214 fully online baccalaureate degree programs, including
215 establishment of a tuition structure for the

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216 institute; providing for the award of funding to
217 preeminent state research universities based upon
218 performance and subject to appropriation; authorizing
219 a preeminent state research university to establish
220 special course requirements; providing for preeminent
221 state research university flexibility; encouraging the
222 Board of Governors to promote additional programs of
223 excellence; amending s. 1004.02,

612572

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/28/2013	.	
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The Committee on Appropriations (Galvano) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 976 - 995
4 and insert:
5 sciences, humanities, and natural sciences. The core courses may
6 be revised or the five-course cap within each subject area may
7 be exceeded if approved by the State Board of Education and the
8 Board of Governors, as recommended by the subject area faculty
9 committee and approved by the Articulation Coordinating
10 Committee, as necessary for a subject area. Each general
11 education core course option must contain high-level academic
12 and critical thinking skills and common competencies that

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13 students must demonstrate to successfully complete the course.
14 Beginning with students initially entering a Florida College
15 System institution or state university in 2015-2016 ~~2014-2015~~
16 and thereafter, each student must complete at least one
17 identified core course in each subject area as part of the
18 general education course requirements. All public postsecondary
19 educational institutions shall ~~offer and~~ accept these courses as
20 meeting general education core course requirements. The
21 remaining general education course requirements shall be
22 identified by each institution and reported to the department by
23 their statewide course number. The general education core course
24 options shall be adopted in rule by the State Board of Education
25 and in regulation by the Board of Governors.

621676

576-02684-13

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

A bill to be entitled

An act relating to education; amending s. 11.45, F.S.; revising actions to be taken by the Legislative Auditing Committee relating to audits of state universities and Florida College System institutions; amending s. 1001.02, F.S.; requiring the State Board of Education to specify the college credit courses that may be taken by Florida College System institution students who are concurrently participating in developmental education; requiring the State Board of Education to establish the tuition and out-of-state fees for certain credit instruction, rather than college-preparatory instruction; revising the minimum standards, definitions, and guidelines that the State Board of Education must prescribe by rule for Florida College System institutions; amending s. 1001.64, F.S.; authorizing a board of trustees at a Florida College System institution to contract with the board of trustees of a state university for the Florida College System institution to provide developmental education; creating s. 1001.7065, F.S.; establishing a collaborative partnership between the Board of Governors and the Legislature to elevate the academic and research preeminence of this state's highest performing state research universities; specifying the academic and research excellence standards for the preeminent state research

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576-02684-13

universities program; requiring the Board of Governors to designate each state research university that meets certain criteria as a preeminent state research university; requiring the state research university that has attained the highest level on the academic and research excellence standard to establish an online arm of the university; providing requirements for the online arm of the university; providing membership of the board of directors that oversees the business of the university's online arm; providing for a quorum of the board of directors; requiring the board to develop a business plan and authorizing the board to contract with other entities and institutions; requiring the university to offer high-quality online baccalaureate degree programs and a master's degree in business administration; authorizing the university to offer online other master's degree programs; authorizing the university to develop and offer degree programs and courses that are competency based; requiring the university to periodically expand its offering of online baccalaureate degree programs and establish a tuition structure for its online arm; providing requirements for the tuition structure; requiring the state research university that has attained the second highest level on the academic and research excellence standards to recruit National Academy members, expedite provision of a master's degree in cloud virtualization, and institute an entrepreneurs-in-

57 residence program throughout its campus; authorizing a
58 preeminent state research university to require
59 incoming college students to take specified courses;
60 requiring the Board of Governors to identify and grant
61 all reasonable, feasible authority and flexibility to
62 keep a designated preeminent state research university
63 free from unnecessary restrictions; providing that the
64 Board of Governors is encouraged to establish
65 standards and measures to recognize excellent programs
66 in other state universities; amending s. 1004.02,
67 F.S.; defining the term "developmental education" as
68 it relates to public postsecondary education; amending
69 s. 1004.43, F.S.; transferring oversight of the H. Lee
70 Moffitt Cancer Center and Research Institute to the
71 Board of Trustees of the University of South Florida;
72 requiring the Board of Trustees to enter into a lease
73 agreement for use of certain land and facilities;
74 providing for the terms of the lease; requiring the
75 University of South Florida and the Florida not-for-
76 profit corporation that governs and operates the H.
77 Lee Moffitt Cancer Center and Research Institute to
78 enter into an agreement to review construction plans
79 and specifications for consistency of certain
80 criteria; revising the membership of the board of
81 directors for the not-for-profit corporation; deleting
82 the requirement that the Board of Governors provide
83 for certain approvals of the articles of incorporation
84 of the not-for-profit corporation and use of land and
85 facilities for certain purposes; requiring the not-

86 for-profit corporation to cause to be prepared annual
87 financial audits; requiring the not-for-profit
88 corporation to provide equal employment opportunities;
89 providing for the governance and operation of the
90 facilities if the agreement between the not-for-profit
91 corporation and the Board of Trustees of the
92 University of South Florida, rather than the Board of
93 Governors, is terminated; requiring the chief
94 executive officer to report annually to the Board of
95 Governors on the educational activities of the not-
96 for-profit corporation; providing for the creation and
97 duties of an external advisory board; repealing s.
98 1004.58, F.S., relating to the Leadership Board for
99 Applied Research and Public Service; amending s.
100 1004.93, F.S.; deleting provisions relating to the
101 levels and courses of instruction to be funded through
102 the college-preparatory program; amending s. 1006.735,
103 F.S.; establishing the Complete Florida Degree Program
104 to recruit, recover, and retain adult learners and
105 assist them in completing degrees aligned to high-
106 wage, high-skill workforce needs; specifying program
107 components and the tuition and fee structure;
108 requiring submission of a project plan to the
109 Legislature; amending s. 1007.23, F.S.; revising the
110 number of semester hours in which a student who is
111 seeking an associate in arts degree is required to
112 indicate a baccalaureate degree program; amending s.
113 1007.25, F.S.; revising general education courses,
114 common prerequisites, and degree requirements;

conforming terminology to changes made by the act; amending s. 1007.263, F.S.; revising the rules that the board of trustees of a Florida College System institution may adopt with regard to admissions counseling; requiring each board of trustees to establish policies that notify students about options they may use to attain the communication and computation skills that are essential to perform college-level work; deleting a prohibition against a student's enrollment in credit courses under certain circumstances; amending s. 1007.271, F.S.; conforming provisions to changes made by the act; creating s. 1008.02, F.S.; providing definitions for the purpose of ch. 1008, F.S., relating to assessment and accountability for the K-20 education system; amending s. 1008.30, F.S.; providing that alternative assessments that may be accepted in lieu of the common placement test must be identified in rule; requiring the State Board of Education, in conjunction with the Board of Governors, to approve a series of meta-majors, academic pathways, and degree maps that identify the gateway courses required for success in each meta-major; providing requirements for the common placement testing program; requiring the State Board of Education to adopt rules that require high schools to evaluate certain students for college readiness; requiring the State Board of Education to establish by rule the test scores a student must achieve to demonstrate readiness to perform college-level work;

deleting provisions to conform to changes made by the act; conforming terminology; requiring the State Board of Education to adopt rules by a specified date to implement developmental education; requiring local policies and practices set by each Florida College System institution board of trustees to outline the student achievements considered by the institution for placement determinations, identify instructional options available to students, and describe student costs and financial aid opportunities associated with each instructional option; creating s. 1008.322, F.S.; requiring the Board of Governors of the State University System to oversee the performance of state university boards of trustees in the enforcement of laws, rules, and regulations; providing that state university presidents are responsible for the accuracy of the information and data reported to the Board of Governors; authorizing the Chancellor of the State University System to investigate allegations of noncompliance with law or Board of Governors' rule or regulation and determine probable cause; requiring the chancellor to report determinations of probable cause to the Board of Governors; authorizing the Board of Governors to initiate specified actions if the board determines that the state university board of trustees is unwilling or unable to comply with the law, certain rules or regulations, or audit recommendations; amending s. 1008.34, F.S.; revising the grading of middle schools and high schools to include added

weight for students who participate and are enrolled in certain classes; amending ss. 1008.37, 1009.22, and 1009.23, F.S.; conforming provisions to changes made by the act; amending s. 1009.26, F.S.; authorizing certain Florida College System institutions to waive certain fees; repealing s. 1009.28, F.S., relating to fees for repeated enrollment in college-preparatory classes; amending s. 1009.285, F.S.; requiring a student enrolled in the same undergraduate college-credit course more than once, except for students enrolled in a gateway course for an extended period of time, to pay tuition at 100 percent of the full cost of instruction; reducing the number of times certain coursework, which is excluded for the reduction of fees, is repeated for certain purposes; amending s. 1009.286, F.S.; excluding remedial courses from those courses that are counted when calculating credit hours earned toward a baccalaureate degree; amending s. 1009.40, F.S.; providing that undergraduate students participating in developmental education are eligible to receive financial aid for a specified number of semesters or quarters; conforming provisions to changes made by the act; amending s. 1009.53, F.S.; conforming terminology to changes made by the act; repealing s. 1009.531(7), F.S., relating to the eligibility of a student for an initial reward or renewal reward under the Florida Bright Futures Scholarship Program; amending s. 1011.84, F.S.; conforming provisions to changes made by the act;

providing an effective date.

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

Section 1. Paragraph (j) of subsection (7) of section 11.45, Florida Statutes, is amended to read:

11.45 Definitions; duties; authorities; reports; rules.—

(7) AUDITOR GENERAL REPORTING REQUIREMENTS.—

(j) The Auditor General shall notify the Legislative Auditing Committee of any financial or operational audit report prepared pursuant to this section which indicates that a state university or Florida College System institution has failed to take full corrective action in response to a recommendation that was included in the two preceding financial or operational audit reports.

1. The committee may direct the governing body of the state university or Florida College System institution to provide a written statement to the committee explaining why full corrective action has not been taken or, if the governing body intends to take full corrective action, describing the corrective action to be taken and when it will occur.

2. If the committee determines that the written statement is not sufficient, the committee may require the chair of the governing body of the state university or Florida College System institution, or the chair’s designee, to appear before the committee.

3. If the committee determines that the state university or Florida College System institution has failed to take full corrective action for which there is no justifiable reason or

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has failed to comply with committee requests made pursuant to this section, the committee shall refer the matter to the State Board of Education or the Board of Governors, as appropriate, to proceed in accordance with ss. 1008.32 and 1008.322, respectively ~~may proceed in accordance with s. 11.40(2)~~.

Section 2. Paragraph (g) of subsection (4), subsection (5), and paragraphs (c) and (d) of subsection (6) of section 1001.02, Florida Statutes, are amended to read:

1001.02 General powers of State Board of Education.—

(4) The State Board of Education shall:

(g) Specify, by rule, the college credit courses that may be taken by Florida College System institution students who are concurrently participating in developmental education ~~enrolled in college-preparatory instruction~~.

(5) The State Board of Education is responsible for reviewing and administering the state program of support for the Florida College System institutions and, subject to existing law, shall establish the tuition and out-of-state fees for ~~college-preparatory instruction and for~~ credit instruction that may be counted toward an associate in arts degree, an associate in applied science degree, or an associate in science degree.

(6) The State Board of Education shall prescribe minimum standards, definitions, and guidelines for Florida College System institutions that will ensure the quality of education, coordination among the Florida College System institutions and state universities, and efficient progress toward accomplishing the Florida College System institution mission. At a minimum, these rules must address:

(c) Program offerings and classification, including

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college-level communication and computation skills associated with successful performance in college and with tests and other assessment procedures that measure student achievement of those skills. ~~The performance measures must provide that students moving from one level of education to the next acquire the necessary competencies for that level.~~

(d) Provisions for curriculum development, graduation requirements, college calendars, and program service areas. These provisions must include rules that:

1. Provide for the award of an associate in arts degree to a student who successfully completes 60 semester credit hours at the Florida College System institution.

2. Require all of the credits accepted for the associate in arts degree to be in the statewide course numbering system as credits toward a baccalaureate degree offered by a state university or a Florida College System institution.

3. ~~Beginning with students initially entering a Florida College System institution in 2014-2015 and thereafter,~~ Require no more than 36 ~~30~~ semester credit hours in general education courses in the subject areas of communication, mathematics, social sciences, humanities, and natural sciences.

The rules should encourage Florida College System institutions to enter into agreements with state universities that allow Florida College System institution students to complete upper-division-level courses at a Florida College System institution. An agreement may provide for concurrent enrollment at the Florida College System institution and the state university and may authorize the Florida College System institution to offer an

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upper-division-level course or distance learning.

Section 3. Subsection (9) of section 1001.64, Florida Statutes, is amended to read:

1001.64 Florida College System institution boards of trustees; powers and duties.—

(9) A board of trustees may contract with the board of trustees of a state university for the Florida College System institution to provide developmental education ~~college-preparatory instruction~~ on the state university campus.

Section 4. Section 1001.7065, Florida Statutes, is created to read:

1001.7065 Preeminent state research universities program.—

(1) STATE UNIVERSITY SYSTEM SHARED GOVERNANCE COLLABORATION.—A collaborative partnership is established between the Board of Governors and the Legislature to elevate the academic and research preeminence of Florida's highest-performing state research universities in accordance with this section. The partnership stems from the State University System Governance Agreement executed on March 24, 2010, wherein the Board of Governors and leaders of the Legislature agreed to a framework for the collaborative exercise of their joint authority and shared responsibility for the State University System. The governance agreement confirmed the commitment of the Board of Governors and the Legislature to continue collaboration on accountability measures, the use of data, and recommendations derived from such data.

(2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—Effective July 1, 2013, the following academic and research excellence standards are established for the Preeminent State Research

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Universities Program:

(a) An average weighted grade point average of 4.0 or higher on a 4.0 scale and an average SAT score of 1800 or higher for fall-semester incoming freshmen, as reported annually.

(b) A top-50 ranking on at least two well-known and highly respected national public university rankings, reflecting national preeminence, using most recent rankings.

(c) A freshman retention rate of 90 percent or higher for full-time, first-time-in-college students, as reported annually to the Integrated Postsecondary Education Data System (IPEDS).

(d) A 6-year graduation rate of 70 percent or higher for full-time, first-time-in-college students, as reported annually to the IPEDS.

(e) Six or more faculty members at the state university who are members of a national academy, as reported by the Center for Measuring University Performance in the Top American Research Universities (TARU) annual report.

(f) Total annual research expenditures, including federal research expenditures, of $200 million or more, as reported annually by the National Science Foundation (NSF).

(g) Total annual research expenditures in diversified nonmedical sciences of $150 million or more, based on data reported annually by the NSF.

(h) A top-100 university national ranking for research expenditures in five or more science, technology, engineering, or mathematics fields of study, as reported annually by the NSF.

(i) One hundred or more total patents awarded by the United States Patent and Trademark Office for the most recent 3-year period.

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347 (j) Four hundred or more doctoral degrees awarded annually,
348 as reported in the TARU annual report.
349 (k) Two hundred or more postdoctoral appointees annually,
350 as reported in the TARU annual report.
351 (l) An endowment of $500 million or more, as reported in
352 the Board of Governors annual accountability report.
353 (3) PREEMINENT STATE RESEARCH UNIVERSITY DESIGNATION.—The
354 Board of Governors shall designate each state research
355 university that meets at least 11 of the 12 academic and
356 research excellence standards identified in subsection (2) a
357 preeminent state research university.
358 (4) PREEMINENT STATE RESEARCH UNIVERSITY ONLINE ARM.—The
359 state research university that has attained the highest level on
360 the academic and research excellence standards identified in
361 subsection (2), as verified by the Board of Governors, shall
362 establish a fully online arm of the university in accordance
363 with this subsection, subject to the appropriation of funds by
364 the Legislature.
365 (a)1. A board of directors shall develop, implement, and
366 oversee the business aspects of the university's online arm,
367 while the university president and board of trustees, in
368 conjunction with the Board of Governors, shall be responsible
369 for academic quality, accreditation, and curricular standards.
370 The university president and board of trustees, the board of
371 directors, and the Board of Governors shall collaborate and
372 cooperate in their respective roles to achieve the purpose of
373 successfully providing fully online high-quality baccalaureate
374 and master's degree programs to the university's enrolled online
375 students in this state and around the world.

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376 2. The university president shall designate a center to
377 help lead the university to global preeminence in the
378 development of cutting-edge technology and instructional design
379 for online programs. The center shall conduct research to enrich
380 the university's online degree program offerings and enhance the
381 success of the university's online students. The center shall
382 provide academic and administrative support structures to
383 undergird the delivery of content and degree programs by the
384 various colleges and departments throughout the university. The
385 center shall work jointly with the university president and the
386 board of directors in their respective roles.
387 (b) The board of directors is comprised of the following
388 seven members:
389 1. The university president, or the president's permanent
390 designee.
391 2. The chair of the university board of trustees, or the
392 chair's permanent designee.
393 3. A member with expertise in global marketing, appointed
394 by the Governor.
395 4. A member with expertise in cloud virtualization,
396 appointed by the President of the Senate.
397 5. A member with expertise in disruptive innovation in
398 online learning, appointed by the Speaker of the House of
399 Representatives.
400 6. A member with expertise in online program accreditation,
401 appointed by the chair of the Board of Governors.
402 7. A member with expertise in creative technologies,
403 appointed by the chair of the Florida Polytechnic University
404 Board of Trustees.

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405 (c) A majority of the board of directors constitutes a
406 quorum, elects the chair, and appoints an executive director.
407 (d) The board of directors shall develop a business plan
408 and may contract with other entities and institutions, public or
409 private, to maximize the marketing, advertising, support
410 services that include financial aid assistance and academic and
411 career guidance, and degree programs and courses of the
412 university's online arm.
413 (e) Beginning in January 2014, the university shall offer
414 high-quality, fully online baccalaureate degree programs as
415 directed by the board of directors which:
416 1. Accept full-time, first-time-in-college students.
417 2. Have the same rigorous admissions criteria as an
418 equivalent on-campus degree program.
419 3. Offer a curriculum of equivalent rigor to the on-campus
420 degree program.
421 4. Offer rolling enrollment or multiple windows of
422 enrollment throughout the year.
423 5. Do not require any on-campus courses. However, for
424 courses or programs that require clinical training or
425 laboratories which cannot be delivered online, the university
426 shall offer convenient locational options to the student, which
427 may include, but not be limited to, the option to complete such
428 requirements at a summer-in-residence on the university campus.
429 Additionally, for purposes of proctored assessments or testing,
430 the university may provide a network of sites at convenient
431 locations and contract with commercial testing centers or
432 identify other secure testing services.
433 6. Apply the university's existing policy for accepting

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434 credits for both freshman applicants and transfer applicants.
435 (f) The university must offer a fully online master of
436 business administration degree program and may offer other
437 master's degree programs as recommended by the university
438 president and board of trustees and authorized by the board of
439 directors.
440 (g) The university may develop and offer degree programs
441 and courses that are competency based, as appropriate for the
442 quality and success of the program and as recommended by the
443 university president and board of trustees and authorized by the
444 board of directors.
445 (h) The university shall periodically expand its offering
446 of online baccalaureate degree programs, as recommended by the
447 university president and board of trustees and authorized by the
448 board of directors, to meet student and market demands.
449 (i) The university shall establish a tuition structure for
450 its online arm in conjunction with the board of directors and in
451 accordance with this paragraph, notwithstanding any other
452 provision of law.
453 1. For students classified as residents for tuition
454 purposes, tuition for an online baccalaureate degree program
455 shall be set at no more than 75 percent of the tuition rate as
456 specified in the General Appropriations Act pursuant to s.
457 1009.24(4) and 75 percent of the tuition differential pursuant
458 to s. 1009.24(16). No distance learning fee or fee for campus
459 facilities or on-campus services may be assessed, except that
460 online students shall pay the university's technology and
461 financial aid fees and the Capital Improvement Trust Fund fee.
462 The Capital Improvement Trust Fund fee shall be dedicated to the

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463 university's online research center.
464 2. For students classified as nonresidents for tuition
465 purposes, tuition may be set at market rates as directed and
466 authorized by the board of directors in accordance with the
467 business plan.
468 3. Tuition for the online degree programs shall include all
469 costs associated with the program, including, but not limited
470 to, instruction, materials, and enrollment. However, an online
471 student may be charged the cost of any hard-copy textbook and
472 any physical laboratory supplies necessary for the program.
473 4. Subject to the limitations in subparagraph 1., tuition
474 may be differentiated by degree program as appropriate to the
475 instructional and other costs of the program and as recommended
476 by the university president and board of trustees and authorized
477 by the board of directors in accordance with the business plan.
478 Pricing must incorporate innovative approaches that incentivize
479 persistence and completion, including, but not limited to, fee
480 for assessment, bundled or all-inclusive rate, and sliding scale
481 features.
482 5. The university must accept advance payment contracts and
483 student financial aid.
484 6. The board of directors shall ensure that 50 percent of
485 the net revenues generated from the online arm of the university
486 is used to enhance and enrich the online arm of the university
487 and 50 percent of the net revenues generated from the online arm
488 of the university is used to enhance and enrich the university
489 campus's state-of-the-art research programs and facilities.
490 (5) PREEMINENT STATE RESEARCH UNIVERSITY ENHANCEMENT
491 INITIATIVE.—The state research university that has attained the

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492 second highest level on the academic and research excellence
493 standards identified in subsection (2), as verified by the Board
494 of Governors, shall recruit National Academy members, expedite
495 provision of a masters degree in cloud virtualization, and
496 institute an entrepreneurs-in-residence program throughout its
497 campus, subject to funds appropriated by the Legislature.
498 (6) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE
499 REQUIREMENTS AUTHORITY.—In order to provide a jointly shared
500 educational experience, a state university that is designated a
501 preeminent state research university may require its incoming
502 first-time-in-college students to take a 9-credit to 12-credit
503 set of courses specifically determined by the university. The
504 state university may stipulate that credit for such courses may
505 not be earned through any acceleration mechanism pursuant to s.
506 1007.27 or s. 1007.271 or other transfer credit. All accelerated
507 credits earned up to the limits specified in ss. 1007.27 and
508 1007.271 shall be applied toward graduation at the student's
509 request.
510 (7) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
511 AUTHORITY.—The Board of Governors shall identify and grant all
512 reasonable, feasible authority and flexibility to keep a
513 designated preeminent state research university free from
514 unnecessary restrictions.
515 (8) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE UNIVERSITY
516 SYSTEM.—The Board of Governors is encouraged to establish
517 standards and measures whereby individual programs in other
518 state universities that objectively reflect national excellence
519 can be identified and make recommendations to the Legislature as
520 to how any such programs could be enhanced and promoted.

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521 Section 5. Subsection (11) of section 1004.02, Florida
522 Statutes, is amended to read:
523 1004.02 Definitions.—As used in this chapter:
524 (11) "Developmental education" ~~"College-preparatory~~
525 ~~instruction"~~ means instruction ~~courses~~ through which a high
526 school graduate who applies for and enrolls in any college
527 credit program may attain the communication and computation
528 skills necessary to perform college-level work while also
529 enrolled ~~enroll~~ in college credit instruction.
530 Section 6. Section 1004.43, Florida Statutes, is amended to
531 read:
532 1004.43 H. Lee Moffitt Cancer Center and Research
533 Institute.—There is established the H. Lee Moffitt Cancer Center
534 and Research Institute, a statewide resource for basic and
535 clinical research and multidisciplinary approaches to patient
536 care.
537 (1) The Board of Trustees of the University of South
538 Florida ~~Governors~~ shall enter into a lease ~~an~~ agreement for the
539 use ~~utilization~~ of the lands and facilities on the campus of the
540 University of South Florida ~~to be~~ known as the H. Lee Moffitt
541 Cancer Center and Research Institute, including all furnishings,
542 equipment, and other chattels used in the operation of such
543 facilities, with a Florida not-for-profit corporation organized
544 solely for the purpose of governing and operating the H. Lee
545 Moffitt Cancer Center and Research Institute. The lease
546 agreement with the not-for-profit corporation must be rent free
547 so long as the not-for-profit corporation and its subsidiaries
548 use the lands and facilities primarily for research, education,
549 treatment, prevention, and the early detection of cancer or for

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550 teaching and research programs conducted by the state
551 universities or other accredited medical schools or research
552 institutes. The lease agreement must provide for review of
553 construction plans and specifications by the university for
554 consistency with the university's campus master plan, impact on
555 the university's utilities infrastructure, and compliance with
556 applicable building code and general design characteristics and
557 compatibility with university architecture, as appropriate. The
558 not-for-profit corporation may, with the prior approval of the
559 Board of Governors, create ~~either~~ for-profit or not-for-profit
560 corporate subsidiaries, or both, to fulfill its mission. The
561 not-for-profit corporation and any approved not-for-profit
562 subsidiary are ~~shall be~~ conclusively deemed corporations
563 primarily acting as instrumentalities of the state, pursuant to
564 s. 768.28(2), for purposes of sovereign immunity. For-profit
565 subsidiaries of the not-for-profit corporation may not compete
566 with for-profit health care providers in the delivery of
567 radiation therapy services to patients. The not-for-profit
568 corporation and its subsidiaries may ~~are authorized to~~ receive,
569 hold, invest, and administer property and any moneys received
570 from private, local, state, and federal sources, as well as
571 technical and professional income generated or derived from
572 practice activities of the institute, for the benefit of the
573 institute and the fulfillment of its mission. The affairs of the
574 corporation shall be managed by a board of directors who shall
575 serve without compensation. The President of the University of
576 South Florida and the chair of the Board of Governors, or his or
577 her designee, shall be directors of the not-for-profit
578 corporation~~, together with 5 representatives of the state~~

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579 ~~universities and no more than 14 nor fewer than 10 directors who~~
580 ~~are not medical doctors or state employees~~. Each director has
581 ~~shall have~~ only one vote, serves ~~shall serve~~ a term of 3 years,
582 and may be reelected to the board. Other than the President of
583 the University of South Florida and the chair of the Board of
584 Governors, directors shall be elected by a majority vote of the
585 board. The chair of the board of directors shall be selected by
586 majority vote of the directors.
587 ~~(2) The Board of Governors shall provide in the agreement~~
588 ~~with the not-for-profit corporation for the following:~~
589 ~~(a) Approval of the articles of incorporation of the not-~~
590 ~~for-profit corporation by the Board of Governors.~~
591 ~~(b) Approval of the articles of incorporation of any not-~~
592 ~~for-profit corporate subsidiary created by the not-for-profit~~
593 ~~corporation.~~
594 ~~(c) Utilization of lands, facilities, and personnel by the~~
595 ~~not-for-profit corporation and its subsidiaries for research,~~
596 ~~education, treatment, prevention, and the early detection of~~
597 ~~cancer and for mutually approved teaching and research programs~~
598 ~~conducted by the state universities or other accredited medical~~
599 ~~schools or research institutes.~~
600 (2) ~~(d)~~ The not-for-profit corporation shall cause the
601 ~~Preparation of an~~ annual financial audits ~~audit~~ of the not-for-
602 profit corporation's accounts and records to be prepared and the
603 accounts and records of any subsidiaries to be conducted by an
604 independent certified public accountant. Each ~~The~~ annual
605 financial audit report must ~~shall~~ include a management letter,
606 as defined in s. 11.45, and must ~~shall~~ be submitted to the
607 Auditor General and the Board of Governors. The Board of

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608 Governors, the Auditor General, and the Office of Program Policy
609 Analysis and Government Accountability may ~~shall have the~~
610 ~~authority to~~ require and receive from the not-for-profit
611 corporation and any subsidiaries or from their independent
612 auditor any detail or supplemental data relative to the
613 operation of the not-for-profit corporation or subsidiary.
614 ~~(c) Provision by~~ The not-for-profit corporation and its
615 subsidiaries shall provide ~~of~~ equal employment opportunities to
616 all persons regardless of race, color, religion, sex, age, or
617 national origin.
618 (3) The Board of Governors may ~~is authorized to~~ secure
619 comprehensive general liability protection, including
620 professional liability protection, for the not-for-profit
621 corporation and its subsidiaries pursuant to s. 1004.24. The
622 not-for-profit corporation and its subsidiaries are ~~shall be~~
623 exempt from ~~any~~ participation in any property insurance trust
624 fund established by law, including any property insurance trust
625 fund established pursuant to chapter 284, so long as the not-
626 for-profit corporation and its subsidiaries maintain property
627 insurance protection with comparable or greater coverage limits.
628 (4) If ~~In the event that~~ the agreement between the not-for-
629 profit corporation and the Board of Trustees of the University
630 of South Florida ~~Governors~~ is terminated for any reason, the
631 Board of Governors shall resume governance and operation of such
632 facilities.
633 (5) The institute shall be administered by a chief
634 executive officer who serves ~~shall serve~~ at the pleasure of the
635 board of directors of the not-for-profit corporation and who has
636 ~~shall have~~ the following powers and duties subject to the

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637 approval of the board of directors:
638 (a) The chief executive officer shall establish programs
639 that ~~which~~ fulfill the mission of the institute in research,
640 education, treatment, prevention, and the early detection of
641 cancer; however, the chief executive officer may ~~shall~~ not
642 establish academic programs for which academic credit is awarded
643 and which terminate in the conference of a degree without prior
644 approval of the Board of Governors.
645 (b) The chief executive officer has ~~shall have~~ control over
646 the budget and the dollars appropriated or donated to the
647 institute from private, local, state, and federal sources, as
648 well as technical and professional income generated or derived
649 from practice activities of the not-for-profit corporation and
650 its subsidiaries. Technical and professional income generated
651 from practice activities may be shared between the not-for-
652 profit corporation and its subsidiaries as determined by the
653 chief executive officer. However, professional income generated
654 by state university employees from practice activities at the
655 not-for-profit corporation and its subsidiaries must ~~shall~~ be
656 shared between the university and the not-for-profit corporation
657 and its subsidiaries only as determined by the chief executive
658 officer and the appropriate university dean or vice president.
659 (c) The chief executive officer shall appoint members to
660 carry out the research, patient care, and educational activities
661 of the institute and determine compensation, benefits, and terms
662 of service. Members of the institute are ~~shall be~~ eligible to
663 hold concurrent appointments at affiliated academic
664 institutions. State university faculty are ~~shall be~~ eligible to
665 hold concurrent appointments at the institute.

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666 (d) The chief executive officer has ~~shall have~~ control over
667 the use and assignment of space and equipment within the
668 facilities.
669 (e) The chief executive officer has ~~shall have~~ the power to
670 create the administrative structure necessary to carry out the
671 mission of the institute.
672 (f) The chief executive officer shall report annually ~~have~~
673 ~~a reporting relationship~~ to the Board of Governors or its
674 designee on the educational activities of the not-for-profit
675 corporation.
676 (g) The chief executive officer shall provide a copy of the
677 institute's annual report to the Governor and Cabinet, the
678 President of the Senate, the Speaker of the House of
679 Representatives, and the chair of the Board of Governors.
680 (6) The board of directors of the not-for-profit
681 corporation shall create an external advisory board ~~a council~~ of
682 scientific advisers to the chief executive officer comprised of
683 leading researchers, physicians, and scientists. This board
684 ~~council~~ shall review programs and recommend research priorities
685 and initiatives so as to maximize the state's investment in the
686 institute. The board ~~council~~ shall be appointed by the board of
687 directors of the not-for-profit corporation. Each member of the
688 board ~~council~~ shall be appointed to serve a 2-year term and may
689 be reappointed to the council.
690 (7) In carrying out the provisions of this section, the
691 not-for-profit corporation and its subsidiaries are not
692 "agencies" within the meaning of s. 20.03(11).
693 (8)(a) Records of the not-for-profit corporation and of its
694 subsidiaries are public records unless made confidential or

695 exempt by law.
696 (b) Proprietary confidential business information is
697 confidential and exempt from the provisions of s. 119.07(1) and
698 s. 24(a), Art. I of the State Constitution. However, the Auditor
699 General, the Office of Program Policy Analysis and Government
700 Accountability, and the Board of Governors, pursuant to their
701 oversight and auditing functions, must be given access to all
702 proprietary confidential business information upon request and
703 without subpoena and must maintain the confidentiality of
704 information so received. As used in this paragraph, the term
705 "proprietary confidential business information" means
706 information, regardless of its form or characteristics, which is
707 owned or controlled by the not-for-profit corporation or its
708 subsidiaries; is intended to be and is treated by the not-for-
709 profit corporation or its subsidiaries as private and the
710 disclosure of which would harm the business operations of the
711 not-for-profit corporation or its subsidiaries; has not been
712 intentionally disclosed by the corporation or its subsidiaries
713 unless pursuant to law, an order of a court or administrative
714 body, a legislative proceeding pursuant to s. 5, Art. III of the
715 State Constitution, or a private agreement that provides that
716 the information may be released to the public; and ~~which~~ is
717 information concerning:
718 1. Internal auditing controls and reports of internal
719 auditors;
720 2. Matters reasonably encompassed in privileged attorney-
721 client communications;
722 3. Contracts for managed-care arrangements, including
723 preferred provider organization contracts, health maintenance

724 organization contracts, and exclusive provider organization
725 contracts, and any documents directly relating to the
726 negotiation, performance, and implementation of any such
727 contracts for managed-care arrangements;
728 4. Bids or other contractual data, banking records, and
729 credit agreements the disclosure of which would impair the
730 efforts of the not-for-profit corporation or its subsidiaries to
731 contract for goods or services on favorable terms;
732 5. Information relating to private contractual data, the
733 disclosure of which would impair the competitive interest of the
734 provider of the information;
735 6. Corporate officer and employee personnel information;
736 7. Information relating to the proceedings and records of
737 credentialing panels and committees and of the governing board
738 of the not-for-profit corporation or its subsidiaries relating
739 to credentialing;
740 8. Minutes of meetings of the governing board of the not-
741 for-profit corporation and its subsidiaries, except minutes of
742 meetings open to the public pursuant to subsection (9);
743 9. Information that reveals plans for marketing services
744 that the corporation or its subsidiaries reasonably expect to be
745 provided by competitors;
746 10. Trade secrets as defined in s. 688.002, including:
747 a. Information relating to methods of manufacture or
748 production, potential trade secrets, potentially patentable
749 materials, or proprietary information received, generated,
750 ascertained, or discovered during the course of research
751 conducted by the not-for-profit corporation or its subsidiaries;
752 and

753 b. Reimbursement methodologies or rates;
754 11. The identity of donors or prospective donors of
755 property who wish to remain anonymous or any information
756 identifying such donors or prospective donors. The anonymity of
757 these donors or prospective donors must be maintained in the
758 auditor's report; or
759 12. Any information received by the not-for-profit
760 corporation or its subsidiaries from an agency in this or
761 another state or nation or the Federal Government which is
762 otherwise exempt or confidential pursuant to the laws of this or
763 another state or nation or pursuant to federal law.
764
765 As used in this paragraph, the term "managed care" means systems
766 or techniques generally used by third-party payors or their
767 agents to affect access to and control payment for health care
768 services. Managed-care techniques most often include one or more
769 of the following: prior, concurrent, and retrospective review of
770 the medical necessity and appropriateness of services or site of
771 services; contracts with selected health care providers;
772 financial incentives or disincentives related to the use of
773 specific providers, services, or service sites; controlled
774 access to and coordination of services by a case manager; and
775 payor efforts to identify treatment alternatives and modify
776 benefit restrictions for high-cost patient care.
777 (9) Meetings of the governing board of the not-for-profit
778 corporation and meetings of the subsidiaries of the not-for-
779 profit corporation at which the expenditure of dollars
780 appropriated to the not-for-profit corporation by the state are
781 discussed or reported must remain open to the public in

782 accordance with s. 286.011 and s. 24(b), Art. I of the State
783 Constitution, unless made confidential or exempt by law. Other
784 meetings of the governing board of the not-for-profit
785 corporation and of the subsidiaries of the not-for-profit
786 corporation are exempt from s. 286.011 and s. 24(b), Art. I of
787 the State Constitution.
788 (10) In addition to the continuing appropriation to the
789 institute provided in s. 210.20(2), any appropriation to the
790 institute provided in a general appropriations act shall be paid
791 directly to the board of directors of the not-for-profit
792 corporation by warrant drawn by the Chief Financial Officer from
793 the State Treasury.
794 Section 7. Section 1004.58, Florida Statutes, is repealed.
795 Section 8. Subsection (4) of section 1004.93, Florida
796 Statutes, is amended to read:
797 1004.93 Adult general education.—
798 (4)(a) Adult general education shall be evaluated and
799 funded as provided in s. 1011.80.
800 (b) Fees for adult basic instruction are to be charged in
801 accordance with chapter 1009.
802 ~~(c) The State Board of Education shall define, by rule, the~~
803 ~~levels and courses of instruction to be funded through the~~
804 ~~college-preparatory program. The state board shall coordinate~~
805 ~~the establishment of costs for college-preparatory courses, the~~
806 ~~establishment of statewide standards that define required levels~~
807 ~~of competence, acceptable rates of student progress, and the~~
808 ~~maximum amount of time to be allowed for completion of college-~~
809 ~~preparatory instruction. College-preparatory instruction is part~~
810 ~~of an associate in arts degree program and may not be funded as~~

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~~an adult career education program.~~

~~(d) Expenditures for college-preparatory and lifelong learning students shall be reported separately. Allocations for college-preparatory courses shall be based on proportional full-time equivalent enrollment. Program review results shall be included in the determination of subsequent allocations. A student shall be funded to enroll in the same college-preparatory class within a skill area only twice, after which time the student shall pay 100 percent of the full cost of instruction to support the continuous enrollment of that student in the same class; however, students who withdraw or fail a class due to extenuating circumstances may be granted an exception only once for each class, provided approval is granted according to policy established by the board of trustees. Each Florida College System institution shall have the authority to review and reduce payment for increased fees due to continued enrollment in a college-preparatory class on an individual basis contingent upon the student's financial hardship, pursuant to definitions and fee levels established by the State Board of Education. College-preparatory and lifelong learning courses do not generate credit toward an associate or baccalaureate degree.~~

(c) ~~(e)~~ A district school board or a Florida College System institution board of trustees may negotiate a contract with the regional workforce board for specialized services for participants in the welfare transition program, beyond what is routinely provided for the general public, to be funded by the regional workforce board.

Section 9. Section 1006.735, Florida Statutes, is amended to read:

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1006.735 Complete Florida Degree Program ~~Completion Pilot Project.~~

(1) The Complete Florida Degree Program ~~Completion Pilot Project~~ is established for the purpose of recruiting, recovering, and retaining the state's adult learners and assisting them in completing an associate degree or a baccalaureate degree that is aligned to high-wage, high-skill workforce needs. As used in this section, the term "adult learner" means a student who has successfully completed college-level coursework in multiple semesters but has left an institution in good standing before completing his or her degree. The program ~~pilot project~~ shall give priority to adult learners who are veterans or active duty members of the United States Armed Forces.

(2) The Complete Florida Degree Program ~~pilot project~~ shall be implemented by the University of West Florida, acting as the lead institution, in coordination with ~~; the University of South Florida;~~ Florida ~~State~~ College System institutions, state universities, and private postsecondary institutions, as appropriate. The program must ~~at Jacksonville; and St. Petersburg College and shall~~ include the associate, applied baccalaureate, and baccalaureate degree programs that these institutions have selected. Other partnering public postsecondary education institutions shall provide areas of specialization or concentration.

(3) For purposes of selecting the degree programs that will be given priority in the Complete Florida Degree Program ~~pilot project~~, the institutions identified in subsection (2) shall partner with public and private job recruitment and placement

agencies and use labor market data and projections to identify the specific workforce needs and targeted occupations of the state.

(4) The Complete Florida Degree Program ~~pilot project~~ shall provide adult learners with a single point of access to information and links to innovative online and accelerated distance learning courses, student and library support services, and electronic resources that will guide the adult learner toward the successful completion of a postsecondary degree.

(5) Beginning with the 2013-2014 ~~2012-2013~~ academic year, the Complete Florida Degree Program ~~pilot project~~ shall be implemented and must:

(a) Use the distance learning course catalog established pursuant to s. 1006.73 to communicate course availability to the adult learner.

(b) Develop and implement an advising and student support system that includes the use of degree completion specialists, is based upon best practices and processes, and includes academic and career support services designed specifically for the adult learner. The program must identify proposed changes to the statewide computer-assisted student advising system established pursuant to s. 1006.73 to assist the adult learner in using the system.

(c) Use the streamlined, automated, online admissions application process for transient students established pursuant to s. 1006.73. The Complete Florida Degree Program ~~pilot project~~ shall identify any additional admissions and registration policies and practices that could be further streamlined and automated for purposes of assisting the adult learner.

(d) Use existing and, if necessary, develop new competency-based instructional and evaluation tools to assess prior performance, experience, and education for the award of college credit in order to reduce the time required for adult learners to complete their degrees. The tools may include the use of the American Council on Education's collaborative link between the United States Department of Defense and higher education through the review of military training and experiences for the award of equivalent college credit for members of the United States Armed Forces.

(e) Develop and implement an evaluation process that collects, analyzes, and provides to the participating postsecondary education institutions, the chairs of the legislative appropriations committees, and the Executive Office of the Governor information on the effectiveness of the program ~~pilot project~~ and the attainment of its goals. Such a process must ~~shall~~ include a management information system that collects the appropriate student, programmatic, and fiscal data necessary to complete the evaluation of the program ~~pilot project~~. Institutions involved in the program ~~pilot project~~ shall also collect job placement and employment data on the adult learners who have completed their degrees as a result of the program ~~pilot project~~.

(f) Develop and implement a statewide marketing campaign targeted toward recruiting adult learners, particularly veterans and active duty members of the United States Armed Forces, for enrollment in the degree programs offered through the program ~~pilot project~~.

(6) For purposes of the Complete Florida Degree Program

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927 ~~pilot project~~, each institution's current tuition and fee
928 structure shall be used. However, all participating institutions
929 shall collaboratively identify the applicable cost components
930 involved in the development and delivery of distance learning
931 courses, collect information on these cost components, and
932 submit the information to the ~~Florida Virtual Campus. The~~
933 chancellors of the Florida College System. The chancellors ~~and~~
934 ~~the State University System~~ shall submit a report to the chairs
935 of the legislative appropriations committees no later than
936 December 31, 2014 ~~2013~~, on the need for a differentiated tuition
937 and fee structure for the development and delivery of distance
938 learning courses.
939 (7) The University of West Florida, in collaboration with
940 its partners ~~the University of South Florida, Florida State~~
941 ~~College at Jacksonville, and St. Petersburg College~~, shall
942 submit to the chairs of the legislative appropriations
943 committees no later than September 1, 2013 ~~June 1, 2012~~, a
944 detailed project plan that defines the major work activities,
945 student eligibility criteria, timeline, and cost for
946 implementing the Complete Florida Degree Program ~~pilot project~~.
947 ~~(8) The University of West Florida, in collaboration with~~
948 ~~the University of South Florida, Florida State College at~~
949 ~~Jacksonville, and St. Petersburg College, shall develop and~~
950 ~~implement a transition plan that transfers the administration of~~
951 ~~the pilot project to the Florida Virtual Campus no later than~~
952 ~~June 30, 2013.~~
953 Section 10. Subsection (3) of section 1007.23, Florida
954 Statutes, is amended to read:
955 1007.23 Statewide articulation agreement.—

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956 (3) To improve articulation and reduce excess credit hours,
957 beginning with students initially entering a Florida College
958 System institution in 2013-2014 and thereafter, the articulation
959 agreement must require each student who is seeking an associate
960 in arts degree to indicate a baccalaureate degree program
961 offered by an institution of interest by the time the student
962 earns 36 ~~30~~ semester hours. The institution in which the student
963 is enrolled shall inform the student of the prerequisites for
964 the baccalaureate degree program offered by an institution of
965 interest.
966 Section 11. Subsections (3), (6), (7), (8), and (10) of
967 section 1007.25, Florida Statutes, are amended to read:
968 1007.25 General education courses; common prerequisites;
969 other degree requirements.—
970 (3) The chair of the State Board of Education and the chair
971 of the Board of Governors, or their designees, shall jointly
972 appoint faculty committees to identify statewide general
973 education core course options. General education core course
974 options must ~~shall~~ consist of a maximum of five courses within
975 each of the subject areas of communication, mathematics, social
976 sciences, humanities, and natural sciences. Each general
977 education core course option must contain high-level academic
978 and critical thinking skills and common competencies that
979 students must demonstrate to successfully complete the course.
980 Beginning with students initially entering a Florida College
981 System institution or state university in 2015-2016 ~~2014-2015~~
982 and thereafter, each student must complete at least one
983 identified core course in each subject area as part of the
984 general education course requirements. All public postsecondary

985 educational institutions shall ~~offer and~~ accept these courses as
986 meeting general education core course requirements. The
987 remaining general education course requirements shall be
988 identified by each institution and reported to the department by
989 their statewide course number. The general education core course
990 options shall be adopted in rule by the State Board of Education
991 and in regulation by the Board of Governors. Additional core
992 course options may be approved by the State Board of Education
993 and the Board of Governors if recommended by the subject area
994 faculty committee and approved by the Articulation Coordinating
995 Committee, as necessary for a subject area.
996 (6) The universities and Florida College System
997 institutions shall work with their respective school districts
998 to ensure that high school curricula coordinate with the general
999 education curricula and to prepare students for college-level
1000 work. General education curricula for associate in arts programs
1001 shall be identified by each institution and~~, beginning with~~
1002 ~~students initially entering a Florida College System institution~~
1003 ~~or state university in 2014-2015 and thereafter,~~ shall include
1004 36 ~~30~~ semester hours in the subject areas of communication,
1005 mathematics, social sciences, humanities, and natural sciences.
1006 (7) An associate in arts degree may not ~~shall~~ require ~~no~~
1007 more than 60 semester hours of college credit and must~~,~~
1008 ~~beginning with students initially entering a Florida College~~
1009 ~~System institution or state university in 2014-2015 and~~
1010 ~~thereafter,~~ include 36 ~~30~~ semester hours of general education
1011 coursework. Beginning with students initially entering a Florida
1012 College System institution or state university in 2014-2015 and
1013 thereafter, coursework for an associate in arts degree must

1014 include ~~and~~ demonstration of competency in a foreign language
1015 pursuant to s. 1007.262. Except for developmental education
1016 provided ~~college-preparatory coursework required~~ pursuant to s.
1017 1008.30, all required coursework counts ~~shall count~~ toward the
1018 associate in arts degree or the baccalaureate degree.
1019 (8) A baccalaureate degree program shall require no more
1020 than 120 semester hours of college credit and~~, beginning with~~
1021 ~~students initially entering a Florida College System institution~~
1022 ~~or state university in 2014-2015 and thereafter,~~ include 36 ~~30~~
1023 semester hours of general education coursework, unless prior
1024 approval has been granted by the Board of Governors for
1025 baccalaureate degree programs offered by state universities and
1026 by the State Board of Education for baccalaureate degree
1027 programs offered by Florida College System institutions.
1028 (10) Students at state universities may request associate
1029 in arts certificates if they have successfully completed the
1030 minimum requirements for the degree of associate in arts (A.A.).
1031 The university must grant the student an associate in arts
1032 degree if the student has successfully completed minimum
1033 requirements for college-level communication and computation
1034 skills adopted by the State Board of Education and 60 academic
1035 semester hours or the equivalent within a degree program area
1036 and including 36~~, beginning with students initially entering a~~
1037 ~~Florida College System institution or state university in 2014-~~
1038 ~~2015 and thereafter, include 30~~ semester hours in general
1039 education courses in the subject areas of communication,
1040 mathematics, social sciences, humanities, and natural sciences,
1041 consistent with the general education requirements specified in
1042 the articulation agreement pursuant to s. 1007.23.

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1043 Section 12. Section 1007.263, Florida Statutes, is amended
1044 to read:
1045 1007.263 Florida College System institutions; admissions of
1046 students.—Each Florida College System institution board of
1047 trustees may ~~is authorized to~~ adopt rules governing admissions
1048 of students subject to this section and rules of the State Board
1049 of Education. These rules must ~~shall~~ include the following:
1050 (1) Admissions counseling must ~~shall~~ be provided to all
1051 students entering college or career credit programs. Counseling
1052 must use ~~shall utilize~~ tests to measure achievement of college-
1053 level communication and computation competencies by all students
1054 entering college credit programs or tests to measure achievement
1055 of basic skills for career education programs as prescribed in
1056 s. 1004.91. Counseling includes providing developmental
1057 education options for students whose assessment results,
1058 determined under s. 1008.30, indicate that they need to improve
1059 communication or computation skills that are essential to
1060 perform college-level work.
1061 (2) Admission to associate degree programs is subject to
1062 minimum standards adopted by the State Board of Education and
1063 requires ~~shall require~~:
1064 (a) A standard high school diploma, a high school
1065 equivalency diploma as prescribed in s. 1003.435, previously
1066 demonstrated competency in college credit postsecondary
1067 coursework, or, in the case of a student who is home educated, a
1068 signed affidavit submitted by the student's parent or legal
1069 guardian attesting that the student has completed a home
1070 education program pursuant to the requirements of s. 1002.41.
1071 Students who are enrolled in a dual enrollment or early

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1072 admission program pursuant to s. 1007.271 are exempt from this
1073 requirement.
1074 (b) A demonstrated level of achievement of college-level
1075 communication and computation skills.
1076 (c) Any other requirements established by the board of
1077 trustees.
1078 (3) Admission to other programs within the Florida College
1079 System institution must ~~shall~~ include education requirements as
1080 established by the board of trustees.
1081 (4) A student who has been awarded a special diploma as
1082 defined in s. 1003.438 or a certificate of completion as defined
1083 in s. 1003.43(10) is eligible to enroll in certificate career
1084 education programs.
1085 (5) A student who has ~~with~~ a documented disability may be
1086 eligible for reasonable substitutions, as prescribed in ss.
1087 1007.264 and 1007.265.
1088
1089 Each board of trustees shall establish policies that notify
1090 students about developmental education options for improving
1091 their communication or computation skills that are essential to
1092 performing college-level work, including tutoring, extended time
1093 in gateway courses, free online courses ~~and place students into~~,
1094 adult basic education, adult secondary education, or ~~other~~
1095 ~~instructional programs that provide students with alternatives~~
1096 ~~to traditional college-preparatory instruction, including~~
1097 private provider instruction. ~~A student is prohibited from~~
1098 ~~enrolling in additional college-level courses until the student~~
1099 ~~scores above the cut-score on all sections of the common~~
1100 ~~placement test.~~

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1101 Section 13. Subsections (2) and (14) of section 1007.271,
1102 Florida Statutes, are amended to read:
1103 1007.271 Dual enrollment programs.—
1104 (2) For the purpose of this section, an eligible secondary
1105 student is a student who is enrolled in a Florida public
1106 secondary school or in a Florida private secondary school which
1107 is in compliance with s. 1002.42(2) and provides a secondary
1108 curriculum pursuant to s. 1003.428, s. 1003.429, or s. 1003.43.
1109 Students who are eligible for dual enrollment pursuant to this
1110 section may enroll in dual enrollment courses conducted during
1111 school hours, after school hours, and during the summer term.
1112 However, if the student is projected to graduate from high
1113 school before the scheduled completion date of a postsecondary
1114 course, the student may not register for that course through
1115 dual enrollment. The student may apply to the postsecondary
1116 institution and pay the required registration, tuition, and fees
1117 if the student meets the postsecondary institution's admissions
1118 requirements under s. 1007.263. Instructional time for dual
1119 enrollment may vary from 900 hours; however, the school district
1120 may only report the student for a maximum of 1.0 FTE, as
1121 provided in s. 1011.61(4). Any student enrolled as a dual
1122 enrollment student is exempt from the payment of registration,
1123 tuition, and laboratory fees. Vocational-preparatory
1124 instruction, developmental education ~~college-preparatory~~
1125 ~~instruction~~, and other forms of precollegiate instruction, as
1126 well as physical education courses that focus on the physical
1127 execution of a skill rather than the intellectual attributes of
1128 the activity, are ineligible for inclusion in the dual
1129 enrollment program. Recreation and leisure studies courses shall

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1130 be evaluated individually in the same manner as physical
1131 education courses for potential inclusion in the program.
1132 (14) The Department of Education shall approve any course
1133 for inclusion in the dual enrollment program that is contained
1134 within the statewide course numbering system. However,
1135 developmental education ~~college-preparatory and other forms of~~
1136 ~~precollegiate instruction,~~ and physical education and other
1137 courses that focus on the physical execution of a skill rather
1138 than the intellectual attributes of the activity, may not be so
1139 approved but must be evaluated individually for potential
1140 inclusion in the dual enrollment program. This subsection may
1141 not be construed to mean that an independent postsecondary
1142 institution eligible for inclusion in a dual enrollment or early
1143 admission program pursuant to s. 1011.62 must participate in the
1144 statewide course numbering system developed pursuant to s.
1145 1007.24 to participate in a dual enrollment program.
1146 Section 14. Section 1008.02, Florida Statutes, is created
1147 to read:
1148 1008.02 Definitions.—As used in this chapter, the term:
1149 (1) "Accelerated course structure" means a course or strand
1150 of study that accelerates the progress of students in
1151 developmental education through self-paced attainment of
1152 specific skills.
1153 (2) "Corequisite education" means developmental education
1154 that is deployed through a variety of classroom, online, or
1155 blended instructional strategies and offered concurrently with
1156 college credit instruction. The term includes, but is not
1157 limited to:
1158 (a) Compressed or modularized instruction or coaching that

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1159 supplements credit instruction.
1160 (b) Embedded content in a modified or extended credit-
1161 bearing course intended to contextualize or accelerate credit
1162 attainment.
1163 (3) "Developmental education" means instruction through
1164 which a high school graduate who applies for any college credit
1165 program may attain the communication and computation skills
1166 necessary to successfully complete college credit instruction.
1167 Developmental education may not be offered as a noncredit course
1168 for which a student pays tuition but must be offered corequisite
1169 to a gateway course.
1170 (4) "Gateway course" means the first course that provides
1171 transferable, college-level credit allowing students to progress
1172 in their program of study.
1173 (5) "Mastery-based education" means customized, targeted
1174 instruction that addresses specific skills gaps.
1175 (6) "Meta-major" means a collection of programs of study or
1176 academic discipline groupings that share common foundational
1177 skills.
1178 Section 15. Section 1008.30, Florida Statutes, is amended
1179 to read:
1180 1008.30 Common placement testing for public postsecondary
1181 education.—
1182 (1) The State Board of Education, in conjunction with the
1183 Board of Governors, shall develop and implement a common
1184 placement test for the purpose of assessing the basic
1185 computation and communication skills of students who intend to
1186 enter a degree program at any public postsecondary educational
1187 institution. Alternative assessments that may be accepted in

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1188 lieu of the common placement test shall also be identified in
1189 rule. Public postsecondary educational institutions shall
1190 provide appropriate modifications of the test instruments or
1191 test procedures for students with disabilities.
1192 (2) By October 1, 2013, the State Board of Education in
1193 conjunction with the Board of Governors shall approve a series
1194 of meta-majors, academic pathways, and degree maps that identify
1195 the gateway courses required for success in each meta-major.
1196 Results from the common placement test, the alternative
1197 assessments that may be used in lieu of the common placement
1198 test, and achievements that may be considered by institutional
1199 boards of trustees, as adopted by state board rule, shall be
1200 used to diagnose a student's readiness for his or her chosen
1201 meta-major and to provide academic counseling to the student
1202 concerning options for attaining the necessary skills through
1203 developmental education while enrolled in credit courses.
1204 (3) ~~(2)~~ The common placement testing program must ~~shall~~
1205 include ~~at a minimum the following:~~ the capacity to diagnose
1206 basic competencies in the areas of English, reading, and
1207 mathematics which are essential for success in meta-majors and
1208 to provide ~~to perform college-level work; prerequisite skills~~
1209 ~~that relate to progressively advanced instruction in~~
1210 ~~mathematics, such as algebra and geometry; prerequisite skills~~
1211 ~~that relate to progressively advanced instruction in language~~
1212 ~~arts, such as English composition and literature; and provision~~
1213 ~~of~~ test information to students on the specific skills the
1214 student needs to attain ~~deficiencies~~.
1215 (4) ~~(3)~~ The State Board of Education shall adopt rules that
1216 require high schools to evaluate before the beginning of grade

1217 12 the college readiness of each student who scores at Level 2
1218 or Level 3 on ~~the reading portion of~~ the grade 10 FCAT Reading
1219 or Level 2, Level 3, or Level 4 on the Algebra I ~~mathematics~~
1220 assessments under s. 1008.22 ~~s. 1008.22(3)(c)~~. High schools
1221 shall perform this evaluation using results from the
1222 corresponding component of the common placement test prescribed
1223 in this section, or an alternative ~~equivalent~~ test identified by
1224 the State Board of Education. ~~The State Board of Education shall~~
1225 ~~identify in rule the assessments necessary to perform the~~
1226 ~~evaluations required by this subsection and shall work with the~~
1227 ~~school districts to administer the assessments. The State Board~~
1228 ~~of Education shall establish by rule the minimum test scores a~~
1229 ~~student must achieve to demonstrate readiness. Students who~~
1230 ~~demonstrate readiness by achieving the minimum test scores~~
1231 ~~established by the state board and enroll in a Florida College~~
1232 ~~System institution within 2 years of achieving such scores shall~~
1233 ~~not be required to retest or enroll in remediation when admitted~~
1234 ~~to any Florida College System institution.~~ The high school shall
1235 use the results of the test to advise the students of any
1236 identified deficiencies and to provide 12th grade students, and
1237 require them to complete, appropriate postsecondary preparatory
1238 instruction prior to high school graduation. The curriculum
1239 provided under this subsection shall be identified in rule by
1240 the State Board of Education and encompass Florida's
1241 Postsecondary Readiness Competencies. Other elective courses may
1242 not be substituted for the selected postsecondary reading,
1243 mathematics, or writing preparatory course unless the elective
1244 course covers the same competencies included in the
1245 postsecondary reading, mathematics, ~~or~~ writing, or English

1246 language arts preparatory course.
1247 (5) ~~(4)(a)~~ The State Board of Education shall establish by
1248 rule the test scores a student must achieve to demonstrate
1249 readiness to perform college-level work. Students who
1250 demonstrate readiness by achieving or exceeding the test scores
1251 established by the state board and enroll in a Florida College
1252 System institution within 2 years after achieving such scores
1253 may not be required to retest or complete developmental
1254 education when admitted to any Florida College System
1255 institution. ~~Students who have been identified as requiring~~
1256 ~~additional preparation pursuant to subsection (1) shall enroll~~
1257 ~~in college-preparatory or other adult education pursuant to s.~~
1258 ~~1004.93 in Florida College System institutions to develop needed~~
1259 ~~college-entry skills. The State Board of Education shall specify~~
1260 ~~by rule provisions for alternative remediation opportunities and~~
1261 ~~retesting policies. These students shall be permitted to take~~
1262 ~~courses within their degree program concurrently in other~~
1263 ~~curriculum areas for which they are qualified while enrolled in~~
1264 ~~college-preparatory instruction courses. A student enrolled in a~~
1265 ~~college-preparatory course may concurrently enroll only in~~
1266 ~~college credit courses that do not require the skills addressed~~
1267 ~~in the college-preparatory course. A degree-seeking student who~~
1268 ~~is required to complete a college-preparatory course must~~
1269 ~~successfully complete the required college-preparatory studies~~
1270 ~~by the time the student has accumulated 12 hours of lower-~~
1271 ~~division college credit degree coursework; however, a student~~
1272 ~~may continue enrollment in degree-earning coursework provided~~
1273 ~~the student maintains enrollment in college-preparatory~~
1274 ~~coursework for each subsequent semester until college-~~

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1275 ~~preparatory coursework requirements are completed, and provided~~
1276 ~~the student demonstrates satisfactory performance in degree-~~
1277 ~~earning coursework. A student who has accumulated 12 college~~
1278 ~~credit hours and has not yet demonstrated proficiency in the~~
1279 ~~basic competency areas of reading, writing, and mathematics must~~
1280 ~~be advised in writing of the requirements for associate degree~~
1281 ~~completion and state university admission, including information~~
1282 ~~about future financial aid eligibility and the potential costs~~
1283 ~~of accumulating excessive college credit as described in s.~~
1284 ~~1009.286. Before a student is considered to have met basic~~
1285 ~~computation and communication skills requirements, the student~~
1286 ~~must demonstrate successful mastery of the required~~
1287 ~~developmental education competencies as defined in State Board~~
1288 ~~of Education rule. Credit awarded for college-preparatory~~
1289 ~~instruction may not be counted toward fulfilling the number of~~
1290 ~~credits required for a degree.~~
1291 (6) ~~(b)~~ A university board of trustees may contract with a
1292 Florida College System institution board of trustees for the
1293 Florida College System institution to provide developmental
1294 education ~~such instruction~~ on the state university campus. Any
1295 state university in which the percentage of incoming students
1296 requiring developmental education ~~college-preparatory~~
1297 ~~instruction~~ equals or exceeds the average percentage of such
1298 students for the Florida College System may offer such
1299 developmental education ~~college-preparatory instruction~~ without
1300 contracting with a Florida College System institution; however,
1301 any state university offering college-preparatory instruction as
1302 of January 1, 1996, may continue to provide such services.
1303 (7)(a) ~~(5)~~ The State Board of Education shall adopt rules by

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1304 January 1, 2014, to implement developmental education. The rules
1305 must include:
1306 1. Student achievements that may be considered by
1307 institutional boards, such as performance on college placement
1308 tests, grade point averages, work history, military experience,
1309 career interests, degree major declaration, or any combination
1310 thereof.
1311 2. Recommended options for students performing at levels
1312 indicating adult education as an appropriate place for students
1313 to develop needed college-entry academic skills.
1314 3. Sufficient flexibility for local professional judgment
1315 and determinations of appropriate student options for achieving
1316 necessary skills.
1317 4. Limits on credit course enrollment for students
1318 indicating the need for preparatory assistance in two or more
1319 content areas.
1320 (b) Local policies and practices set by each Florida
1321 College System institution board of trustees must outline the
1322 student achievements considered by the institution for placement
1323 determinations, identify instructional options available to
1324 students, and describe student costs and financial aid
1325 opportunities associated with each instructional option.
1326 Instructional options must, at a minimum, provide for enrollment
1327 of a student in a credit course either with or without
1328 institutionally required corequisite education, mastery-based
1329 instruction or accelerated pathways for developing skills, or
1330 enrolling in adult education to attain needed skills, as chosen
1331 by the student. Policies and practices must specify limits on
1332 credit course enrollment for students indicating the need for

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1333 preparatory assistance, outline retesting requirements, and
1334 identify options for students who choose to attain skills in
1335 adult education when such instruction is not provided by the
1336 Florida College System institution ~~A student may not be enrolled~~
1337 ~~in a college credit mathematics or English course on a dual~~
1338 ~~enrollment basis unless the student has demonstrated adequate~~
1339 ~~precollegiate preparation on the section of the basic~~
1340 ~~computation and communication skills assessment required~~
1341 ~~pursuant to subsection (1) that is appropriate for successful~~
1342 ~~student participation in the course~~.
1343 Section 16. Section 1008.322, Florida Statutes, is created
1344 to read:
1345 1008.322 Board of Governors oversight enforcement
1346 authority.—
1347 (1) The Board of Governors of the State University System
1348 shall oversee the performance of state university boards of
1349 trustees in the enforcement of laws, rules, and regulations.
1350 State university boards of trustees shall be primarily
1351 responsible for compliance with laws and Board of Governors'
1352 rules and regulations.
1353 (2) The Board of Governors' constitutional authority to
1354 operate, regulate, control, and be fully responsible for the
1355 management of the State University System mandates that the
1356 state universities comply with all requests by the Board of
1357 Governors for information, data, and reports. State university
1358 presidents are responsible for the accuracy of the information
1359 and data reported to the Board of Governors.
1360 (3) The Chancellor of the State University System may
1361 investigate allegations of noncompliance with law or Board of

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1362 Governors' rule or regulation and determine probable cause. The
1363 chancellor shall report determinations of probable cause to the
1364 Board of Governors, which may require the university board of
1365 trustees to document compliance with law or Board of Governors'
1366 rule or regulation.
1367 (4) If the university board of trustees cannot
1368 satisfactorily document compliance, the Board of Governors may
1369 order compliance within a specified timeframe.
1370 (5) If the Board of Governors determines that a state
1371 university board of trustees is unwilling or unable to comply
1372 with law or Board of Governors' rule or regulation or an audit
1373 recommendation within the specified time, the Board of
1374 Governors, in addition to actions constitutionally authorized,
1375 may initiate any of the following actions:
1376 (a) Withhold the transfer of state funds, discretionary
1377 grant funds, discretionary lottery funds, or any other funds
1378 appropriated to the Board of Governors by the Legislature for
1379 disbursement to the state university until the university
1380 complies with the law or Board of Governors' rule or regulation.
1381 (b) Declare the state university ineligible for competitive
1382 grants disbursed by the Board of Governors.
1383 (c) Require monthly or periodic reporting on the situation
1384 related to noncompliance until it is remedied.
1385 (d) Report to the Legislature that the state university is
1386 unwilling or unable to comply with law or Board of Governors'
1387 rule or regulation and recommend action to be taken by the
1388 Legislature.
1389 (6) This section does not create a private cause of action
1390 or create any rights for individuals or entities in addition to

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1391 those provided elsewhere in law, rule, or regulation.
1392 Section 17. Subsection (3) of section 1008.34, Florida
1393 Statutes, is amended to read:
1394 1008.34 School grading system; school report cards;
1395 district grade.—
1396 (3) DESIGNATION OF SCHOOL GRADES.—
1397 (a) Each school that has students who are tested and
1398 included in the school grading system shall receive a school
1399 grade, except as follows:
1400 1. A school shall not receive a school grade if the number
1401 of its students tested and included in the school grading system
1402 is less than the minimum sample size necessary, based on
1403 accepted professional practice, for statistical reliability and
1404 prevention of the unlawful release of personally identifiable
1405 student data under s. 1002.22 or 20 U.S.C. s. 1232g.
1406 2. An alternative school may choose to receive a school
1407 grade under this section or a school improvement rating under s.
1408 1008.341. For charter schools that meet the definition of an
1409 alternative school pursuant to State Board of Education rule,
1410 the decision to receive a school grade is the decision of the
1411 charter school governing board.
1412 3. A school that serves any combination of students in
1413 kindergarten through grade 3 which does not receive a school
1414 grade because its students are not tested and included in the
1415 school grading system shall receive the school grade designation
1416 of a K-3 feeder pattern school identified by the Department of
1417 Education and verified by the school district. A school feeder
1418 pattern exists if at least 60 percent of the students in the
1419 school serving a combination of students in kindergarten through

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1420 grade 3 are scheduled to be assigned to the graded school.
1421 (b)1. A school's grade shall be based on a combination of:
1422 a. Student achievement scores, including achievement as
1423 measured by FCAT assessments under s. 1008.22(3)(c)1.,
1424 statewide, standardized end-of-course assessments under s.
1425 1008.22(3)(c)2.a. and b., and achievement scores for students
1426 seeking a special diploma.
1427 b. Student learning gains in reading and mathematics as
1428 measured by FCAT and statewide, standardized end-of-course
1429 assessments, as described in s. 1008.22(3)(c)1. and 2.a.,
1430 including learning gains for students seeking a special diploma,
1431 as measured by an alternate assessment.
1432 c. Improvement of the lowest 25th percentile of students in
1433 the school in reading and mathematics on the FCAT or end-of-
1434 course assessments described in s. 1008.22(3)(c)2.a., unless
1435 these students are exhibiting satisfactory performance.
1436 2. Beginning with the 2011-2012 school year, for schools
1437 comprised of middle school grades 6 through 8 or grades 7 and 8,
1438 the school's grade shall include the performance and
1439 participation of its students enrolled in high school level
1440 courses with end-of-course assessments administered under s.
1441 1008.22(3)(c)2.a. Performance and participation must be weighted
1442 equally, except that added weight must be given to students who
1443 participate as a component of a certified schoolwide college
1444 readiness system that includes enrollment in an elective class
1445 recognized in the Course Code Directory and designed to provide
1446 students who are taking college preparatory or advanced courses
1447 with academic instruction and other support. As valid data
1448 becomes available, the school grades shall include the students'

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1449 attainment of national industry certification identified in the
1450 Industry Certification Funding List pursuant to rules adopted by
1451 the state board.
1452 3. Beginning with the 2009-2010 school year for schools
1453 comprised of high school grades 9, 10, 11, and 12, or grades 10,
1454 11, and 12, at least 50 percent of the school grade shall be
1455 based on a combination of the factors listed in sub-
1456 subparagraphs 1.a.-c. and the remaining percentage on the
1457 following factors:
1458 a. The high school graduation rate of the school;
1459 b. As valid data becomes available, the performance and
1460 participation of the school's students in College Board Advanced
1461 Placement courses, International Baccalaureate courses, dual
1462 enrollment courses, and Advanced International Certificate of
1463 Education courses; and the students' achievement of national
1464 industry certification identified in the Industry Certification
1465 Funding List, pursuant to rules adopted by the state board;
1466 c. Postsecondary readiness of all of the school's on-time
1467 graduates as measured by the SAT, the ACT, the Postsecondary
1468 Education Readiness Test, or the common placement test;
1469 d. The high school graduation rate of at-risk students, who
1470 are students scoring at Level 1 or Level 2 on grade 8 FCAT
1471 Reading and FCAT Mathematics;
1472 e. As valid data becomes available, the performance of the
1473 school's students on statewide, standardized end-of-course
1474 assessments administered under s. 1008.22(3)(c)2.c. and d.; and
1475 f. The growth or decline in the components listed in sub-
1476 subparagraphs a.-e. from year to year.
1477 (c) Student assessment data used in determining school

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1478 grades shall include:
1479 1. The aggregate scores of all eligible students enrolled
1480 in the school who have been assessed on the FCAT and statewide,
1481 standardized end-of-course assessments in courses required for
1482 high school graduation, including, beginning with the 2011-2012
1483 school year, the end-of-course assessment in Algebra I; and
1484 beginning with the 2012-2013 school year, the end-of-course
1485 assessments in geometry and Biology I; and beginning with the
1486 2014-2015 school year, on the statewide, standardized end-of-
1487 course assessment in civics education at the middle school
1488 level.
1489 2. The aggregate scores of all eligible students enrolled
1490 in the school who have been assessed on the FCAT and statewide,
1491 standardized end-of-course assessments as described in s.
1492 1008.22(3)(c)2.a., and who have scored at or in the lowest 25th
1493 percentile of students in the school in reading and mathematics,
1494 unless these students are exhibiting satisfactory performance.
1495 3. The achievement scores and learning gains of eligible
1496 students attending alternative schools that provide dropout
1497 prevention and academic intervention services pursuant to s.
1498 1003.53. The term "eligible students" in this subparagraph does
1499 not include students attending an alternative school who are
1500 subject to district school board policies for expulsion for
1501 repeated or serious offenses, who are in dropout retrieval
1502 programs serving students who have officially been designated as
1503 dropouts, or who are in programs operated or contracted by the
1504 Department of Juvenile Justice. The student performance data for
1505 eligible students identified in this subparagraph shall be
1506 included in the calculation of the home school's grade. As used

1507 in this subparagraph and s. 1008.341, the term “home school”
1508 means the school to which the student would be assigned if the
1509 student were not assigned to an alternative school. If an
1510 alternative school chooses to be graded under this section,
1511 student performance data for eligible students identified in
1512 this subparagraph shall not be included in the home school’s
1513 grade but shall be included only in the calculation of the
1514 alternative school’s grade. A school district that fails to
1515 assign the FCAT and statewide, standardized end-of-course
1516 assessment as described in s. 1008.22(3)(c)2.a. scores of each
1517 of its students to his or her home school or to the alternative
1518 school that receives a grade shall forfeit Florida School
1519 Recognition Program funds for 1 fiscal year. School districts
1520 must require collaboration between the home school and the
1521 alternative school in order to promote student success. This
1522 collaboration must include an annual discussion between the
1523 principal of the alternative school and the principal of each
1524 student’s home school concerning the most appropriate school
1525 assignment of the student.
1526 4. The achievement scores and learning gains of students
1527 designated as hospital- or homebound. Student assessment data
1528 for students designated as hospital- or homebound shall be
1529 assigned to their home school for the purposes of school grades.
1530 As used in this subparagraph, the term “home school” means the
1531 school to which a student would be assigned if the student were
1532 not assigned to a hospital- or homebound program.
1533 5. For schools comprised of high school grades 9, 10, 11,
1534 and 12, or grades 10, 11, and 12, the data listed in
1535 subparagraphs 1.-3. and the following data as the Department of

1536 Education determines such data are valid and available:
1537 a. The high school graduation rate of the school as
1538 calculated by the department;
1539 b. The participation rate of all eligible students enrolled
1540 in the school and enrolled in College Board Advanced Placement
1541 courses; International Baccalaureate courses; dual enrollment
1542 courses; Advanced International Certificate of Education
1543 courses; and courses or sequences of courses leading to national
1544 industry certification identified in the Industry Certification
1545 Funding List, pursuant to rules adopted by the State Board of
1546 Education;
1547 c. The aggregate scores of all eligible students enrolled
1548 in the school in College Board Advanced Placement courses,
1549 International Baccalaureate courses, and Advanced International
1550 Certificate of Education courses;
1551 d. Earning of college credit by all eligible students
1552 enrolled in the school in dual enrollment programs under s.
1553 1007.271;
1554 e. Earning of a national industry certification identified
1555 in the Industry Certification Funding List, pursuant to rules
1556 adopted by the State Board of Education;
1557 f. The aggregate scores of all eligible students enrolled
1558 in the school in reading, mathematics, and other subjects as
1559 measured by the SAT, the ACT, the Postsecondary Education
1560 Readiness Test, and the common placement test for postsecondary
1561 readiness;
1562 g. The high school graduation rate of all eligible at-risk
1563 students enrolled in the school who scored at Level 2 or lower
1564 on grade 8 FCAT Reading and FCAT Mathematics;

1565 h. The performance of the school's students on statewide,
1566 standardized end-of-course assessments administered under s.
1567 1008.22(3)(c)2.c. and d.; and
1568 i. The growth or decline in the data components listed in
1569 sub-subparagraphs a.-h. from year to year.
1570
1571 The State Board of Education shall adopt appropriate criteria
1572 for each school grade. The criteria must also give added weight
1573 to student achievement in reading and for students who
1574 participate in rigorous courses as described in sub-subparagraph
1575 5.b. as a part of a schoolwide college readiness system that
1576 includes enrollment in an elective class recognized in the
1577 Course Code Directory and designed to provide students who are
1578 taking college preparatory or advanced courses with academic
1579 instruction and other support. Schools earning a grade of "C,"
1580 making satisfactory progress, shall be required to demonstrate
1581 that adequate progress has been made by students in the school
1582 who are in the lowest 25th percentile in reading and mathematics
1583 on the FCAT and end-of-course assessments as described in s.
1584 1008.22(3)(c)2.a., unless these students are exhibiting
1585 satisfactory performance. For schools comprised of high school
1586 grades 9, 10, 11, and 12, or grades 10, 11, and 12, the criteria
1587 for school grades must also give added weight to the graduation
1588 rate of all eligible at-risk students. In order for a high
1589 school to earn a grade of "A," the school must demonstrate that
1590 its at-risk students, as defined in this paragraph, are making
1591 adequate progress.
1592 Section 18. Subsection (2) of section 1008.37, Florida
1593 Statutes, is amended to read:

1594 1008.37 Postsecondary feedback of information to high
1595 schools.—
1596 (2) No later than November 30 of each year, the
1597 Commissioner of Education shall report, by high school, to the
1598 State Board of Education, the Board of Governors, and the
1599 Legislature~~, no later than November 30 of each year,~~ on the
1600 number of prior-year ~~prior year~~ Florida high school graduates
1601 who enrolled for the first time in public postsecondary
1602 education in this state during the previous summer, fall, or
1603 spring term. The report must include~~, indicating~~ the number of
1604 students whose scores on the common placement test that is
1605 required under s. 1008.30, indicate ~~indicated~~ the need to attain
1606 communication and computation skills through developmental
1607 education options offered by a public postsecondary institution
1608 or through ~~for remediation through college-preparatory or~~
1609 vocational-preparatory instruction pursuant to s. 1004.91 or s.
1610 1008.30.
1611 Section 19. Paragraph (a) of subsection (3) of section
1612 1009.22, Florida Statutes, is amended to read:
1613 1009.22 Workforce education postsecondary student fees.—
1614 (3)(a) Except as otherwise provided by law, fees for
1615 students who are nonresidents for tuition purposes must offset
1616 the full cost of instruction. Residency of students shall be
1617 determined as required in s. 1009.21. Fee-nonexempt students
1618 enrolled in vocational-preparatory instruction shall be charged
1619 fees equal to the fees charged for adult general education
1620 programs. ~~Each Florida College System institution that conducts~~
1621 ~~college-preparatory and vocational-preparatory instruction in~~
1622 ~~the same class section may charge a single fee for both types of~~

1623 ~~instruction.~~
1624 Section 20. Subsection (1), paragraph (a) of subsection
1625 (3), and subsection (10) of section 1009.23, Florida Statutes,
1626 are amended to read:
1627 1009.23 Florida College System institution student fees.—
1628 (1) Unless otherwise provided, this section applies only to
1629 fees charged for college credit instruction leading to an
1630 associate in arts degree, an associate in applied science
1631 degree, an associate in science degree, or a baccalaureate
1632 degree authorized pursuant to s. 1007.33, for developmental
1633 education ~~noncollege credit college preparatory courses~~ defined
1634 in s. 1004.02, and for educator preparation institute programs
1635 defined in s. 1004.85.
1636 (3)(a) Effective July 1, 2011, for advanced and
1637 professional, postsecondary vocational, ~~college preparatory,~~ and
1638 educator preparation institute programs, the standard tuition is
1639 ~~shall be~~ $68.56 per credit hour for residents and nonresidents,
1640 and the out-of-state fee is ~~shall be~~ $205.82 per credit hour.
1641 (10) Each Florida College System institution board of
1642 trustees is authorized to establish a separate fee for
1643 technology, which may not exceed 5 percent of tuition per credit
1644 hour or credit-hour equivalent for resident students and may not
1645 exceed 5 percent of tuition and the out-of-state fee per credit
1646 hour or credit-hour equivalent for nonresident students.
1647 Revenues generated from the technology fee shall be used to
1648 enhance instructional technology resources for students and
1649 faculty. The technology fee may ~~apply to both college credit and~~
1650 ~~college-preparatory instruction and shall~~ not be included in any
1651 award under the Florida Bright Futures Scholarship Program.

1652 Fifty percent of technology fee revenues may be pledged by a
1653 Florida College System institution board of trustees as a
1654 dedicated revenue source for the repayment of debt, including
1655 lease-purchase agreements, not to exceed the useful life of the
1656 asset being financed. Revenues generated from the technology fee
1657 may not be bonded.
1658 Section 21. Subsection (11) is added to section 1009.26,
1659 Florida Statutes, to read:
1660 1009.26 Fee waivers.—
1661 (11) A Florida College System institution that offers a
1662 baccalaureate degree for state residents for which the cost of
1663 tuition and specified fees does not exceed $10,000 for the
1664 entire degree program may waive any portion or all of the
1665 following fees for that degree: tuition, the activity and
1666 service fee, the financial aid fee, the technology fee, the
1667 capital improvement fee, and the distance-learning fee. The
1668 Legislature encourages colleges to include at least one industry
1669 certification from the Postsecondary Industry Certification
1670 Funding List in a degree program for which such waivers are
1671 granted.
1672 Section 22. Section 1009.28, Florida Statutes, is repealed.
1673 Section 23. Section 1009.285, Florida Statutes, is amended
1674 to read:
1675 1009.285 Fees for repeated enrollment in college-credit
1676 courses.—A student enrolled in the same undergraduate college-
1677 credit course more than once, except for students enrolled in a
1678 gateway course for an extended period of time under s. 1008.30,
1679 must ~~twice shall~~ pay tuition at 100 percent of the full cost of
1680 instruction, and may not be ~~and shall not be~~ included in

1681 calculations of full-time equivalent enrollments for state
1682 funding purposes. However, students who withdraw or fail a class
1683 due to extenuating circumstances may be granted an exception
1684 only once for each class if~~, provided~~ that approval is granted
1685 according to policy established by the Florida College System
1686 institution board of trustees or the university board of
1687 trustees. Each Florida College System institution and state
1688 university may review and reduce fees paid by students due to
1689 continued enrollment in a college-credit class on an individual
1690 basis contingent upon the student's financial hardship. For
1691 purposes of this section, first-time enrollment in a class means
1692 ~~shall mean~~ enrollment in a class beginning fall semester 1997,
1693 and calculations of the full cost of instruction is ~~shall be~~
1694 based on the systemwide average of the prior year's cost of
1695 undergraduate programs for the Florida College System
1696 institutions and the state universities. Boards of trustees may
1697 make exceptions to this section for individualized study,
1698 elective coursework, courses that are repeated as a requirement
1699 of a major, and courses that are intended as continuing over
1700 multiple semesters, excluding the repeat of coursework more than
1701 once ~~two times~~ to increase grade point average or meet minimum
1702 course grade requirements.
1703 Section 24. Paragraph (g) of subsection (4) of section
1704 1009.286, Florida Statutes, is amended to read:
1705 1009.286 Additional student payment for hours exceeding
1706 baccalaureate degree program completion requirements at state
1707 universities.—
1708 (4) For purposes of this section, credit hours earned under
1709 the following circumstances are not calculated as hours required

1710 to earn a baccalaureate degree:
1711 (g) ~~Remedial and~~ English as a Second Language credit hours.
1712 Section 25. Subsection (3) of section 1009.40, Florida
1713 Statutes, is amended to read:
1714 1009.40 General requirements for student eligibility for
1715 state financial aid awards and tuition assistance grants.—
1716 (3) Undergraduate students are eligible to receive
1717 financial aid for a maximum of 8 semesters or 12 quarters.
1718 However, undergraduate students participating in developmental
1719 education and ~~college-preparatory instruction, students~~
1720 ~~requiring additional time to complete the college-level~~
1721 ~~communication and computation skills testing programs, or~~
1722 students enrolled in a 5-year undergraduate degree program are
1723 eligible to receive financial aid for a maximum of 10 semesters
1724 or 15 quarters.
1725 Section 26. Subsection (10) of section 1009.53, Florida
1726 Statutes, is amended to read:
1727 1009.53 Florida Bright Futures Scholarship Program.—
1728 (10) Funds from any scholarship within the Florida Bright
1729 Futures Scholarship Program may not be used to pay for
1730 developmental education ~~remedial or college-preparatory~~
1731 ~~coursework~~.
1732 Section 27. Subsection (7) of section 1009.531, Florida
1733 Statutes, is repealed.
1734 Section 28. Paragraph (b) of subsection (1) and subsection
1735 (5) of section 1011.84, Florida Statutes, are amended to read:
1736 1011.84 Procedure for determining state financial support
1737 and annual apportionment of state funds to each Florida College
1738 System institution district.—The procedure for determining state

1739 financial support and the annual apportionment to each Florida
1740 College System institution district authorized to operate a
1741 Florida College System institution under the provisions of s.
1742 1001.61 shall be as follows:
1743 (1) DETERMINING THE AMOUNT TO BE INCLUDED IN THE FLORIDA
1744 COLLEGE SYSTEM PROGRAM FUND FOR THE CURRENT OPERATING PROGRAM.—
1745 (b) The allocation of funds for Florida College System
1746 institutions is ~~shall be~~ based on advanced and professional
1747 disciplines, developmental education ~~college-preparatory~~
1748 ~~programs~~, and other programs for adults funded pursuant to s.
1749 1011.80.
1750 (5) REPORT OF DEVELOPMENTAL ~~REMEDIAL~~ EDUCATION.—Each
1751 Florida College System institution board of trustees shall
1752 report, as a separate item in its annual cost accounting system,
1753 the volume and cost of developmental education options provided
1754 to help students attain the communication and computation skills
1755 that are essential for college-level work pursuant to s. 1008.30
1756 ~~remedial education activities as a separate item in its annual~~
1757 ~~cost accounting system~~.
1758 Section 29. This act shall take effect July 1, 2013.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/CS/SB 1720

INTRODUCER: Committee on Appropriations (Recommended by Appropriations Subcommittee on Education); Education Committee; and Senator Galvano

SUBJECT: Education

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Klebacha	ED	**Fav/CS**
2.	Bryant	Elwell	AED	**Fav/CS**
3.	Elwell	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/CS/SB 1720 enhances the delivery of postsecondary education in Florida by providing students better access to degree programs and by establishing standards for university research preeminence.

The Board of Governors (BOG) and the Department of Education (DOE) may have to reprioritize their use of existing funding to implement various provisions in the bill. Additionally, because the bill repeals the authorization for Florida College System institutions to offer non-credit college preparatory courses, the colleges will no longer incur the direct instructional costs associated with these courses, which was approximately $67.9 million in 2011-12. This bill implements funding decisions contained in the 2013-2014 Proposed General Appropriations Bill.

The enhancements for delivery of postsecondary education include:

- Requiring flexibility in the delivery of developmental education by Florida College System institutions to permit students to begin credit courses immediately while they simultaneously develop the particular skills they need to successfully perform college work;
- Allowing Florida colleges to waive all or a portion of tuition and fees in order to provide a bachelor's degree program to Florida residents for $10,000;
- Establishing the academic and research excellence standards for the Preeminent State Research Universities Program;
- Requiring the state university that attains the highest level of excellence on the preeminence standards to create an institute for on-line learning; and
- Establishing the Degree Completion Pilot Program as a permanent degree completion program called Complete Florida Degree Program.

In addition, the bill:

- Repeals the requirement that Bright Futures Scholarship recipients must file a Free Application for Student Financial Aid (FASFA) form, codifies the authority of the Board of Governors over state universities in regard to audit findings, and revises general education requirements.
- Repeals authorization Florida College System Institutions to offer non-credit college preparatory (remedial) courses.
- Replaces the Board of Governors as lessor with the University of South Florida Board of Trustees for the use of certain university lands and facilities by the H. Lee Moffitt Cancer Center and Research Institute (Moffitt).

The bill takes effect July 1, 2013.

The bill substantially amends the following sections of the Florida Statutes: 11.45, 1001.02, 1001.64, 1004.02, 1004.58, 1004.93, 1006.735, 1007.23, 1007.25, 1007.263, 1007.271, 1008.30, 1008.34, 1008.37, 1009.22, 1009.23, 1009.26, 1009.285, 1009.286, 1009.40, 1009.53, 1009.531, and 1011.84.

The bill creates the following sections of the Florida Statutes:. 288.126, 1001.7065, 1002.312, 1008.02, and 1008.322.

The bill repeals section 1009.28, Florida Statutes.

II. Present Situation:

College Remediation

All first-time-in-college (FTIC) degree-seeking students, who have not already demonstrated college readiness, must be evaluated in reading, writing, and math prior to initial registration in a public postsecondary educational institution.[1] Students may demonstrate college readiness by meeting specified cut scores on one of four approved assessment tools.[2]

[1] Rule 6A-10.0315(1), F.A.C.
[2] Rule 6A-10.0315(1), (2), F.A.C.

Students who are unable to achieve any of the cut scores established by rule must enroll in developmental (also known as remedial or college-preparatory) instruction courses. A degree-seeking student who is required to complete a developmental education course must successfully complete the required developmental education studies by the time the student has accumulated 12 hours of lower-division college credit degree coursework; however, a student may continue enrollment in degree-earning coursework provided the student maintains enrollment in college-preparatory coursework for each subsequent semester until college-preparatory coursework requirements are completed.[3]

The vast majority of students needing developmental education attend Florida College System (FCS) institutions. With the exception of Florida Agricultural and Mechanical University, state universities are not permitted to offer developmental education courses but may contract with FCS institutions to provide developmental education services for their students in need of remediation.[4]

The practice of requiring students to enroll in non-credit remedial classes before attempting college classes for credit frequently does not lead to student success. Complete College America reports that, "Graduation rates for students who started in remediation are deplorable: Fewer than 1 in 10 graduate from community colleges within three years and little more than a third complete bachelor's degrees in six years."[5] Complete College America, Inc. recommends that extra academic help be a corequisite, not a prerequisite, to college credit instruction.[6] A joint statement by the Charles A. Dana Center, Complete College America, Inc., the Education Commission of the States, and Jobs for the Future, calls for new core principals to reform remedial education that include completing gateway courses that align with the student's program of study, integrating academic support with a gateway college-credit course, requiring students to enter a meta-major when they enroll in college and begin a program of study in their first year, using multiple measures to assess students' preparedness for college-level work, and providing accelerated routes for students who are significantly underprepared to enter programs of study.[7]

BOG Authority Over State Universities

The Auditor General is required to annually conduct financial audits of state universities, and at least every three years, conduct operational audits.[8] The audits determine whether financial resources are properly accounted for; whether public officials comply with applicable laws, rules, regulations and other legal requirements; whether proper and effective internal controls are in place over operations; and whether assets are appropriately safeguarded.

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[3] s. 1008.30(4)(a), F.S.
[4] s. 1008.30(4)(b), F.S.
[5] "Remediation: Higher Education's Bridge to Nowhere", Complete College America, Inc., 2012, p. 3, readable at : http://www.completecollege.org/docs/CCA-Remediation-final.pdf
[6] *Ibid.*, p. 3.
[7] "Core Principals for Transforming Remedial Education: A Joint Statement, Charles A. Dana Center, Complete College America, Inc., the Education Commission of the States, and Jobs for the Future, December 2012, p. 6., readable at: http://www.ecs.org/docs/STATEMENTCorePrinciples.pdf
[8] s. 11.45(2), F.S.

BOG Regulation 1.001 requires each board of trustees to establish an audit committee and appropriate policies and procedures for conducting audits of university operations. In addition to internal audits, pursuant to section 11.45(7)(j), F.S., the Auditor General is required to notify the Joint Legislative Audit Committee (JLAC) of any audit review that indicates a state university has failed to take corrective action in response to a recommendation that was included in the two preceding audit reports. If the JLAC determines that the university has failed to take full corrective action for which there is no justifiable reason or has failed to comply with committee requests, the committee may proceed under section 11.40(2), F.S. While section 11.40(2), F.S. provides for JLAC to refer these matters to the appropriate governing authorities for charter schools and special districts, the statute does not address referral to the Board of Governors for university-related matters or to the State Board of Education for college-related matters.

Under s. 1008.32, F.S., the State Board of Education's (SBE) oversight enforcement authority for the Florida College System (FCS) includes the authority to request information, data, and reports from FCS institutions. The Commissioner of Education may investigate allegations of noncompliance with law or SBE rule and determine probable cause and report such findings to the SBE. Once a determination of probable cause for violation of a law or rule is reported to the SBE, the SBE must require the FCS institution's board of trustees to document compliance with the law or rule. If the board of trustees cannot satisfactorily document compliance, the SBE may order compliance within a specified time frame.

Preeminent State Research University/On-line University

The 2012 Legislature provided funds to the Board of Governors to obtain the services of a consulting firm that would study on-line education in Florida. Through a competitive bidding process, the contract was awarded to The Parthenon Group. The Scope of Services provided that the study would include, among other requirements, a description of the nature and extent of existing on-line postsecondary programs in Florida; an assessment of educational opportunities needed to boost Florida's economy; options for expanding the awarding of degrees; and, for each option, a ten-year plan for start-up and operating costs, enrollments, degree production, and revenue generated.[9] The report by the Parthenon Group provided four options for on-line postsecondary programs: institutions continuing to independently offer on-line courses and programs; coordinating on-line education state-wide through a single coordinating body; having a lead institution drive the development of new on-line offerings in targeted degrees; or creating a new on-line institution.[10]

The BOG Strategic Planning committee discussed the findings of the Parthenon report and heard testimony from various experts in on-line programs. The committee recommended that the BOG:

- Use the Strategic Plan preeminence metrics to designate the university which would create a separate arm to provide on-line degree programs of the highest quality, and that funds be requested of the Legislature to support such an effort. The preeminence metrics would be those passed by the 2012 Legislature and approved by the Board for use in the 2012-2013 university work plans. Further, the selected university would create an innovation and

[9] Florida Board of Governors, http://www.flbog.edu/resources/publications/on-line_university.php
[10] "Summary: Post-Secondary On-line Expansion in Florida", The Parthenon Group, November 7, 2012.

research center to (1) ensure the State is a leader in the development of cutting-edge technology and instructional design for the on-line programs and (2) conduct research that would help strengthen on-line degree programs and the success of on-line students.

- Direct the Chancellor to form a system wide work group that would report back to the Strategic Planning Committee and continue to work with our colleges and universities and the other delivery systems to determine ways in which services and on-line degree programs, including market-based job analyses, can be better coordinated to ensure state and student needs are being met in a cost-efficient and effective manner.[11]

In a February 21, 2103 conference call the BOG approved the Strategic Planning Committee's recommendations.

Currently, 10 of Florida's 12 state universities offer on-line courses and on-line degree programs. Each institution has its own, independent on-line strategy, with its own marketing, course design, instruction, support services, and IT capabilities. System wide, state universities offer a total of 389 on-line programs for undergraduate and graduate certificates, bachelor's degrees, master's degrees, and doctorate degrees. Of the 389 on-line programs currently offered by state universities, only 46 are baccalaureate programs. The majority of these consist of only upper-division courses.[12]

Performance Metrics

The SUS Annual Accountability Report includes metrics including, but not limited to, student retention, graduation rates, degrees granted by level, research expenditures, patents and licenses, and national rankings which are included in university work plans. In addition, the average high school grade point average (GPA) and average SAT scores for each university are calculated annually and published as part of the State University System on-line Fact Book. Additionally, universities regularly report data on performance to a number of nationally recognized organizations including the National Science Foundation (NSF) and the Center for Measuring University Performance[13]

Currently, students who enroll at state universities frequently bring with them several hours of accelerated college credit earned through Advanced Placement (AP), International Baccalaureate (IB), or dual enrollment courses while in high school. Florida law and the Statewide Articulation Agreement require that these students be given college credit for any such course that counts towards their degree.

$10,000 College Degree at Florida College System Institutions

On November 26, 2012, Florida Governor Rick Scott issued a challenge to the FCS institutions to develop baccalaureate degree programs that would cost students no more than a total of

[11] Florida Board of Governors, http://www.flbog.edu/documents_meetings/0176_0683_5273_204%20BOG_SPC%20On-line%20Ed_AI.pdf
[12] Florida Board of Governors bill analysis for SB 1720, on file with the Senate Education Committee.
[13] *Ibid.*

$10,000.[14] All 23 Florida College System institutions currently offering baccalaureate degree programs have announced their support for the challenge[15].
Florida College System institution boards of trustees establish the rate of tuition and out-of-state fees for their respective institutions within parameters established by the Legislature. The rate established by the board of trustees may vary by up to 15 percent above or 10 percent below the combined total of the standard tuition and fees set by law.[16] Tuition and out-of-state fees for upper-division courses must reflect the fact that FCS institutions have a less expensive cost structure than that of state universities.[17] Florida College System boards of trustees are authorized to establish a number of fees including an activity and service fee, financial aid fee, technology fee, and capital improvement fee.[18]

Degree Completion Pilot Project

The 2012 Legislature created the Degree Completion Pilot Project to recruit, recover, and retain the state's adult learners and assist them in completing an associate or baccalaureate degree that is aligned to high-wage, high-skill workforce needs[19]. The Pilot is led by the University of West Florida, in collaboration with other FCS and SUS institutions statewide. However, funding for the pilot, set by the 2012 General Appropriations Act at approximately $2.5 million, was vetoed by the Governor.\

H. Lee Moffitt Cancer Center and Research Institute

Moffitt utilizes certain USF property and facilities pursuant to a 1994 sublease with the Board of Regents for a term of fifty years. When the Board of Regents was abolished in 2001, the leasehold interest transferred to the Florida Board of Education by a Type Two transfer. Subsequently, when the Board of Governors was created in 2003, the Board delegated authority to the university boards of trustees to enter into lease agreements for campus lands. As a result, by operation of law, the leasehold interest in the Moffitt sublease transferred to the USF Board of Trustees. Pursuant to the sublease, Moffitt is required to submit all construction plans and specifications to USF for review for consistency with the USF campus master plan and other elements

General Education Requirements

The 2012 Legislature reduced the number of required general education course credit hours from 36 to 30, for the purpose of providing institutions with flexibility in developing a solid foundation for students enrolled in their undergraduate programs, beginning with students initially entering a FCS institution or state university in 2014-2015.[20] However, the Southern Association of Colleges and Schools (SACS) Commission on Colleges informed institutions that

[14] Executive Office of the Governor, news release, readable at: http://www.flgov.com/2012/11/26/governor-rick-scott-announces-governors-10000-degree-challenge-to-make-college-more-affordable/
[15] Executive Office of the Governor, news release, readable at: http://www.flgov.com/2013/01/28/gov-scott-announces-all-23-florida-state-colleges-with-baccalaureate-degrees-have-accepted-10k-degree-challenge/
[16] s. 1009.23(4), F.S.
[17] s.1009.23(2)(b), F.S.
[18] s. 1009.23, F.S.
[19] s. 1006.735, F.S.
[20] ch. 2012-195, L.O.F.

a reduction in general education credit hours would constitute a substantive change requiring SACS approval. Each FCS institution and state university would be required, for accreditation purposes, to submit to SACS formal notice of the reduction at least six months in advance of implementation in 2013.

FASFA Requirement

The 2011 Legislature required students who receive funds under the Florida Bright Futures Scholarship Program, the William L. Boyd, IV, Florida resident access grant (FRAG), and the Access to Better Learning and Education (ABLE) Grant Program, to submit a complete and error-free Free Application for Federal Student Aid (FAFSA) as a condition of eligibility. The Bright Futures Scholarship is a merit scholarship, whereas the FRAG and ABLE grants are tuition assistance payments that are not based on merit or need The Legislature required students to submit the FASFA to gather more comprehensive data on students who are provided state student financial aid in programs that are not based on the student's financial need. Some parents of Bright Futures Scholarships complained that they did not want to be compelled to disclose family financial information in order for their child to be eligible for a merit-based scholarship.

High School Grades[21]

For Florida's high school grading system, the state assessment-based components are weighted at 50 percent of the high school grade,[22] while the other 50 percent of the available school grade points are weighted toward component areas that directly measure, or are otherwise essential to, career and college readiness (i.e., graduation rate, participation and performance in advanced curricula, including national industry certifications), and postsecondary readiness in reading and mathematics.[23] These additional components for measuring high school performance were implemented beginning in 2009-2010 to provide a more comprehensive measure of high schools' effectiveness in preparing students for success after graduation.

The high school grading formula includes points for accelerated coursework participation and performance for students in grades 9-12, which is based on Advanced Placement (AP), International Baccalaureate (IB), Advanced international Certificate of Education Program (AICE), dual enrollment, and industry certification[24] exams and courses.[25]

Research Universities

The significance and status of university research is measured in a number of ways: by the accomplishments of its research faculty, the volume of research conducted at the institution, and the amount of funds expended on research, among other measures. In the United States, rankings of universities by the Carnegie Foundation for the Advancement of Teaching,[26] the Center for

[21] s. 1008.34(3)(b), F.S.
[22] s. 1008.34(3)(b)1., F.S.
[23] s. 1008.34(3)(b)3., F.S.
[24] Industry courses and exams are those leading to national industry certification identified in the Industry Certification Funding List, pursuant to SBE rules.
[25] s. 1008.34(3)(b)3.b., F.S.
[26] http://classifications.carnegiefoundation.org/index.php?key=782

Measuring University Performance,[27] and U.S. News and World Report[28] contribute to the public perception of a research university's standing in relation to other universities. The University of Florida is the only one of Florida's state universities in the Association of American Universities (AAU),[29] an organization of 61 top research universities in the United States and Canada.

III. Effect of Proposed Changes:

Remedial Education in Colleges and Universities

CS/CS/SB 1720 replaces college preparatory instruction with developmental education. The bill repeals the authority for Florida College System institutions to provide college preparatory instruction as stand-alone non-credit courses and requires instead developmental education—skill-building instruction—that is co-requisite with credit courses. The bill repeals the authorization for institutions to use Florida College System program funds for remedial education and authorizes using the funds for developmental education.

The bill changes requirements related to testing, placement, and instructional requirements and options for preparing students with communication and computation skills necessary to succeed in college-level work and directs state and local boards to develop rules and requirements to implement the change from college preparatory education to developmental education.

Developmental education may be implemented through an accelerated course structure which allows students to attain specific skills at their own pace and through co-requisite education, which means that developmental education is required along with a credit course. Developmental education may be provided through modularized instruction or embedded in the credit-bearing course. The credit course may be offered over an extended period of time, such as two semesters instead of one. Entering students will be able to enroll in gateway courses, the entry-level courses for their meta-major. A meta-major is a group of programs of study that share common foundational skills. By October 1, 2013, The State Board of Education in conjunction with the BOG must approve a series of meta-majors and identify the gateway courses required for success in each meta-major.

By January 1, 2014, the State Board of Education must adopt rules to implement developmental education which must include:

- Student achievements that may be considered by institutional boards, such as performance on college placement tests, grade point averages, work history, military experience, career interests, degree major declaration;
- Recommended options for students performing at levels indicating adult education as an appropriate place for students to develop needed college-entry skills;
- Sufficient flexibility for local professional judgment and determinations of appropriate student options for achieving necessary skills; and
- Limits on credit course enrollment for students indicating the need for college preparatory assistance in two or more content areas.

[27] http://mup.asu.edu/research.html
[28] http://colleges.usnews.rankingsandreviews.com/best-colleges
[29] http://www.aau.edu

The bill authorizes colleges to charge fees for developmental education and repeals the authorization to charge fees for non-credit remedial courses. The current requirement for a student to pay 100 percent of the cost of a college-credit course after taking the course twice is changed to require a student to pay 100% of cost of instruction after taking a credit course once except for students enrolled in a gateway course.

$10,000 College Degree at Florida College System Institutions

The bill authorizes a Florida College System institution to waive any or all of tuition and the fees that are indexed to tuition, plus the distance-learning user fee when applicable, in order to provide a baccalaureate degree for Florida residents that costs no more than $10,000 for tuition and specified fees.

Repeal of FASFA Requirement for Bright Futures Scholarship Recipients

The bill repeals the requirement for Bright Futures Scholarship recipients to submit a Free Application for Federal Student Aid (FAASFA) form in order to be eligible to receive the scholarship.

Preeminent University/On-line Postsecondary Education

The bill grants the BOG authority to designate a qualifying institution as a preeminent state research university if it has met the benchmarks for 11 of the 12 specified standards. The state university that has attained the highest level on the academic and research standards for preeminence must establish an institute for on-line learning The bill requires the BOG to convene an advisory board to support the development of high-quality, fully on-line baccalaureate degree programs. Membership of the institute's advisory board is specified, with appointments being made by the Governor, the Senate President, the House Speaker, and the Board of Governors. The chair of the Board of Governors or the chair's designee serves as a member The president of the preeminent university must be consulted on the advisory board appointments.

By September 1, 2013, the university must submit to the advisory board a comprehensive plan to expand high-quality, on-line baccalaureate degree programs. The plan must include: (1) existing courses and new courses that will be offered on-line; (2) a tuition and fee structure that costs Florida resident students no more than 75 percent of the tuition rate specified in the General Appropriations Act or of the tuition differential in s. 1009.24(16), F.S., (3) a timeline and budget for implementing the on-line institute, and (4) detailed strategies for ensuring the success of students and the sustainability of the program. The tuition for non-resident students may be set at market rate.

The university shall begin offering fully online baccalaureate programs by January 2014. The programs shall accept full-time, first-time-in-college students using the same rigorous admission standards as equivalent on-campus degree programs, and they must provide multiple opportunities for students to enroll throughout the year. The university must accept advance payment contracts and financial aid for the on-line programs. In addition, the university must use

50 percent of the net revenue generated from the on-line institute to enrich the on-line institute's offerings, and 50 percent to enhance the university's campus state-of-the-art research programs and facilities.

Support for Preeminent Universities

The state research university that attains the highest level on the excellence standards must submit to the BOG a five year benchmark plan with target rankings on key performance metrics. Upon approval by the BOG, and if the university meets the benchmark goals annually, the BOG must award the university funds for the purpose of meeting the benchmark goals as provided in the General Appropriations Act.

The state research university that attains the second highest level on the academic and research standards for preeminence must submit to the BOG a 5-year benchmark plan for reaching targeted rankings on key performance metrics for national excellence. If the university meets the benchmark goals annually, the BOG must award the university funding as provided in the General Appropriations Act to recruit National Academy Members, expedite provision of a master's degree in cloud virtualization, and institute an entrepreneurs-in-residence program throughout its campus.

Preeminent State Research University Special Courses

The bill authorizes a preeminent state research university to establish special course requirements for incoming first-time-in-college students to take a 9-to-12 credit set of courses specifically determined by the university. The university may stipulate that credit for such courses may not be earned through any acceleration mechanism pursuant to ss. 1007.27 or 1007.271, F.S., or other transfer credit. Any accelerated credits earned up to the limits specified in ss. 1007.27 and 1007.271, F.S., must be applied toward graduation at the student's request.

University Flexibility

The Board of Governors is encouraged to identify and grant all reasonable feasible authority and flexibility to ensure that a designated preeminent state research university is free from unnecessary restrictions. The bill also encourages the Board of Governors to establish standards and measures for identifying individual programs within state universities that objectively reflect national excellence and to make recommendations to the Legislature as to how any such programs could be enhanced and promoted.

H. Lee Moffitt Cancer Center and Research Institute

The bill aligns law with the current leasehold arrangement between USF and Moffitt for USF campus lands, facilities, and new construction. The Board of Governors retains some oversight authority over Moffitt operations by virtue of the new annual reporting requirement on educational activities, the Board Chair's ex officio seat on the board of directors, approval of the creation of any for-profit or non-profit subsidiaries, and submission of financial audit reports.

Revision of General Education Requirements

The bill extends implementation of the revised core course requirements for one year, from 2014-15 to 2015-16. This extension will allow additional time for each institution's faculty review, approval, and implementation processes for academic curricular revisions to occur. The bill also allows for the inclusion of an additional core course option, if recommended by a faculty discipline committee and approved by the Articulation Coordinating Committee. This amendment will provide a deliberative process for specific courses to be reviewed and proposed for inclusion in the general education core under the oversight of faculty in each academic discipline.

The bill reinstates the general education credit hour requirement to 36 semester hours from the proposed 30 hours. The core general education requirements will remain at 15 semester hours while the institutionally-specific portion will be provided the additional six hours of flexibility, thereby raising that component of the general education requirements to 21 semester hours. The reinstatement of the 36 credit hour requirement will also address accreditation concerns identified by SACS.

High School Grades

The bill revises the procedure for calculating high school grades to require that equal weight be assigned to the participation and performance of students who participate in a certified school-wide college readiness system that includes enrollment in an elective class recognized in the Course Code Directory. The course must be designed to provide students who are taking college preparatory or advanced course with academic instruction and other support.

BOG Oversight of Universities

The bill provides the Board of Governors with the same oversight enforcement authority over state universities that the SBE has over FCS institutions. The bill amends s. 1008.32, F.S., to conform language concerning the withholding of discretionary lottery funds to new s. 1008.322, F.S. The bill also provides for the JLAC to refer college and university-related matters to the SBE and Board of Governors, respectively, in the event JLAC determines that a college or university has failed to take full corrective action.

Complete Florida Degree Program

The Degree Completion Pilot Project is renamed as the Complete Florida Degree Program, and the implementation date is changed to 2013-2014, with a project work plan being submitted by September 1, 2013. The University of West Florida remains the lead institution and is directed to coordinate with other Florida College System institutions, state universities, and private postsecondary institutions in the implementation of the program. Language is deleted which would have transferred the pilot to the Florida Virtual Campus.

An evaluation report must be submitted to the participating institutions, the chairs of the legislative appropriations committees, and the Executive Office of the Governor. A detailed

project plan is to be submitted to the chairs of the legislative appropriations committee, but no mention is made of the chancellors or their respective boards.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The options provided to students in this bill—more flexibility in achieving necessary academic skills while earning college credit, increased options for on-line education, and degree recovery options for student returning to a university - will benefit students and better prepare them for employment.

C. Government Sector Impact:

The BOG may have to reprioritize its use of existing funding to implement the institute for on-line learning of the preeminent research university.

Both the BOG and the DOE will have to reprioritize their use of existing funding to coordinate the identification of the meta-majors. In addition, college and university faculty will have to engage in the identification of meta-majors.

Under the bill, colleges will no longer be authorized to offer college preparatory non-credit remedial courses. According to the Department of Education, the cost of providing these remedial courses accounted for 8.5 percent of Florida College System Operating expenditures in 2011-2012, which included $67.9 million in direct instructional costs. Upon this bill becoming law, the colleges will no longer incur these direct costs.

Incentive funding for the development of a program for a master's degree in cloud virtualization and enhancements for the preeminent state research university initiative in the bill is subject to funds appropriated by the Legislature.

There is no fiscal impact associated with the provisions related lease agreements between the Board of Governors, University of South Florida Board of Trustees, and the H. Lee Moffitt Cancer Center and Research Institute.

VI. Technical Deficiencies:

The term "certified school wide college readiness system", referenced in section 1008.34, F.S., is undefined.

VII. Related Issues:

- None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Committee on Appropriations on March 28, 2013:
The committee substitute:

- Removes from the bill the Science, Technology, Engineering, Arts, and Mathematics Zone Program.
- Removes from the bill Science, Technology, Engineering, Arts, and Mathematics (STEM) schools.
- Codifies current practice of the Board of Governors, University of South Florida Board of Trustees, and the H. Lee Moffitt Cancer Center and Research Institute related to lease agreements for the use of lands and facilities on the campus of the University of South Florida and clarifies the Board of Governors oversight responsibility.
- Replaces the on-line arm of a preeminent research university, with an institute for on-line learning at the preeminent university. A five-member advisory board will assist in the development of on-line baccalaureate degree programs. The university president must be consulted regarding appointments to the advisory board.
- Funding is authorized for the universities ranking first and second on the standards for excellence, subject to appropriation by the Legislature.

CS by Education on March 12, 2013:
The Committee Substitute differs from SB 1720 in the following ways:

- Revises procedures for the on-line university to conform to HB 7057, including:
  - Clarifying that tuition is set in the general Appropriations Act;
  - Removing authorization for the board of directors of the on-line arm to recommend a fee structure for optional services, such as career placement;
  - Requiring the capital improvement trust fund fee to be dedicated to the university's on-line research center;
  - Authorizing charging a student for the cost of a hard-copy textbook or lab supplies;

  - Requiring the university to accept financial aid and advance payment contracts, and does not specify financial aid programs by name; and
  - Not designating that a portion of the revenues from the on-line arm be used for the university's innovation hub.
- Revises the criteria for determining school grades to require that equal weight be given to students who participate and perform in a school-wide college readiness system.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Education; and Senator Galvano

581-02271-13 20131720c1

A bill to be entitled

An act relating to education; amending s. 11.45, F.S.; revising actions to be taken by the Legislative Auditing Committee relating to audits of state universities and Florida College System institutions; creating s. 288.126, F.S.; requiring the Department of Economic Opportunity to create economic development zones for science, technology, engineering, arts, and mathematics; authorizing a science, technology, engineering, arts, and mathematics (STEAM) zone in a county with a state university classified as having very high research activity located in the county's jurisdiction; authorizing the county to apply to the department for a STEAM zone designation; requiring the county to appoint a STEAM zone development agency in its application; providing criteria for the STEAM zone development agency; requiring the STEAM zone development agency to appoint a STEAM zone development board; providing criteria for the board; providing duties of the board; requiring a local governing body that has jurisdiction over a STEAM zone to establish the boundary of the STEAM zone, specify applicable standards, and determine certain eligibility criteria; specifying the incentives and benefits available in the STEAM zones; requiring the department to develop a grant program that applies to a STEAM zone; providing criteria for the awarding of a grant; directing the STEAM zone development agency to perform certain functions; requiring the department to work with the

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581-02271-13 20131720c1

STEAM zone development agency, the Department of Education, and Workforce Florida, Inc., to develop accountability requirements and measurable objectives; providing criteria; providing a monetary incentive cap on the total amount of state credits, refunds, and exemptions that may be provided to eligible businesses for STEAM zone economic incentives; assigning duties for the administration of STEAM zones to the counties that have jurisdiction over STEAM zones; providing for the issuance of certificates to eligible businesses; requiring the county that has jurisdiction over a STEAM zone to certify to the Department of Revenue or the Department of Economic Opportunity the businesses or properties that are eligible for the incentives; requiring the Department of Revenue to send written instructions to eligible businesses for claiming the credit on a sales and use tax return initiated through an electronic data interchange; providing a procedure to deduct a credit against the sales and use tax from the sales and use tax remitted by the business; amending s. 1001.02, F.S.; requiring the State Board of Education to specify the college credit courses that may be taken by Florida College System institution students who are concurrently participating in developmental education; requiring the State Board of Education to establish the tuition and out-of-state fees for certain credit instruction, rather than college-preparatory instruction; revising the minimum standards, definitions, and guidelines

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59 that the State Board of Education must prescribe by
60 rule for Florida College System institutions; amending
61 s. 1001.64, F.S.; authorizing a board of trustees at a
62 Florida College System institution to contract with
63 the board of trustees of a state university for the
64 Florida College System institution to provide
65 developmental education; creating s. 1001.7065, F.S.;
66 establishing a collaborative partnership between the
67 Board of Governors and the Legislature to elevate the
68 academic and research preeminence of this state's
69 highest performing state research universities;
70 specifying the academic and research excellence
71 standards for the preeminent state research
72 universities program; requiring the Board of Governors
73 to designate each state research university that meets
74 certain criteria as a preeminent state research
75 university; requiring the state research university
76 that has attained the highest level on the academic
77 and research excellence standard to establish an
78 online arm of the university; providing requirements
79 for the online arm of the university; providing
80 membership of the board of directors that oversees the
81 business of the university's online arm; providing for
82 a quorum of the board of directors; requiring the
83 board to develop a business plan and authorizing the
84 board to contract with other entities and
85 institutions; requiring the university to offer high-
86 quality online baccalaureate degree programs and a
87 master's degree in business administration;

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88 authorizing the university to offer online other
89 master's degree programs; authorizing the university
90 to develop and offer degree programs and courses that
91 are competency based; requiring the university to
92 periodically expand its offering of online
93 baccalaureate degree programs and establish a tuition
94 structure for its online arm; providing requirements
95 for the tuition structure; requiring the state
96 research university that has attained the second
97 highest level on the academic and research excellence
98 standards to recruit National Academy members,
99 expedite provision of a master's degree in cloud
100 virtualization, and institute an entrepreneurs-in-
101 residence program throughout its campus; authorizing a
102 preeminent state research university to require
103 incoming college students to take specified courses;
104 requiring the Board of Governors to identify and grant
105 all reasonable, feasible authority and flexibility to
106 keep a designated preeminent state research university
107 free from unnecessary restrictions; providing that the
108 Board of Governors is encouraged to establish
109 standards and measures to recognize excellent programs
110 in other state universities; creating s. 1002.312,
111 F.S.; authorizing a district school board to contract
112 with a nonprofit organization or a state or local
113 governmental unit to establish a STEAM school;
114 specifying the organizations that are authorized to
115 contract with a district school board to establish a
116 STEAM school; requiring certain provisions to be

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117 included in a contract to establish a STEAM school;
118 providing that performance outcomes must demonstrate
119 an integration of technology and the arts; amending s.
120 1004.02, F.S.; defining the term "developmental
121 education" as it relates to public postsecondary
122 education; repealing s. 1004.58, F.S., relating to the
123 Leadership Board for Applied Research and Public
124 Service; amending s. 1004.93, F.S.; deleting
125 provisions relating to the levels and courses of
126 instruction to be funded through the college-
127 preparatory program; amending s. 1006.735, F.S.;
128 establishing the Complete Florida Degree Program to
129 recruit, recover, and retain adult learners and assist
130 them in completing degrees aligned to high-wage, high-
131 skill workforce needs; specifying program components
132 and the tuition and fee structure; requiring
133 submission of a project plan to the Legislature;
134 amending s. 1007.23, F.S.; revising the number of
135 semester hours in which a student who is seeking an
136 associate in arts degree is required to indicate a
137 baccalaureate degree program; amending s. 1007.25,
138 F.S.; revising general education courses, common
139 prerequisites, and degree requirements; conforming
140 terminology to changes made by the act; amending s.
141 1007.263, F.S.; revising the rules that the board of
142 trustees of a Florida College System institution may
143 adopt with regard to admissions counseling; requiring
144 each board of trustees to establish policies that
145 notify students about options they may use to attain

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146 the communication and computation skills that are
147 essential to perform college-level work; deleting a
148 prohibition against a student's enrollment in credit
149 courses under certain circumstances; amending s.
150 1007.271, F.S.; conforming provisions to changes made
151 by the act; creating s. 1008.02, F.S.; providing
152 definitions for the purpose of ch. 1008, F.S.,
153 relating to assessment and accountability for the K-20
154 education system; amending s. 1008.30, F.S.; providing
155 that alternative assessments that may be accepted in
156 lieu of the common placement test must be identified
157 in rule; requiring the State Board of Education, in
158 conjunction with the Board of Governors, to approve a
159 series of meta-majors, academic pathways, and degree
160 maps that identify the gateway courses required for
161 success in each meta-major; providing requirements for
162 the common placement testing program; requiring the
163 State Board of Education to adopt rules that require
164 high schools to evaluate certain students for college
165 readiness; requiring the State Board of Education to
166 establish by rule the test scores a student must
167 achieve to demonstrate readiness to perform college-
168 level work; deleting provisions to conform to changes
169 made by the act; conforming terminology; requiring the
170 State Board of Education to adopt rules by a specified
171 date to implement developmental education; requiring
172 local policies and practices set by each Florida
173 College System institution board of trustees to
174 outline the student achievements considered by the

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175 institution for placement determinations, identify
176 instructional options available to students, and
177 describe student costs and financial aid opportunities
178 associated with each instructional option; creating s.
179 1008.322, F.S.; requiring the Board of Governors of
180 the State University System to oversee the performance
181 of state university boards of trustees in the
182 enforcement of laws, rules, and regulations; providing
183 that state university presidents are responsible for
184 the accuracy of the information and data reported to
185 the Board of Governors; authorizing the Chancellor of
186 the State University System to investigate allegations
187 of noncompliance with law or Board of Governors' rule
188 or regulation and determine probable cause; requiring
189 the chancellor to report determinations of probable
190 cause to the Board of Governors; authorizing the Board
191 of Governors to initiate specified actions if the
192 board determines that the state university board of
193 trustees is unwilling or unable to comply with the
194 law, certain rules or regulations, or audit
195 recommendations; amending s. 1008.34, F.S.; revising
196 the grading of middle schools and high schools to
197 include added weight for students who participate and
198 are enrolled in certain classes; amending ss. 1008.37,
199 1009.22, and 1009.23, F.S.; conforming provisions to
200 changes made by the act; amending s. 1009.26, F.S.;
201 authorizing certain Florida College System
202 institutions to waive certain fees; repealing s.
203 1009.28, F.S., relating to fees for repeated

204 enrollment in college-preparatory classes; amending s.
205 1009.285, F.S.; requiring a student enrolled in the
206 same undergraduate college-credit course more than
207 once, except for students enrolled in a gateway course
208 for an extended period of time, to pay tuition at 100
209 percent of the full cost of instruction; reducing the
210 number of times certain coursework, which is excluded
211 for the reduction of fees, is repeated for certain
212 purposes; amending s. 1009.286, F.S.; excluding
213 remedial courses from those courses that are counted
214 when calculating credit hours earned toward a
215 baccalaureate degree; amending s. 1009.40, F.S.;
216 providing that undergraduate students participating in
217 developmental education are eligible to receive
218 financial aid for a specified number of semesters or
219 quarters; conforming provisions to changes made by the
220 act; amending s. 1009.53, F.S.; conforming terminology
221 to changes made by the act; repealing s. 1009.531(7),
222 F.S., relating to the eligibility of a student for an
223 initial reward or renewal reward under the Florida
224 Bright Futures Scholarship Program; amending s.
225 1011.84, F.S.; conforming provisions to changes made
226 by the act; providing an effective date.
227
228 Be It Enacted by the Legislature of the State of Florida:
229
230 Section 1. Paragraph (j) of subsection (7) of section
231 11.45, Florida Statutes, is amended to read:
232 11.45 Definitions; duties; authorities; reports; rules.—

233 (7) AUDITOR GENERAL REPORTING REQUIREMENTS.—
234 (j) The Auditor General shall notify the Legislative
235 Auditing Committee of any financial or operational audit report
236 prepared pursuant to this section which indicates that a state
237 university or Florida College System institution has failed to
238 take full corrective action in response to a recommendation that
239 was included in the two preceding financial or operational audit
240 reports.
241 1. The committee may direct the governing body of the state
242 university or Florida College System institution to provide a
243 written statement to the committee explaining why full
244 corrective action has not been taken or, if the governing body
245 intends to take full corrective action, describing the
246 corrective action to be taken and when it will occur.
247 2. If the committee determines that the written statement
248 is not sufficient, the committee may require the chair of the
249 governing body of the state university or Florida College System
250 institution, or the chair's designee, to appear before the
251 committee.
252 3. If the committee determines that the state university or
253 Florida College System institution has failed to take full
254 corrective action for which there is no justifiable reason or
255 has failed to comply with committee requests made pursuant to
256 this section, the committee shall refer the matter to the State
257 Board of Education or the Board of Governors, as appropriate, to
258 proceed in accordance with ss. 1008.32 and 1008.322,
259 respectively ~~may proceed in accordance with s. 11.40(2)~~.
260 Section 2. Section 288.126, Florida Statutes, is created to
261 read:

262 288.126 Science, technology, engineering, arts, and
263 mathematics zone programs.—
264 (1) The Department of Economic Opportunity shall create
265 economic development zones relating to science, technology,
266 engineering, arts, and mathematics (STEAM). All incentives and
267 benefits provided for an enterprise zone pursuant to state law
268 must be available to a STEAM zone designated pursuant to this
269 section. A STEAM zone must be created in a county that has a
270 state university classified by the Carnegie Foundation for the
271 Advancement of Teaching as having very high research activity.
272 The integration of arts and technology is a subset of a STEAM
273 zone.
274 (2) Each county that has a qualifying research university
275 may apply to the department to receive the designation as a
276 STEAM zone. In the application, the county must appoint a STEAM
277 zone development agency. The STEAM zone development agency must:
278 (a) Be a nonuniversity not-for-profit corporation under s.
279 501(c)(3) of the Internal Revenue Code.
280 (b) Have experience with both private not-for-profit
281 partnerships and public not-for-profit partnerships.
282 (c) Have a facility with a minimum of 10,000 square feet of
283 exhibit educational conference space.
284 (d) Employ at least five full-time, in-house educational
285 and training staff employees.
286 (e) Have experience with federal educational and science-
287 related grants.
288 (f) Create and submit quarterly reports to the governing
289 body of the county which evaluates the progress in implementing
290 the strategic plan or measurable goals set by the STEAM zone

291 development board as described in subsection (3).
292 (3)(a) The STEAM zone development agency shall appoint a
293 STEAM zone development board. The board shall consist of at
294 least nine, but not more than 12, commissioners. At least two
295 commissioners must be associated with the STEAM zone development
296 agency, two commissioners must come from the host county, and
297 two commissioners must be from local for-profit or not-for-
298 profit corporations whose business is related to science,
299 technology, engineering, arts, and mathematics programs. At
300 least one commissioner must be from each of the following areas:
301 1. A qualifying research institution.
302 2. A local school district.
303 3. A municipality.
304 (b) The STEAM zone development board shall:
305 1. Assist in the development, implementation, and annual
306 review and update of the strategic plan or measurable goals.
307 2. Oversee and monitor the implementation of the strategic
308 plan or measurable goals.
309 3. Identify and recommend to the local governing body of
310 the county or the municipality ways to remove regulatory
311 barriers.
312 4. Identify for a county or municipality the financial
313 needs of and local resources or assistance available to eligible
314 businesses in the zone.
315 5. Promote the STEAM zone incentives to residents and
316 businesses within the STEAM zone.
317 6. Make recommendations to the county for boundary changes
318 in a STEAM zone such that a STEAM zone does not exceed 2 square
319 miles.

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320 7. Work with organizations affiliated with a high-ranking
321 state research university to promote the purpose and goals of
322 the STEAM zone.
323 8. Dispense funds to promote, develop, and expand the STEAM
324 zone and educational training programs.
325 9. Work with companies within the STEAM zone to develop
326 training and certification programs needed to train a workforce
327 to have skills that are needed by companies and businesses in
328 this state.
329 10. Work with Workforce Florida, Inc., to retrain, educate,
330 and certify unemployed workers in industry certifications.
331 11. Work with Workforce Florida, Inc., to develop and make
332 available grant programs within the STEAM zone which foster the
333 expansion of workforce industry certification education and
334 training strategies, activities, and resources in conjunction
335 with one-stop career centers in the region.
336 12. Provide directives to the STEAM zone development
337 agency.
338 (4)(a) In order to provide incentives, each county that has
339 jurisdiction over a STEAM zone must, by local ordinance,
340 establish the boundary of the STEAM zone, specify applicable
341 standards, and determine eligibility criteria for the
342 application of state and local incentives and benefits in the
343 STEAM zone. However, in order to receive benefits provided under
344 s. 288.106, a business must be a qualified target industry
345 business under s. 288.106 for state purposes. A STEAM zone's
346 boundary may be revised by local ordinance. Such incentives and
347 benefits include those in ss. 212.08, 212.096, 220.181, 220.182,
348 220.183, 220.196, 288.106, and 624.5105 and the public utility

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349 discounts provided in s. 290.007(8). For purposes of this
350 section, any applicable requirements for employee residency for
351 higher refund or credit thresholds must be based on employee
352 residency in the STEAM zone or an enterprise zone.
353 (b) A county that has a designated STEAM zone in its
354 jurisdiction may waive impact fees for new construction within
355 the STEAM zone.
356 (c) The Department of Economic Opportunity and each county
357 that has a STEAM zone in its jurisdiction shall review rules or
358 regulations that affect the relocation or expansion of a
359 business to a STEAM zone to determine if a rule or regulation
360 may be modified or repealed to facilitate relocation or
361 expansion.
362 (5) The department shall develop a high-technology grant
363 program that applies to the STEAM zone. The grant program shall
364 solicit competitive applications from organizations that propose
365 to encourage and reward groundbreaking ideas that greatly expand
366 innovation, commercialization, and new enterprise formation
367 across the state. A grant shall be awarded to applicants who
368 submit the best strategies to:
369 (a) Create proof-of-concept centers that greatly increase
370 innovation within their organizations; or
371 (b) Create processes to commercialize or implement
372 innovation and build networks that can use that innovation and
373 entrepreneurship for local economic development.
374 (6) The STEAM zone development agency, with the cooperation
375 of other state agencies, shall:
376 (a) Partner with science, technology, engineering, arts, or
377 mathematics companies, Workforce Florida, Inc., and local

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378 workforce boards to offer workforce training programs to train
379 unemployed, underemployed, and new workers in skills that are
380 needed in the science, technology, engineering, arts, or
381 mathematics field.
382 (b) Offer industry certifications from approved programs
383 for persons who traditionally are not typical candidates to
384 transition into science, technology, engineering, arts, or
385 mathematics careers; ease the transition for dislocated or
386 transitioning workers into science, technology, engineering,
387 arts, or mathematics field; and integrate state, regional, and
388 local efforts into a more powerful set of partnerships and
389 coordinated strategies.
390 (c) Enhance the production of more and better industry-
391 certified workers in the science, technology, engineering, arts,
392 and mathematics fields through investment of department
393 resources and through greater integration and alignment of
394 existing public and private resources, so that more workers have
395 access to industry certification opportunities.
396 (d) Stimulate and support innovation, entrepreneurship, and
397 economic growth that can expand employment opportunities in the
398 science, technology, engineering, arts, and mathematics fields
399 by:
400 1. Increasing funding for grant opportunities in order to
401 implement additional educational programming related to science,
402 technology, engineering, arts, and mathematics.
403 2. Offering incentives to a school district, a charter
404 school, or a private school to implement and fully use an
405 industry certification program in science, technology,
406 engineering, arts, and mathematics.

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407 3. Creating regional centers of education and research for
408 science, technology, engineering, arts, and mathematics. The
409 regional centers are a pipeline for students who excel in
410 science, technology, engineering, arts, and mathematics to their
411 respective research universities in this state.
412 4. Providing an industry certification program for science,
413 technology, engineering, arts, and mathematics to meet workforce
414 demands of industry.
415 5. Promoting the pursuit of careers in science, technology,
416 engineering, arts, and mathematics among underrepresented
417 students in grades kindergarten through 12.
418 6. Sponsoring an advertising campaign designed to encourage
419 local youth, particularly African Americans, Latin Americans,
420 and women, to consider careers in fields of science, technology,
421 engineering, arts, and mathematics.
422 7. Working with the state universities and colleges to
423 incorporate industry certification programs and internships for
424 students who are pursing degrees related to science, technology,
425 engineering, arts, and mathematics which further enhance their
426 education.
427 (7) The department, in cooperation with the STEAM zone
428 development agency, the Department of Education, and Workforce
429 Florida, Inc., shall develop accountability requirements and
430 measureable objectives that include:
431 (a) Requiring companies to:
432 1. Sign an agreement with the STEAM zone development agency
433 to agree to be a partner in some form of education,
434 volunteerism, internship, or event in order to encourage and
435 excite the community and children in this state's education

436 system about fields related to science, technology, engineering,
437 arts, or mathematics.
438 2. Participate in a corporate training program.
439 3. Submit to an annual audit by the state or local board if
440 a tax credit, grant, loan, or other public assistance is
441 received.
442 (b) Establishing outcome-based, quantitative performance
443 metrics to ensure the mission of the STEAM zone is being carried
444 out.
445 (c) Reporting annually to the Legislature on the progress
446 of administering this section.
447 (d) Developing measurable objectives for each STEAM zone to
448 be monitored by the STEAM zone development board with the goal
449 of creating more jobs in the fields of science, technology,
450 engineering, arts, and mathematics; producing a workforce that
451 is highly qualified; and improving the quality of life in the
452 state.
453 (8)(a) Effective July 1, 2013, the total amount of state
454 credits, refunds, and exemptions that may be provided in a given
455 state fiscal year by each county that has jurisdiction over a
456 STEAM zone to eligible businesses for STEAM zone economic
457 incentives pursuant to this section is $300,000 per designated
458 STEAM zone. The county that has jurisdiction over a STEAM zone
459 shall disallow a credit or refund for which an application is
460 submitted after the zone's respective $300,000 limit is reached.
461 If the $300,000 incentive cap is not fully used in any one state
462 fiscal year by a STEAM zone, the county that has jurisdiction
463 over a STEAM zone shall allocate the incentives, verify that
464 businesses receiving such incentives are eligible for the

incentives provided, and ensure that the incentives provided do not exceed the cap for the state fiscal year.

(b) Upon approving an incentive for an eligible business, the county that has jurisdiction over a STEAM zone shall provide the taxpayer with a certificate indicating the name and federal employer identification number of the eligible business, the date the incentive is provided, the name of the STEAM zone, the incentive type, and the incentive amount. The county that has jurisdiction over a STEAM zone shall certify to the Department of Revenue or the Department of Economic Opportunity, whichever is applicable, the businesses or properties that are eligible to receive the state incentives under statutory requirements. The county that has jurisdiction over a STEAM zone shall provide a copy of the certificate to the Department of Revenue and the Department of Economic Opportunity as notification that such incentives were approved for the specific eligible business or property. For incentives to be claimed against the sales and use tax under chapter 212, the Department of Revenue shall send, within 14 days after receipt, written instructions to an eligible business on how to claim the credit on a sales and use tax return initiated through an electronic data interchange. Any credit against the sales and use tax shall be deducted from any sales and use tax remitted by the business to the Department of Revenue by electronic funds transfer and may be deducted only on a sales and use tax return initiated through an electronic data interchange. The business shall separately state the credit on the electronic return. The net amount of tax due and payable must be remitted by electronic funds transfer.

Section 3. Paragraph (g) of subsection (4), subsection (5),

and paragraphs (c) and (d) of subsection (6) of section 1001.02, Florida Statutes, are amended to read:

1001.02 General powers of State Board of Education.—

(4) The State Board of Education shall:

(g) Specify, by rule, the college credit courses that may be taken by Florida College System institution students who are concurrently participating in developmental education ~~enrolled in college preparatory instruction~~.

(5) The State Board of Education is responsible for reviewing and administering the state program of support for the Florida College System institutions and, subject to existing law, shall establish the tuition and out-of-state fees for ~~college preparatory instruction and for~~ credit instruction that may be counted toward an associate in arts degree, an associate in applied science degree, or an associate in science degree.

(6) The State Board of Education shall prescribe minimum standards, definitions, and guidelines for Florida College System institutions that will ensure the quality of education, coordination among the Florida College System institutions and state universities, and efficient progress toward accomplishing the Florida College System institution mission. At a minimum, these rules must address:

(c) Program offerings and classification, including college-level communication and computation skills associated with successful performance in college and with tests and other assessment procedures that measure student achievement of those skills. ~~The performance measures must provide that students moving from one level of education to the next acquire the necessary competencies for that level.~~

523 (d) Provisions for curriculum development, graduation
524 requirements, college calendars, and program service areas.
525 These provisions must include rules that:
526 1. Provide for the award of an associate in arts degree to
527 a student who successfully completes 60 semester credit hours at
528 the Florida College System institution.
529 2. Require all of the credits accepted for the associate in
530 arts degree to be in the statewide course numbering system as
531 credits toward a baccalaureate degree offered by a state
532 university or a Florida College System institution.
533 3. ~~Beginning with students initially entering a Florida~~
534 ~~College System institution in 2014-2015 and thereafter,~~ Require
535 no more than 36 ~~30~~ semester credit hours in general education
536 courses in the subject areas of communication, mathematics,
537 social sciences, humanities, and natural sciences.
538
539 The rules should encourage Florida College System institutions
540 to enter into agreements with state universities that allow
541 Florida College System institution students to complete upper-
542 division-level courses at a Florida College System institution.
543 An agreement may provide for concurrent enrollment at the
544 Florida College System institution and the state university and
545 may authorize the Florida College System institution to offer an
546 upper-division-level course or distance learning.
547 Section 4. Subsection (9) of section 1001.64, Florida
548 Statutes, is amended to read:
549 1001.64 Florida College System institution boards of
550 trustees; powers and duties.—
551 (9) A board of trustees may contract with the board of

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552 trustees of a state university for the Florida College System
553 institution to provide developmental education ~~college-~~
554 ~~preparatory instruction~~ on the state university campus.
555 Section 5. Section 1001.7065, Florida Statutes, is created
556 to read:
557 1001.7065 Preeminent state research universities program.—
558 (1) STATE UNIVERSITY SYSTEM SHARED GOVERNANCE
559 COLLABORATION.—A collaborative partnership is established
560 between the Board of Governors and the Legislature to elevate
561 the academic and research preeminence of Florida's highest-
562 performing state research universities in accordance with this
563 section. The partnership stems from the State University System
564 Governance Agreement executed on March 24, 2010, wherein the
565 Board of Governors and leaders of the Legislature agreed to a
566 framework for the collaborative exercise of their joint
567 authority and shared responsibility for the State University
568 System. The governance agreement confirmed the commitment of the
569 Board of Governors and the Legislature to continue collaboration
570 on accountability measures, the use of data, and recommendations
571 derived from such data.
572 (2) ACADEMIC AND RESEARCH EXCELLENCE STANDARDS.—Effective
573 July 1, 2013, the following academic and research excellence
574 standards are established for the Preeminent State Research
575 Universities Program:
576 (a) An average weighted grade point average of 4.0 or
577 higher on a 4.0 scale and an average SAT score of 1800 or higher
578 for fall-semester incoming freshmen, as reported annually.
579 (b) A top-50 ranking on at least two well-known and highly
580 respected national public university rankings, reflecting

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581 national preeminence, using most recent rankings.
582 (c) A freshman retention rate of 90 percent or higher for
583 full-time, first-time-in-college students, as reported annually
584 to the Integrated Postsecondary Education Data System (IPEDS).
585 (d) A 6-year graduation rate of 70 percent or higher for
586 full-time, first-time-in-college students, as reported annually
587 to the IPEDS.
588 (e) Six or more faculty members at the state university who
589 are members of a national academy, as reported by the Center for
590 Measuring University Performance in the Top American Research
591 Universities (TARU) annual report.
592 (f) Total annual research expenditures, including federal
593 research expenditures, of $200 million or more, as reported
594 annually by the National Science Foundation (NSF).
595 (g) Total annual research expenditures in diversified
596 nonmedical sciences of $150 million or more, based on data
597 reported annually by the NSF.
598 (h) A top-100 university national ranking for research
599 expenditures in five or more science, technology, engineering,
600 or mathematics fields of study, as reported annually by the NSF.
601 (i) One hundred or more total patents awarded by the United
602 States Patent and Trademark Office for the most recent 3-year
603 period.
604 (j) Four hundred or more doctoral degrees awarded annually,
605 as reported in the TARU annual report.
606 (k) Two hundred or more postdoctoral appointees annually,
607 as reported in the TARU annual report.
608 (l) An endowment of $500 million or more, as reported in
609 the Board of Governors annual accountability report.

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610 (3) PREEMINENT STATE RESEARCH UNIVERSITY DESIGNATION.—The
611 Board of Governors shall designate each state research
612 university that meets at least 11 of the 12 academic and
613 research excellence standards identified in subsection (2) a
614 preeminent state research university.
615 (4) PREEMINENT STATE RESEARCH UNIVERSITY ONLINE ARM.—The
616 state research university that has attained the highest level on
617 the academic and research excellence standards identified in
618 subsection (2), as verified by the Board of Governors, shall
619 establish a fully online arm of the university in accordance
620 with this subsection, subject to the appropriation of funds by
621 the Legislature.
622 (a)1. A board of directors shall develop, implement, and
623 oversee the business aspects of the university's online arm,
624 while the university president and board of trustees, in
625 conjunction with the Board of Governors, shall be responsible
626 for academic quality, accreditation, and curricular standards.
627 The university president and board of trustees, the board of
628 directors, and the Board of Governors shall collaborate and
629 cooperate in their respective roles to achieve the purpose of
630 successfully providing fully online high-quality baccalaureate
631 and master's degree programs to the university's enrolled online
632 students in this state and around the world.
633 2. The university president shall designate a center to
634 help lead the university to global preeminence in the
635 development of cutting-edge technology and instructional design
636 for online programs. The center shall conduct research to enrich
637 the university's online degree program offerings and enhance the
638 success of the university's online students. The center shall

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639 provide academic and administrative support structures to
640 undergird the delivery of content and degree programs by the
641 various colleges and departments throughout the university. The
642 center shall work jointly with the university president and the
643 board of directors in their respective roles.
644 (b) The board of directors is comprised of the following
645 seven members:
646 1. The university president, or the president's permanent
647 designee.
648 2. The chair of the university board of trustees, or the
649 chair's permanent designee.
650 3. A member with expertise in global marketing, appointed
651 by the Governor.
652 4. A member with expertise in cloud virtualization,
653 appointed by the President of the Senate.
654 5. A member with expertise in disruptive innovation in
655 online learning, appointed by the Speaker of the House of
656 Representatives.
657 6. A member with expertise in online program accreditation,
658 appointed by the chair of the Board of Governors.
659 7. A member with expertise in creative technologies,
660 appointed by the chair of the Florida Polytechnic University
661 Board of Trustees.
662 (c) A majority of the board of directors constitutes a
663 quorum, elects the chair, and appoints an executive director.
664 (d) The board of directors shall develop a business plan
665 and may contract with other entities and institutions, public or
666 private, to maximize the marketing, advertising, support
667 services that include financial aid assistance and academic and

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668 career guidance, and degree programs and courses of the
669 university's online arm.
670 (e) Beginning in January 2014, the university shall offer
671 high-quality, fully online baccalaureate degree programs as
672 directed by the board of directors which:
673 1. Accept full-time, first-time-in-college students.
674 2. Have the same rigorous admissions criteria as an
675 equivalent on-campus degree program.
676 3. Offer a curriculum of equivalent rigor to the on-campus
677 degree program.
678 4. Offer rolling enrollment or multiple windows of
679 enrollment throughout the year.
680 5. Do not require any on-campus courses. However, for
681 courses or programs that require clinical training or
682 laboratories which cannot be delivered online, the university
683 shall offer convenient locational options to the student, which
684 may include, but not be limited to, the option to complete such
685 requirements at a summer-in-residence on the university campus.
686 Additionally, for purposes of proctored assessments or testing,
687 the university may provide a network of sites at convenient
688 locations and contract with commercial testing centers or
689 identify other secure testing services.
690 6. Apply the university's existing policy for accepting
691 credits for both freshman applicants and transfer applicants.
692 (f) The university must offer a fully online master of
693 business administration degree program and may offer other
694 master's degree programs as recommended by the university
695 president and board of trustees and authorized by the board of
696 directors.

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697 (g) The university may develop and offer degree programs
698 and courses that are competency based, as appropriate for the
699 quality and success of the program and as recommended by the
700 university president and board of trustees and authorized by the
701 board of directors.
702 (h) The university shall periodically expand its offering
703 of online baccalaureate degree programs, as recommended by the
704 university president and board of trustees and authorized by the
705 board of directors, to meet student and market demands.
706 (i) The university shall establish a tuition structure for
707 its online arm in conjunction with the board of directors and in
708 accordance with this paragraph, notwithstanding any other
709 provision of law.
710 1. For students classified as residents for tuition
711 purposes, tuition for an online baccalaureate degree program
712 shall be set at no more than 75 percent of the tuition rate as
713 specified in the General Appropriations Act pursuant to s.
714 1009.24(4) and 75 percent of the tuition differential pursuant
715 to s. 1009.24(16). No distance learning fee or fee for campus
716 facilities or on-campus services may be assessed, except that
717 online students shall pay the university's technology and
718 financial aid fees and the Capital Improvement Trust Fund fee.
719 The Capital Improvement Trust Fund fee shall be dedicated to the
720 university's online research center.
721 2. For students classified as nonresidents for tuition
722 purposes, tuition may be set at market rates as directed and
723 authorized by the board of directors in accordance with the
724 business plan.
725 3. Tuition for the online degree programs shall include all

726 costs associated with the program, including, but not limited
727 to, instruction, materials, and enrollment. However, an online
728 student may be charged the cost of any hard-copy textbook and
729 any physical laboratory supplies necessary for the program.
730 4. Subject to the limitations in subparagraph 1., tuition
731 may be differentiated by degree program as appropriate to the
732 instructional and other costs of the program and as recommended
733 by the university president and board of trustees and authorized
734 by the board of directors in accordance with the business plan.
735 Pricing must incorporate innovative approaches that incentivize
736 persistence and completion, including, but not limited to, fee
737 for assessment, bundled or all-inclusive rate, and sliding scale
738 features.
739 5. The university must accept advance payment contracts and
740 student financial aid.
741 6. The board of directors shall ensure that 50 percent of
742 the net revenues generated from the online arm of the university
743 is used to enhance and enrich the online arm of the university
744 and 50 percent of the net revenues generated from the online arm
745 of the university is used to enhance and enrich the university
746 campus's state-of-the-art research programs and facilities.
747 (5) PREEMINENT STATE RESEARCH UNIVERSITY ENHANCEMENT
748 INITIATIVE.—The state research university that has attained the
749 second highest level on the academic and research excellence
750 standards identified in subsection (2), as verified by the Board
751 of Governors, shall recruit National Academy members, expedite
752 provision of a masters degree in cloud virtualization, and
753 institute an entrepreneurs-in-residence program throughout its
754 campus, subject to funds appropriated by the Legislature.

755 (6) PREEMINENT STATE RESEARCH UNIVERSITY SPECIAL COURSE
756 REQUIREMENTS AUTHORITY.—In order to provide a jointly shared
757 educational experience, a state university that is designated a
758 preeminent state research university may require its incoming
759 first-time-in-college students to take a 9-credit to 12-credit
760 set of courses specifically determined by the university. The
761 state university may stipulate that credit for such courses may
762 not be earned through any acceleration mechanism pursuant to s.
763 1007.27 or s. 1007.271 or other transfer credit. All accelerated
764 credits earned up to the limits specified in ss. 1007.27 and
765 1007.271 shall be applied toward graduation at the student's
766 request.
767 (7) PREEMINENT STATE RESEARCH UNIVERSITY FLEXIBILITY
768 AUTHORITY.—The Board of Governors shall identify and grant all
769 reasonable, feasible authority and flexibility to keep a
770 designated preeminent state research university free from
771 unnecessary restrictions.
772 (8) PROGRAMS OF EXCELLENCE THROUGHOUT THE STATE UNIVERSITY
773 SYSTEM.—The Board of Governors is encouraged to establish
774 standards and measures whereby individual programs in other
775 state universities that objectively reflect national excellence
776 can be identified and make recommendations to the Legislature as
777 to how any such programs could be enhanced and promoted.
778 Section 6. Section 1002.312, Florida Statutes, is created
779 to read:
780 1002.312 Science, Technology, Engineering, Arts, and
781 Mathematics (STEAM) schools.—
782 (1) A district school board may establish a Science,
783 Technology, Engineering, Arts, and Mathematics (STEAM) school by

784 contracting with a nonprofit organization or a state or local
785 governmental unit to provide a full educational STEAM program
786 that integrates science, technology, engineering, or mathematics
787 with the visual or performing arts, creative writing, or design.
788 An organization that contracts with a district school board to
789 establish a STEAM school may include, but is not limited to, an
790 art museum, a performing arts organization, a state university,
791 a Florida College System institution, a charter school, a civic
792 organization, or a state or local governmental unit.
793 (2) The contract between the district school board and the
794 organization that provides the STEAM school must specify:
795 (a) That the STEAM school will be located at the site of
796 the nonprofit organization.
797 (b) That the STEAM educational program will be supervised
798 by the district school board's curriculum office.
799 (c) The percentage of FTE funding that the district school
800 board will pay to the STEAM school.
801 (d) Sources of funding in addition to FEFP funding, such as
802 state or local funds, if the district school board contracts
803 with a state or local governmental unit to establish the STEAM
804 school.
805 (e) A description of the STEAM school's property insurance
806 and liability insurance.
807 (f) That each employee, contract worker, or volunteer that
808 has direct student contact will undergo a state and national
809 background screening pursuant to s. 943.0542, and that the STEAM
810 school will deny employment to, or terminate, an employee or
811 volunteer if he or she fails to meet the screening standards
812 under s. 435.04.

(3) Performance outcomes must demonstrate an integration of technology and the arts.

Section 7. Subsection (11) of section 1004.02, Florida Statutes, is amended to read:

1004.02 Definitions.—As used in this chapter:

(11) "Developmental education" ~~"College preparatory instruction"~~ means instruction ~~courses~~ through which a high school graduate who applies for and enrolls in any college credit program may attain the communication and computation skills necessary to perform college-level work while also enrolled ~~enroll~~ in college credit instruction.

Section 8. Section 1004.58, Florida Statutes, is repealed.

Section 9. Subsection (4) of section 1004.93, Florida Statutes, is amended to read:

1004.93 Adult general education.—

(4)(a) Adult general education shall be evaluated and funded as provided in s. 1011.80.

(b) Fees for adult basic instruction are to be charged in accordance with chapter 1009.

~~(c) The State Board of Education shall define, by rule, the levels and courses of instruction to be funded through the college preparatory program. The state board shall coordinate the establishment of costs for college-preparatory courses, the establishment of statewide standards that define required levels of competence, acceptable rates of student progress, and the maximum amount of time to be allowed for completion of college-preparatory instruction. College preparatory instruction is part of an associate in arts degree program and may not be funded as an adult career education program.~~

~~(d) Expenditures for college preparatory and lifelong learning students shall be reported separately. Allocations for college preparatory courses shall be based on proportional full-time equivalent enrollment. Program review results shall be included in the determination of subsequent allocations. A student shall be funded to enroll in the same college-preparatory class within a skill area only twice, after which time the student shall pay 100 percent of the full cost of instruction to support the continuous enrollment of that student in the same class; however, students who withdraw or fail a class due to extenuating circumstances may be granted an exception only once for each class, provided approval is granted according to policy established by the board of trustees. Each Florida College System institution shall have the authority to review and reduce payment for increased fees due to continued enrollment in a college preparatory class on an individual basis contingent upon the student's financial hardship, pursuant to definitions and fee levels established by the State Board of Education. College preparatory and lifelong learning courses do not generate credit toward an associate or baccalaureate degree.~~

(c) ~~(e)~~ A district school board or a Florida College System institution board of trustees may negotiate a contract with the regional workforce board for specialized services for participants in the welfare transition program, beyond what is routinely provided for the general public, to be funded by the regional workforce board.

Section 10. Section 1006.735, Florida Statutes, is amended to read:

1006.735 Complete Florida Degree Program ~~Completion Pilot~~

871 ~~Project~~.—
872 (1) The Complete Florida Degree Program ~~Completion Pilot~~
873 ~~Project~~ is established for the purpose of recruiting,
874 recovering, and retaining the state's adult learners and
875 assisting them in completing an associate degree or a
876 baccalaureate degree that is aligned to high-wage, high-skill
877 workforce needs. As used in this section, the term "adult
878 learner" means a student who has successfully completed college-
879 level coursework in multiple semesters but has left an
880 institution in good standing before completing his or her
881 degree. The program ~~pilot project~~ shall give priority to adult
882 learners who are veterans or active duty members of the United
883 States Armed Forces.
884 (2) The Complete Florida Degree Program ~~pilot project~~ shall
885 be implemented by the University of West Florida, acting as the
886 lead institution, in coordination with~~; the University of South~~
887 ~~Florida;~~ Florida ~~State~~ College System institutions, state
888 universities, and private postsecondary institutions, as
889 appropriate. The program must ~~at Jacksonville; and St.~~
890 ~~Petersburg College and shall~~ include the associate, applied
891 baccalaureate, and baccalaureate degree programs that these
892 institutions have selected. Other partnering public
893 postsecondary education institutions shall provide areas of
894 specialization or concentration.
895 (3) For purposes of selecting the degree programs that will
896 be given priority in the Complete Florida Degree Program ~~pilot~~
897 ~~project~~, the institutions identified in subsection (2) shall
898 partner with public and private job recruitment and placement
899 agencies and use labor market data and projections to identify

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900 the specific workforce needs and targeted occupations of the
901 state.
902 (4) The Complete Florida Degree Program ~~pilot project~~ shall
903 provide adult learners with a single point of access to
904 information and links to innovative online and accelerated
905 distance learning courses, student and library support services,
906 and electronic resources that will guide the adult learner
907 toward the successful completion of a postsecondary degree.
908 (5) Beginning with the 2013-2014 ~~2012-2013~~ academic year,
909 the Complete Florida Degree Program ~~pilot project~~ shall be
910 implemented and must:
911 (a) Use the distance learning course catalog established
912 pursuant to s. 1006.73 to communicate course availability to the
913 adult learner.
914 (b) Develop and implement an advising and student support
915 system that includes the use of degree completion specialists,
916 is based upon best practices and processes, and includes
917 academic and career support services designed specifically for
918 the adult learner. The program must identify proposed changes to
919 the statewide computer-assisted student advising system
920 established pursuant to s. 1006.73 to assist the adult learner
921 in using the system.
922 (c) Use the streamlined, automated, online admissions
923 application process for transient students established pursuant
924 to s. 1006.73. The Complete Florida Degree Program ~~pilot project~~
925 shall identify any additional admissions and registration
926 policies and practices that could be further streamlined and
927 automated for purposes of assisting the adult learner.
928 (d) Use existing and, if necessary, develop new competency-

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929 based instructional and evaluation tools to assess prior
930 performance, experience, and education for the award of college
931 credit in order to reduce the time required for adult learners
932 to complete their degrees. The tools may include the use of the
933 American Council on Education's collaborative link between the
934 United States Department of Defense and higher education through
935 the review of military training and experiences for the award of
936 equivalent college credit for members of the United States Armed
937 Forces.
938 (e) Develop and implement an evaluation process that
939 collects, analyzes, and provides to the participating
940 postsecondary education institutions, the chairs of the
941 legislative appropriations committees, and the Executive Office
942 of the Governor information on the effectiveness of the program
943 ~~pilot project~~ and the attainment of its goals. Such a process
944 must ~~shall~~ include a management information system that collects
945 the appropriate student, programmatic, and fiscal data necessary
946 to complete the evaluation of the program ~~pilot project~~.
947 Institutions involved in the program ~~pilot project~~ shall also
948 collect job placement and employment data on the adult learners
949 who have completed their degrees as a result of the program
950 ~~pilot project~~.
951 (f) Develop and implement a statewide marketing campaign
952 targeted toward recruiting adult learners, particularly veterans
953 and active duty members of the United States Armed Forces, for
954 enrollment in the degree programs offered through the program
955 ~~pilot project~~.
956 (6) For purposes of the Complete Florida Degree Program
957 ~~pilot project~~, each institution's current tuition and fee

958 structure shall be used. However, all participating institutions
959 shall collaboratively identify the applicable cost components
960 involved in the development and delivery of distance learning
961 courses, collect information on these cost components, and
962 submit the information to the ~~Florida Virtual Campus. The~~
963 chancellors of the Florida College System. The chancellors ~~and~~
964 ~~the State University System~~ shall submit a report to the chairs
965 of the legislative appropriations committees no later than
966 December 31, 2014 ~~2013~~, on the need for a differentiated tuition
967 and fee structure for the development and delivery of distance
968 learning courses.
969 (7) The University of West Florida, in collaboration with
970 its partners ~~the University of South Florida, Florida State~~
971 ~~College at Jacksonville, and St. Petersburg College~~, shall
972 submit to the chairs of the legislative appropriations
973 committees no later than September 1, 2013 ~~June 1, 2012~~, a
974 detailed project plan that defines the major work activities,
975 student eligibility criteria, timeline, and cost for
976 implementing the Complete Florida Degree Program ~~pilot project~~.
977 ~~(8) The University of West Florida, in collaboration with~~
978 ~~the University of South Florida, Florida State College at~~
979 ~~Jacksonville, and St. Petersburg College, shall develop and~~
980 ~~implement a transition plan that transfers the administration of~~
981 ~~the pilot project to the Florida Virtual Campus no later than~~
982 ~~June 30, 2013.~~
983 Section 11. Subsection (3) of section 1007.23, Florida
984 Statutes, is amended to read:
985 1007.23 Statewide articulation agreement.—
986 (3) To improve articulation and reduce excess credit hours,

987 beginning with students initially entering a Florida College
988 System institution in 2013-2014 and thereafter, the articulation
989 agreement must require each student who is seeking an associate
990 in arts degree to indicate a baccalaureate degree program
991 offered by an institution of interest by the time the student
992 earns 36 ~~30~~ semester hours. The institution in which the student
993 is enrolled shall inform the student of the prerequisites for
994 the baccalaureate degree program offered by an institution of
995 interest.
996 Section 12. Subsections (3), (6), (7), (8), and (10) of
997 section 1007.25, Florida Statutes, are amended to read:
998 1007.25 General education courses; common prerequisites;
999 other degree requirements.—
1000 (3) The chair of the State Board of Education and the chair
1001 of the Board of Governors, or their designees, shall jointly
1002 appoint faculty committees to identify statewide general
1003 education core course options. General education core course
1004 options must ~~shall~~ consist of a maximum of five courses within
1005 each of the subject areas of communication, mathematics, social
1006 sciences, humanities, and natural sciences. Each general
1007 education core course option must contain high-level academic
1008 and critical thinking skills and common competencies that
1009 students must demonstrate to successfully complete the course.
1010 Beginning with students initially entering a Florida College
1011 System institution or state university in 2015-2016 ~~2014-2015~~
1012 and thereafter, each student must complete at least one
1013 identified core course in each subject area as part of the
1014 general education course requirements. All public postsecondary
1015 educational institutions shall ~~offer and~~ accept these courses as

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1016 meeting general education core course requirements. The
1017 remaining general education course requirements shall be
1018 identified by each institution and reported to the department by
1019 their statewide course number. The general education core course
1020 options shall be adopted in rule by the State Board of Education
1021 and in regulation by the Board of Governors. Additional core
1022 course options may be approved by the State Board of Education
1023 and the Board of Governors if recommended by the subject area
1024 faculty committee and approved by the Articulation Coordinating
1025 Committee, as necessary for a subject area.
1026 (6) The universities and Florida College System
1027 institutions shall work with their respective school districts
1028 to ensure that high school curricula coordinate with the general
1029 education curricula and to prepare students for college-level
1030 work. General education curricula for associate in arts programs
1031 shall be identified by each institution and~~, beginning with~~
1032 ~~students initially entering a Florida College System institution~~
1033 ~~or state university in 2014-2015 and thereafter,~~ shall include
1034 36 ~~30~~ semester hours in the subject areas of communication,
1035 mathematics, social sciences, humanities, and natural sciences.
1036 (7) An associate in arts degree may not ~~shall~~ require ~~no~~
1037 more than 60 semester hours of college credit and must~~,~~
1038 ~~beginning with students initially entering a Florida College~~
1039 ~~System institution or state university in 2014-2015 and~~
1040 ~~thereafter,~~ include 36 ~~30~~ semester hours of general education
1041 coursework. Beginning with students initially entering a Florida
1042 College System institution or state university in 2014-2015 and
1043 thereafter, coursework for an associate in arts degree must
1044 include ~~and~~ demonstration of competency in a foreign language

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1045 pursuant to s. 1007.262. Except for developmental education
1046 provided ~~college preparatory coursework required~~ pursuant to s.
1047 1008.30, all required coursework counts ~~shall count~~ toward the
1048 associate in arts degree or the baccalaureate degree.
1049 (8) A baccalaureate degree program shall require no more
1050 than 120 semester hours of college credit and~~, beginning with~~
1051 ~~students initially entering a Florida College System institution~~
1052 ~~or state university in 2014-2015 and thereafter,~~ include 36 ~~30~~
1053 semester hours of general education coursework, unless prior
1054 approval has been granted by the Board of Governors for
1055 baccalaureate degree programs offered by state universities and
1056 by the State Board of Education for baccalaureate degree
1057 programs offered by Florida College System institutions.
1058 (10) Students at state universities may request associate
1059 in arts certificates if they have successfully completed the
1060 minimum requirements for the degree of associate in arts (A.A.).
1061 The university must grant the student an associate in arts
1062 degree if the student has successfully completed minimum
1063 requirements for college-level communication and computation
1064 skills adopted by the State Board of Education and 60 academic
1065 semester hours or the equivalent within a degree program area
1066 and including 36~~, beginning with students initially entering a~~
1067 ~~Florida College System institution or state university in 2014-~~
1068 ~~2015 and thereafter, include 30~~ semester hours in general
1069 education courses in the subject areas of communication,
1070 mathematics, social sciences, humanities, and natural sciences,
1071 consistent with the general education requirements specified in
1072 the articulation agreement pursuant to s. 1007.23.
1073 Section 13. Section 1007.263, Florida Statutes, is amended

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1074 to read:
1075 1007.263 Florida College System institutions; admissions of
1076 students.—Each Florida College System institution board of
1077 trustees may ~~is authorized to~~ adopt rules governing admissions
1078 of students subject to this section and rules of the State Board
1079 of Education. These rules must ~~shall~~ include the following:
1080 (1) Admissions counseling must ~~shall~~ be provided to all
1081 students entering college or career credit programs. Counseling
1082 must use ~~shall utilize~~ tests to measure achievement of college-
1083 level communication and computation competencies by all students
1084 entering college credit programs or tests to measure achievement
1085 of basic skills for career education programs as prescribed in
1086 s. 1004.91. Counseling includes providing developmental
1087 education options for students whose assessment results,
1088 determined under s. 1008.30, indicate that they need to improve
1089 communication or computation skills that are essential to
1090 perform college-level work.
1091 (2) Admission to associate degree programs is subject to
1092 minimum standards adopted by the State Board of Education and
1093 requires ~~shall require~~:
1094 (a) A standard high school diploma, a high school
1095 equivalency diploma as prescribed in s. 1003.435, previously
1096 demonstrated competency in college credit postsecondary
1097 coursework, or, in the case of a student who is home educated, a
1098 signed affidavit submitted by the student's parent or legal
1099 guardian attesting that the student has completed a home
1100 education program pursuant to the requirements of s. 1002.41.
1101 Students who are enrolled in a dual enrollment or early
1102 admission program pursuant to s. 1007.271 are exempt from this

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1103 requirement.
1104 (b) A demonstrated level of achievement of college-level
1105 communication and computation skills.
1106 (c) Any other requirements established by the board of
1107 trustees.
1108 (3) Admission to other programs within the Florida College
1109 System institution must ~~shall~~ include education requirements as
1110 established by the board of trustees.
1111 (4) A student who has been awarded a special diploma as
1112 defined in s. 1003.438 or a certificate of completion as defined
1113 in s. 1003.43(10) is eligible to enroll in certificate career
1114 education programs.
1115 (5) A student who has ~~with~~ a documented disability may be
1116 eligible for reasonable substitutions, as prescribed in ss.
1117 1007.264 and 1007.265.
1118
1119 Each board of trustees shall establish policies that notify
1120 students about developmental education options for improving
1121 their communication or computation skills that are essential to
1122 performing college-level work, including tutoring, extended time
1123 in gateway courses, free online courses ~~and place students into~~,
1124 adult basic education, adult secondary education, or ~~other~~
1125 ~~instructional programs that provide students with alternatives~~
1126 ~~to traditional college preparatory instruction, including~~
1127 private provider instruction. ~~A student is prohibited from~~
1128 ~~enrolling in additional college level courses until the student~~
1129 ~~scores above the cut score on all sections of the common~~
1130 ~~placement test.~~
1131 Section 14. Subsections (2) and (14) of section 1007.271,

1132 Florida Statutes, are amended to read:
1133 1007.271 Dual enrollment programs.—
1134 (2) For the purpose of this section, an eligible secondary
1135 student is a student who is enrolled in a Florida public
1136 secondary school or in a Florida private secondary school which
1137 is in compliance with s. 1002.42(2) and provides a secondary
1138 curriculum pursuant to s. 1003.428, s. 1003.429, or s. 1003.43.
1139 Students who are eligible for dual enrollment pursuant to this
1140 section may enroll in dual enrollment courses conducted during
1141 school hours, after school hours, and during the summer term.
1142 However, if the student is projected to graduate from high
1143 school before the scheduled completion date of a postsecondary
1144 course, the student may not register for that course through
1145 dual enrollment. The student may apply to the postsecondary
1146 institution and pay the required registration, tuition, and fees
1147 if the student meets the postsecondary institution's admissions
1148 requirements under s. 1007.263. Instructional time for dual
1149 enrollment may vary from 900 hours; however, the school district
1150 may only report the student for a maximum of 1.0 FTE, as
1151 provided in s. 1011.61(4). Any student enrolled as a dual
1152 enrollment student is exempt from the payment of registration,
1153 tuition, and laboratory fees. Vocational-preparatory
1154 instruction, developmental education ~~college-preparatory~~
1155 ~~instruction~~, and other forms of precollegiate instruction, as
1156 well as physical education courses that focus on the physical
1157 execution of a skill rather than the intellectual attributes of
1158 the activity, are ineligible for inclusion in the dual
1159 enrollment program. Recreation and leisure studies courses shall
1160 be evaluated individually in the same manner as physical

1161 education courses for potential inclusion in the program.
1162 (14) The Department of Education shall approve any course
1163 for inclusion in the dual enrollment program that is contained
1164 within the statewide course numbering system. However,
1165 developmental education ~~college preparatory and other forms of~~
1166 ~~precollegiate instruction,~~ and physical education and other
1167 courses that focus on the physical execution of a skill rather
1168 than the intellectual attributes of the activity, may not be so
1169 approved but must be evaluated individually for potential
1170 inclusion in the dual enrollment program. This subsection may
1171 not be construed to mean that an independent postsecondary
1172 institution eligible for inclusion in a dual enrollment or early
1173 admission program pursuant to s. 1011.62 must participate in the
1174 statewide course numbering system developed pursuant to s.
1175 1007.24 to participate in a dual enrollment program.
1176 Section 15. Section 1008.02, Florida Statutes, is created
1177 to read:
1178 1008.02 Definitions.—As used in this chapter, the term:
1179 (1) "Accelerated course structure" means a course or strand
1180 of study that accelerates the progress of students in
1181 developmental education through self-paced attainment of
1182 specific skills.
1183 (2) "Corequisite education" means developmental education
1184 that is deployed through a variety of classroom, online, or
1185 blended instructional strategies and offered concurrently with
1186 college credit instruction. The term includes, but is not
1187 limited to:
1188 (a) Compressed or modularized instruction or coaching that
1189 supplements credit instruction.

1190 (b) Embedded content in a modified or extended credit-
1191 bearing course intended to contextualize or accelerate credit
1192 attainment.
1193 (3) "Developmental education" means instruction through
1194 which a high school graduate who applies for any college credit
1195 program may attain the communication and computation skills
1196 necessary to successfully complete college credit instruction.
1197 Developmental education may not be offered as a noncredit course
1198 for which a student pays tuition but must be offered corequisite
1199 to a gateway course.
1200 (4) "Gateway course" means the first course that provides
1201 transferable, college-level credit allowing students to progress
1202 in their program of study.
1203 (5) "Mastery-based education" means customized, targeted
1204 instruction that addresses specific skills gaps.
1205 (6) "Meta-major" means a collection of programs of study or
1206 academic discipline groupings that share common foundational
1207 skills.
1208 Section 16. Section 1008.30, Florida Statutes, is amended
1209 to read:
1210 1008.30 Common placement testing for public postsecondary
1211 education.—
1212 (1) The State Board of Education, in conjunction with the
1213 Board of Governors, shall develop and implement a common
1214 placement test for the purpose of assessing the basic
1215 computation and communication skills of students who intend to
1216 enter a degree program at any public postsecondary educational
1217 institution. Alternative assessments that may be accepted in
1218 lieu of the common placement test shall also be identified in

rule. Public postsecondary educational institutions shall provide appropriate modifications of the test instruments or test procedures for students with disabilities.

(2) By October 1, 2013, the State Board of Education in conjunction with the Board of Governors shall approve a series of meta-majors, academic pathways, and degree maps that identify the gateway courses required for success in each meta-major. Results from the common placement test, the alternative assessments that may be used in lieu of the common placement test, and achievements that may be considered by institutional boards of trustees, as adopted by state board rule, shall be used to diagnose a student's readiness for his or her chosen meta-major and to provide academic counseling to the student concerning options for attaining the necessary skills through developmental education while enrolled in credit courses.

(3) ~~(2)~~ The common placement testing program must ~~shall~~ include ~~at a minimum the following:~~ the capacity to diagnose basic competencies in the areas of English, reading, and mathematics which are essential for success in meta-majors and to provide ~~to perform college level work; prerequisite skills that relate to progressively advanced instruction in mathematics, such as algebra and geometry; prerequisite skills that relate to progressively advanced instruction in language arts, such as English composition and literature; and provision of~~ test information to students on the specific skills the student needs to attain ~~deficiencies~~.

(4) ~~(3)~~ The State Board of Education shall adopt rules that require high schools to evaluate before the beginning of grade 12 the college readiness of each student who scores at Level 2

or Level 3 on ~~the reading portion of~~ the grade 10 FCAT Reading or Level 2, Level 3, or Level 4 on the Algebra I ~~mathematics~~ assessments under s. 1008.22 ~~s. 1008.22(3)(c)~~. High schools shall perform this evaluation using results from the corresponding component of the common placement test prescribed in this section, or an alternative ~~equivalent~~ test identified by the State Board of Education. ~~The State Board of Education shall identify in rule the assessments necessary to perform the evaluations required by this subsection and shall work with the school districts to administer the assessments. The State Board of Education shall establish by rule the minimum test scores a student must achieve to demonstrate readiness. Students who demonstrate readiness by achieving the minimum test scores established by the state board and enroll in a Florida College System institution within 2 years of achieving such scores shall not be required to retest or enroll in remediation when admitted to any Florida College System institution.~~ The high school shall use the results of the test to advise the students of any identified deficiencies and to provide 12th grade students, and require them to complete, appropriate postsecondary preparatory instruction prior to high school graduation. The curriculum provided under this subsection shall be identified in rule by the State Board of Education and encompass Florida's Postsecondary Readiness Competencies. Other elective courses may not be substituted for the selected postsecondary reading, mathematics, or writing preparatory course unless the elective course covers the same competencies included in the postsecondary reading, mathematics, ~~or~~ writing, or English language arts preparatory course.

1277 (5)~~(4)(a)~~ The State Board of Education shall establish by
1278 rule the test scores a student must achieve to demonstrate
1279 readiness to perform college-level work. Students who
1280 demonstrate readiness by achieving or exceeding the test scores
1281 established by the state board and enroll in a Florida College
1282 System institution within 2 years after achieving such scores
1283 may not be required to retest or complete developmental
1284 education when admitted to any Florida College System
1285 institution. ~~Students who have been identified as requiring~~
1286 ~~additional preparation pursuant to subsection (1) shall enroll~~
1287 ~~in college preparatory or other adult education pursuant to s.~~
1288 ~~1004.93 in Florida College System institutions to develop needed~~
1289 ~~college entry skills. The State Board of Education shall specify~~
1290 ~~by rule provisions for alternative remediation opportunities and~~
1291 ~~retesting policies. These students shall be permitted to take~~
1292 ~~courses within their degree program concurrently in other~~
1293 ~~curriculum areas for which they are qualified while enrolled in~~
1294 ~~college preparatory instruction courses. A student enrolled in a~~
1295 ~~college preparatory course may concurrently enroll only in~~
1296 ~~college credit courses that do not require the skills addressed~~
1297 ~~in the college-preparatory course. A degree-seeking student who~~
1298 ~~is required to complete a college preparatory course must~~
1299 ~~successfully complete the required college-preparatory studies~~
1300 ~~by the time the student has accumulated 12 hours of lower-~~
1301 ~~division college credit degree coursework; however, a student~~
1302 ~~may continue enrollment in degree earning coursework provided~~
1303 ~~the student maintains enrollment in college preparatory~~
1304 ~~coursework for each subsequent semester until college-~~
1305 ~~preparatory coursework requirements are completed, and provided~~

1306 ~~the student demonstrates satisfactory performance in degree-~~
1307 ~~earning coursework. A student who has accumulated 12 college~~
1308 ~~credit hours and has not yet demonstrated proficiency in the~~
1309 ~~basic competency areas of reading, writing, and mathematics must~~
1310 ~~be advised in writing of the requirements for associate degree~~
1311 ~~completion and state university admission, including information~~
1312 ~~about future financial aid eligibility and the potential costs~~
1313 ~~of accumulating excessive college credit as described in s.~~
1314 ~~1009.286. Before a student is considered to have met basic~~
1315 ~~computation and communication skills requirements, the student~~
1316 ~~must demonstrate successful mastery of the required~~
1317 ~~developmental education competencies as defined in State Board~~
1318 ~~of Education rule. Credit awarded for college preparatory~~
1319 ~~instruction may not be counted toward fulfilling the number of~~
1320 ~~credits required for a degree.~~
1321 (6)~~(b)~~ A university board of trustees may contract with a
1322 Florida College System institution board of trustees for the
1323 Florida College System institution to provide developmental
1324 education ~~such instruction~~ on the state university campus. Any
1325 state university in which the percentage of incoming students
1326 requiring developmental education ~~college-preparatory~~
1327 ~~instruction~~ equals or exceeds the average percentage of such
1328 students for the Florida College System may offer such
1329 developmental education ~~college preparatory instruction~~ without
1330 contracting with a Florida College System institution; however,
1331 any state university offering college-preparatory instruction as
1332 of January 1, 1996, may continue to provide such services.
1333 (7)(a)~~(5)~~ The State Board of Education shall adopt rules by
1334 January 1, 2014, to implement developmental education. The rules

1335 must include:
1336 1. Student achievements that may be considered by
1337 institutional boards, such as performance on college placement
1338 tests, grade point averages, work history, military experience,
1339 career interests, degree major declaration, or any combination
1340 thereof.
1341 2. Recommended options for students performing at levels
1342 indicating adult education as an appropriate place for students
1343 to develop needed college-entry academic skills.
1344 3. Sufficient flexibility for local professional judgment
1345 and determinations of appropriate student options for achieving
1346 necessary skills.
1347 4. Limits on credit course enrollment for students
1348 indicating the need for preparatory assistance in two or more
1349 content areas.
1350 (b) Local policies and practices set by each Florida
1351 College System institution board of trustees must outline the
1352 student achievements considered by the institution for placement
1353 determinations, identify instructional options available to
1354 students, and describe student costs and financial aid
1355 opportunities associated with each instructional option.
1356 Instructional options must, at a minimum, provide for enrollment
1357 of a student in a credit course either with or without
1358 institutionally required corequisite education, mastery-based
1359 instruction or accelerated pathways for developing skills, or
1360 enrolling in adult education to attain needed skills, as chosen
1361 by the student. Policies and practices must specify limits on
1362 credit course enrollment for students indicating the need for
1363 preparatory assistance, outline retesting requirements, and

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1364 identify options for students who choose to attain skills in
1365 adult education when such instruction is not provided by the
1366 Florida College System institution ~~A student may not be enrolled~~
1367 ~~in a college credit mathematics or English course on a dual~~
1368 ~~enrollment basis unless the student has demonstrated adequate~~
1369 ~~precollegiate preparation on the section of the basic~~
1370 ~~computation and communication skills assessment required~~
1371 ~~pursuant to subsection (1) that is appropriate for successful~~
1372 ~~student participation in the course~~.
1373 Section 17. Section 1008.322, Florida Statutes, is created
1374 to read:
1375 1008.322 Board of Governors oversight enforcement
1376 authority.—
1377 (1) The Board of Governors of the State University System
1378 shall oversee the performance of state university boards of
1379 trustees in the enforcement of laws, rules, and regulations.
1380 State university boards of trustees shall be primarily
1381 responsible for compliance with laws and Board of Governors'
1382 rules and regulations.
1383 (2) The Board of Governors' constitutional authority to
1384 operate, regulate, control, and be fully responsible for the
1385 management of the State University System mandates that the
1386 state universities comply with all requests by the Board of
1387 Governors for information, data, and reports. State university
1388 presidents are responsible for the accuracy of the information
1389 and data reported to the Board of Governors.
1390 (3) The Chancellor of the State University System may
1391 investigate allegations of noncompliance with law or Board of
1392 Governors' rule or regulation and determine probable cause. The

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1393 chancellor shall report determinations of probable cause to the
1394 Board of Governors, which may require the university board of
1395 trustees to document compliance with law or Board of Governors'
1396 rule or regulation.
1397 (4) If the university board of trustees cannot
1398 satisfactorily document compliance, the Board of Governors may
1399 order compliance within a specified timeframe.
1400 (5) If the Board of Governors determines that a state
1401 university board of trustees is unwilling or unable to comply
1402 with law or Board of Governors' rule or regulation or an audit
1403 recommendation within the specified time, the Board of
1404 Governors, in addition to actions constitutionally authorized,
1405 may initiate any of the following actions:
1406 (a) Withhold the transfer of state funds, discretionary
1407 grant funds, discretionary lottery funds, or any other funds
1408 appropriated to the Board of Governors by the Legislature for
1409 disbursement to the state university until the university
1410 complies with the law or Board of Governors' rule or regulation.
1411 (b) Declare the state university ineligible for competitive
1412 grants disbursed by the Board of Governors.
1413 (c) Require monthly or periodic reporting on the situation
1414 related to noncompliance until it is remedied.
1415 (d) Report to the Legislature that the state university is
1416 unwilling or unable to comply with law or Board of Governors'
1417 rule or regulation and recommend action to be taken by the
1418 Legislature.
1419 (6) This section does not create a private cause of action
1420 or create any rights for individuals or entities in addition to
1421 those provided elsewhere in law, rule, or regulation.

1422 Section 18. Subsection (3) of section 1008.34, Florida
1423 Statutes, is amended to read:
1424 1008.34 School grading system; school report cards;
1425 district grade.—
1426 (3) DESIGNATION OF SCHOOL GRADES.—
1427 (a) Each school that has students who are tested and
1428 included in the school grading system shall receive a school
1429 grade, except as follows:
1430 1. A school shall not receive a school grade if the number
1431 of its students tested and included in the school grading system
1432 is less than the minimum sample size necessary, based on
1433 accepted professional practice, for statistical reliability and
1434 prevention of the unlawful release of personally identifiable
1435 student data under s. 1002.22 or 20 U.S.C. s. 1232g.
1436 2. An alternative school may choose to receive a school
1437 grade under this section or a school improvement rating under s.
1438 1008.341. For charter schools that meet the definition of an
1439 alternative school pursuant to State Board of Education rule,
1440 the decision to receive a school grade is the decision of the
1441 charter school governing board.
1442 3. A school that serves any combination of students in
1443 kindergarten through grade 3 which does not receive a school
1444 grade because its students are not tested and included in the
1445 school grading system shall receive the school grade designation
1446 of a K-3 feeder pattern school identified by the Department of
1447 Education and verified by the school district. A school feeder
1448 pattern exists if at least 60 percent of the students in the
1449 school serving a combination of students in kindergarten through
1450 grade 3 are scheduled to be assigned to the graded school.

1451 (b)1. A school's grade shall be based on a combination of:
1452 a. Student achievement scores, including achievement as
1453 measured by FCAT assessments under s. 1008.22(3)(c)1.,
1454 statewide, standardized end-of-course assessments under s.
1455 1008.22(3)(c)2.a. and b., and achievement scores for students
1456 seeking a special diploma.
1457 b. Student learning gains in reading and mathematics as
1458 measured by FCAT and statewide, standardized end-of-course
1459 assessments, as described in s. 1008.22(3)(c)1. and 2.a.,
1460 including learning gains for students seeking a special diploma,
1461 as measured by an alternate assessment.
1462 c. Improvement of the lowest 25th percentile of students in
1463 the school in reading and mathematics on the FCAT or end-of-
1464 course assessments described in s. 1008.22(3)(c)2.a., unless
1465 these students are exhibiting satisfactory performance.
1466 2. Beginning with the 2011-2012 school year, for schools
1467 comprised of middle school grades 6 through 8 or grades 7 and 8,
1468 the school's grade shall include the performance and
1469 participation of its students enrolled in high school level
1470 courses with end-of-course assessments administered under s.
1471 1008.22(3)(c)2.a. Performance and participation must be weighted
1472 equally, except that added weight must be given to students who
1473 participate as a component of a certified schoolwide college
1474 readiness system that includes enrollment in an elective class
1475 recognized in the Course Code Directory and designed to provide
1476 students who are taking college preparatory or advanced courses
1477 with academic instruction and other support. As valid data
1478 becomes available, the school grades shall include the students'
1479 attainment of national industry certification identified in the

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1480 Industry Certification Funding List pursuant to rules adopted by
1481 the state board.
1482 3. Beginning with the 2009-2010 school year for schools
1483 comprised of high school grades 9, 10, 11, and 12, or grades 10,
1484 11, and 12, at least 50 percent of the school grade shall be
1485 based on a combination of the factors listed in sub-
1486 subparagraphs 1.a.-c. and the remaining percentage on the
1487 following factors:
1488 a. The high school graduation rate of the school;
1489 b. As valid data becomes available, the performance and
1490 participation of the school's students in College Board Advanced
1491 Placement courses, International Baccalaureate courses, dual
1492 enrollment courses, and Advanced International Certificate of
1493 Education courses; and the students' achievement of national
1494 industry certification identified in the Industry Certification
1495 Funding List, pursuant to rules adopted by the state board;
1496 c. Postsecondary readiness of all of the school's on-time
1497 graduates as measured by the SAT, the ACT, the Postsecondary
1498 Education Readiness Test, or the common placement test;
1499 d. The high school graduation rate of at-risk students, who
1500 are students scoring at Level 1 or Level 2 on grade 8 FCAT
1501 Reading and FCAT Mathematics;
1502 e. As valid data becomes available, the performance of the
1503 school's students on statewide, standardized end-of-course
1504 assessments administered under s. 1008.22(3)(c)2.c. and d.; and
1505 f. The growth or decline in the components listed in sub-
1506 subparagraphs a.-e. from year to year.
1507 (c) Student assessment data used in determining school
1508 grades shall include:

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1509 1. The aggregate scores of all eligible students enrolled
1510 in the school who have been assessed on the FCAT and statewide,
1511 standardized end-of-course assessments in courses required for
1512 high school graduation, including, beginning with the 2011-2012
1513 school year, the end-of-course assessment in Algebra I; and
1514 beginning with the 2012-2013 school year, the end-of-course
1515 assessments in geometry and Biology I; and beginning with the
1516 2014-2015 school year, on the statewide, standardized end-of-
1517 course assessment in civics education at the middle school
1518 level.
1519 2. The aggregate scores of all eligible students enrolled
1520 in the school who have been assessed on the FCAT and statewide,
1521 standardized end-of-course assessments as described in s.
1522 1008.22(3)(c)2.a., and who have scored at or in the lowest 25th
1523 percentile of students in the school in reading and mathematics,
1524 unless these students are exhibiting satisfactory performance.
1525 3. The achievement scores and learning gains of eligible
1526 students attending alternative schools that provide dropout
1527 prevention and academic intervention services pursuant to s.
1528 1003.53. The term "eligible students" in this subparagraph does
1529 not include students attending an alternative school who are
1530 subject to district school board policies for expulsion for
1531 repeated or serious offenses, who are in dropout retrieval
1532 programs serving students who have officially been designated as
1533 dropouts, or who are in programs operated or contracted by the
1534 Department of Juvenile Justice. The student performance data for
1535 eligible students identified in this subparagraph shall be
1536 included in the calculation of the home school's grade. As used
1537 in this subparagraph and s. 1008.341, the term "home school"

1538 means the school to which the student would be assigned if the
1539 student were not assigned to an alternative school. If an
1540 alternative school chooses to be graded under this section,
1541 student performance data for eligible students identified in
1542 this subparagraph shall not be included in the home school's
1543 grade but shall be included only in the calculation of the
1544 alternative school's grade. A school district that fails to
1545 assign the FCAT and statewide, standardized end-of-course
1546 assessment as described in s. 1008.22(3)(c)2.a. scores of each
1547 of its students to his or her home school or to the alternative
1548 school that receives a grade shall forfeit Florida School
1549 Recognition Program funds for 1 fiscal year. School districts
1550 must require collaboration between the home school and the
1551 alternative school in order to promote student success. This
1552 collaboration must include an annual discussion between the
1553 principal of the alternative school and the principal of each
1554 student's home school concerning the most appropriate school
1555 assignment of the student.
1556 4. The achievement scores and learning gains of students
1557 designated as hospital- or homebound. Student assessment data
1558 for students designated as hospital- or homebound shall be
1559 assigned to their home school for the purposes of school grades.
1560 As used in this subparagraph, the term "home school" means the
1561 school to which a student would be assigned if the student were
1562 not assigned to a hospital- or homebound program.
1563 5. For schools comprised of high school grades 9, 10, 11,
1564 and 12, or grades 10, 11, and 12, the data listed in
1565 subparagraphs 1.-3. and the following data as the Department of
1566 Education determines such data are valid and available:

1567 a. The high school graduation rate of the school as
1568 calculated by the department;
1569 b. The participation rate of all eligible students enrolled
1570 in the school and enrolled in College Board Advanced Placement
1571 courses; International Baccalaureate courses; dual enrollment
1572 courses; Advanced International Certificate of Education
1573 courses; and courses or sequences of courses leading to national
1574 industry certification identified in the Industry Certification
1575 Funding List, pursuant to rules adopted by the State Board of
1576 Education;
1577 c. The aggregate scores of all eligible students enrolled
1578 in the school in College Board Advanced Placement courses,
1579 International Baccalaureate courses, and Advanced International
1580 Certificate of Education courses;
1581 d. Earning of college credit by all eligible students
1582 enrolled in the school in dual enrollment programs under s.
1583 1007.271;
1584 e. Earning of a national industry certification identified
1585 in the Industry Certification Funding List, pursuant to rules
1586 adopted by the State Board of Education;
1587 f. The aggregate scores of all eligible students enrolled
1588 in the school in reading, mathematics, and other subjects as
1589 measured by the SAT, the ACT, the Postsecondary Education
1590 Readiness Test, and the common placement test for postsecondary
1591 readiness;
1592 g. The high school graduation rate of all eligible at-risk
1593 students enrolled in the school who scored at Level 2 or lower
1594 on grade 8 FCAT Reading and FCAT Mathematics;
1595 h. The performance of the school's students on statewide,

1596 standardized end-of-course assessments administered under s.
1597 1008.22(3)(c)2.c. and d.; and
1598 i. The growth or decline in the data components listed in
1599 sub-subparagraphs a.-h. from year to year.
1600
1601 The State Board of Education shall adopt appropriate criteria
1602 for each school grade. The criteria must also give added weight
1603 to student achievement in reading and for students who
1604 participate in rigorous courses as described in sub-subparagraph
1605 5.b. as a part of a schoolwide college readiness system that
1606 includes enrollment in an elective class recognized in the
1607 Course Code Directory and designed to provide students who are
1608 taking college preparatory or advanced courses with academic
1609 instruction and other support. Schools earning a grade of "C,"
1610 making satisfactory progress, shall be required to demonstrate
1611 that adequate progress has been made by students in the school
1612 who are in the lowest 25th percentile in reading and mathematics
1613 on the FCAT and end-of-course assessments as described in s.
1614 1008.22(3)(c)2.a., unless these students are exhibiting
1615 satisfactory performance. For schools comprised of high school
1616 grades 9, 10, 11, and 12, or grades 10, 11, and 12, the criteria
1617 for school grades must also give added weight to the graduation
1618 rate of all eligible at-risk students. In order for a high
1619 school to earn a grade of "A," the school must demonstrate that
1620 its at-risk students, as defined in this paragraph, are making
1621 adequate progress.
1622 Section 19. Subsection (2) of section 1008.37, Florida
1623 Statutes, is amended to read:
1624 1008.37 Postsecondary feedback of information to high

1625 schools.—
1626 (2) No later than November 30 of each year, the
1627 Commissioner of Education shall report, by high school, to the
1628 State Board of Education, the Board of Governors, and the
1629 Legislature~~, no later than November 30 of each year,~~ on the
1630 number of prior-year ~~prior year~~ Florida high school graduates
1631 who enrolled for the first time in public postsecondary
1632 education in this state during the previous summer, fall, or
1633 spring term. The report must include~~, indicating~~ the number of
1634 students whose scores on the common placement test that is
1635 required under s. 1008.30, indicate ~~indicated~~ the need to attain
1636 communication and computation skills through developmental
1637 education options offered by a public postsecondary institution
1638 or through ~~for remediation through college preparatory or~~
1639 vocational-preparatory instruction pursuant to s. 1004.91 or s.
1640 1008.30.
1641 Section 20. Paragraph (a) of subsection (3) of section
1642 1009.22, Florida Statutes, is amended to read:
1643 1009.22 Workforce education postsecondary student fees.—
1644 (3)(a) Except as otherwise provided by law, fees for
1645 students who are nonresidents for tuition purposes must offset
1646 the full cost of instruction. Residency of students shall be
1647 determined as required in s. 1009.21. Fee-nonexempt students
1648 enrolled in vocational-preparatory instruction shall be charged
1649 fees equal to the fees charged for adult general education
1650 programs. ~~Each Florida College System institution that conducts~~
1651 ~~college preparatory and vocational preparatory instruction in~~
1652 ~~the same class section may charge a single fee for both types of~~
1653 ~~instruction.~~

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1654 Section 21. Subsection (1), paragraph (a) of subsection
1655 (3), and subsection (10) of section 1009.23, Florida Statutes,
1656 are amended to read:
1657 1009.23 Florida College System institution student fees.—
1658 (1) Unless otherwise provided, this section applies only to
1659 fees charged for college credit instruction leading to an
1660 associate in arts degree, an associate in applied science
1661 degree, an associate in science degree, or a baccalaureate
1662 degree authorized pursuant to s. 1007.33, for developmental
1663 education ~~noncollege credit college preparatory courses~~ defined
1664 in s. 1004.02, and for educator preparation institute programs
1665 defined in s. 1004.85.
1666 (3)(a) Effective July 1, 2011, for advanced and
1667 professional, postsecondary vocational, ~~college preparatory,~~ and
1668 educator preparation institute programs, the standard tuition is
1669 ~~shall be~~ $68.56 per credit hour for residents and nonresidents,
1670 and the out-of-state fee is ~~shall be~~ $205.82 per credit hour.
1671 (10) Each Florida College System institution board of
1672 trustees is authorized to establish a separate fee for
1673 technology, which may not exceed 5 percent of tuition per credit
1674 hour or credit-hour equivalent for resident students and may not
1675 exceed 5 percent of tuition and the out-of-state fee per credit
1676 hour or credit-hour equivalent for nonresident students.
1677 Revenues generated from the technology fee shall be used to
1678 enhance instructional technology resources for students and
1679 faculty. The technology fee may ~~apply to both college credit and~~
1680 ~~college preparatory instruction and shall~~ not be included in any
1681 award under the Florida Bright Futures Scholarship Program.
1682 Fifty percent of technology fee revenues may be pledged by a

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1683 Florida College System institution board of trustees as a
1684 dedicated revenue source for the repayment of debt, including
1685 lease-purchase agreements, not to exceed the useful life of the
1686 asset being financed. Revenues generated from the technology fee
1687 may not be bonded.
1688 Section 22. Subsection (11) is added to section 1009.26,
1689 Florida Statutes, to read:
1690 1009.26 Fee waivers.—
1691 (11) A Florida College System institution that offers a
1692 baccalaureate degree for state residents for which the cost of
1693 tuition and specified fees does not exceed $10,000 for the
1694 entire degree program may waive any portion or all of the
1695 following fees for that degree: tuition, the activity and
1696 service fee, the financial aid fee, the technology fee, the
1697 capital improvement fee, and the distance-learning fee. The
1698 Legislature encourages colleges to include at least one industry
1699 certification from the Postsecondary Industry Certification
1700 Funding List in a degree program for which such waivers are
1701 granted.
1702 Section 23. Section 1009.28, Florida Statutes, is repealed.
1703 Section 24. Section 1009.285, Florida Statutes, is amended
1704 to read:
1705 1009.285 Fees for repeated enrollment in college-credit
1706 courses.—A student enrolled in the same undergraduate college-
1707 credit course more than once, except for students enrolled in a
1708 gateway course for an extended period of time under s. 1008.30,
1709 must ~~twice shall~~ pay tuition at 100 percent of the full cost of
1710 instruction, and may not be ~~and shall not be~~ included in
1711 calculations of full-time equivalent enrollments for state

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1712 funding purposes. However, students who withdraw or fail a class
1713 due to extenuating circumstances may be granted an exception
1714 only once for each class if~~, provided~~ that approval is granted
1715 according to policy established by the Florida College System
1716 institution board of trustees or the university board of
1717 trustees. Each Florida College System institution and state
1718 university may review and reduce fees paid by students due to
1719 continued enrollment in a college-credit class on an individual
1720 basis contingent upon the student's financial hardship. For
1721 purposes of this section, first-time enrollment in a class means
1722 ~~shall mean~~ enrollment in a class beginning fall semester 1997,
1723 and calculations of the full cost of instruction is ~~shall be~~
1724 based on the systemwide average of the prior year's cost of
1725 undergraduate programs for the Florida College System
1726 institutions and the state universities. Boards of trustees may
1727 make exceptions to this section for individualized study,
1728 elective coursework, courses that are repeated as a requirement
1729 of a major, and courses that are intended as continuing over
1730 multiple semesters, excluding the repeat of coursework more than
1731 once ~~two times~~ to increase grade point average or meet minimum
1732 course grade requirements.
1733 Section 25. Paragraph (g) of subsection (4) of section
1734 1009.286, Florida Statutes, is amended to read:
1735 1009.286 Additional student payment for hours exceeding
1736 baccalaureate degree program completion requirements at state
1737 universities.—
1738 (4) For purposes of this section, credit hours earned under
1739 the following circumstances are not calculated as hours required
1740 to earn a baccalaureate degree:

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1741 (g) ~~Remedial and~~ English as a Second Language credit hours.
1742 Section 26. Subsection (3) of section 1009.40, Florida
1743 Statutes, is amended to read:
1744 1009.40 General requirements for student eligibility for
1745 state financial aid awards and tuition assistance grants.—
1746 (3) Undergraduate students are eligible to receive
1747 financial aid for a maximum of 8 semesters or 12 quarters.
1748 However, undergraduate students participating in developmental
1749 education and ~~college preparatory instruction, students~~
1750 ~~requiring additional time to complete the college level~~
1751 ~~communication and computation skills testing programs, or~~
1752 students enrolled in a 5-year undergraduate degree program are
1753 eligible to receive financial aid for a maximum of 10 semesters
1754 or 15 quarters.
1755 Section 27. Subsection (10) of section 1009.53, Florida
1756 Statutes, is amended to read:
1757 1009.53 Florida Bright Futures Scholarship Program.—
1758 (10) Funds from any scholarship within the Florida Bright
1759 Futures Scholarship Program may not be used to pay for
1760 developmental education ~~remedial or college preparatory~~
1761 ~~coursework~~.
1762 Section 28. Subsection (7) of section 1009.531, Florida
1763 Statutes, is repealed.
1764 Section 29. Paragraph (b) of subsection (1) and subsection
1765 (5) of section 1011.84, Florida Statutes, are amended to read:
1766 1011.84 Procedure for determining state financial support
1767 and annual apportionment of state funds to each Florida College
1768 System institution district.—The procedure for determining state
1769 financial support and the annual apportionment to each Florida

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1770 College System institution district authorized to operate a
1771 Florida College System institution under the provisions of s.
1772 1001.61 shall be as follows:
1773 (1) DETERMINING THE AMOUNT TO BE INCLUDED IN THE FLORIDA
1774 COLLEGE SYSTEM PROGRAM FUND FOR THE CURRENT OPERATING PROGRAM.—
1775 (b) The allocation of funds for Florida College System
1776 institutions is ~~shall be~~ based on advanced and professional
1777 disciplines, developmental education ~~college preparatory~~
1778 ~~programs~~, and other programs for adults funded pursuant to s.
1779 1011.80.
1780 (5) REPORT OF DEVELOPMENTAL ~~REMEDIAL~~ EDUCATION.—Each
1781 Florida College System institution board of trustees shall
1782 report, as a separate item in its annual cost accounting system,
1783 the volume and cost of developmental education options provided
1784 to help students attain the communication and computation skills
1785 that are essential for college-level work pursuant to s. 1008.30
1786 ~~remedial education activities as a separate item in its annual~~
1787 ~~cost accounting system~~.
1788 Section 30. This act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28
Meeting Date

Topic: Higher Ed Reform

Bill Number: 1720 (if applicable)

Name: Adam Giery (Gear-e)

Amendment Barcode: (if applicable)

Job Title: Dir of Policy

Address: 136 sth Bronough
Street

Tallahassee, FL
City, State, Zip

Phone:

E-mail:

Speaking: [x] For [ ] Against [ ] Information

Representing: FL Chamber of Commerce

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on Education, *Chair*
Agriculture
Appropriations
Appropriations Subcommittee on Health and Human Services
Education
Gaming
Health Policy
Regulated Industries
Rules

SENATOR BILL GALVANO
26th District

March 21, 2013

Senator Joe Negron
201 Capitol
404 South Monroe Street
Tallahassee, FL 32399

Dear Chairman Negron:

I respectfully request that CS/CS/SB 1720, Education, be scheduled for a hearing in the Appropriations Committee at your earliest convenience.

If I may be of assistance to you on this or any other matter, please do not hesitate to contact me. Thank you for your consideration of this matter.

Sincerely,

Bill Galvano

cc: Mike Hanson
Ann Roberts
Alicia Weiss

SENATE APPROPRIATIONS
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☐ 1023 Manatee Avenue West, Suite 201, Bradenton, Florida 34205
☐ 326 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5026

Senate's Website: *www.flsenate.gov*

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

140800

576-02909-13

Proposed Committee Substitute by the Committee on Appropriations
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to state technology; transferring, renumbering, and amending s. 14.204, F.S.; creating the Department of State Technology; providing for the organizational structure of the department; creating a Technology Advisory Council and providing for membership; amending s. 282.0041, F.S.; revising and providing definitions for terms used in the Enterprise Information Technology Services Management Act; amending s. 282.0055, F.S.; requiring the department to develop a long-range plan; providing the powers and duties of the department; amending s. 282.0056, F.S.; conforming provisions to changes made by the act; deleting the requirement that the department's work plan be presented at a public hearing; expressly exempting certain entities from data center consolidation; creating s. 282.0057, F.S.; providing a schedule for the initiation of department information technology projects; specifying tasks to be approved and completed; repealing s. 282.201, relating to the state data center system; amending s. 282.203, F.S.; conforming provisions to changes made by the act; providing for future repeal; repealing s. 282.204, F.S., relating to Northwood Shared Resource Center; repealing s. 282.205, F.S., relating to Southwood Shared Resource Center; creating s. 282.206, F.S.; establishing the Fletcher Shared Resource Center

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within the Department of Financial Services to provide enterprise information technology services to the department, co-location services to the Department of Legal Services and the Department of Agriculture and Consumer Services, and host the Legislative Appropriations System/Planning and Budgeting Subsystem; providing for governance of the center; authorizing the Department of Legal Affairs and the Department of Agriculture and Consumer Services to move data center equipment to the center; amending s. 282.318, F.S.; conforming provisions to changes made by the act; repealing s. 282.33, F.S., relating to objective standards for data center energy efficiency; repealing s. 282.34, F.S., relating to enterprise email service; amending ss. 282.604, 282.702, 282.703, 20.22, 110.205, 215.22, 215.322, 215.96, 216.292, 287.012, 287.057, 318.18, 320.0802,328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, 668.50, and 1006.73, F.S.; conforming provisions to changes made by the act; transferring the personnel, functions, and funds of the Agency for Enterprise Information Technology to the Department of State Technology; transferring specified personnel, functions, funds, trust funds, administrative orders, contracts, and rules relating to technology programs from the Department of Management Services to the Department of State Technology; transferring the Northwood Shared Resource Center and the Southwood

Shared Resource Center to the department; providing that the status of any employee positions transferred to the department is retained; providing an appropriation; providing effective dates.

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

Section 1. Section 14.204, Florida Statutes, is transferred, renumbered as section 20.61, Florida Statutes, and amended to read:

(Substantial rewording of section. See s. 14.204, F.S. for present text)

20.61 Department of State Technology; powers and duties.—The Department of State Technology is hereby created as an executive agency under the Governor.

(1) The department shall have a secretary, who shall be appointed by the Governor. The secretary must be confirmed by the Senate and shall serve at the pleasure of the Governor. The secretary shall be the state's Chief Information Officer.

(2) The Technology Advisory Council consisting of nine members shall be established and maintained pursuant to s. 20.052. Four of the members of the council shall be appointed by the Governor, of which two members must be from the private sector; three of the members shall be appointed by the Cabinet; one of the members shall be appointed by the Speaker of the House of Representative; and one member shall be appointed by the Senate President. Upon initial establishment of the council, two of the Governor's appointments and two of the Cabinet's appointments shall be for 2 year terms. Thereafter, all

appointments shall be for 4 year terms.

(a) The council shall consider and make recommendations to the secretary on such matters as enterprise information technology policies, standards, services, and architecture.

(b) The secretary shall consult with the council with regard to executing the duties and responsibilities of the department related to statewide information technology strategic planning and policy.

(3) The following divisions and offices are established within the department:

(a) Division of Information Management.

(b) Division of Enterprise Information Technology Services.

(c) The Office Of Information Security.

(d) The Office of Strategic Planning.

(4) There shall be a Chief Operations Officer, a Chief Planning Officer, a Chief Security Officer, and a Deputy Chief Information Officer all of whom serve at the pleasure of the secretary.

(a) The Chief Operations Officer is responsible for the operations and delivery of enterprise information technology services including management of telecommunication services and data center operations.

(b) The Chief Planning Officer is responsible for establishing and maintaining enterprise information technology policy, planning, standards, project management, oversight, and procurement.

(c) The Chief Security Officer is responsible for establishing and maintaining the enterprise strategy and program for ensuring information assets are adequately protected.

115 (d) The Deputy Chief Information Officer is responsible for
116 establishing and maintaining the enterprise strategy for
117 enterprise information technology services.
118 (5) The following deputy Chief Information Officer
119 positions shall be appointed and serve at the pleasure of the
120 secretary. Each deputy is responsible for the following core
121 agency groups:
122 (a) Deputy Information Officer of Human Services, to
123 include:
124 1. Department of Elder Affairs.
125 2. Agency for Health Care Administration.
126 3. Agency for Persons with Disabilities.
127 4. Department of Children and Families.
128 5. Department of Health.
129 6. Department of Veterans' Affairs.
130 (b) Deputy Information Officer of Criminal and Civil
131 Justice, to include:
132 1. Department of Juvenile Justice.
133 2. Parole Commission.
134 3. Department of Corrections.
135 4. Board of Clemency.
136 5. Department of Law Enforcement.
137 6. Department of Highway Safety and Motor Vehicles.
138 (c) Deputy Information Officer of Education, to include
139 the:
140 1. Department of Education.
141 2. State Board of Education.
142 3. Board of Governors.
143 (d) Deputy Information Officer of Business Operations, to

144 include:
145 1. Department of Revenue.
146 2. Department of Business and Professional Regulation.
147 3. Department of the Lottery.
148 4. Department of Economic Opportunity.
149 (e) Deputy Information Officer of Community Services, to
150 include:
151 1. Department of Military Affairs.
152 2. Department of Transportation.
153 3. Department of State.
154 4. Department of Emergency Management.
155 (f) Deputy Information Officer of Natural Resources, to
156 include:
157 1. Department of Environmental Protection.
158 2. Department of Fish and Wildlife.
159 3. Department of Citrus.
160 (g) Deputy Information Officer of Executive and
161 Administrative Support Service, to include:
162 1. The Department of Financial Services.
163 2. The Department of Management Services.
164 3. The Department of Legal Affairs.
165 4. The Department of Agriculture and Consumer Services.
166 (6) In order to optimize the efficiency and utility of
167 information technology systems within core agency groups, the
168 secretary may require the participation of programs within a
169 state agency to work with a deputy chief information officer
170 outside of the agency's assigned core group.
171 (7) The secretary may obtain administrative services
172 through the Department of Management Services pursuant to a

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173 memorandum of understanding.
174 Section 2. Section 282.0041, Florida Statutes, is reordered
175 and amended to read:
176 282.0041 Definitions.—As used in this chapter, the term:
177 ~~(1) "Agency" has the same meaning as in s. 216.011(1)(qq),~~
178 ~~except that for purposes of this chapter, "agency" does not~~
179 ~~include university boards of trustees or state universities~~.
180 ~~(2) "Agency for Enterprise Information Technology" means~~
181 ~~the agency created in s. 14.204.~~
182 (1)~~(3)~~ "Agency information technology service" means a
183 service that directly helps a state ~~an~~ agency fulfill its
184 statutory or constitutional responsibilities and policy
185 objectives and is usually associated with the state agency's
186 primary or core business functions.
187 ~~(4) "Annual budget meeting" means a meeting of the board of~~
188 ~~trustees of a primary data center to review data center usage to~~
189 ~~determine the apportionment of board members for the following~~
190 ~~fiscal year, review rates for each service provided, and~~
191 ~~determine any other required changes.~~
192 (2)~~(5)~~ "Breach" has the same meaning as in s. 817.5681(4).
193 (3)~~(6)~~ "Business continuity plan" means a plan for disaster
194 recovery which provides for the continued functioning of a
195 shared resource center or primary data center during and after a
196 disaster.
197 (4)~~(7)~~ "Computing facility" means a state agency site ~~space~~
198 containing fewer than ~~a total of~~ 10 physical or logical servers,
199 any of which supports a strategic or nonstrategic information
200 technology service, as described in budget instructions
201 developed pursuant to s. 216.023, but excluding

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202 telecommunications and voice gateways and clustered pairs of
203 servers operating as a single logical server to provide file,
204 print, security, and endpoint management services ~~single,~~
205 ~~logical-server installations that exclusively perform a utility~~
206 ~~function such as file and print servers~~.
207 (5) "Computing service" means an information technology
208 service that is used in all state agencies or a subset of
209 agencies.
210 ~~(8) "Customer entity" means an entity that obtains services~~
211 ~~from a primary data center.~~
212 (6)~~(9)~~ "Data center" means state agency space containing 10
213 or more physical or logical servers, any of which supports a
214 strategic or nonstrategic information technology service, as
215 described in budget instructions developed pursuant to s.
216 216.023.
217 (7)~~(10)~~ "Department" means the Department of State
218 Technology ~~Management Services~~.
219 (9)~~(11)~~ "Enterprise information technology service" means
220 an information technology service that is used in all state
221 agencies or a subset of state agencies and is established in law
222 to be designed, delivered, and managed at the enterprise level.
223 (8)~~(12)~~ "Email ~~E-mail~~, messaging, and calendaring service"
224 means the enterprise information technology service that enables
225 users to send, receive, file, store, manage, and retrieve
226 electronic messages, attachments, appointments, and addresses.
227 ~~The e-mail, messaging, and calendaring service must include e-~~
228 ~~mail account management; help desk; technical support and user~~
229 ~~provisioning services; disaster recovery and backup and restore~~
230 ~~capabilities; antispam and antivirus capabilities; archiving and~~

~~e-discovery; and remote access and mobile messaging capabilities.~~

(10) ~~(13)~~ "Information-system utility" means an information processing ~~a full-service information-processing~~ facility offering hardware, software, operations, integration, networking, floor space, and consulting services.

(12) ~~(14)~~ "Information technology resources" means equipment, hardware, software, firmware, programs, systems, networks, infrastructure, media, and related material used to automatically, electronically, and wirelessly collect, receive, access, transmit, display, store, record, retrieve, analyze, evaluate, process, classify, manipulate, manage, assimilate, control, communicate, exchange, convert, converge, interface, switch, or disseminate information of any kind or form, and includes the human resources to perform such duties except for application developers and logical database administrators.

(11) ~~(15)~~ "Information technology policy" means statements that describe clear choices for how information technology will deliver effective and efficient government services to residents and improve state agency operations. A policy may relate to investments, business applications, architecture, or infrastructure. A policy describes its rationale, implications of compliance or noncompliance, the timeline for implementation, metrics for determining compliance, and the accountable structure responsible for its implementation.

(13) "Local area network" means any telecommunications network through which messages and data are exchanged only within a single building or contiguous campus.

(14) "Memorandum of understanding" means a written

agreement between the department and a state agency which specifies the scope of services provided, service level, duration of the agreement, responsible parties, and service costs. A memorandum of understanding is not a rule pursuant to chapter 120.

(15) "Other public sector organizations" means entities of the legislative and judicial branches, the State University System, the Florida Community College System, counties, and municipalities. Such organizations may elect to participate in the information technology programs, services, or contracts offered by the department, including information technology procurement, in accordance with general law, policies, and administrative rules.

~~(16) "Performance metrics" means the measures of an organization's activities and performance.~~

(16) ~~(17)~~ "Primary data center" means a data center that is a recipient entity ~~for consolidation~~ of state agency information technology resources and provides contracted services to the agency ~~nonprimary data centers and computing facilities and that is established by law~~.

(17) ~~(18)~~ "Project" means an endeavor that has a defined start and end point; is undertaken to create or modify a unique product, service, or result; and has specific objectives that, when attained, signify completion.

(18) ~~(19)~~ "Risk analysis" means the process of identifying security risks, determining their magnitude, and identifying areas needing safeguards.

(19) ~~(20)~~ "Service level" means the key performance indicators (KPI) of an organization or service which must be

regularly performed, monitored, and achieved.

~~(21) "Service-level agreement" means a written contract between a data center and a customer entity which specifies the scope of services provided, service level, the duration of the agreement, the responsible parties, and service costs. A service-level agreement is not a rule pursuant to chapter 120.~~

(20) "Shared resource center" means a primary data center that is state controlled.

(21) ~~(22)~~ "Standards" means required practices, controls, components, or configurations established by an authority.

(22) "State agency" has the same meaning as in s. 216.011(1), but excluding the Department of Legal Affairs, the Department of Financial Services, and the Department of Agriculture and Consumer Services.

(23) "State agency site" means a single, contiguous local area network segment that does not traverse a metropolitan area network or wide area network.

(24) ~~(23)~~ "SUNCOM Network" means the state enterprise telecommunications system that provides all methods of electronic or optical telecommunications beyond a single building or contiguous building complex and used by entities authorized as network users under this part.

(25) ~~(24)~~ "Telecommunications" means the science and technology of communication at a distance, including electronic systems used in the transmission or reception of information.

(26) ~~(25)~~ "Threat" means any circumstance or event that may cause harm to the integrity, availability, or confidentiality of information technology resources.

(27) ~~(26)~~ "Total cost" means all costs associated with

information technology projects or initiatives, including, but not limited to, value of hardware, software, service, maintenance, incremental personnel, and facilities. Total cost of a loan or gift of information technology resources to a state ~~an~~ agency includes the fair market value of the resources.

(28) ~~(27)~~ "Usage" means the billing amount charged by the shared resource ~~primary data~~ center, minus ~~less~~ any pass-through charges, to the customer entity.

(29) ~~(28)~~ "Usage rate" means a customer entity's usage or billing amount as a percentage of total usage.

(30) "Wide area network" means a telecommunications network or components thereof through which messages and data are exchanged outside of a local area network.

Section 3. Section 282.0055, Florida Statutes, is amended to read:

282.0055 Assignment of information technology; long-range plan; powers and duties.—The department shall design, plan, develop, implement, and manage state enterprise information technology services and infrastructure to achieve the use of cost-effective and cost-efficient common technology. ~~In order to ensure the most effective and efficient use of the state's information technology and information technology resources and notwithstanding other provisions of law to the contrary, policies for the design, planning, project management, and implementation of enterprise information technology services shall be the responsibility of the Agency for Enterprise Information Technology for executive branch agencies created or authorized in statute to perform legislatively delegated functions.~~ The supervision, design, delivery, and management of

347 state agency information technology shall remain within the
348 responsibility and control of the individual state agency.
349 (1) To assist with achieving this purpose, the department
350 shall biennially develop and coordinate a comprehensive long-
351 range plan for the state's information technology resources,
352 including opportunities for coordinating with other public-
353 sector organizations; ensuring the proper management of such
354 resources; developing agency budget requests for submission to
355 the Legislature; and delivering enterprise information
356 technology services. In developing the plan, the department
357 shall identify best practices from executive branch agencies and
358 other public and private sector entities in order to develop,
359 replicate, and implement such information technology best
360 practices and standards into the state's technology services and
361 infrastructure.
362 (2) The department shall have the following powers and
363 duties:
364 (a) Setting state technology policy.
365 (b) The development, design, planning, project management,
366 implementation, delivery, and management of enterprise
367 information technology services.
368 (c) Establishing architecture for the state's technology
369 infrastructure in order to promote the efficient use of
370 resources and to promote economic development.
371 (d) Preparing fiscal impact statements relating to
372 necessary modifications and the delivery of technology to
373 support policies required by proposed legislation.
374 (e) Coordinating technology resource acquisition planning,
375 and assisting the Department of Management Services' Division of

376 Purchasing in using aggregate buying methodologies whenever
377 possible and with procurement negotiations for hardware and
378 software products and services in order to improve the
379 efficiency and reduce the cost of enterprise information
380 technology services.
381 (f) Upon request, advising, supporting, and collaborating
382 with the Division of Purchasing in the Department of Management
383 Services, in establishing best practices for the procurement of
384 information technology products in order to achieve savings for
385 the state.
386 (g) Upon request, supporting and collaborating with the
387 Division of Purchasing in the Department of Management Services,
388 in conducting procurement negotiations for information
389 technology products that will be used by multiple state
390 agencies.
391 (h) Providing oversight or project management for all
392 technology resources for projects exceeding an annual investment
393 of $2.5 million to accomplish goals of technology portfolio
394 management.
395 (i) Establishing performance measurement standards and
396 metrics regarding the success of technology projects and
397 services across the enterprise.
398 (j) Establishing standards for state agencies to submit
399 information technology reports or updates as necessary to
400 support the duties of the agency. At a minimum, such standards
401 must address content, format, and frequency of updates.
402 (k) Establishing and collecting fees and charges for data
403 and delivery of enterprise information technology services to
404 state agencies on a cost-sharing basis.

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(l) Developing a cost-recovery plan to recover both the costs and the accrual of funds sufficient for reinvesting in new services and better technologies. This plan shall be developed in consultation with state agencies and approved by the Legislature.

(m) At the discretion of the department, collecting and maintaining an inventory of the information technology resources in state agencies and the data maintained by each agency. The department may develop standards for data elements.

(n) Assuming ownership or custody and control of information processing equipment, supplies, and positions in order to thoroughly carry out the duties and responsibilities of the department.

(o) Adopting rules and policies for the efficient, secure, and economical management and operation of enterprise information technology services.

(p) Providing other public sector organizations with access to the services provided by the agency taking into consideration the agency's ability to support those services. Access shall be provided on the same cost basis as applies to state agencies.

(q) Establishing statewide practices and policies to ensure that data that is exempt or confidential from s. 119.07(1) and s. 24(a), Art. I of the State Constitution, or that is otherwise confidential under state or federal law remains protected. This provision does not affect a transfer of ownership of data from any department, agency, board, bureau, commission, or authority to the state agency.

(r) Conducting periodic assessments of state agencies for compliance with statewide information technology policies and

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recommending to the Governor or the Financial Management Information Board statewide policies for information technology.

(s) Establishing and maintaining a single website publishing information as provided in s. 215.985.

(t) Maintaining the official Internet state portal.

Section 4. Subsection (1) of section 282.0056, Florida Statutes, is amended, and subsection (6) is added to that section, to read:

282.0056 Development of work plan; development of implementation plans; and policy recommendations.—

(1) For the purposes of carrying out its responsibilities under s. 282.0055, the department ~~Agency for Enterprise Information Technology~~ shall develop an annual work plan within 60 days after the beginning of the fiscal year describing the activities that the department ~~agency~~ intends to undertake for that year, including proposed outcomes and completion timeframes for the planning and implementation of all enterprise information technology services. The work plan must be ~~presented at a public hearing and~~ approved by the Governor ~~and Cabinet~~, and thereafter submitted to the President of the Senate and the Speaker of the House of Representatives. The work plan may be amended as needed, subject to approval by the Governor ~~and Cabinet~~.

(6) The Department of Law Enforcement, the Department of the Lottery's Gaming System, Systems Design and Development in the Office of Policy and Budget, the State Board of Administration, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Florida Clerks of Court Operations Corporation, the

463 Department of Legal Affairs, the Department of Financial
464 Services, the Department of Agriculture and Consumer Services'
465 Agriculture Management Information Center and the Division of
466 Licensing, the Justice Administrative Commission, and the
467 Florida Housing Finance Corporation are exempt from data center
468 consolidation unless specifically directed by the Legislature.
469 The exempt entities shall provide any information requested by
470 the department which is reasonably necessary for an analysis
471 relating to the feasibility and cost of data center
472 consolidation.
473 Section 5. Section 282.0057 Florida Statutes, is created to
474 read:
475 282.0057 Information technology project initiation
476 schedule; reporting.—
477 (1) Beginning January 1, 2015, the department shall:
478 (a) In cooperation with the Governor's Office of Policy and
479 Budget, publish a report on its current and planned information
480 technology expenditures, including, but not limited to, line-
481 item detail expenditures on systems development, personnel
482 services, and equipment from the previous fiscal year and
483 anticipated expenditures for the upcoming fiscal year; a
484 prioritization of information technology initiatives to address
485 unmet needs and opportunities for significant efficiencies or
486 improved effectiveness within the state information technology
487 enterprise; and a prioritized funding schedule for all major
488 projects or initiatives, as well as cost estimates of the fiscal
489 impact of the recommended initiatives.
490 (b) Coordinate state agencies in developing and
491 implementing data sharing. The department shall determine and

492 implement statewide efforts to standardize data elements and
493 shall determine data ownership assignments among state agencies.
494 (c) Include in its legislative budget requests a
495 recommendation for consolidating state agency data in order to
496 provide better access for private and government use.
497 (d) Oversee the expanded use and implementation of project
498 and contract management principles as they relate to information
499 technology projects. Funded projects within state agencies must
500 use the project and contract management methodologies specified
501 by the department.
502 (2) Beginning January 1, 2016, the department shall:
503 (a) Develop systems and methodologies to review, evaluate,
504 and prioritize existing information technology projects and
505 develop a plan for leveraging technology across state agencies.
506 The department shall report to the Governor, the President of
507 the Senate, and the Speaker of the House of Representatives on
508 the status of information technology projects and the agency's
509 recommendations for project development on a semiannual basis.
510 Such recommendations shall be incorporated into the state
511 agency's legislative budget requests for technology projects.
512 (b) Develop standards for application development,
513 including, but not limited to, a standard methodology and cost-
514 benefit analysis that state agencies shall use for application
515 development activities.
516 (3) Beginning January 1, 2018, the department shall review
517 and approve technology purchases made by state agencies.
518 Approval must be based on technology policies and standards
519 established by the department and approved by the Legislature.
520 Section 6. Section 282.201, Florida Statutes, is repealed.

Section 7. Paragraphs (c), (e), (h), (i), and (m) of subsection (1), paragraph (e) of subsection (2), and paragraphs (b), (e), (h), and (k) of subsection (3) of section 282.203, Florida Statutes, are amended and a new subsection (4) is added to that section, to read:

282.203 Primary data centers.—

(1) DATA CENTER DUTIES.—Each primary data center shall:

(c) Comply with rules adopted by the department ~~Agency for Enterprise Information Technology~~, pursuant to this section, and coordinate with the agency in the consolidation of data centers.

(e) Provide transparent financial statements to customer entities and the department ~~Agency for Enterprise Information Technology~~. The financial statements shall be provided as follows:

1. Annually, by July 30 for the current fiscal year and by December 1 for the subsequent fiscal year, the data center must provide the total annual budgeted costs by major expenditure category, including, but not limited to, salaries, expense, operating capital outlay, contracted services, or other personnel services, which directly relate to the provision of each service and which separately indicate the administrative overhead allocated to each service.

2. Annually, by July 30 for the current fiscal year and by December 1 for the subsequent fiscal year, the data center must provide total projected billings for each customer entity which are required to recover the costs of the data center.

3. Annually, by January 31, the data center must provide updates of the financial statements required under subparagraphs 1. and 2. for the current fiscal year.

The financial information required under subparagraphs 1., 2., and 3. must be based on current law and current appropriations.

(h) Develop a business continuity plan and conduct a live exercise of the plan at least annually. The plan must be approved by the board and the department ~~Agency for Enterprise Information Technology~~.

(i) Enter into a service-level agreement with each customer entity to provide services as defined and approved by the board. A service-level agreement may not have a term exceeding 3 years but may include an option to renew for up to 3 years contingent on approval by the board.

1. A service-level agreement, at a minimum, must:

a. Identify the parties and their roles, duties, and responsibilities under the agreement.

b. Identify the legal authority under which the service-level agreement was negotiated and entered into by the parties.

c. State the duration of the contractual term and specify the conditions for contract renewal.

d. Prohibit the transfer of computing services between primary data center facilities without at least 180 days' notice of service cancellation.

e. Identify the scope of work.

f. Identify the products or services to be delivered with sufficient specificity to permit an external financial or performance audit.

g. Establish the services to be provided, the business standards that must be met for each service, the cost of each service, and the process by which the business standards for

each service are to be objectively measured and reported.

h. Identify applicable funds and funding streams for the services or products under contract.

i. Provide a timely billing methodology for recovering the cost of services provided to the customer entity.

j. Provide a procedure for modifying the service-level agreement to address changes in projected costs of service.

k. Provide that a service-level agreement may be terminated by either party for cause only after giving the other party and the department ~~Agency for Enterprise Information Technology~~ notice in writing of the cause for termination and an opportunity for the other party to resolve the identified cause within a reasonable period.

l. Provide for mediation of disputes by the Division of Administrative Hearings pursuant to s. 120.573.

2. A service-level agreement may include:

a. A dispute resolution mechanism, including alternatives to administrative or judicial proceedings;

b. The setting of a surety or performance bond for service-level agreements entered into with agency primary data centers established by law; or

c. Additional terms and conditions as determined advisable by the parties if such additional terms and conditions do not conflict with the requirements of this section or rules adopted by the department ~~Agency for Enterprise Information Technology~~.

3. The failure to execute a service-level agreement within 60 days after service commencement shall, in the case of an existing customer entity, result in a continuation of the terms of the service-level agreement from the prior fiscal year,

including any amendments that were formally proposed to the customer entity by the primary data center within the 3 months before service commencement, and a revised cost-of-service estimate. If a new customer entity fails to execute an agreement within 60 days after service commencement, the data center may cease services.

(m) Assume administrative access rights to the resources and equipment, such as servers, network components, and other devices that are consolidated into the primary data center.

1. Upon the date of each consolidation specified in ~~s. 282.201,~~ the General Appropriations Act~~,~~ or the Laws of Florida, each agency shall relinquish all administrative access rights to such resources and equipment.

2. Each primary data center shall provide its customer agencies with the appropriate level of access to applications, servers, network components, and other devices necessary for agencies to perform their core business activities and functions.

(2) BOARD OF TRUSTEES.—Each primary data center shall be headed by a board of trustees as defined in s. 20.03.

(e) The executive director of the department ~~Agency for Enterprise Information Technology~~ shall be the advisor to the board.

(3) BOARD DUTIES.—Each board of trustees of a primary data center shall:

(b) Establish procedures for the primary data center to ensure that budgeting and accounting procedures, cost-recovery methodologies, and operating procedures are in compliance with laws governing the state data center system, rules adopted by

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the department ~~Agency for Enterprise Information Technology~~, and applicable federal regulations, including 2 C.F.R. part 225 and 45 C.F.R.

(e) Ensure the sufficiency and transparency of the primary data center financial information by:

1. Establishing policies that ensure that cost-recovery methodologies, billings, receivables, expenditure, budgeting, and accounting data are captured and reported timely, consistently, accurately, and transparently and, upon adoption of rules by the department ~~Agency for Enterprise Information Technology~~, are in compliance with such rules.

2. Requiring execution of service-level agreements by the data center and each customer entity for services provided by the data center to the customer entity.

3. Requiring cost recovery for the full cost of services, including direct and indirect costs. The cost-recovery methodology must ensure that no service is subsidizing another service without an affirmative vote of approval by the customer entity providing the subsidy.

4. Establishing special assessments to fund expansions based on a methodology that apportions the assessment according to the proportional benefit to each customer entity.

5. Providing rebates to customer entities when revenues exceed costs and offsetting charges to those who have subsidized other customer entity costs based on actual prior year final expenditures. Rebates may be credited against future billings.

6. Approving all expenditures committing over $50,000 in a fiscal year.

7. Projecting costs and revenues at the beginning of the

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third quarter of each fiscal year through the end of the fiscal year. If in any given fiscal year the primary data center is projected to earn revenues that are below costs for that fiscal year after first reducing operating costs where possible, the board shall implement any combination of the following remedies to cover the shortfall:

a. The board may direct the primary data center to adjust current year chargeback rates through the end of the fiscal year to cover the shortfall. The rate adjustments shall be implemented using actual usage rate and billing data from the first three quarters of the fiscal year and the same principles used to set rates for the fiscal year.

b. The board may direct the primary data center to levy one-time charges on all customer entities to cover the shortfall. The one-time charges shall be implemented using actual usage rate and billing data from the first three quarters of the fiscal year and the same principles used to set rates for the fiscal year.

c. The customer entities represented by each board member may provide payments to cover the shortfall in proportion to the amounts each entity paid in the prior fiscal year.

8. Providing a plan for consideration by the Legislative Budget Commission if a billing rate schedule is used after the start of the fiscal year which increases any agency's costs for that fiscal year.

(h) By July 1 of each year, submit to the department ~~Agency for Enterprise Information Technology~~ proposed cost-recovery mechanisms and rate structures for all customer entities for the fiscal year including the cost-allocation methodology for

695 administrative expenditures and the calculation of
696 administrative expenditures as a percent of total costs.
697 (k) Coordinate with other primary data centers and the
698 department ~~Agency for Enterprise Information Technology~~ in order
699 to consolidate purchases of goods and services and lower the
700 cost of providing services to customer entities.
701 (4) REPEAL.—This section expires January 1, 2014.
702 Section 8. Section 282.204, Florida Statutes, is repealed.
703 Section 9. Section 282.205, Florida Statutes, is repealed.
704 Section 10. Section 282.206, Florida Statutes, is created
705 to read:
706 282.206 Fletcher Shared Resource Center.—The Fletcher
707 Shared Resource Center is established within the Department of
708 Financial Services.
709 (1) The center shall collaborate with the Department of
710 State Technology to develop policies, procedures, standards, and
711 rules for the delivery of enterprise information technology
712 services.
713 (2) The center shall provide co-location services to the
714 Department of Legal Affairs and the Department of Agriculture
715 and Consumer Services if data center equipment is moved pursuant
716 to subsections (5) or (6).
717 (3) The Department of Financial Services shall use the
718 Fletcher Shared Resource Center, provide full service to the
719 Office of Financial Regulation and the Office of Insurance
720 Regulation, and host the Legislative Appropriations
721 System/Planning and Budgeting Subsystem (LAS/PBS).
722 (4) The center shall be governed through a master
723 memorandum of understanding administered by a steering committee

724 comprised of the chief information officers of the customer
725 entities residing in the center. The steering committee shall
726 meet quarterly in order to ensure that customers are receiving
727 expected services in accordance with the memorandum of
728 understanding and to discuss services and structure. The
729 committee may create ad hoc workgroups to account for, mitigate,
730 and manage any unforeseen issues.
731 (5) The Department of Legal Affairs may move its data
732 center equipment to the center.
733 (6) The Department of Agriculture and Consumer Services may
734 move its Mayo Building data center equipment to the center.
735 Section 11. Subsections (3) through (6) of section 282.318,
736 Florida Statutes, are amended to read:
737 282.318 Enterprise security of data and information
738 technology.—
739 (3) The department ~~Agency for Enterprise Information~~
740 ~~Technology~~ is responsible for establishing rules and publishing
741 guidelines for ensuring an appropriate level of security for all
742 data and information technology resources for executive branch
743 agencies. The department ~~agency~~ shall also perform the following
744 duties and responsibilities:
745 (a) Develop, and annually update by February 1, an
746 enterprise information security strategic plan that includes
747 security goals and objectives for the strategic issues of
748 information security policy, risk management, training, incident
749 management, and survivability planning.
750 (b) Develop enterprise security rules and published
751 guidelines for:
752 1. Comprehensive risk analyses and information security

753 audits conducted by state agencies.
754 2. Responding to suspected or confirmed information
755 security incidents, including suspected or confirmed breaches of
756 personal information or exempt data.
757 3. State agency security plans, including strategic
758 security plans and security program plans.
759 4. The recovery of information technology and data
760 following a disaster.
761 5. The managerial, operational, and technical safeguards
762 for protecting state government data and information technology
763 resources.
764 (c) Assist state agencies in complying with the provisions
765 of this section.
766 (d) Pursue appropriate funding for the purpose of enhancing
767 domestic security.
768 (e) Provide training for state agency information security
769 managers.
770 (f) Annually review the strategic and operational
771 information security plans of state ~~executive branch~~ agencies.
772 (4) To assist the department ~~Agency for Enterprise~~
773 ~~Information Technology~~ in carrying out its responsibilities,
774 each state agency head shall, at a minimum:
775 (a) Designate an information security manager to administer
776 the security program of the agency for its data and information
777 technology resources. This designation must be provided annually
778 in writing to the department ~~Agency for Enterprise Information~~
779 ~~Technology~~ by January 1.
780 (b) Submit to the department ~~Agency for Enterprise~~
781 ~~Information Technology~~ annually by July 31, the agency's

782 strategic and operational information security plans developed
783 pursuant to the department's rules and guidelines ~~established by~~
784 ~~the Agency for Enterprise Information Technology~~.
785 1. The agency strategic information security plan must
786 cover a 3-year period and define security goals, intermediate
787 objectives, and projected agency costs for the strategic issues
788 of agency information security policy, risk management, security
789 training, security incident response, and survivability. The
790 plan must be based on the enterprise strategic information
791 security plan created by the department ~~Agency for Enterprise~~
792 ~~Information Technology~~. Additional issues may be included.
793 2. The state agency operational information security plan
794 must include a progress report for the prior operational
795 information security plan and a project plan that includes
796 activities, timelines, and deliverables for security objectives
797 that, subject to current resources, the state agency will
798 implement during the current fiscal year. The cost of
799 implementing the portions of the plan which cannot be funded
800 from current resources must be identified in the plan.
801 (c) Conduct, and update every 3 years, a comprehensive risk
802 analysis to determine the security threats to the data,
803 information, and information technology resources of the state
804 agency. The risk analysis information is confidential and exempt
805 from ~~the provisions of~~ s. 119.07(1), except that such
806 information shall be available to the Auditor General and the
807 department ~~Agency for Enterprise Information Technology~~ for
808 performing postauditing duties.
809 (d) Develop, and periodically update, written internal
810 policies and procedures that~~, which~~ include procedures for

811 notifying the department ~~Agency for Enterprise Information~~
812 ~~Technology~~ when a suspected or confirmed breach, or an
813 information security incident, occurs. Such policies and
814 procedures must be consistent with the rules and guidelines
815 established by the department ~~Agency for Enterprise Information~~
816 ~~Technology~~ to ensure the security of the data, information, and
817 information technology resources of the state agency. The
818 internal policies and procedures that, if disclosed, could
819 facilitate the unauthorized modification, disclosure, or
820 destruction of data or information technology resources are
821 confidential information and exempt from s. 119.07(1), except
822 that such information shall be available to the Auditor General
823 and the department ~~Agency for Enterprise Information Technology~~
824 for performing post auditing ~~postauditing~~ duties.
825 (e) Implement appropriate cost-effective safeguards to
826 address identified risks to the data, information, and
827 information technology resources of the state agency.
828 (f) Ensure that periodic internal audits and evaluations of
829 the agency's security program for the data, information, and
830 information technology resources of the state agency are
831 conducted. The results of such audits and evaluations are
832 confidential ~~information~~ and exempt from s. 119.07(1), except
833 that such information shall be available to the Auditor General
834 and the department ~~Agency for Enterprise Information Technology~~
835 for performing post auditing ~~postauditing~~ duties.
836 (g) Include appropriate security requirements in the
837 written specifications for the solicitation of information
838 technology and information technology resources and services,
839 which are consistent with the rules and guidelines established

840 by the department ~~Agency for Enterprise Information Technology~~.
841 (h) Provide security awareness training to employees and
842 users of the state agency's communication and information
843 resources concerning information security risks and the
844 responsibility of employees and users to comply with policies,
845 standards, guidelines, and operating procedures adopted by the
846 agency to reduce those risks.
847 (i) Develop a process for detecting, reporting, and
848 responding to suspected or confirmed security incidents,
849 including suspected or confirmed breaches consistent with the
850 security rules and guidelines established by the department
851 ~~Agency for Enterprise Information Technology~~.
852 1. Suspected or confirmed information security incidents
853 and breaches must be immediately reported to the department
854 ~~Agency for Enterprise Information Technology~~.
855 2. For incidents involving breaches, agencies shall provide
856 notice in accordance with s. 817.5681 and to the department
857 ~~Agency for Enterprise Information Technology~~ in accordance with
858 this subsection.
859 (5) Each state agency shall include appropriate security
860 requirements in the specifications for the solicitation of
861 contracts for procuring information technology or information
862 technology resources or services which are consistent with the
863 rules and guidelines established by the department ~~Agency for~~
864 ~~Enterprise Information Technology~~.
865 (6) The department ~~Agency for Enterprise Information~~
866 ~~Technology~~ may adopt rules relating to information security and
867 to administer the provisions of this section.
868 Section 12. Section 282.33, Florida Statutes, is repealed.

869 Section 13. Effective upon this act becoming law, section
870 282.34, Florida Statutes, is repealed.
871 Section 14. Section 282.604, Florida Statutes, is amended
872 to read:
873 282.604 Adoption of rules.—The department ~~of Management~~
874 ~~Services~~ shall, with input from stakeholders, adopt rules
875 ~~pursuant to ss. 120.536(1) and 120.54~~ for the development,
876 procurement, maintenance, and use of accessible electronic
877 information technology by governmental units.
878 Section 15. Section 282.702, Florida Statutes, is amended
879 to read:
880 282.702 Powers and duties.—The department ~~of Management~~
881 ~~Services~~ shall have the following powers, duties, and functions:
882 (1) To publish electronically the portfolio of services
883 available from the department, including pricing information;
884 the policies and procedures governing usage of available
885 services; and a forecast of the department's priorities for each
886 telecommunications service.
887 (2) To adopt technical standards by rule for the state
888 telecommunications network which ensure the interconnection and
889 operational security of computer networks, telecommunications,
890 and information systems of agencies.
891 (3) To enter into agreements related to information
892 technology and telecommunications services with state agencies
893 and political subdivisions of the state.
894 (4) To purchase from or contract with information
895 technology providers for information technology, including
896 private line services.
897 (5) To apply for, receive, and hold authorizations,

898 patents, copyrights, trademarks, service marks, licenses, and
899 allocations or channels and frequencies to carry out the
900 purposes of this part.
901 (6) To purchase, lease, or otherwise acquire and to hold,
902 sell, transfer, license, or otherwise dispose of real, personal,
903 and intellectual property, including, but not limited to,
904 patents, trademarks, copyrights, and service marks.
905 (7) To cooperate with any federal, state, or local
906 emergency management agency in providing for emergency
907 telecommunications services.
908 (8) To control and approve the purchase, lease, or
909 acquisition and the use of telecommunications services,
910 software, circuits, and equipment provided as part of any other
911 total telecommunications system to be used by the state or its
912 agencies.
913 (9) To adopt rules ~~pursuant to ss. 120.536(1) and 120.54~~
914 relating to telecommunications and to administer the provisions
915 of this part.
916 (10) To apply for and accept federal funds for the purposes
917 of this part as well as gifts and donations from individuals,
918 foundations, and private organizations.
919 (11) To monitor issues relating to telecommunications
920 facilities and services before the Florida Public Service
921 Commission and the Federal Communications Commission and, if
922 necessary, prepare position papers, prepare testimony, appear as
923 a witness, and retain witnesses on behalf of state agencies in
924 proceedings before the commissions.
925 (12) Unless delegated to the state agencies by the
926 department, to manage and control, but not intercept or

927 interpret, telecommunications within the SUNCOM Network by:
928 (a) Establishing technical standards to physically
929 interface with the SUNCOM Network.
930 (b) Specifying how telecommunications are transmitted
931 within the SUNCOM Network.
932 (c) Controlling the routing of telecommunications within
933 the SUNCOM Network.
934 (d) Establishing standards, policies, and procedures for
935 access to and the security of the SUNCOM Network.
936 (e) Ensuring orderly and reliable telecommunications
937 services in accordance with the service level agreements
938 executed with state agencies.
939 (13) To plan, design, and conduct experiments for
940 telecommunications services, equipment, and technologies, and to
941 implement enhancements in the state telecommunications network
942 if in the public interest and cost-effective. Funding for such
943 experiments must be derived from SUNCOM Network service revenues
944 and may not exceed 2 percent of the annual budget for the SUNCOM
945 Network for any fiscal year or as provided in the General
946 Appropriations Act. New services offered as a result of this
947 subsection may not affect existing rates for facilities or
948 services.
949 (14) To enter into contracts or agreements, with or without
950 competitive bidding or procurement, to make available, on a
951 fair, reasonable, and nondiscriminatory basis, property and
952 other structures under departmental control for the placement of
953 new facilities by any wireless provider of mobile service as
954 defined in 47 U.S.C. s. 153(27) or s. 332(d) and any
955 telecommunications company as defined in s. 364.02 if it is

956 practical and feasible to make such property or other structures
957 available. The department may, without adopting a rule, charge a
958 just, reasonable, and nondiscriminatory fee for the placement of
959 the facilities, payable annually, based on the fair market value
960 of space used by comparable telecommunications facilities in the
961 state. The department and a wireless provider or
962 telecommunications company may negotiate the reduction or
963 elimination of a fee in consideration of services provided to
964 the department by the wireless provider or telecommunications
965 company. All such fees collected by the department shall be
966 deposited directly into the Law Enforcement Radio Operating
967 Trust Fund, and may be used by the department to construct,
968 maintain, or support the system.
969 (15) To establish policies that ensure that the
970 department's cost-recovery methodologies, billings, receivables,
971 expenditures, budgeting, and accounting data are captured and
972 reported timely, consistently, accurately, and transparently and
973 are in compliance with all applicable federal and state laws and
974 rules. The department shall annually submit a report to the
975 Governor, the President of the Senate, and the Speaker of the
976 House of Representatives ~~a report~~ that describes each service
977 and its cost, the billing methodology for recovering the cost of
978 the service, and, if applicable, the identity of those services
979 that are subsidized.
980 Section 16. Subsections (4) and (5) of section 282.703,
981 Florida Statutes, are amended to read:
982 282.703 SUNCOM Network; exemptions from the required use.—
983 (4) The department shall maintain a directory of
984 information and services which provides the names, phone

985 numbers, and email ~~e-mail~~ addresses for employees, state
986 agencies, and network devices that are served, in whole or in
987 part, by the SUNCOM Network. State agencies and political
988 subdivisions of the state shall cooperate with the department by
989 providing timely and accurate directory information in the
990 manner established by the department.
991 (5) All state agencies shall use the SUNCOM Network for
992 state agency telecommunications services as the services become
993 available; however, a state ~~an~~ agency is not relieved of
994 responsibility for maintaining telecommunications services
995 necessary for effective management of its programs and
996 functions. The department may provide such communications
997 services to a state university if requested by the university.
998 (a) If a SUNCOM Network service does not meet the
999 telecommunications requirements of a state ~~an~~ agency, the state
1000 agency must notify the department in writing and detail the
1001 requirements for that service. If the department is unable to
1002 meet a state ~~an~~ agency's requirements by enhancing SUNCOM
1003 Network service, the department may grant the state agency an
1004 exemption from the required use of specified SUNCOM Network
1005 services.
1006 (b) Unless an exemption has been granted by the department,
1007 effective October 1, 2010, all customers of a shared resource
1008 ~~state primary data~~ center, excluding state universities, must
1009 use the shared SUNCOM Network telecommunications services
1010 connecting the shared resource ~~state primary data~~ center to
1011 SUNCOM services for all telecommunications needs in accordance
1012 with department rules.
1013 1. Upon discovery of customer noncompliance with this

1014 paragraph, the department shall provide the affected customer
1015 with a schedule for transferring to the shared
1016 telecommunications services provided by the SUNCOM Network and
1017 an estimate of all associated costs. The shared resource ~~state~~
1018 ~~primary data~~ centers and their customers shall cooperate with
1019 the department to accomplish the transfer.
1020 2. Customers may request an exemption from this paragraph
1021 in the same manner as authorized in paragraph (a).
1022 Section 17. Subsection (2) of section 20.22, Florida
1023 Statutes, is amended to read:
1024 20.22 Department of Management Services.—There is created a
1025 Department of Management Services.
1026 (2) The following divisions and programs are established
1027 within the department ~~of Management Services are established~~:
1028 (a) Facilities Program.
1029 ~~(b) Technology Program.~~
1030 (b) ~~(c)~~ Workforce Program.
1031 (c) ~~(d)1.~~ Support Program.
1032 (d) ~~2.~~ Federal Property Assistance Program.
1033 (e) Administration Program.
1034 (f) Division of Administrative Hearings.
1035 (g) Division of Retirement.
1036 (h) Division of State Group Insurance.
1037 Section 18. Paragraph (e) of subsection (2) of section
1038 110.205, Florida Statutes, is amended to read:
1039 110.205 Career service; exemptions.—
1040 (2) EXEMPT POSITIONS.—The exempt positions that are not
1041 covered by this part include the following:
1042 (e) The Chief Information Officer in the Department of

1043 State ~~Agency for Enterprise Information~~ Technology. Unless
1044 otherwise fixed by law, the Governor ~~Agency for Enterprise~~
1045 ~~Information Technology~~ shall set the salary and benefits of this
1046 position in accordance with the rules of the Senior Management
1047 Service.
1048 Section 19. Paragraph (o) of subsection (1) of section
1049 215.22, Florida Statutes, is amended to read:
1050 215.22 Certain income and certain trust funds exempt.—
1051 (1) The following income of a revenue nature or the
1052 following trust funds shall be exempt from the appropriation
1053 required by s. 215.20(1):
1054 (o) The Communications Working Capital Trust Fund of the
1055 Department of State Technology ~~Management Services~~.
1056 Section 20. Subsections (2) and (9) of section 215.322,
1057 Florida Statutes, are amended to read:
1058 215.322 Acceptance of credit cards, charge cards, debit
1059 cards, or electronic funds transfers by state agencies, units of
1060 local government, and the judicial branch.—
1061 (2) A state agency as defined in s. 216.011, or the
1062 judicial branch, may accept credit cards, charge cards, debit
1063 cards, or electronic funds transfers in payment for goods and
1064 services with the prior approval of the Chief Financial Officer.
1065 If the Internet or other related electronic methods are to be
1066 used as the collection medium, the Department of State ~~Agency~~
1067 ~~for Enterprise Information~~ Technology shall review and recommend
1068 to the Chief Financial Officer whether to approve the request
1069 with regard to the process or procedure to be used.
1070 (9) For payment programs in which credit cards, charge
1071 cards, or debit cards are accepted by state agencies, the

1072 judicial branch, or units of local government, the Chief
1073 Financial Officer, in consultation with the Department of State
1074 ~~Agency for Enterprise Information~~ Technology, may adopt rules to
1075 establish uniform security safeguards for cardholder data and to
1076 ensure compliance with the Payment Card Industry Data Security
1077 Standards.
1078 Section 21. Subsection (2) of section 215.96, Florida
1079 Statutes, is amended to read:
1080 215.96 Coordinating council and design and coordination
1081 staff.—
1082 (2) The coordinating council shall consist of the Chief
1083 Financial Officer; the Commissioner of Agriculture; the Attorney
1084 General; the secretary of the Department of Management Services;
1085 the Secretary of the Department of State Technology ~~the Attorney~~
1086 ~~General~~; and the Director of Planning and Budgeting, Executive
1087 Office of the Governor, or their designees. The Chief Financial
1088 Officer, or his or her designee, shall be chair of the
1089 coordinating council, and the design and coordination staff
1090 shall provide administrative and clerical support to the council
1091 and the board. The design and coordination staff shall maintain
1092 the minutes of each meeting and ~~shall~~ make such minutes
1093 available to any interested person. The Auditor General, the
1094 State Courts Administrator, an executive officer of the Florida
1095 Association of State Agency Administrative Services Directors,
1096 and an executive officer of the Florida Association of State
1097 Budget Officers, or their designees, shall serve without voting
1098 rights as ex officio members of ~~on~~ the ~~coordinating~~ council. The
1099 chair may call meetings of the ~~coordinating~~ council as often as
1100 necessary to transact business; however, the ~~coordinating~~

1101 council must ~~shall~~ meet at least once a year. Action of the
1102 coordinating council shall be by motion, duly made, seconded and
1103 passed by a majority of the ~~coordinating~~ council voting in the
1104 affirmative for approval of items that are to be recommended for
1105 approval to the Financial Management Information Board.
1106 Section 22. Paragraph (c) of subsection (6) of section
1107 216.292, Florida Statutes, is amended to read:
1108 216.292 Appropriations nontransferable; exceptions.—
1109 (6) The Chief Financial Officer shall transfer from any
1110 available funds of an agency or the judicial branch the
1111 following amounts and shall report all such transfers and the
1112 reasons therefor to the legislative appropriations committees
1113 and the Executive Office of the Governor:
1114 (c) The amount due to the Communications Working Capital
1115 Trust Fund from moneys appropriated in the General
1116 Appropriations Act for the purpose of paying for services
1117 provided by the state communications system in the Department of
1118 State Technology ~~Management Services~~ which is unpaid 45 days
1119 after the billing date. The amount transferred shall be that
1120 billed by the department.
1121 Section 23. Subsection (14) of section 287.012, Florida
1122 Statutes, is amended to read:
1123 287.012 Definitions.—As used in this part, the term:
1124 (14) "Information technology" means equipment, hardware,
1125 software, firmware, programs, systems, networks, infrastructure,
1126 media, and related material used to automatically,
1127 electronically, and wirelessly collect, receive, access,
1128 transmit, display, store, record, retrieve, analyze, evaluate,
1129 process, classify, manipulate, manage, assimilate, control,

1130 communicate, exchange, convert, converge, interface, switch, or
1131 disseminate information of any kind or form ~~has the meaning~~
1132 ~~ascribed in s. 282.0041~~.
1133 Section 24. Subsection (22) of section 287.057, Florida
1134 Statutes, is amended to read:
1135 287.057 Procurement of commodities or contractual
1136 services.—
1137 (22) The department, in consultation with the Department of
1138 State ~~Agency for Enterprise Information~~ Technology and the Chief
1139 Financial Officer ~~Comptroller~~, shall maintain ~~develop~~ a program
1140 for online procurement of commodities and contractual services.
1141 To enable the state to promote open competition and to leverage
1142 its buying power, agencies shall participate in the online
1143 procurement program, and eligible users may participate in the
1144 program. Only vendors prequalified as meeting mandatory
1145 requirements and qualifications criteria may participate in
1146 online procurement.
1147 (a) The department, in consultation with the Department of
1148 State Technology ~~agency~~, may contract for equipment and services
1149 necessary to develop and implement online procurement.
1150 (b) The department, in consultation with the Department of
1151 State Technology ~~agency~~, shall adopt rules~~, pursuant to ss.~~
1152 ~~120.536(1) and 120.54,~~ to administer the program for online
1153 procurement. The rules must ~~shall~~ include, but are not ~~be~~
1154 limited to:
1155 1. Determining the requirements and qualification criteria
1156 for prequalifying vendors.
1157 2. Establishing the procedures for conducting online
1158 procurement.

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1159 3. Establishing the criteria for eligible commodities and
1160 contractual services.
1161 4. Establishing the procedures for providing access to
1162 online procurement.
1163 5. Determining the criteria warranting any exceptions to
1164 participation in the online procurement program.
1165 (c) The department may impose and shall collect all fees
1166 for the use of the online procurement systems.
1167 1. The fees may be imposed on an individual transaction
1168 basis or as a fixed percentage of the cost savings generated. At
1169 a minimum, the fees must be ~~set~~ in an amount sufficient to cover
1170 the projected costs of the services, including administrative
1171 and project service costs, in accordance with the policies of
1172 the department.
1173 2. If the department contracts with a provider for online
1174 procurement, the department, pursuant to appropriation, shall
1175 compensate the provider from the fees after the department has
1176 satisfied all ongoing costs. The provider shall report
1177 transaction data to the department each month so that the
1178 department may determine the amount due and payable to the
1179 department from each vendor.
1180 3. All fees that are due and payable to the state on a
1181 transactional basis or as a fixed percentage of the cost savings
1182 generated are subject to s. 215.31 and must be remitted within
1183 40 days after receipt of payment for which the fees are due. For
1184 fees that are not remitted within 40 days, the vendor shall pay
1185 interest at the rate established under s. 55.03(1) on the unpaid
1186 balance from the expiration of the 40-day period until the fees
1187 are remitted.

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1188 4. All fees and surcharges collected under this paragraph
1189 shall be deposited in the Operating Trust Fund as provided by
1190 law.
1191 Section 25. Subsection (17) of section 318.18, Florida
1192 Statutes, is amended to read:
1193 318.18 Amount of penalties.—The penalties required for a
1194 noncriminal disposition pursuant to s. 318.14 or a criminal
1195 offense listed in s. 318.17 are as follows:
1196 (17) In addition to any penalties imposed, a surcharge of
1197 $3 must be paid for all criminal offenses listed in s. 318.17
1198 and for all noncriminal moving traffic violations under chapter
1199 316. Revenue from the surcharge shall be remitted to the
1200 Department of Revenue and deposited quarterly into the State
1201 Agency Law Enforcement Radio System Trust Fund of the Department
1202 of State Technology ~~Management Services~~ for the state agency law
1203 enforcement radio system, as described in s. 282.709, and to
1204 provide technical assistance to state agencies and local law
1205 enforcement agencies with their statewide systems of regional
1206 law enforcement communications, as described in s. 282.7101.
1207 This subsection expires July 1, 2021. The Department of State
1208 Technology ~~Management Services~~ may retain funds sufficient to
1209 recover the costs and expenses incurred for managing,
1210 administering, and overseeing the Statewide Law Enforcement
1211 Radio System, and providing technical assistance to state
1212 agencies and local law enforcement agencies with their statewide
1213 systems of regional law enforcement communications. The
1214 Department of State Technology ~~Management Services~~ working in
1215 conjunction with the Joint Task Force on State Agency Law
1216 Enforcement Communications shall determine and direct the

1217 purposes for which these funds are used to enhance and improve
1218 the radio system.
1219 Section 26. Section 320.0802, Florida Statutes, is amended
1220 to read:
1221 320.0802 Surcharge on license tax.—There is hereby levied
1222 and imposed on each license tax imposed under s. 320.08, except
1223 those set forth in s. 320.08(11), a surcharge in the amount of
1224 $1, which shall be collected in the same manner as the license
1225 tax and deposited into the State Agency Law Enforcement Radio
1226 System Trust Fund of the Department of State Technology
1227 ~~Management Services~~.
1228 Section 27. Subsection (9) of section 328.72, Florida
1229 Statutes, is amended to read:
1230 328.72 Classification; registration; fees and charges;
1231 surcharge; disposition of fees; fines; marine turtle stickers.—
1232 (9) SURCHARGE.—In addition, there is hereby levied and
1233 imposed on each vessel registration fee imposed under subsection
1234 (1) a surcharge in the amount of $1 for each 12-month period of
1235 registration, which shall be collected in the same manner as the
1236 fee and deposited into the State Agency Law Enforcement Radio
1237 System Trust Fund of the Department of State Technology
1238 ~~Management Services~~.
1239 Section 28. Subsections (2) through (5) of section
1240 364.0135, Florida Statutes, are amended to read:
1241 364.0135 Promotion of broadband adoption.—
1242 (2) The Department of State Technology may ~~Management~~
1243 ~~Services is authorized to~~ work collaboratively with, and ~~to~~
1244 receive staffing support and other resources from, Enterprise
1245 Florida, Inc., state agencies, local governments, private

1246 businesses, and community organizations to:
1247 (a) Monitor the adoption of broadband Internet service in
1248 collaboration with communications service providers, including,
1249 but not limited to, wireless and wireline Internet service
1250 providers, to develop geographical information system maps at
1251 the census tract level that ~~will~~:
1252 1. Identify geographic gaps in broadband services,
1253 including areas unserved by any broadband provider and areas
1254 served by a single broadband provider;
1255 2. Identify the download and upload transmission speeds
1256 made available to businesses and individuals in the state, at
1257 the census tract level of detail, using data rate benchmarks for
1258 broadband service used by the Federal Communications Commission
1259 to reflect different speed tiers; and
1260 3. Provide a baseline assessment of statewide broadband
1261 deployment in terms of percentage of households with broadband
1262 availability.
1263 (b) Create a strategic plan that has goals and strategies
1264 for increasing the use of broadband Internet service in the
1265 state.
1266 (c) Build and facilitate local technology planning teams or
1267 partnerships with members representing cross-sections of the
1268 community, which may include, but are not limited to,
1269 representatives from the following organizations and industries:
1270 libraries, K-12 education, colleges and universities, local
1271 health care providers, private businesses, community
1272 organizations, economic development organizations, local
1273 governments, tourism, parks and recreation, and agriculture.
1274 (d) Encourage the use of broadband Internet service,

1275 especially in the rural, unserved, and underserved communities
1276 of the state through grant programs having effective strategies
1277 to facilitate the statewide deployment of broadband Internet
1278 service. For any grants to be awarded, priority must be given to
1279 projects that:
1280 1. Provide access to broadband education, awareness,
1281 training, access, equipment, and support to libraries, schools,
1282 colleges and universities, health care providers, and community
1283 support organizations.
1284 2. Encourage the sustainable adoption of broadband in
1285 primarily unserved areas by removing barriers to entry.
1286 3. Work toward encouraging investments in establishing
1287 affordable and sustainable broadband Internet service in
1288 unserved areas of the state.
1289 4. Facilitate the development of applications, programs,
1290 and services, including, but not limited to, telework,
1291 telemedicine, and e-learning to increase the usage of, and
1292 demand for, broadband Internet service in the state.
1293 (3) The Department of State Technology may:
1294 (a) Apply for and accept federal funds for the purposes of
1295 this section, as well as gifts and donations from individuals,
1296 foundations, and private organizations.
1297 ~~(4) The Department may~~
1298 (b) Enter into contracts necessary or useful to carry out
1299 the purposes of this section.
1300 (c) ~~(5) The department may~~ Establish any committee or
1301 workgroup to administer and carry out the purposes of this
1302 section.
1303 Section 29. Subsections (3), (4), (5), (7), (9), and (10)

1304 of section 365.171, Florida Statutes, are amended to read:
1305 365.171 Emergency communications number E911 state plan.—
1306 (3) DEFINITIONS.—As used in this section, the term:
1307 (a) "Department" means the Department of State Technology
1308 ~~"Office" means the Technology Program within the Department of~~
1309 ~~Management Services, as designated by the secretary of the~~
1310 ~~department~~.
1311 (b) "Local government" means any municipality ~~city~~, county,
1312 or political subdivision of the state and its agencies.
1313 (c) "Public agency" means the state and any municipality
1314 ~~city~~, county, ~~city and county, municipal corporation,~~ chartered
1315 organization, special ~~public~~ district, or public authority
1316 located in whole or in part within this state which provides, or
1317 has authority to provide, firefighting, law enforcement,
1318 ambulance, medical, or other emergency services.
1319 (d) "Public safety agency" means a functional division of a
1320 public agency which provides firefighting, law enforcement,
1321 medical, or other emergency services.
1322 (4) STATE PLAN.—The department ~~office~~ shall develop,
1323 maintain, and implement appropriate modifications for a
1324 statewide emergency communications E911 system plan. The plan
1325 shall provide for:
1326 (a) The public agency emergency communications requirements
1327 for each entity of local government in the state.
1328 (b) A system to meet specific local government
1329 requirements. Such system must ~~shall~~ include law enforcement,
1330 firefighting, and emergency medical services and may include
1331 other emergency services such as poison control, suicide
1332 prevention, and emergency management services.

1333 (c) Identification of the mutual aid agreements necessary
1334 to obtain an effective E911 system.
1335 (d) A funding provision that identifies the cost necessary
1336 to implement the E911 system.
1337
1338 The department is ~~office shall be~~ responsible for the
1339 implementation and coordination of such plan. The department
1340 ~~office~~ shall adopt any necessary rules and schedules related to
1341 public agencies for implementing and coordinating the plan,
1342 pursuant to chapter 120.
1343 (5) SYSTEM DIRECTOR.—The secretary of the department or his
1344 or her designee is designated as the director of the statewide
1345 emergency communications number E911 system and, for the purpose
1346 of carrying out the provisions of this section, may ~~is~~
1347 ~~authorized to~~ coordinate the activities of the system with
1348 state, county, local, and private agencies. The director in
1349 implementing the system shall consult, cooperate, and coordinate
1350 with local law enforcement agencies.
1351 (7) TELECOMMUNICATIONS INDUSTRY COORDINATION.—The
1352 department ~~office~~ shall coordinate with the Florida Public
1353 Service Commission which shall encourage the Florida
1354 telecommunications industry to activate facility modification
1355 plans for timely E911 implementation.
1356 (9) SYSTEM APPROVAL.—An ~~No~~ emergency communications number
1357 E911 system may not ~~shall~~ be established or ~~and no~~ present
1358 system ~~shall~~ be expanded without the prior approval of the
1359 department ~~office~~.
1360 (10) COMPLIANCE.—All public agencies shall assist the
1361 department ~~office~~ in their efforts to carry out the intent of

1362 this section, and such agencies shall comply with the developed
1363 plan.
1364 Section 30. Present paragraphs (h) through (s) of
1365 subsection (3) of section 365.172, Florida Statutes, are
1366 redesignated as paragraphs (i) through (t), respectively, a new
1367 paragraph (h) is added to that subsection, and paragraph (d) of
1368 subsection (2), present paragraph (t) of subsection (3),
1369 subsection (4), paragraph (a) of subsection (5), paragraph (c)
1370 of subsection (6), and paragraph (f) of subsection (12) of that
1371 section, are amended to read:
1372 365.172 Emergency communications number "E911."—
1373 (2) LEGISLATIVE INTENT.—It is the intent of the Legislature
1374 to:
1375 (d) Provide for an E911 board to administer the fee, with
1376 oversight by the department ~~office~~, in a manner that is
1377 competitively and technologically neutral with respect ~~as~~ to all
1378 voice communications services providers.
1379
1380 It is further the intent of the Legislature that the fee
1381 authorized or imposed by this section not necessarily provide
1382 the total funding required for establishing or providing E911
1383 service.
1384 (3) DEFINITIONS.—Only as used in this section and ss.
1385 365.171, 365.173, and 365.174, the term:
1386 (h) "Department" means the Department of State Technology.
1387 ~~(t) "Office" means the Technology Program within the~~
1388 ~~Department of Management Services, as designated by the~~
1389 ~~secretary of the department.~~
1390 (4) POWERS AND DUTIES OF THE DEPARTMENT ~~OFFICE~~.—The

1391 department ~~office~~ shall oversee the administration of the fee
1392 authorized and imposed on subscribers of voice communications
1393 services under subsection (8).
1394 (5) THE E911 BOARD.—
1395 (a) The E911 Board is established to administer, with
1396 oversight by the department ~~office~~, the fee imposed under
1397 subsection (8), including ~~receiving~~ revenues derived from the
1398 fee; distributing portions of the revenues to wireless
1399 providers, counties, and the department ~~office~~; accounting for
1400 receipts, distributions, and income derived from ~~by~~ the funds
1401 maintained in the fund; and providing annual reports to the
1402 Governor and the Legislature for submission by the department
1403 ~~office~~ on amounts collected and expended, the purposes for which
1404 expenditures have been made, and the status of E911 service in
1405 this state. In order to advise and assist the department ~~office~~
1406 in administering ~~implementing the purposes of~~ this section, the
1407 board, which has the power of a body corporate, has the powers
1408 enumerated in subsection (6).
1409 (6) AUTHORITY OF THE BOARD; ANNUAL REPORT.—
1410 (c) By February 28 of each year, the board shall prepare a
1411 report for submission by the department ~~office~~ to the Governor,
1412 Cabinet, the President of the Senate, and the Speaker of the
1413 House of Representatives which addresses for the immediately
1414 preceding calendar year:
1415 1. The annual receipts, including the total amount of fee
1416 revenues collected by each provider, the total disbursements of
1417 money in the fund, including the amount of fund-reimbursed
1418 expenses incurred by each wireless provider to comply with the
1419 order, and the amount of moneys on deposit in the fund.

1420 2. Whether the amount of the fee and the allocation
1421 percentages set forth in s. 365.173 have been or should be
1422 adjusted to comply with the ~~requirements of the~~ order or other
1423 provisions of this chapter, and the reasons for making or not
1424 making a recommended adjustment to the fee.
1425 3. Any other issues related to providing E911 services.
1426 4. The status of E911 services in this state.
1427 (12) FACILITATING E911 SERVICE IMPLEMENTATION.—To balance
1428 the public need for reliable E911 services through reliable
1429 wireless systems and the public interest served by governmental
1430 zoning and land development regulations and notwithstanding any
1431 other law or local ordinance to the contrary, the following
1432 standards ~~shall~~ apply to a local government's actions, as a
1433 regulatory body, in the regulation of the placement,
1434 construction, or modification of a wireless communications
1435 facility. This subsection does ~~shall~~ not~~, however, be construed~~
1436 ~~to~~ waive or alter the provisions of s. 286.011 or s. 286.0115.
1437 For the purposes of this subsection only, the term "local
1438 government" means only ~~shall mean~~ any municipality or county and
1439 any agency of a municipality or county ~~only~~. The term "local
1440 government" does not~~, however,~~ include any airport, as defined
1441 by s. 330.27~~(2)~~, even if it is owned or controlled by or through
1442 a municipality, county, or agency of a municipality or county.
1443 Further, notwithstanding any other provision of ~~anything in~~ this
1444 section ~~to the contrary~~, this subsection does not apply to or
1445 control a local government's actions ~~as a property or structure~~
1446 ~~owner~~ in the use of any property or structure owned by such
1447 entity for the placement, construction, or modification of
1448 wireless communications facilities. In the use of property or

1449 structures owned by the local government, however, a local
1450 government may not use its regulatory authority so as to avoid
1451 compliance with, or in a manner that does not advance, the
1452 provisions of this subsection.
1453 (f) Any other law to the contrary notwithstanding, the
1454 department and the Department of Management Services shall
1455 negotiate, in the name of the state, leases for wireless
1456 communications facilities that provide access to state
1457 government-owned property not acquired for transportation
1458 purposes, and the Department of Transportation shall negotiate,
1459 in the name of the state, leases for wireless communications
1460 facilities that provide access to property acquired for state
1461 rights-of-way. On property acquired for transportation purposes,
1462 leases shall be granted in accordance with s. 337.251. On other
1463 state government-owned property, leases shall be granted on a
1464 space available, first-come, first-served basis. Payments
1465 required by state government under a lease must be reasonable
1466 and ~~must~~ reflect the market rate for the use of the state
1467 government-owned property. The department ~~of Management Services~~
1468 and the Department of Transportation may ~~are authorized to~~ adopt
1469 rules for the terms and conditions and granting of any such
1470 leases.
1471 Section 31. Subsection (1) and paragraph (g) of subsection
1472 (2) of section 365.173, Florida Statutes, are amended to read:
1473 365.173 Emergency Communications Number E911 System Fund.—
1474 (1) All revenues derived from the fee levied on subscribers
1475 under s. 365.172 must be paid by the board into the State
1476 Treasury on or before the 15th day of each month. Such moneys
1477 must be accounted for in a special fund to be designated as the

1478 Emergency Communications Number E911 System Fund, a fund created
1479 in the Department of State Technology ~~Program,~~ ~~or other office~~
1480 ~~as designated by the Secretary of Management Services,~~ and, for
1481 accounting purposes, ~~must be~~ segregated into two separate
1482 categories:
1483 (a) The wireless category; and
1484 (b) The nonwireless category.
1485
1486 All moneys must be invested by the Chief Financial Officer
1487 pursuant to s. 17.61. All moneys in such fund shall ~~are to~~ be
1488 expended by the department ~~office~~ for the purposes provided in
1489 this section and s. 365.172. These funds are not subject to s.
1490 215.20.
1491 (2) As determined by the board pursuant to s.
1492 365.172(8)(h), and subject to any modifications approved by the
1493 board pursuant to s. 365.172(6)(a)3. or (8)(i), the moneys in
1494 the fund shall be distributed and used only as follows:
1495 (g) Two percent of the moneys in the fund shall be used to
1496 make monthly distributions to rural counties for the purpose of
1497 providing facilities and network and service enhancements and
1498 assistance for the 911 or E911 systems operated by rural
1499 counties and for the provision of grants by the department
1500 ~~office~~ to rural counties for upgrading and replacing E911
1501 systems.
1502
1503 The Legislature recognizes that the fee authorized under s.
1504 365.172 may not necessarily provide the total funding required
1505 for establishing or providing the E911 service. It is the intent
1506 of the Legislature that all revenue from the fee be used as

specified in this subsection.

Section 32. Subsection (1) of section 365.174, Florida Statutes, is amended to read:

365.174 Proprietary confidential business information.—

(1) All proprietary confidential business information submitted by a provider to the board or the Department of State Technology ~~office~~, including the name and billing or service addresses of service subscribers, and trade secrets as defined by s. 812.081, is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. Statistical abstracts of information collected by the board or the department ~~office~~ may be released or published, but only in a manner that does not identify or allow identification of subscribers or their service numbers or of revenues attributable to any provider.

Section 33. Section 401.013, Florida Statutes, is amended to read:

401.013 Legislative intent.—It is the intention and purpose of the Legislature that a statewide system of regional emergency medical telecommunications be developed whereby the maximum use of existing radio channels is achieved in order to more effectively and rapidly provide emergency medical service to the general population. To this end, all emergency medical service entities within the state are directed to provide the Department of State Technology ~~Management Services~~ with any information the department requests for the purpose of implementing ~~the provisions of~~ s. 401.015, and such entities must ~~shall~~ comply with the resultant provisions established pursuant to this part.

Section 34. Section 401.015, Florida Statutes, is amended

to read:

401.015 Statewide regional emergency medical telecommunication system.—The Department of State Technology shall ~~Management Services is authorized and directed to~~ develop a statewide system of regional emergency medical telecommunications. For the purpose of this part, the term "telecommunications" means ~~those~~ voice, data, and signaling transmissions and receptions between emergency medical service components, including, but not limited to: ambulances; rescue vehicles; hospitals or other related emergency receiving facilities; emergency communications centers; physicians and emergency medical personnel; paging facilities; law enforcement and fire protection agencies; and poison control, suicide, and emergency management agencies. In formulating such a system, the agency ~~department~~ shall divide the state into appropriate regions and ~~shall~~ develop a program that ~~which~~ includes, but is not limited to, the following provisions:

(1) A requirements provision that states~~, which shall state~~ the telecommunications requirements for each emergency medical entity comprising the region.

(2) An interfacility communications provision that depicts~~, which shall depict~~ the telecommunications interfaces between the various medical service entities which operate within the region and state.

(3) An organizational layout provision that includes~~, which shall include~~ each emergency medical entity and the number of radio operating units (base, mobile, handheld, etc.) per entity.

(4) A frequency allocation and use provision that includes~~, which shall include~~ on an entity basis each assigned and planned

1565 radio channel and the type of operation (simplex, duplex, half
1566 duplex, etc.) on each channel.
1567 (5) An operational provision that includes~~, which shall~~
1568 ~~include~~ dispatching, logging, and operating procedures
1569 pertaining to telecommunications on an entity basis and regional
1570 basis.
1571 (6) An emergency medical service telephone provision that
1572 includes~~, which shall include~~ the telephone and the numbering
1573 plan throughout the region for both the public and interface
1574 requirements.
1575 Section 35. Section 401.018, Florida Statutes, is amended
1576 to read:
1577 401.018 System coordination.—
1578 (1) The statewide system of regional emergency medical
1579 telecommunications shall be developed by the Department of State
1580 Technology ~~Management Services~~, which ~~department~~ shall be
1581 responsible for the implementation and coordination of such
1582 system into the state telecommunications plan. The department
1583 shall adopt any necessary rules ~~and regulations~~ for
1584 administering ~~implementing~~ and coordinating such a system.
1585 (2) The Department of State Technology ~~Management Services~~
1586 shall be designated as the state frequency coordinator for the
1587 special emergency radio service.
1588 Section 36. Section 401.021, Florida Statutes, is amended
1589 to read:
1590 401.021 System director.—The Secretary of the Department of
1591 State Technology ~~Management Services~~ or his or her designee is
1592 designated as the director of the statewide telecommunications
1593 system of the regional emergency medical service and, for the

1594 purpose of carrying out the provisions of this part, may ~~is~~
1595 ~~authorized to~~ coordinate the activities of the
1596 telecommunications system with other interested state, county,
1597 local, and private agencies.
1598 Section 37. Section 401.024, Florida Statutes, is amended
1599 to read:
1600 401.024 System approval.—An ~~From July 1, 1973, no~~ emergency
1601 medical telecommunications system may not ~~shall~~ be established
1602 or present systems expanded without prior approval of the
1603 Department of State Technology ~~Management Services~~.
1604 Section 38. Section 401.027, Florida Statutes, is amended
1605 to read:
1606 401.027 Federal assistance.—The Secretary of the Department
1607 of State Technology ~~Management Services~~ or his or her designee
1608 may ~~is authorized~~ to apply for and accept federal funding
1609 assistance in the development and implementation of a statewide
1610 emergency medical telecommunications system.
1611 Section 39. Subsection (4) of section 445.011, Florida
1612 Statutes, is amended to read:
1613 445.011 Workforce information systems.—
1614 (4) Workforce Florida, Inc., shall coordinate development
1615 and implementation of workforce information systems with the
1616 Secretary ~~executive director~~ of the Department of State ~~Agency~~
1617 ~~for Enterprise Information~~ Technology to ensure compatibility
1618 with the state's information system strategy and enterprise
1619 architecture.
1620 Section 40. Subsection (2) and paragraphs (a) and (b) of
1621 subsection (4) of section 445.045, Florida Statutes, are amended
1622 to read:

1623 445.045 Development of an Internet-based system for
1624 information technology industry promotion and workforce
1625 recruitment.—
1626 (2) Workforce Florida, Inc., shall coordinate with the
1627 Department of State ~~Agency for Enterprise Information~~ Technology
1628 and the Department of Economic Opportunity to ensure that links,
1629 where feasible and appropriate, to existing job information
1630 websites maintained by the state and state agencies and ~~to~~
1631 ~~ensure~~ that information technology positions offered by the
1632 state and state agencies are posted on the information
1633 technology website.
1634 (4)(a) Workforce Florida, Inc., shall coordinate
1635 development and maintenance of the website under this section
1636 with the Secretary ~~executive director~~ of the Department of State
1637 ~~Agency for Enterprise Information~~ Technology to ensure
1638 compatibility with the state's information system strategy and
1639 enterprise architecture.
1640 (b) Workforce Florida, Inc., may enter into an agreement
1641 with the Department of State ~~Agency for Enterprise Information~~
1642 Technology, the Department of Economic Opportunity, or any other
1643 public agency with the requisite information technology
1644 expertise for the provision of design, operating, or other
1645 technological services necessary to develop and maintain the
1646 website.
1647 Section 41. Paragraph (b) of subsection (18) of section
1648 668.50, Florida Statutes, is amended to read:
1649 668.50 Uniform Electronic Transaction Act.—
1650 (18) ACCEPTANCE AND DISTRIBUTION OF ELECTRONIC RECORDS BY
1651 GOVERNMENTAL AGENCIES.—

1652 (b) To the extent that a governmental agency uses
1653 electronic records and electronic signatures under paragraph
1654 (a), the Department of State ~~Agency for Enterprise Information~~
1655 Technology, in consultation with the governmental agency, giving
1656 due consideration to security, may specify:
1657 1. The manner and format in which the electronic records
1658 must be created, generated, sent, communicated, received, and
1659 stored and the systems established for those purposes.
1660 2. If electronic records must be signed by electronic
1661 means, the type of electronic signature required, the manner and
1662 format in which the electronic signature must be affixed to the
1663 electronic record, and the identity of, or criteria that must be
1664 met by, any third party used by a person filing a document to
1665 facilitate the process.
1666 3. Control processes and procedures as appropriate to
1667 ensure adequate preservation, disposition, integrity, security,
1668 confidentiality, and auditability of electronic records.
1669 4. Any other required attributes for electronic records
1670 which are specified for corresponding nonelectronic records or
1671 reasonably necessary under the circumstances.
1672 Section 42. Subsection (2) of section 1006.73, Florida
1673 Statutes, is amended to read:
1674 1006.73 Florida Virtual Campus.—
1675 (2) The chancellors of the Florida College System and the
1676 State University System shall exercise joint oversight of the
1677 Florida Virtual Campus and shall establish its governance and
1678 reporting structure, administrative and operational guidelines
1679 and processes, staffing requirements, and operational budget.
1680 All data center services needed by the Florida Virtual Campus

1681 shall be provided by a primary data center established pursuant
1682 to s. ~~ss. 282.201 and~~ 1004.649.
1683 (a) In carrying out the purposes of this section:
1684 1. The campus is not an "agency" as defined in s. 20.03(11)
1685 and is not subject to chapter 287.
1686 2. The campus shall be deemed to be acting as an
1687 instrumentality of the state for purposes of sovereign immunity
1688 pursuant to s. 768.28(2).
1689 3. All records of the campus are public records unless made
1690 confidential or exempt from law.
1691 (b) The campus shall maintain an unencumbered balance of
1692 not less than 5 percent of its approved operating budget.
1693 (c) The campus may secure comprehensive general liability
1694 coverage, professional liability coverage, property and casualty
1695 coverage, and any other insurance coverage deemed appropriate by
1696 the chancellors.
1697 (d) The campus may contract for administrative services
1698 with a public postsecondary education institution. The
1699 administrative overhead costs charged by the institution may not
1700 exceed the actual cost of providing the services and shall
1701 require a specific appropriation in the General Appropriations
1702 Act.
1703 Section 43. Transfer from the Executive Office of the
1704 Governor.—All of the powers, duties, functions, records,
1705 personnel, and property; funds, trust funds, and unexpended
1706 balances of appropriations, allocations, and other funds;
1707 administrative authority; administrative rules; pending issues;
1708 and existing contracts of the Agency for Enterprise Information
1709 Technology within the Executive Office of the Governor shall

1710 continue and to the extent necessary are transferred by a type
1711 one transfer, pursuant to s. 20.06(1), Florida Statutes, to the
1712 Department of State Technology under s. 20.61, Florida Statutes.
1713 Section 44. Transfer from the Department of Management
1714 Services.—Effective January 1, 2014:
1715 (1) The Technology Program established under s. 20.22(2),
1716 Florida Statutes, is transferred intact by a type one transfer,
1717 as defined in s. 20.06, Florida Statutes, from the Department of
1718 Management Services to the Department of State Technology.
1719 (2) All of the powers, duties, functions, records,
1720 personnel, and property; funds, trust funds, and unexpended
1721 balances of appropriations, allocations, and other funds;
1722 administrative authority; administrative rules; pending issues;
1723 and existing contracts relating to the following
1724 responsibilities of the Department of Management Services are
1725 transferred by a type one transfer, as defined in s.20.06, to
1726 the Department of State Technology:
1727 (a) Administrative and regulatory responsibilities under
1728 part II of chapter 282, Florida Statutes, consisting of ss.
1729 282.601-282.606, Florida Statutes, relating to accessibility of
1730 electronic information and information technology for state
1731 employees and members of the public with disabilities, including
1732 the responsibility for rules for the development, procurement,
1733 maintenance, and use of accessible electronic information
1734 technology by governmental units pursuant to s. 282.604, Florida
1735 Statutes.
1736 (b) Administrative and regulatory responsibilities under
1737 part III of chapter 282, Florida Statutes, consisting of ss.
1738 282.701-282.711, Florida Statutes, relating to the state

1739 telecommunications network, state communications,
1740 telecommunications services with state agencies and political
1741 subdivisions of the state, the SUNCOM network, the law
1742 enforcement radio system and interoperability network, regional
1743 law enforcement communications, and remote electronic access.
1744 (c) Administrative and regulatory responsibilities under s.
1745 364.0135, Florida Statutes, relating to broadband Internet
1746 service.
1747 (d) Administrative and regulatory responsibilities under
1748 ss. 365.171-365.175, Florida Statutes, relating to emergency
1749 communications number E911.
1750 (e) Administrative and regulatory responsibilities under
1751 part I of chapter 401, Florida Statutes, consisting of ss.
1752 401.013-401.027, Florida Statutes, relating to a statewide
1753 system of regional emergency medical telecommunications.
1754 (3)(a) The following trust funds are transferred by a type
1755 one transfer, as defined in s. 20.06(1), Florida Statutes, from
1756 the Department of Management Services to the Department of State
1757 Technology:
1758 1. The Communications Working Capital Trust Fund.
1759 2. The Emergency Communications Number E911 System Fund.
1760 3. The State Agency Law Enforcement Radio System Trust
1761 Fund.
1762 4. Federal Grants Trust Fund.
1763 (b) All unexpended balances of appropriations, allocations,
1764 and other funds of the Department of Management Services
1765 relating to ss. 282.701-282.711, s. 364.0135, ss. 365.171-
1766 365.175, and part I of chapter 401, Florida Statutes, which are
1767 not specifically transferred by this subsection are transferred

1768 by a type one transfer, as defined in s. 20.06(1), Florida
1769 Statutes, to the Department of State Technology.
1770 (4) All lawful orders issued by the Department of
1771 Management Services implementing or enforcing or otherwise in
1772 regard to ss. 282.701-282.711, s. 364.0135, ss. 365.171-365.175,
1773 or part I of chapter 401, Florida Statutes, issued before
1774 January 1, 2014, shall remain in effect and be enforceable after
1775 that date unless thereafter modified in accordance with law.
1776 (5) Any binding contract or interagency agreement entered
1777 into pursuant to ss. 282.701-282.711, s. 364.0135, ss. 365.171-
1778 365.175, or part I of chapter 401, Florida Statutes, and
1779 existing before January 1, 2014, between the Department of
1780 Management Services or an entity or agent of the department and
1781 any other agency, entity, or person shall continue as a binding
1782 contract or agreement for the remainder of the term of such
1783 contract or agreement on the Department of State Technology.
1784 (6) The rules of the Department of Management Services
1785 relating to ss. 282.701-282.711, s. 364.0135, ss. 365.171-
1786 365.175, or part I of chapter 401, Florida Statutes, that were
1787 in effect at 11:59 p.m. on December 31, 2013, shall become the
1788 rules of the Department of State Technology and remain in effect
1789 until amended or repealed in the manner provided by law.
1790 (7) The transfer of regulatory authority under ss. 282.701-
1791 282.711, s. 364.0135, ss. 365.171-365.175, or part I of chapter
1792 401, Florida Statutes, provided by this section does not affect
1793 the validity of any judicial or administrative action pending as
1794 of 11:59 p.m. on December 31, 2013, to which the Department of
1795 Management Services is at that time a party, and the Department
1796 of State Technology shall be substituted as a party in interest

1797 in any such action.
1798 (8) The Northwood Shared Resource Center is transferred by
1799 a type one transfer, as defined in s. 20.06, Florida Statutes,
1800 from the Department of Management Services to the Department of
1801 State Technology.
1802 (a) Any binding contract or interagency agreement entered
1803 into between the Northwood Shared Resource Center or an entity
1804 or agent of the center and any other agency, entity, or person
1805 shall continue as a binding contract or agreement for the
1806 remainder of the term of such contract or agreement on the
1807 Department of State Technology.
1808 (b) The rules of the Northwood Shared Resource Center that
1809 were in effect at 11:59 p.m. on December 31, 2013, shall become
1810 the rules of the Department of State Technology and shall remain
1811 in effect until amended or repealed in the manner provided by
1812 law.
1813 (9) The Southwood Shared Resource Center is transferred by
1814 a type one transfer, as defined in s. 20.06, Florida Statutes,
1815 from the Department of Management Services to the Department of
1816 State Technology.
1817 (a) Any binding contract or interagency agreement entered
1818 into between the Southwood Shared Resource Center or an entity
1819 or agent of the center and any other agency, entity, or person
1820 shall continue as a binding contract or agreement for the
1821 remainder of the term of such contract or agreement on the
1822 Department of State Technology.
1823 (b) The rules of the Southwood Shared Resource Center that
1824 were in effect at 11:59 p.m. on December 31, 2013, shall become
1825 the rules of the Department of State Technology and shall remain

1826 in effect until amended or repealed in the manner provided by
1827 law.
1828 Section 45. An employee transferred to the Department of
1829 State Technology by this act shall retain the same status of his
1830 or her current position upon the transfer of that position to
1831 the department.
1832 Section 46. For the 2013-2014 fiscal year, the sum of
1833 $2,865,108 in recurring general revenue funds, $2,134,892 in
1834 nonrecurring general revenue funds, and 24 full-time equivalent
1835 positions and associated salary rate of 2,010,951 are
1836 appropriated to the Department of State Technology for the
1837 purpose of implementing this act.
1838 Section 47. Except as otherwise expressly provided in this
1839 act and except for this section, which shall take effect upon
1840 become law, this act shall take effect July 1, 2013.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: CS/SB 1762

INTRODUCER: Committee on Appropriations (Recommended by Appropriations Subcommittee on General Government) and Governmental Oversight and Accountability Committee

SUBJECT: State Information Technology

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	McKay	McVaney		**GO SPB 7024 as introduced**
2.	Wilson/McKinnon	DeLoach	AGG	**Fav/CS**
3.	Wilson/McKinnon	Hansen	AP	**Fav/CS**
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	X	Statement of Substantial Changes
B. AMENDMENTS.....		Technical amendments were recommended
		Amendments were recommended
		Significant amendments were recommended

I. Summary:

CS/SB 1762 substantially revises how the state organizes and operates its information technology (IT) resources. The bill creates a Department of State Technology (DST) as an executive agency under the Governor. The defunct Agency for Enterprise Information Technology (AEIT) is abolished by the bill, and all of its duties, and all technology and telecommunications duties of the Department of Management Services (DMS), are transferred to the DST. The DST is given extensive authority to set state technology policy, and manage state enterprise IT services and procurements. The Northwood and Southwood shared resource centers are transferred to the DST.

For the 2013-2014 fiscal year, $2,865,108 in recurring general revenue funds, $2,134,892 in nonrecurring general revenue funds, and 24 full time equivalent positions with associated salary rate of 2,010,951 are appropriated to the DST, in this bill. Funding for the technology and telecommunications duties of the DMS which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General Appropriations Bill; this bill would transfer those appropriations to DST. Funding for the Southwood Shared Resource Center which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General

Appropriations Bill; this bill would transfer those appropriations to DST. Funding for the Northwood Shared Resource Center which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General Appropriations Bill; this bill would transfer those appropriations to DST. See Section V.

Except as otherwise provided, the bill is effective July 1, 2013.

This bill substantially amends the following sections of the Florida Statutes: 14.204, 282.0041, 282.0055, 282.0056, 282.0057, 282.203, 282.206, 282.318, 282.604, 282.703, 20.22, 110.205, 215.22, 215.322, 215.96, 216.292, 287.012, 287.057, 318.18, 320.0802, 328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, 668.50, and 1006.73

This bill repeals the following sections of the Florida Statutes: 282.201, 282.204, 282.205, 282.33, and 282.34. Section 282.203, Florida Statutes, is repealed effective January 1, 2014.

The bill creates sections 282.0057 and 282.206, Florida Statutes.

II. Present Situation:

Agency for Enterprise Information Technology

Duties

In 2007, the Florida Legislature created the AEIT to oversee policies for the design, planning, project management, and implementation of enterprise information technology services, to include information technology security.[1] The AEIT is administratively housed within the Executive Office of the Governor, with the Governor and Cabinet as the head of the agency.

The AEIT is required to[2]:

- Submit an annual work plan for approval by the Governor and Cabinet ;
- Monitor the implementation, delivery, and management of the enterprise information technology services established in law;
- Make recommendations to the agency head and Legislature concerning other information technology services that should be designed, delivered, and managed as enterprise information technology services;
- Plan and establish policies for managing proposed statutorily authorized enterprise information technology services;
- Biennially publish a long-term strategic enterprise information technology plan;
- Perform duties related to enterprise information technology services including the state data center system, information technology security, and the statewide e-mail service;

[1] 2007-105, Laws of Florida.
[2] Section 14.204, Florida Statutes.

- Coordinate with the Division of Purchasing in the DMS on the planning and acquisition of information technology products and work with the division in the establishment of best practices for procuring such products;
- Develop information technology standards
- Submit a comprehensive transition plan for the consolidation of agency data centers into a primary data center; and
- Annually provide the Legislature with recommendations for consolidating the purchase of information technology commodities and contractual services.

In 2008, specific duties and responsibilities pertaining to information technology security were assigned to the AEI,[3] but the Office of Information Security was housed within the DMS. In 2009, the Office of Information Security was created within the AEIT,[4] and 8 full-time equivalents (FTE) were transferred from the DMS budget to the AEIT in the Fiscal Year 2009-2010 General Appropriations Act.

Administrative Rules

The AEIT was authorized to adopt rules to carry out its statutory duties[5] and to specifically adopt rules relating to:

- Information security;[6] and
- State data center system.[7]

The AEIT adopted 34 administrative rules under the following chapters:

- Chapter 71-1, Florida Administrative Code, *Confirmation and Delegation of Authority*, effective July 13, 2009;
- Chapter 71A-1, Florida Administrative Code, *Florida Information Technology Resource Security Policies and Standards*, effective November 15, 2010.; and
- Chapter 71A-2, Florida Administrative Code, *Florida Information Resource Security Policies and Standards*, effective August 10, 2004. These rules were promulgated by the Department of Management Services State Technology Office division.

The AEIT initiated, but never completed, the rule adoption process for the following two sets of rules:

- Chapter 71B-1, Florida Administrative Code, *Enterprise E-mail Service*.; and
- Chapter 71B-2, Florida Administrative Code, *Data Center System*.

[3] 2008-116, Laws of Florida.
[4] 2009-80, Laws of Florida.
[5] Section 14.204(7), F.S.
[6] Section 282.318(6), F.S.
[7] Section 282.201(2)(e), F.S.

Defunding the AEIT

In 2012, the Governor vetoed HB 5011 that abolished the AEIT and transferred some of AEIT's duties to a new agency created in the bill. Because HB 5011 transferred the salary and positions from the AEIT to the new agency, the effect of the veto was the elimination of funding for AEIT, though some of its duties still existed in statute.

Primary Data Centers and Data Center Consolidation

The state data center system was created by the Legislature in 2008.[8] The system is composed of primary data centers (Southwood Shared Resource Center, Northwood Shared Resource Center, and the Northwest Regional Data Center), other nonprimary data centers, and computing facilities serving state agencies. A "primary data center" is a data center that is a recipient entity for consolidation of nonprimary data centers and computing facilities and that is established by law.[9] A "computing facility" is an agency space containing fewer than 10 servers, any of which supports a strategic or nonstrategic information technology service, as described in budget instructions developed pursuant to s. 216.023, F.S., but excludes single-server installations that exclusively perform a utility function such as file and print servers.[10] The AEIT is responsible for developing policies for the system.[11]

As defined by law, Wave 1 of data center consolidation was initiated in 2009 with proviso included in the fiscal year 2009-2010 General Appropriations Act that required the:

- Florida Parole Commission to transfer its information technology services, to include its data center functions, to the Department of Corrections by July 1, 2009 ;
- Department of Juvenile Justice to consolidate its data center functions into the Northwood Shared Resource Center (NSRC) by July 1, 2010; and
- Department of Business and Professional Regulation to consolidate its data center functions into the NSRC by November 30, 2010.

Beginning in 2009, on October 1st of each calendar year, the AEIT is required to recommend to the Governor and Legislature at least two agency data centers or computing facilities for consolidation into a primary data center.[12] The AEIT submitted its recommendations on September 30, 2009,[13] for the Wave 2 consolidations and the Legislature directed, via proviso in the Fiscal Year 2010-2011 General Appropriations Act, the following consolidations:

- To the Northwood Shared Resource Center (NSRC)
  - Department of Juvenile Justice by July 1, 2010;
  - Department of Business and Professional Regulation by November 30, 2010;
  - Department of Children and Families' Winewood Office Complex by June 30, 2012; and

[8] Chapter 2008-116, L.O.F.
[9] Section 282.0041(17), F.S.
[10] Section 282.0041(7), F.S.
[11] Section 282.201(2), F.S.
[12] S. 282.201(2), F.S.
[13] *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers.* Agency for Enterprise Information Technology, September 30, 2009.

  - Department of Transportation's Motor Carrier Compliance Office by July 1, 2011.
- To the Southwood Shared Resource Center (SSRC)
  - Department of Transportation Burns Office Building by March 31, 2012.; and
  - Department of Transportation Survey and Mapping Office by March 31, 2012.
- To the Northwest Regional Data Center (NWRDC)
  - Department of Education by December 31, 2011;
  - College Center for Library Automation by December 31, 2011; and
  - Florida Center for Library Automation by December 31, 2011.
- To the NSRC or SSRC
  - Agency for Health Care Administration by June 30, 2012; and
  - Department of Highway Safety and Motor Vehicles by December 31, 2011.

On December 23, 2010, the AEIT submitted a report "*Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers by 2019".* The report provides recommendations for the consolidation of the remaining agency data centers and computing facilities after Wave 2. In 2011, the Legislature codified in statute the recommendations included in AEIT's December 23, 2010, report identifying the agencies required to consolidate into a primary data center within that fiscal year.[14]

In 2012, the Legislature amended the data center consolidation schedule as follows:[15]

- To the NSRC
  - Department of Highway Safety and Motor Vehicles' Office of Motor Carrier Compliance by July 1, 2012;
  - Department of Highway Safety and Motor Vehicles by August 31, 2012;
  - Department of Health's Test and Development Lab and all remaining data center resources located at the Capital Circle Office Complex by December 31, 2012;
  - Department of Veterans' Affairs by July 1, 2013;
  - Department of Legal Affairs by December 31, 2013; and
  - Department of Agriculture and Consumer Services' Agriculture Management Information Center in the Mayo Building and the Division of Licensing by March 31, 2014.
- To the SSRC
  - Fish and Wildlife Conservation Commission, except for the commission's Fish and Wildlife Research Institute in St. Petersburg, by July 1, 2013;
  - Department of Economic Opportunity by October 31, 2013;
  - Executive Office of the Governor, to include the Division of Emergency Management except for the Emergency Operation Center's management system in Tallahassee and the Camp Blanding Emergency Operations Center in Starke, by December 31, 2013; and
  - Department of Elderly Affairs by March 31, 2014.
- To the NWRDC
  - Department of Revenue's Carlton Building and Imaging Center locations by September 30, 2012.

[14] Chapter 2011-50, L.O.F.
[15] Chapter 2012-142, L.O.F.

The following entities are exempted from data center consolidation:

- Florida Department of Law Enforcement;
- Department of Lottery's Gaming System and the department's Backup Data Center in Orlando;
- Systems Design and Development in the Office of Policy and Budget;
- State Board of Administration;
- State Attorneys;
- Public Defenders Office;
- Criminal Conflict and Civil Regional Counsel;
- Capital Collateral Regional Counsel;
- Florida Clerks of Court Operations Corporation; and
- Florida Housing Finance Corporation

The Department of Financial Services must consolidate in Fiscal Year 2015-2016.

Each agency identified for consolidation into a primary data center must submit with its respective legislative budget request the specific recurring and nonrecurring budget adjustments of resources by appropriation category into the appropriate data processing category pursuant to the legislative budget request instructions in s. 216.023, F.S.

The Technology Program in the Department of Management Services

The Technology Program within DMS provides both wired and wireless telecommunications and information services to state agencies, cities, counties and other public entities; and plans, coordinates, and fosters public safety telecommunications throughout the state at all levels of government.[16] The technology program provides services in two primary areas. Public Safety Communications manages, oversees, coordinates, and updates statewide public safety communications at all levels of government, including updating the public-private Statewide Law Enforcement Radio System (SLERS), Florida Interoperability Network (FIN), and the enhanced statewide Florida Emergency Communications Numbers E911; coordinating with Local Public Safety Radio Services and Emergency Medical Services (EMS) radio communications; and coordinating the state's Emergency Support Function-Communications response to emergencies and disasters for the state's Emergency Operations Center. Statewide Telecommunications provides all methods of statewide communications planning and services; including voice, data, video, image, and radio services to state agencies, subdivisions of the state, municipalities, state universities, and nonprofit corporations through the SUNCOM Network. All state agencies are required to use the SUNCOM Network for their communications services. Telecommunications Services has a budget of $256.5 million and 72 FTE; Wireless Services has a budget of $32.9 million and 12 FTE.

[16] All of the information in this section was obtained from a Government Program Summary by the Florida Legislature's Office of Program Policy Analysis and Government Accountability, available at http://www.oppaga.state.fl.us/profiles/4134/ (last visited on March 3, 2013).

The Financial Management Information System Act[17]

The Florida Financial Management Information System (FFMIS) Act, authorized in ss. 215.90 through 215.96, F.S., was established to plan, implement, and manage a unified information system which provides fiscal, management, and accounting information. The FFMIS Act established the Florida Management Information Board (FMIB) and the FFMIS Coordinating Council. The FMIB is comprised of the Governor and Cabinet and has overall responsibility for managing and overseeing the development of Florida Financial Management Information System pursuant to s. 215.95, F.S., including establishing financial management policies and procedures for executive branch agencies. The Council is comprised of the members of the Cabinet, the secretary of the Department of Management Services, and the director of the Governor's Office of Policy and Budget. Among other duties, the Council is to approve all FFMIS subsystem designs and modifications prior to implementation and to make recommendations to the FMIB on policy alternatives to ensure coordination between the subsystems as defined in ss. 215.93 and 215.96, F. S.

There are five FFMIS subsystems which must be designed, implemented, and operated pursuant to the act. Each has a statutorily-identified functional owner as well as additional statutory requirements as follows:

- Planning and Budgeting – The Executive Office of the Governor is the functional owner. The system must also be designed, implemented, and operated pursuant to ch. 216, F.S;
- Florida Accounting Information Resource (FLAIR) – The Department of Financial Services is the functional owner. The system must also be designed, implemented, and operated pursuant to ss. 17.03, 215.86, 216.141, and 216.151, F.S;
- Cash Management System (CMS) – The Chief Financial Officer is the functional owner;
- Purchasing (MyFloridaMarketplace) – The Department of Management Services is the functional owner;
- Personnel Information (PeopleFirst) – The Department of Management Services is the functional owner. The system must also be designed, implemented, and operated pursuant to s. 110.116, F. S;

The FFMIS Act identifies each subsystem's general functional requirements but allows each functional owner to establish additional functions unless they are specifically prohibited by the FFMIS Act. Functional owners may not establish or maintain additional subsystems which duplicate any of the FFMIS subsystems.

The FMIB approved a strategic plan on March 14, 2000, that authorized the replacement of the FFMIS subsystems with an enterprise-wide financial management system that integrates financial information and standardizes policies and information. This system has never been implemented. The FMIB has not made any decisions relating to policy or the FFMIS subsystems since February 2001 when it modified the strategic plan to allow the use of outsourcing as a means to replace or enhance the functionality of the FFMIS subsystems. No subsystem designs or modifications have been brought to the FMIB for review or approval since that time. As a

[17] All the information in this section comes from Florida Senate Issue Brief 2009-321, *Florida Financial Management Information System (FFMIS) Act*, pp. 2-3.

result, the overall governance and management of each FFMIS subsystem has been "unofficially delegated" to each functional owner and each functional owner has autonomously pursued an independent path for development and enhancement of its subsystem. The FMIB has been inactive since February 2005.

Method of Reorganization for the Executive Branch

Pursuant to s. 20.06, F.S., the executive branch of state government must be reorganized by transferring the specified agencies, programs, and functions to other specified departments, commissions, or offices. Such a transfer does not affect the validity of any judicial or administrative proceeding pending on the day of the transfer, and any agency or department to which are transferred the powers, duties, and functions relating to the pending proceeding must be substituted as a party in interest for the proceeding.

A type one transfer is the transferring intact of an existing agency or department so that the agency or department becomes a unit of another agency or a department. Any agency or department transferred to another agency or department by a type one transfer will exercise its powers, duties, and functions as prescribed by law, subject to review and approval by, and under the direct supervision of, the head of the agency or department to which the transfer is made, unless otherwise provided by law. Any agency or department transferred by a type one transfer has all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, transferred to the agency or department to which it is transferred. Unless otherwise provided by law, the administrative rules of any agency or department involved in the transfer which are in effect immediately before the transfer remain in effect until specifically changed in the manner provided by law.

A type two transfer is the merging into another agency or department of an existing agency or department or a program, activity, or function thereof or, if certain identifiable units or subunits, programs, activities, or functions are removed from the existing agency or department, or are abolished, it is the merging into an agency or department of the existing agency or department with the certain identifiable units or subunits, programs, activities, or functions removed therefrom or abolished. Any agency or department or a program, activity, or function transferred by a type two transfer has all its statutory powers, duties, and functions, and its records, personnel, property, and unexpended balances of appropriations, allocations, or other funds, except those transferred elsewhere or abolished, transferred to the agency or department to which it is transferred, unless otherwise provided. Unless otherwise provided, the head of the agency or department to which an existing agency or department or a program, activity, or function thereof is transferred is authorized to establish units or subunits to which the agency or department is assigned, and to assign administrative authority for identifiable programs, activities, or functions. Unless otherwise provided, the administrative rules of any agency or department involved in the transfer which are in effect immediately before the transfer remain in effect until specifically changed in the manner provided by law.

III. Effect of Proposed Changes:

Section 1 creates the Department of State Technology (DST) in s. 20.61, F.S., as an executive agency under the Governor. The DST must develop, implement, and manage state enterprise information technology services. The secretary of the department, who will be the state's Chief Information Officer (CIO), must be appointed by the Governor, and confirmed by the Senate.

The bill creates a Technology Advisory Council to make recommendations to the secretary on enterprise information technology policy and standards. The bill specifies the divisions and offices within the DST, names various officials who serve at the pleasure of the Secretary, and specifies deputy technology officers who are responsible for core agency groups as follows:

- Deputy Information Officer of Human Services, to include:
  - Department of Elder Affairs;
  - Agency for Health Care Administration;
  - Agency for Persons with Disabilities;
  - Department of Children and Families;
  - Department of Health; and
  - Department of Veterans' Affairs.
- Deputy Information Officer of Criminal and Civil Justice, to include:
  - Department of Juvenile Justice;
  - Parole Commission;
  - Department of Corrections.
  - Board of Clemency;
  - Department of Law Enforcement; and
  - Department of Highway Safety and Motor Vehicles.
- Deputy Information Officer of Education, to include the:
  - Department of Education;
  - State Board of Education; and
  - Board of Governors.
- Deputy Information Officer of Business Operations, to include:
  - Department of Revenue,
  - Department of Business and Professional Regulation;
  - Department of the Lottery; and
  - Department of Economic Opportunity;
- Deputy Information Officer of Community Services, to include:
  - Department of Military Affairs;
  - Department of Transportation;
  - Department of State; and
  - Department of Emergency Management.
- Deputy Information Officer of Natural Resources, to include:
  - Department of Environmental Protection;
  - Department of Fish and Wildlife; and
  - Department of Citrus;
- Deputy Information Officer of Executive and Administrative Support Service, to include:
  - The Department of Financial Services;
  - The Department of Management Services;

- The Department of Legal Affairs (DLA); and
- The Department of Agriculture and Consumer Services (DACS).

The bill permits the DST to obtain administrative services from the DMS.

Section 2 amends s. 282.0041, F.S., by modifying, adding, and deleting some definitions, and changing references from the AEIT to the DST.

Section 3 amends s. 282.0055, F.S., to require the DST to design, plan, develop, implement, and manage state enterprise information technology (IT) services, and biennially develop a long-range plan for state IT resources

Specific duties and functions of the DST are as follows:

- Setting state technology policy;
- Development, design, planning, and management of enterprise IT services;
- Establishing architecture for the state's technology infrastructure;
- Preparing fiscal impact statements relating to necessary modifications and the delivery of technology to support policies required by proposed legislation;
- Coordinating technology resource acquisition planning;
- Advise and collaborate with DMS in procurement negotiations for IT products that will be used by multiple state agencies, upon request;
- Advise and collaborate with DMS in establishing best practices for the procurement of IT products, upon request;
- Providing oversight or project management for all technology resources for projects exceeding an annual investment of $2.5 million;
- Establishing performance measurement standards and metrics for technology projects;
- Establishing standards for state agencies to submit information technology reports;
- Establishing and collecting fees and charges for data and delivery of enterprise information technology services to state agencies on a cost-sharing basis;
- Developing a cost recovery plan;
- At its discretion, collecting and maintaining an inventory of state agency IT resources;
- Assuming ownership or custody and control of information processing equipment, supplies, and positions;
- Adopting rules and policies for the efficient, secure, and economical management and operation of enterprise IT services;
- Providing other public sector organizations with access to the services provided by the agency on the same cost basis as applies to state agencies;
- Establishing statewide practices and policies to ensure that exempt or confidential data remains protected;
- Conducting periodic assessments of state agencies for compliance with statewide IT policies and making recommendations;
- Establishing and maintaining a single website to host the Transparency Florida information required by s. 215.985, F.S; and
- Maintaining the official internet state portal.

Section 4 amends s. 282.056, F.S. that:

Removes the requirement for the annual work plan to be presented at a public meeting. Exempts the Department of Law Enforcement, the Department of the Lottery's Gaming System, Systems Design and Development in the Office of Policy and Budget, the State Board of Administration, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Florida Clerks of Court Operations Corporation, the Department of Legal Affairs, the Department of Financial Services, the Department of Agriculture and Consumer Services' Agriculture Management Information Center and the Division of Licensing, the Justice Administrative Commission, and the Florida Housing Finance Corporation from data center consolidation unless specifically directed by the Legislature.

Section 5 creates s. 282.0057, F.S., specifying a series of duties for the DST and state agencies, phased in over three years.

Beginning January 1, 2015, the DST must:

- Publish a report on its current and planned information technology expenditures, and a funding schedule for all major projects or initiatives, including cost estimates;
- Coordinate state agencies in implementing data sharing, and standardize data elements;
- Include in its legislative budget requests a recommendation for consolidating state agency data to provide better access; and
- Oversee the expanded use and implementation of project and contract management principles as they relate to information technology projects.

Beginning January 1, 2016, the DST must:

- Develop systems and methodologies to evaluate and prioritize existing IT projects and a plan for leveraging technology across state agencies. The DST must report to the Governor, the President of the Senate, and the Speaker of the House of Representatives, or the Board the status of information technology projects and the agency's recommendations for project development on a semi-annual basis. Such recommendations must be incorporated into the state agencies legislative budget requests for technology projects ; and
- Develop standards for application development.

Beginning January 1, 2018, the DST shall review and approve technology purchases made by state agencies. Approval must be based on technology policies and standards established by the department and approved by the Legislature.

Section 6 repeals s. 282.201, F.S., the duties related to data center consolidation, and agencies currently exempt from consolidation.

Section 7 amends s. 282.203, F.S., to change duties relating to the primary data centers from the AEIT to the DST. The primary data centers will be operated pursuant to this section until the DST takes over operations of the primary data centers on January 1, 2014, when s. 282.203, F.S., expires.

Sections 8 and 9 repeals ss. 282.204 and 282.205, F.S., which create the Northwood Shared Resource Center and the Southwood Shared Resource center.

Section 10 creates s. 282.206, F.S., to establish the Fletcher Shared Resource Center (Fletcher SRC) within the Department of Financial Services (DFS). The Fletcher SRC must collaborate with the DST to develop policies, procedures, and rules for the delivery of enterprise IT services. The Fletcher SRC must provide services to the Department of Legal Affairs, provide full service to the Office of Financial Regulation and the Office of Insurance Regulation, and provide services to host the legislative Appropriations System/Planning and Budgeting Subsystem (LAS/PBS).

The Fletcher SRC must be governed by a memorandum of understanding administered by a steering committee consisting of the chief information officers of the customer entities residing in the center.

The bill permits, but does not require, the DLA and the DACS to move its data center equipment to the Fletcher SRC.

Section 11 amends s. 282.318, F.S., to make terminology changes.

Sections 12 and 13 repeals ss. 282.33 and 282.34, F.S., relating to energy efficiency standards for data centers, and the implementation of a statewide email service.

Sections 14 through 16 amends ss. 282.604, 282.702, and 282.703, F.S., respectively, to make terminology changes.

Section 17 amends s. 20.22, F.S., to remove the Technology Program from the organizational structure of the DMS.

Sections 17 through 20 amends ss. 110.205, 215.22, and 215.322, F.S., to make terminology changes.

Section 21 amends s. 215.96, F.S., to add the Secretary of the DST to the coordinating council of the Financial Management Information Board.

Section 22 amends s. 216.292, F.S., to make a terminology change to reflect the transfer of technology duties from the DMS to the DST.

Section 23 amends s. 287.012, F.S., to specify a definition for the term “information technology.”

Sections 24 through 41 amends ss. 287.057, 318.18, 320.0802, 328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, and 668.50, F.S., to change terminology to reflect the transfer of technology duties from the AEIT and the DMS to the DST.

Section 41 through 43 transfers all the powers, duties, functions, funds, rules, and contracts of the AEIT by type one transfer to the DST.

Section 44 transfers all the following powers, duties, functions, funds, rules, and contracts of the DMS by type one transfer to the DST, effective January 1, 2014:

- The Technology Program established under s. 20.22(2), F.S;
- Part II of Chapter 282, F.S., relating to accessibility of electronic information and IT for people with disabilities;
- Part III of Chapter 282, F.S., relating to the state communications network, the SUNCOM network, and the law enforcement radio system and interoperability network;
- Section 364.0135, F.S., relating to broadband Internet service;
- Sections 365.171-365.175, F. S., relating to emergency communications number E911; and
- Part I of Chapter 401, F.S., relating to a statewide system of regional emergency medical telecommunications.

The following trust funds are transferred by type one transfer from the DMS to the DST:

- The Communications Working Capital Trust Fund;
- The Emergency Communications Number E911 System Fund;
- The State Agency Law Enforcement Radio System Trust Fund; and
- Federal Grants Trust Fund.

Unexpended balances of the DMS relating to the transferred duties are also transferred; lawful orders remain in effect; contracts remain in effect; rules remain in effect; and DST will be substituted as a party in interest for actions in which DMS is a party.

The Northwood and Southwood Shared Resource centers are transferred by type one transfers from the DMS to the DST, as are their contracts and rules.

Section 45 requires that filled positions transferred to the new agency will maintain their current status.

Section 46 provides a 2013-2014 fiscal year appropriation of $2,865,108 in recurring general revenue funds, $2,134,892 in nonrecurring general revenue funds, and 24 full time equivalent positions with associated salary rate of 2,010,951 are appropriated to the DST.

Section 47 except as otherwise provided, the bill takes effect July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

For the 2013-14 Fiscal Year, $2,865,108 in recurring general revenue funds, $2,134,892 in nonrecurring general revenue funds, and 24 full time equivalent positions with associated salary rate of 2,010,951 are appropriated to the DST, in this bill. Funding for the technology and telecommunications duties of the DMS which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General Appropriations Bill; this bill would transfer those appropriations to DST. Funding for the Southwood Shared Resource Center which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General Appropriations Bill; this bill would transfer those appropriations to DST. Funding for the Northwood Shared Resource Center which are transferred to DST by this bill are appropriated to the DMS in the 2013-2014 Proposed General Appropriations Bill; this bill would transfer those appropriations to DST.

Department of Management Services Administrative Costs

Currently, the Division of Telecommunications is a budget entity within the Department of Management Services. As such, the DMS imposes an administrative assessment on the division to cover a portion of the costs of the department's executive direction budget entity. For FY 2012-13, this administrative assessment is roughly $1.3 million. Likewise, the Southwood Shared Resource Center and the Northwood Shared Resource Center are assessed charges for the services they receive from the department. The assessments paid by the centers in the current year are roughly $100,000. The table below shows the amounts of funds assessed to each of these budget entities to cover a portion of the department's administrative costs.

Executive Direction and Support Services Budget Entity Cost Pools	Department -wide Assessment	Current FTE	Div. of Telecom.	Southwood SRC	Northwood SRC	Total
Office of the Secretary						
Office of the Secretary	821,629	6	109,987			109,987
Information Technology	689,779	5	92,337			92,337
Communications	236,792	3	31,699			31,699
General Counsel	1,283,980	14	73,228			73,228
Inspector General	715,517	7	88,187	28,365	28,385	144,917
Legislative Affairs	238,919	2	31,984			31,984
Sub-total	**3,986,616**	**37**	**427,422**	**28,365**	**28,385**	**484,152**
Administration						
Admin Dir./Budget Office/ Fiscal Integrity	769,965	6	104,359			104,359
Financial Management Services	1,218,235	19	676,866	56,729		733,595
Human Resources	354,693	4	38,669			38,669
Mail Room Operations	113,424	0	11,942			11,942
Departmental Purchasing	437,332	5	65,420			65,420
Sub-total	**2,893,649**	**34**	**897,256**			**953,985**
Grand Total	**6,880,265**	**71**	**1,324,678**	**85,094**	**28,365**	**1,438,137**

With the transfers of the Division of Telecommunications and the shared resource centers to the DST, the DMS will have to either (a) reduce the current FTE levels; (b) shift the assessments to other divisions and units remaining in the department; or (c) a combination of reductions and shifts.

The bill grants the Department of State Technology the authority to contract with the DMS for administrative functions. If the DST contracts with the DMS for administrative services, the loss of the administrative assessment revenues by DMS may be mitigated. However, those administrative functions likely will not include the functions currently fulfilled by the DST Office of the Secretary (i.e., communications, general counsel, inspector general, legislative affairs).

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DST is created as an independent department; it is unclear why the DST would need to obtain administrative services from the DMS.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Appropriations on March 28, 2013:
The CS repeals s. 282.201 , F.S., related to data center consolidation, and agencies currently exempt from consolidation. The CS exempts the Department of Law Enforcement, the Department of the Lottery's Gaming System, Systems Design and Development in the Office of Policy and Budget, the State Board of Administration, state attorneys, public defenders, criminal conflict and civil regional counsel, capital collateral regional counsel, the Florida Clerks of Court Operations Corporation, the Department of Legal Affairs, the Department of Financial Services, the Department of Agriculture and Consumer Services' Agriculture Management Information Center and the Division of Licensing, the Justice Administrative Commission, and the Florida Housing Finance Corporation from data center consolidation. The CS removes the requirement for the annual work plan to be presented at a public meeting and requires that filled positions transferred to the new agency will maintain their current status. Finally, the CS clarifies the technical services provided by the Fletcher Data Center to the LASPBS subsystem.

B. Amendments:

None.

By the Committee on Governmental Oversight and Accountability

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A bill to be entitled

An act relating to state technology; transferring, renumbering, and amending s. 14.204, F.S.; creating the Department of State Technology; providing for the organizational structure of the department; creating a Technology Advisory Council and providing for membership; amending s. 282.0041, F.S.; revising and providing definitions for terms used in the Enterprise Information Technology Services Management Act; amending s. 282.0055, F.S.; requiring the department to develop a long-range plan; providing the powers and duties of the department; amending s. 282.0056, F.S.; conforming provisions to changes made by the act; creating s. 282.0057, F.S.; providing a schedule for the initiation of department information technology projects; specifying tasks to be approved and completed; amending s. 282.203, F.S.; conforming provisions to changes made by the act; providing for future repeal; repealing s. 282.204, F.S., relating to Northwood Shared Resource Center; repealing s. 282.205, F.S., relating to Southwood Shared Resource Center; creating s. 282.206, F.S.; establishing the Fletcher Shared Resource Center within the Department of Financial Services to provide enterprise information technology services to the department, co-location services to the Department of Legal Services and the Department of Agriculture and Consumer Services, and host the Legislative Appropriations System/Planning and Budgeting Subsystem; providing for

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governance of the center; authorizing the Department of Legal Affairs and the Department of Agriculture and Consumer Services to move data center equipment to the center; amending s. 282.318, F.S.; conforming provisions to changes made by the act; repealing s. 282.33, F.S., relating to objective standards for data center energy efficiency; repealing s. 282.34, F.S., relating to enterprise email service; amending ss. 282.604, 282.702, 282.703, 20.22, 110.205, 215.22, 215.322, 215.96, 216.292, 287.012, 287.057, 318.18, 320.0802,328.72, 364.0135, 365.171, 365.172, 365.173, 365.174, 401.013, 401.015, 401.018, 401.021, 401.024, 401.027, 445.011, 445.045, and 668.50, F.S.; conforming provisions to changes made by the act; transferring the personnel, functions, and funds of the Agency for Enterprise Information Technology to the Department of State Technology; transferring specified personnel, functions, funds, trust funds, administrative orders, contracts, and rules relating to technology programs from the Department of Management Services to the Department of State Technology; transferring the Northwood Shared Resource Center and the Southwood Shared Resource Center to the department; providing an appropriation; providing effective dates.

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

Section 1. Section 14.204, Florida Statutes, is

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59 transferred, renumbered as section 20.61, Florida Statutes, and
60 amended to read:
61 (Substantial rewording of section. See
62 s. 14.204, F.S. for present text)
63 20.61 Department of State Technology; powers and duties.—
64 The Department of State Technology is hereby created as an
65 executive agency under the Governor.
66 (1) The department shall have a secretary, who shall be
67 appointed by the Governor. The secretary must be confirmed by
68 the Senate and shall serve at the pleasure of the Governor. The
69 secretary shall be the state's Chief Information Officer.
70 (2) The Technology Advisory Council consisting of nine
71 members shall be established and maintained pursuant to s.
72 20.052. Four of the members of the council shall be appointed by
73 the Governor, of which two members must be from the private
74 sector; three of the members shall be appointed by the Cabinet;
75 one of the members shall be appointed by the Speaker of the
76 House of Representative; and one member shall be appointed by
77 the Senate President. Upon initial establishment of the council,
78 two of the Governor's appointments and two of the Cabinet's
79 appointments shall be for 2 year terms. Thereafter, all
80 appointments shall be for 4 year terms.
81 (a) The council shall consider and make recommendations to
82 the secretary on such matters as enterprise information
83 technology policies, standards, services, and architecture.
84 (b) The secretary shall consult with the council with
85 regard to executing the duties and responsibilities of the
86 department related to statewide information technology strategic
87 planning and policy.

88 (3) The following divisions and offices are established
89 within the department:
90 (a) Division of Information Management.
91 (b) Division of Enterprise Information Technology Services.
92 (c) The Office Of Information Security.
93 (d) The Office of Strategic Planning.
94 (4) There shall be a Chief Operations Officer, a Chief
95 Planning Officer, a Chief Security Officer, and a Deputy Chief
96 Information Officer all of whom serve at the pleasure of the
97 secretary.
98 (a) The Chief Operations Officer is responsible for the
99 operations and delivery of enterprise information technology
100 services including management of telecommunication services and
101 data center operations.
102 (b) The Chief Planning Officer is responsible for
103 establishing and maintaining enterprise information technology
104 policy, planning, standards, project management, oversight, and
105 procurement.
106 (c) The Chief Security Officer is responsible for
107 establishing and maintaining the enterprise strategy and program
108 for ensuring information assets are adequately protected.
109 (d) The Deputy Chief Information Officer is responsible for
110 establishing and maintaining the enterprise strategy for
111 enterprise information technology services.
112 (5) The following deputy Chief Information Officer
113 positions shall be appointed and serve at the pleasure of the
114 secretary. Each deputy is responsible for the following core
115 agency groups:
116 (a) Deputy Information Officer of Human Services, to

117 include:
118 1. Department of Elder Affairs.
119 2. Agency for Health Care Administration.
120 3. Agency for Persons with Disabilities.
121 4. Department of Children and Families.
122 5. Department of Health.
123 6. Department of Veterans' Affairs.
124 (b) Deputy Information Officer of Criminal and Civil
125 Justice, to include:
126 1. Department of Juvenile Justice.
127 2. Parole Commission.
128 3. Department of Corrections.
129 4. Board of Clemency.
130 5. Department of Law Enforcement.
131 6. Department of Highway Safety and Motor Vehicles.
132 (c) Deputy Information Officer of Education, to include
133 the:
134 1. Department of Education.
135 2. State Board of Education.
136 3. Board of Governors.
137 (d) Deputy Information Officer of Business Operations, to
138 include:
139 1. Department of Revenue.
140 2. Department of Business and Professional Regulation.
141 3. Department of the Lottery.
142 4. Department of Economic Opportunity.
143 (e) Deputy Information Officer of Community Services, to
144 include:
145 1. Department of Military Affairs.

146 2. Department of Transportation.
147 3. Department of State.
148 4. Department of Emergency Management.
149 (f) Deputy Information Officer of Natural Resources, to
150 include:
151 1. Department of Environmental Protection.
152 2. Department of Fish and Wildlife.
153 3. Department of Citrus.
154 (g) Deputy Information Officer of Executive and
155 Administrative Support Service, to include:
156 1. The Department of Financial Services.
157 2. The Department of Management Services.
158 3. The Department of Legal Affairs.
159 4. The Department of Agriculture and Consumer Services.
160 (6) In order to optimize the efficiency and utility of
161 information technology systems within core agency groups, the
162 secretary may require the participation of programs within a
163 state agency to work with a deputy chief information officer
164 outside of the agency's assigned core group.
165 (7) The secretary may obtain administrative services
166 through the Department of Management Services pursuant to a
167 memorandum of understanding.
168 Section 2. Section 282.0041, Florida Statutes, is reordered
169 and amended to read:
170 282.0041 Definitions.—As used in this chapter, the term:
171 ~~(1) "Agency" has the same meaning as in s. 216.011(1)(qq),~~
172 ~~except that for purposes of this chapter, "agency" does not~~
173 ~~include university boards of trustees or state universities~~.
174 ~~(2) "Agency for Enterprise Information Technology" means~~

175 ~~the agency created in s. 14.204.~~
176 (1)~~(3)~~ "Agency information technology service" means a
177 service that directly helps a state ~~an~~ agency fulfill its
178 statutory or constitutional responsibilities and policy
179 objectives and is usually associated with the state agency's
180 primary or core business functions.
181 ~~(4) "Annual budget meeting" means a meeting of the board of~~
182 ~~trustees of a primary data center to review data center usage to~~
183 ~~determine the apportionment of board members for the following~~
184 ~~fiscal year, review rates for each service provided, and~~
185 ~~determine any other required changes.~~
186 (2)~~(5)~~ "Breach" has the same meaning as in s. 817.5681(4).
187 (3)~~(6)~~ "Business continuity plan" means a plan for disaster
188 recovery which provides for the continued functioning of a
189 shared resource center or primary data center during and after a
190 disaster.
191 (4)~~(7)~~ "Computing facility" means a state agency site ~~space~~
192 containing fewer than ~~a total of~~ 10 physical or logical servers,
193 any of which supports a strategic or nonstrategic information
194 technology service, as described in budget instructions
195 developed pursuant to s. 216.023, but excluding
196 telecommunications and voice gateways and clustered pairs of
197 servers operating as a single logical server to provide file,
198 print, security, and endpoint management services ~~single,~~
199 ~~logical server installations that exclusively perform a utility~~
200 ~~function such as file and print servers~~.
201 (5) "Computing service" means an information technology
202 service that is used in all state agencies or a subset of
203 agencies.

204 ~~(8) "Customer entity" means an entity that obtains services~~
205 ~~from a primary data center.~~
206 (6)~~(9)~~ "Data center" means state agency space containing 10
207 or more physical or logical servers, any of which supports a
208 strategic or nonstrategic information technology service, as
209 described in budget instructions developed pursuant to s.
210 216.023.
211 (7)~~(10)~~ "Department" means the Department of State
212 Technology ~~Management Services~~.
213 (9)~~(11)~~ "Enterprise information technology service" means
214 an information technology service that is used in all state
215 agencies or a subset of state agencies and is established in law
216 to be designed, delivered, and managed at the enterprise level.
217 (8)~~(12)~~ "Email ~~E-mail~~, messaging, and calendaring service"
218 means the enterprise information technology service that enables
219 users to send, receive, file, store, manage, and retrieve
220 electronic messages, attachments, appointments, and addresses.
221 ~~The e-mail, messaging, and calendaring service must include e-~~
222 ~~mail account management; help desk; technical support and user~~
223 ~~provisioning services; disaster recovery and backup and restore~~
224 ~~capabilities; antispam and antivirus capabilities; archiving and~~
225 ~~e-discovery; and remote access and mobile messaging~~
226 ~~capabilities.~~
227 (10)~~(13)~~ "Information-system utility" means an information
228 processing ~~a full service information processing~~ facility
229 offering hardware, software, operations, integration,
230 networking, floor space, and consulting services.
231 (12)~~(14)~~ "Information technology resources" means
232 equipment, hardware, software, firmware, programs, systems,

233 networks, infrastructure, media, and related material used to
234 automatically, electronically, and wirelessly collect, receive,
235 access, transmit, display, store, record, retrieve, analyze,
236 evaluate, process, classify, manipulate, manage, assimilate,
237 control, communicate, exchange, convert, converge, interface,
238 switch, or disseminate information of any kind or form, and
239 includes the human resources to perform such duties except for
240 application developers and logical database administrators.
241 (11) ~~(15)~~ "Information technology policy" means statements
242 that describe clear choices for how information technology will
243 deliver effective and efficient government services to residents
244 and improve state agency operations. A policy may relate to
245 investments, business applications, architecture, or
246 infrastructure. A policy describes its rationale, implications
247 of compliance or noncompliance, the timeline for implementation,
248 metrics for determining compliance, and the accountable
249 structure responsible for its implementation.
250 (13) "Local area network" means any telecommunications
251 network through which messages and data are exchanged only
252 within a single building or contiguous campus.
253 (14) "Memorandum of understanding" means a written
254 agreement between the department and a state agency which
255 specifies the scope of services provided, service level,
256 duration of the agreement, responsible parties, and service
257 costs. A memorandum of understanding is not a rule pursuant to
258 chapter 120.
259 (15) "Other public sector organizations" means entities of
260 the legislative and judicial branches, the State University
261 System, the Florida Community College System, counties, and

262 municipalities. Such organizations may elect to participate in
263 the information technology programs, services, or contracts
264 offered by the department, including information technology
265 procurement, in accordance with general law, policies, and
266 administrative rules.
267 ~~(16) "Performance metrics" means the measures of an~~
268 ~~organization's activities and performance.~~
269 (16) ~~(17)~~ "Primary data center" means a data center that is
270 a recipient entity ~~for consolidation~~ of state agency information
271 technology resources and provides contracted services to the
272 agency ~~nonprimary data centers and computing facilities and that~~
273 ~~is established by law~~.
274 (17) ~~(18)~~ "Project" means an endeavor that has a defined
275 start and end point; is undertaken to create or modify a unique
276 product, service, or result; and has specific objectives that,
277 when attained, signify completion.
278 (18) ~~(19)~~ "Risk analysis" means the process of identifying
279 security risks, determining their magnitude, and identifying
280 areas needing safeguards.
281 (19) ~~(20)~~ "Service level" means the key performance
282 indicators (KPI) of an organization or service which must be
283 regularly performed, monitored, and achieved.
284 ~~(21) "Service-level agreement" means a written contract~~
285 ~~between a data center and a customer entity which specifies the~~
286 ~~scope of services provided, service level, the duration of the~~
287 ~~agreement, the responsible parties, and service costs. A~~
288 ~~service level agreement is not a rule pursuant to chapter 120.~~
289 (20) "Shared resource center" means a primary data center
290 that is state controlled.

(21)~~(22)~~ "Standards" means required practices, controls, components, or configurations established by an authority.

(22) "State agency" has the same meaning as in s. 216.011(1), but excluding the Department of Legal Affairs, the Department of Financial Services, and the Department of Agriculture and Consumer Services.

(23) "State agency site" means a single, contiguous local area network segment that does not traverse a metropolitan area network or wide area network.

(24)~~(23)~~ "SUNCOM Network" means the state enterprise telecommunications system that provides all methods of electronic or optical telecommunications beyond a single building or contiguous building complex and used by entities authorized as network users under this part.

(25)~~(24)~~ "Telecommunications" means the science and technology of communication at a distance, including electronic systems used in the transmission or reception of information.

(26)~~(25)~~ "Threat" means any circumstance or event that may cause harm to the integrity, availability, or confidentiality of information technology resources.

(27)~~(26)~~ "Total cost" means all costs associated with information technology projects or initiatives, including, but not limited to, value of hardware, software, service, maintenance, incremental personnel, and facilities. Total cost of a loan or gift of information technology resources to a state ~~an~~ agency includes the fair market value of the resources.

(28)~~(27)~~ "Usage" means the billing amount charged by the shared resource ~~primary data~~ center, minus ~~less~~ any pass-through charges, to the customer entity.

(29)~~(28)~~ "Usage rate" means a customer entity's usage or billing amount as a percentage of total usage.

(30) "Wide area network" means a telecommunications network or components thereof through which messages and data are exchanged outside of a local area network.

Section 3. Section 282.0055, Florida Statutes, is amended to read:

282.0055 Assignment of information technology; long-range plan; powers and duties.—The department shall design, plan, develop, implement, and manage state enterprise information technology services and infrastructure to achieve the use of cost-effective and cost-efficient common technology. ~~In order to ensure the most effective and efficient use of the state's information technology and information technology resources and notwithstanding other provisions of law to the contrary, policies for the design, planning, project management, and implementation of enterprise information technology services shall be the responsibility of the Agency for Enterprise Information Technology for executive branch agencies created or authorized in statute to perform legislatively delegated functions.~~ The supervision, design, delivery, and management of state agency information technology shall remain within the responsibility and control of the individual state agency.

(1) To assist with achieving this purpose, the department shall biennially develop and coordinate a comprehensive long-range plan for the state's information technology resources, including opportunities for coordinating with other public-sector organizations; ensuring the proper management of such resources; developing agency budget requests for submission to

349 the Legislature; and delivering enterprise information
350 technology services. In developing the plan, the department
351 shall identify best practices from executive branch agencies and
352 other public and private sector entities in order to develop,
353 replicate, and implement such information technology best
354 practices and standards into the state's technology services and
355 infrastructure.
356 (2) The department shall have the following powers and
357 duties:
358 (a) Setting state technology policy.
359 (b) The development, design, planning, project management,
360 implementation, delivery, and management of enterprise
361 information technology services.
362 (c) Establishing architecture for the state's technology
363 infrastructure in order to promote the efficient use of
364 resources and to promote economic development.
365 (d) Preparing fiscal impact statements relating to
366 necessary modifications and the delivery of technology to
367 support policies required by proposed legislation.
368 (e) Coordinating technology resource acquisition planning,
369 and assisting the Department of Management Services' Division of
370 Purchasing in using aggregate buying methodologies whenever
371 possible and with procurement negotiations for hardware and
372 software products and services in order to improve the
373 efficiency and reduce the cost of enterprise information
374 technology services.
375 (f) Upon request, advising, supporting, and collaborating
376 with the Division of Purchasing in the Department of Management
377 Services, in establishing best practices for the procurement of

378 information technology products in order to achieve savings for
379 the state.
380 (g) Upon request, supporting and collaborating with the
381 Division of Purchasing in the Department of Management Services,
382 in conducting procurement negotiations for information
383 technology products that will be used by multiple state
384 agencies.
385 (h) Providing oversight or project management for all
386 technology resources for projects exceeding an annual investment
387 of $2.5 million to accomplish goals of technology portfolio
388 management.
389 (i) Establishing performance measurement standards and
390 metrics regarding the success of technology projects and
391 services across the enterprise.
392 (j) Establishing standards for state agencies to submit
393 information technology reports or updates as necessary to
394 support the duties of the agency. At a minimum, such standards
395 must address content, format, and frequency of updates.
396 (k) Establishing and collecting fees and charges for data
397 and delivery of enterprise information technology services to
398 state agencies on a cost-sharing basis.
399 (l) Developing a cost-recovery plan to recover both the
400 costs and the accrual of funds sufficient for reinvesting in new
401 services and better technologies. This plan shall be developed
402 in consultation with state agencies and approved by the
403 Legislature.
404 (m) At the discretion of the department, collecting and
405 maintaining an inventory of the information technology resources
406 in state agencies and the data maintained by each agency. The

407 department may develop standards for data elements.
408 (n) Assuming ownership or custody and control of
409 information processing equipment, supplies, and positions in
410 order to thoroughly carry out the duties and responsibilities of
411 the department.
412 (o) Adopting rules and policies for the efficient, secure,
413 and economical management and operation of enterprise
414 information technology services.
415 (p) Providing other public sector organizations with access
416 to the services provided by the agency taking into consideration
417 the agency's ability to support those services. Access shall be
418 provided on the same cost basis as applies to state agencies.
419 (q) Establishing statewide practices and policies to ensure
420 that data that is exempt or confidential from s. 119.07(1) and
421 s. 24(a), Art. I of the State Constitution, or that is otherwise
422 confidential under state or federal law remains protected. This
423 provision does not affect a transfer of ownership of data from
424 any department, agency, board, bureau, commission, or authority
425 to the state agency.
426 (r) Conducting periodic assessments of state agencies for
427 compliance with statewide information technology policies and
428 recommending to the Governor or the Financial Management
429 Information Board statewide policies for information technology.
430 (s) Establishing and maintaining a single website
431 publishing information as provided in s. 215.985.
432 (t) Maintaining the official Internet state portal.
433 Section 4. Subsection (1) of section 282.0056, Florida
434 Statutes, is amended to read:
435 282.0056 Development of work plan; development of

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436 implementation plans; and policy recommendations.—
437 (1) For the purposes of carrying out its responsibilities
438 under s. 282.0055, the department ~~Agency for Enterprise~~
439 ~~Information Technology~~ shall develop an annual work plan within
440 60 days after the beginning of the fiscal year describing the
441 activities that the department ~~agency~~ intends to undertake for
442 that year, including proposed outcomes and completion timeframes
443 for the planning and implementation of all enterprise
444 information technology services. The work plan must be presented
445 at a public hearing and approved by the Governor ~~and Cabinet~~,
446 and thereafter submitted to the President of the Senate and the
447 Speaker of the House of Representatives. The work plan may be
448 amended as needed, subject to approval by the Governor ~~and~~
449 ~~Cabinet~~.
450 Section 5. Section 282.0057 Florida Statutes, is created to
451 read:
452 282.0057 Information technology project initiation
453 schedule; reporting.—
454 (1) Beginning January 1, 2015, the department shall:
455 (a) In cooperation with the Governor's Office of Policy and
456 Budget, publish a report on its current and planned information
457 technology expenditures, including, but not limited to, line-
458 item detail expenditures on systems development, personnel
459 services, and equipment from the previous fiscal year and
460 anticipated expenditures for the upcoming fiscal year; a
461 prioritization of information technology initiatives to address
462 unmet needs and opportunities for significant efficiencies or
463 improved effectiveness within the state information technology
464 enterprise; and a prioritized funding schedule for all major

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465 projects or initiatives, as well as cost estimates of the fiscal
466 impact of the recommended initiatives.
467 (b) Coordinate state agencies in developing and
468 implementing data sharing. The department shall determine and
469 implement statewide efforts to standardize data elements and
470 shall determine data ownership assignments among state agencies.
471 (c) Include in its legislative budget requests a
472 recommendation for consolidating state agency data in order to
473 provide better access for private and government use.
474 (d) Oversee the expanded use and implementation of project
475 and contract management principles as they relate to information
476 technology projects. Funded projects within state agencies must
477 use the project and contract management methodologies specified
478 by the department.
479 (2) Beginning January 1, 2016, the department shall:
480 (a) Develop systems and methodologies to review, evaluate,
481 and prioritize existing information technology projects and
482 develop a plan for leveraging technology across state agencies.
483 The department shall report to the Governor, the President of
484 the Senate, and the Speaker of the House of Representatives on
485 the status of information technology projects and the agency's
486 recommendations for project development on a semiannual basis.
487 Such recommendations shall be incorporated into the state
488 agency's legislative budget requests for technology projects.
489 (b) Develop standards for application development,
490 including, but not limited to, a standard methodology and cost-
491 benefit analysis that state agencies shall use for application
492 development activities.
493 (3) Beginning January 1, 2018, the department shall review

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494 and approve technology purchases made by state agencies.
495 Approval must be based on technology policies and standards
496 established by the department and approved by the Legislature.
497 Section 6. Paragraphs (c), (e), (h), and (i) of subsection
498 (1), paragraph (e) of subsection (2), and paragraphs (b), (e),
499 (h), and (k) of subsection (3) of section 282.203, Florida
500 Statutes, are amended and a new subsection (4) is added to that
501 section, to read:
502 282.203 Primary data centers.—
503 (1) DATA CENTER DUTIES.—Each primary data center shall:
504 (c) Comply with rules adopted by the department ~~Agency for~~
505 ~~Enterprise Information Technology~~, pursuant to this section, and
506 coordinate with the agency in the consolidation of data centers.
507 (e) Provide transparent financial statements to customer
508 entities and the department ~~Agency for Enterprise Information~~
509 ~~Technology~~. The financial statements shall be provided as
510 follows:
511 1. Annually, by July 30 for the current fiscal year and by
512 December 1 for the subsequent fiscal year, the data center must
513 provide the total annual budgeted costs by major expenditure
514 category, including, but not limited to, salaries, expense,
515 operating capital outlay, contracted services, or other
516 personnel services, which directly relate to the provision of
517 each service and which separately indicate the administrative
518 overhead allocated to each service.
519 2. Annually, by July 30 for the current fiscal year and by
520 December 1 for the subsequent fiscal year, the data center must
521 provide total projected billings for each customer entity which
522 are required to recover the costs of the data center.

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523 3. Annually, by January 31, the data center must provide
524 updates of the financial statements required under subparagraphs
525 1. and 2. for the current fiscal year.
526
527 The financial information required under subparagraphs 1., 2.,
528 and 3. must be based on current law and current appropriations.
529 (h) Develop a business continuity plan and conduct a live
530 exercise of the plan at least annually. The plan must be
531 approved by the board and the department ~~Agency for Enterprise~~
532 ~~Information Technology~~.
533 (i) Enter into a service-level agreement with each customer
534 entity to provide services as defined and approved by the board.
535 A service-level agreement may not have a term exceeding 3 years
536 but may include an option to renew for up to 3 years contingent
537 on approval by the board.
538 1. A service-level agreement, at a minimum, must:
539 a. Identify the parties and their roles, duties, and
540 responsibilities under the agreement.
541 b. Identify the legal authority under which the service-
542 level agreement was negotiated and entered into by the parties.
543 c. State the duration of the contractual term and specify
544 the conditions for contract renewal.
545 d. Prohibit the transfer of computing services between
546 primary data center facilities without at least 180 days' notice
547 of service cancellation.
548 e. Identify the scope of work.
549 f. Identify the products or services to be delivered with
550 sufficient specificity to permit an external financial or
551 performance audit.

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552 g. Establish the services to be provided, the business
553 standards that must be met for each service, the cost of each
554 service, and the process by which the business standards for
555 each service are to be objectively measured and reported.
556 h. Identify applicable funds and funding streams for the
557 services or products under contract.
558 i. Provide a timely billing methodology for recovering the
559 cost of services provided to the customer entity.
560 j. Provide a procedure for modifying the service-level
561 agreement to address changes in projected costs of service.
562 k. Provide that a service-level agreement may be terminated
563 by either party for cause only after giving the other party and
564 the department ~~Agency for Enterprise Information Technology~~
565 notice in writing of the cause for termination and an
566 opportunity for the other party to resolve the identified cause
567 within a reasonable period.
568 l. Provide for mediation of disputes by the Division of
569 Administrative Hearings pursuant to s. 120.573.
570 2. A service-level agreement may include:
571 a. A dispute resolution mechanism, including alternatives
572 to administrative or judicial proceedings;
573 b. The setting of a surety or performance bond for service-
574 level agreements entered into with agency primary data centers
575 established by law; or
576 c. Additional terms and conditions as determined advisable
577 by the parties if such additional terms and conditions do not
578 conflict with the requirements of this section or rules adopted
579 by the department ~~Agency for Enterprise Information Technology~~.
580 3. The failure to execute a service-level agreement within

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581 60 days after service commencement shall, in the case of an
582 existing customer entity, result in a continuation of the terms
583 of the service-level agreement from the prior fiscal year,
584 including any amendments that were formally proposed to the
585 customer entity by the primary data center within the 3 months
586 before service commencement, and a revised cost-of-service
587 estimate. If a new customer entity fails to execute an agreement
588 within 60 days after service commencement, the data center may
589 cease services.
590 (2) BOARD OF TRUSTEES.—Each primary data center shall be
591 headed by a board of trustees as defined in s. 20.03.
592 (e) The executive director of the department ~~Agency for~~
593 ~~Enterprise Information Technology~~ shall be the advisor to the
594 board.
595 (3) BOARD DUTIES.—Each board of trustees of a primary data
596 center shall:
597 (b) Establish procedures for the primary data center to
598 ensure that budgeting and accounting procedures, cost-recovery
599 methodologies, and operating procedures are in compliance with
600 laws governing the state data center system, rules adopted by
601 the department ~~Agency for Enterprise Information Technology~~, and
602 applicable federal regulations, including 2 C.F.R. part 225 and
603 45 C.F.R.
604 (e) Ensure the sufficiency and transparency of the primary
605 data center financial information by:
606 1. Establishing policies that ensure that cost-recovery
607 methodologies, billings, receivables, expenditure, budgeting,
608 and accounting data are captured and reported timely,
609 consistently, accurately, and transparently and, upon adoption

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610 of rules by the department ~~Agency for Enterprise Information~~
611 ~~Technology~~, are in compliance with such rules.
612 2. Requiring execution of service-level agreements by the
613 data center and each customer entity for services provided by
614 the data center to the customer entity.
615 3. Requiring cost recovery for the full cost of services,
616 including direct and indirect costs. The cost-recovery
617 methodology must ensure that no service is subsidizing another
618 service without an affirmative vote of approval by the customer
619 entity providing the subsidy.
620 4. Establishing special assessments to fund expansions
621 based on a methodology that apportions the assessment according
622 to the proportional benefit to each customer entity.
623 5. Providing rebates to customer entities when revenues
624 exceed costs and offsetting charges to those who have subsidized
625 other customer entity costs based on actual prior year final
626 expenditures. Rebates may be credited against future billings.
627 6. Approving all expenditures committing over $50,000 in a
628 fiscal year.
629 7. Projecting costs and revenues at the beginning of the
630 third quarter of each fiscal year through the end of the fiscal
631 year. If in any given fiscal year the primary data center is
632 projected to earn revenues that are below costs for that fiscal
633 year after first reducing operating costs where possible, the
634 board shall implement any combination of the following remedies
635 to cover the shortfall:
636 a. The board may direct the primary data center to adjust
637 current year chargeback rates through the end of the fiscal year
638 to cover the shortfall. The rate adjustments shall be

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639 implemented using actual usage rate and billing data from the
640 first three quarters of the fiscal year and the same principles
641 used to set rates for the fiscal year.
642 b. The board may direct the primary data center to levy
643 one-time charges on all customer entities to cover the
644 shortfall. The one-time charges shall be implemented using
645 actual usage rate and billing data from the first three quarters
646 of the fiscal year and the same principles used to set rates for
647 the fiscal year.
648 c. The customer entities represented by each board member
649 may provide payments to cover the shortfall in proportion to the
650 amounts each entity paid in the prior fiscal year.
651 8. Providing a plan for consideration by the Legislative
652 Budget Commission if a billing rate schedule is used after the
653 start of the fiscal year which increases any agency's costs for
654 that fiscal year.
655 (h) By July 1 of each year, submit to the department ~~Agency~~
656 ~~for Enterprise Information Technology~~ proposed cost-recovery
657 mechanisms and rate structures for all customer entities for the
658 fiscal year including the cost-allocation methodology for
659 administrative expenditures and the calculation of
660 administrative expenditures as a percent of total costs.
661 (k) Coordinate with other primary data centers and the
662 department ~~Agency for Enterprise Information Technology~~ in order
663 to consolidate purchases of goods and services and lower the
664 cost of providing services to customer entities.
665 (4) REPEAL.—This section expires January 1, 2014.
666 Section 7. Section 282.204, Florida Statutes, is repealed.
667 Section 8. Section 282.205, Florida Statutes, is repealed.

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668 Section 9. Section 282.206, Florida Statutes, is created to
669 read:
670 282.206 Fletcher Shared Resource Center.—The Fletcher
671 Shared Resource Center is established within the Department of
672 Financial Services.
673 (1) The center shall collaborate with the Department of
674 State Technology to develop policies, procedures, standards, and
675 rules for the delivery of enterprise information technology
676 services.
677 (2) The center shall provide co-location services to the
678 Department of Legal Affairs and the Department of Agriculture
679 and Consumer Services if data center equipment is moved pursuant
680 to subsections (5) or (6).
681 (3) The Department of Financial Services shall use the
682 Fletcher Shared Resource Center, provide full service to the
683 Office of Financial Regulation and the Office of Insurance
684 Regulation, and provide co-location services to host the
685 Legislative Appropriations System/Planning and Budgeting
686 Subsystem (LAS/PBS).
687 (4) The center shall be governed through a master
688 memorandum of understanding administered by a steering committee
689 comprised of the chief information officers of the customer
690 entities residing in the center. The steering committee shall
691 meet quarterly in order to ensure that customers are receiving
692 expected services in accordance with the memorandum of
693 understanding and to discuss services and structure. The
694 committee may create ad hoc workgroups to account for, mitigate,
695 and manage any unforeseen issues.
696 (5) The Department of Legal Affairs may move its data

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697 center equipment to the center.
698 (6) The Department of Agriculture and Consumer Services may
699 move its Mayo Building data center equipment to the center.
700 Section 10. Subsections (3) through (6) of section 282.318,
701 Florida Statutes, are amended to read:
702 282.318 Enterprise security of data and information
703 technology.—
704 (3) The department ~~Agency for Enterprise Information~~
705 ~~Technology~~ is responsible for establishing rules and publishing
706 guidelines for ensuring an appropriate level of security for all
707 data and information technology resources for executive branch
708 agencies. The department ~~agency~~ shall also perform the following
709 duties and responsibilities:
710 (a) Develop, and annually update by February 1, an
711 enterprise information security strategic plan that includes
712 security goals and objectives for the strategic issues of
713 information security policy, risk management, training, incident
714 management, and survivability planning.
715 (b) Develop enterprise security rules and published
716 guidelines for:
717 1. Comprehensive risk analyses and information security
718 audits conducted by state agencies.
719 2. Responding to suspected or confirmed information
720 security incidents, including suspected or confirmed breaches of
721 personal information or exempt data.
722 3. State agency security plans, including strategic
723 security plans and security program plans.
724 4. The recovery of information technology and data
725 following a disaster.

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726 5. The managerial, operational, and technical safeguards
727 for protecting state government data and information technology
728 resources.
729 (c) Assist state agencies in complying with the provisions
730 of this section.
731 (d) Pursue appropriate funding for the purpose of enhancing
732 domestic security.
733 (e) Provide training for state agency information security
734 managers.
735 (f) Annually review the strategic and operational
736 information security plans of state ~~executive branch~~ agencies.
737 (4) To assist the department ~~Agency for Enterprise~~
738 ~~Information Technology~~ in carrying out its responsibilities,
739 each state agency head shall, at a minimum:
740 (a) Designate an information security manager to administer
741 the security program of the agency for its data and information
742 technology resources. This designation must be provided annually
743 in writing to the department ~~Agency for Enterprise Information~~
744 ~~Technology~~ by January 1.
745 (b) Submit to the department ~~Agency for Enterprise~~
746 ~~Information Technology~~ annually by July 31, the agency's
747 strategic and operational information security plans developed
748 pursuant to the department's rules and guidelines ~~established by~~
749 ~~the Agency for Enterprise Information Technology~~.
750 1. The agency strategic information security plan must
751 cover a 3-year period and define security goals, intermediate
752 objectives, and projected agency costs for the strategic issues
753 of agency information security policy, risk management, security
754 training, security incident response, and survivability. The

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755 plan must be based on the enterprise strategic information
756 security plan created by the department ~~Agency for Enterprise~~
757 ~~Information Technology~~. Additional issues may be included.
758 2. The state agency operational information security plan
759 must include a progress report for the prior operational
760 information security plan and a project plan that includes
761 activities, timelines, and deliverables for security objectives
762 that, subject to current resources, the state agency will
763 implement during the current fiscal year. The cost of
764 implementing the portions of the plan which cannot be funded
765 from current resources must be identified in the plan.
766 (c) Conduct, and update every 3 years, a comprehensive risk
767 analysis to determine the security threats to the data,
768 information, and information technology resources of the state
769 agency. The risk analysis information is confidential and exempt
770 from ~~the provisions of~~ s. 119.07(1), except that such
771 information shall be available to the Auditor General and the
772 department ~~Agency for Enterprise Information Technology~~ for
773 performing postauditing duties.
774 (d) Develop, and periodically update, written internal
775 policies and procedures that~~, which~~ include procedures for
776 notifying the department ~~Agency for Enterprise Information~~
777 ~~Technology~~ when a suspected or confirmed breach, or an
778 information security incident, occurs. Such policies and
779 procedures must be consistent with the rules and guidelines
780 established by the department ~~Agency for Enterprise Information~~
781 ~~Technology~~ to ensure the security of the data, information, and
782 information technology resources of the state agency. The
783 internal policies and procedures that, if disclosed, could

784 facilitate the unauthorized modification, disclosure, or
785 destruction of data or information technology resources are
786 confidential information and exempt from s. 119.07(1), except
787 that such information shall be available to the Auditor General
788 and the department ~~Agency for Enterprise Information Technology~~
789 for performing post auditing ~~postauditing~~ duties.
790 (e) Implement appropriate cost-effective safeguards to
791 address identified risks to the data, information, and
792 information technology resources of the state agency.
793 (f) Ensure that periodic internal audits and evaluations of
794 the agency's security program for the data, information, and
795 information technology resources of the state agency are
796 conducted. The results of such audits and evaluations are
797 confidential ~~information~~ and exempt from s. 119.07(1), except
798 that such information shall be available to the Auditor General
799 and the department ~~Agency for Enterprise Information Technology~~
800 for performing post auditing ~~postauditing~~ duties.
801 (g) Include appropriate security requirements in the
802 written specifications for the solicitation of information
803 technology and information technology resources and services,
804 which are consistent with the rules and guidelines established
805 by the department ~~Agency for Enterprise Information Technology~~.
806 (h) Provide security awareness training to employees and
807 users of the state agency's communication and information
808 resources concerning information security risks and the
809 responsibility of employees and users to comply with policies,
810 standards, guidelines, and operating procedures adopted by the
811 agency to reduce those risks.
812 (i) Develop a process for detecting, reporting, and

813 responding to suspected or confirmed security incidents,
814 including suspected or confirmed breaches consistent with the
815 security rules and guidelines established by the department
816 ~~Agency for Enterprise Information Technology~~.
817 1. Suspected or confirmed information security incidents
818 and breaches must be immediately reported to the department
819 ~~Agency for Enterprise Information Technology~~.
820 2. For incidents involving breaches, agencies shall provide
821 notice in accordance with s. 817.5681 and to the department
822 ~~Agency for Enterprise Information Technology~~ in accordance with
823 this subsection.
824 (5) Each state agency shall include appropriate security
825 requirements in the specifications for the solicitation of
826 contracts for procuring information technology or information
827 technology resources or services which are consistent with the
828 rules and guidelines established by the department ~~Agency for~~
829 ~~Enterprise Information Technology~~.
830 (6) The department ~~Agency for Enterprise Information~~
831 ~~Technology~~ may adopt rules relating to information security and
832 to administer the provisions of this section.
833 Section 11. Section 282.33, Florida Statutes, is repealed.
834 Section 12. Effective upon this act becoming law, section
835 282.34, Florida Statutes, is repealed.
836 Section 13. Section 282.604, Florida Statutes, is amended
837 to read:
838 282.604 Adoption of rules.—The department ~~of Management~~
839 ~~Services~~ shall, with input from stakeholders, adopt rules
840 ~~pursuant to ss. 120.536(1) and 120.54~~ for the development,
841 procurement, maintenance, and use of accessible electronic

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842 information technology by governmental units.
843 Section 14. Section 282.702, Florida Statutes, is amended
844 to read:
845 282.702 Powers and duties.—The department ~~of Management~~
846 ~~Services~~ shall have the following powers, duties, and functions:
847 (1) To publish electronically the portfolio of services
848 available from the department, including pricing information;
849 the policies and procedures governing usage of available
850 services; and a forecast of the department's priorities for each
851 telecommunications service.
852 (2) To adopt technical standards by rule for the state
853 telecommunications network which ensure the interconnection and
854 operational security of computer networks, telecommunications,
855 and information systems of agencies.
856 (3) To enter into agreements related to information
857 technology and telecommunications services with state agencies
858 and political subdivisions of the state.
859 (4) To purchase from or contract with information
860 technology providers for information technology, including
861 private line services.
862 (5) To apply for, receive, and hold authorizations,
863 patents, copyrights, trademarks, service marks, licenses, and
864 allocations or channels and frequencies to carry out the
865 purposes of this part.
866 (6) To purchase, lease, or otherwise acquire and to hold,
867 sell, transfer, license, or otherwise dispose of real, personal,
868 and intellectual property, including, but not limited to,
869 patents, trademarks, copyrights, and service marks.
870 (7) To cooperate with any federal, state, or local

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871 emergency management agency in providing for emergency
872 telecommunications services.
873 (8) To control and approve the purchase, lease, or
874 acquisition and the use of telecommunications services,
875 software, circuits, and equipment provided as part of any other
876 total telecommunications system to be used by the state or its
877 agencies.
878 (9) To adopt rules ~~pursuant to ss. 120.536(1) and 120.54~~
879 relating to telecommunications and to administer the provisions
880 of this part.
881 (10) To apply for and accept federal funds for the purposes
882 of this part as well as gifts and donations from individuals,
883 foundations, and private organizations.
884 (11) To monitor issues relating to telecommunications
885 facilities and services before the Florida Public Service
886 Commission and the Federal Communications Commission and, if
887 necessary, prepare position papers, prepare testimony, appear as
888 a witness, and retain witnesses on behalf of state agencies in
889 proceedings before the commissions.
890 (12) Unless delegated to the state agencies by the
891 department, to manage and control, but not intercept or
892 interpret, telecommunications within the SUNCOM Network by:
893 (a) Establishing technical standards to physically
894 interface with the SUNCOM Network.
895 (b) Specifying how telecommunications are transmitted
896 within the SUNCOM Network.
897 (c) Controlling the routing of telecommunications within
898 the SUNCOM Network.
899 (d) Establishing standards, policies, and procedures for

900 access to and the security of the SUNCOM Network.
901 (e) Ensuring orderly and reliable telecommunications
902 services in accordance with the service level agreements
903 executed with state agencies.
904 (13) To plan, design, and conduct experiments for
905 telecommunications services, equipment, and technologies, and to
906 implement enhancements in the state telecommunications network
907 if in the public interest and cost-effective. Funding for such
908 experiments must be derived from SUNCOM Network service revenues
909 and may not exceed 2 percent of the annual budget for the SUNCOM
910 Network for any fiscal year or as provided in the General
911 Appropriations Act. New services offered as a result of this
912 subsection may not affect existing rates for facilities or
913 services.
914 (14) To enter into contracts or agreements, with or without
915 competitive bidding or procurement, to make available, on a
916 fair, reasonable, and nondiscriminatory basis, property and
917 other structures under departmental control for the placement of
918 new facilities by any wireless provider of mobile service as
919 defined in 47 U.S.C. s. 153(27) or s. 332(d) and any
920 telecommunications company as defined in s. 364.02 if it is
921 practical and feasible to make such property or other structures
922 available. The department may, without adopting a rule, charge a
923 just, reasonable, and nondiscriminatory fee for the placement of
924 the facilities, payable annually, based on the fair market value
925 of space used by comparable telecommunications facilities in the
926 state. The department and a wireless provider or
927 telecommunications company may negotiate the reduction or
928 elimination of a fee in consideration of services provided to

929 the department by the wireless provider or telecommunications
930 company. All such fees collected by the department shall be
931 deposited directly into the Law Enforcement Radio Operating
932 Trust Fund, and may be used by the department to construct,
933 maintain, or support the system.
934 (15) To establish policies that ensure that the
935 department's cost-recovery methodologies, billings, receivables,
936 expenditures, budgeting, and accounting data are captured and
937 reported timely, consistently, accurately, and transparently and
938 are in compliance with all applicable federal and state laws and
939 rules. The department shall annually submit a report to the
940 Governor, the President of the Senate, and the Speaker of the
941 House of Representatives ~~a report~~ that describes each service
942 and its cost, the billing methodology for recovering the cost of
943 the service, and, if applicable, the identity of those services
944 that are subsidized.
945 Section 15. Subsections (4) and (5) of section 282.703,
946 Florida Statutes, are amended to read:
947 282.703 SUNCOM Network; exemptions from the required use.—
948 (4) The department shall maintain a directory of
949 information and services which provides the names, phone
950 numbers, and email ~~e-mail~~ addresses for employees, state
951 agencies, and network devices that are served, in whole or in
952 part, by the SUNCOM Network. State agencies and political
953 subdivisions of the state shall cooperate with the department by
954 providing timely and accurate directory information in the
955 manner established by the department.
956 (5) All state agencies shall use the SUNCOM Network for
957 state agency telecommunications services as the services become

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958 available; however, a state ~~an~~ agency is not relieved of
959 responsibility for maintaining telecommunications services
960 necessary for effective management of its programs and
961 functions. The department may provide such communications
962 services to a state university if requested by the university.
963 (a) If a SUNCOM Network service does not meet the
964 telecommunications requirements of a state ~~an~~ agency, the state
965 agency must notify the department in writing and detail the
966 requirements for that service. If the department is unable to
967 meet a state ~~an~~ agency's requirements by enhancing SUNCOM
968 Network service, the department may grant the state agency an
969 exemption from the required use of specified SUNCOM Network
970 services.
971 (b) Unless an exemption has been granted by the department,
972 effective October 1, 2010, all customers of a shared resource
973 ~~state primary data~~ center, excluding state universities, must
974 use the shared SUNCOM Network telecommunications services
975 connecting the shared resource ~~state primary data~~ center to
976 SUNCOM services for all telecommunications needs in accordance
977 with department rules.
978 1. Upon discovery of customer noncompliance with this
979 paragraph, the department shall provide the affected customer
980 with a schedule for transferring to the shared
981 telecommunications services provided by the SUNCOM Network and
982 an estimate of all associated costs. The shared resource ~~state~~
983 ~~primary data~~ centers and their customers shall cooperate with
984 the department to accomplish the transfer.
985 2. Customers may request an exemption from this paragraph
986 in the same manner as authorized in paragraph (a).

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987 Section 16. Subsection (2) of section 20.22, Florida
988 Statutes, is amended to read:
989 20.22 Department of Management Services.—There is created a
990 Department of Management Services.
991 (2) The following divisions and programs are established
992 within the department ~~of Management Services are established~~:
993 (a) Facilities Program.
994 ~~(b) Technology Program.~~
995 (b)~~(c)~~ Workforce Program.
996 (c)~~(d)1.~~ Support Program.
997 (d)~~2.~~ Federal Property Assistance Program.
998 (e) Administration Program.
999 (f) Division of Administrative Hearings.
1000 (g) Division of Retirement.
1001 (h) Division of State Group Insurance.
1002 Section 17. Paragraph (e) of subsection (2) of section
1003 110.205, Florida Statutes, is amended to read:
1004 110.205 Career service; exemptions.—
1005 (2) EXEMPT POSITIONS.—The exempt positions that are not
1006 covered by this part include the following:
1007 (e) The Chief Information Officer in the Department of
1008 State ~~Agency for Enterprise Information~~ Technology. Unless
1009 otherwise fixed by law, the Governor ~~Agency for Enterprise~~
1010 ~~Information Technology~~ shall set the salary and benefits of this
1011 position in accordance with the rules of the Senior Management
1012 Service.
1013 Section 18. Paragraph (o) of subsection (1) of section
1014 215.22, Florida Statutes, is amended to read:
1015 215.22 Certain income and certain trust funds exempt.—

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1016 (1) The following income of a revenue nature or the
1017 following trust funds shall be exempt from the appropriation
1018 required by s. 215.20(1):
1019 (o) The Communications Working Capital Trust Fund of the
1020 Department of State Technology ~~Management Services~~.
1021 Section 19. Subsections (2) and (9) of section 215.322,
1022 Florida Statutes, are amended to read:
1023 215.322 Acceptance of credit cards, charge cards, debit
1024 cards, or electronic funds transfers by state agencies, units of
1025 local government, and the judicial branch.—
1026 (2) A state agency as defined in s. 216.011, or the
1027 judicial branch, may accept credit cards, charge cards, debit
1028 cards, or electronic funds transfers in payment for goods and
1029 services with the prior approval of the Chief Financial Officer.
1030 If the Internet or other related electronic methods are to be
1031 used as the collection medium, the Department of State ~~Agency~~
1032 ~~for Enterprise Information~~ Technology shall review and recommend
1033 to the Chief Financial Officer whether to approve the request
1034 with regard to the process or procedure to be used.
1035 (9) For payment programs in which credit cards, charge
1036 cards, or debit cards are accepted by state agencies, the
1037 judicial branch, or units of local government, the Chief
1038 Financial Officer, in consultation with the Department of State
1039 ~~Agency for Enterprise Information~~ Technology, may adopt rules to
1040 establish uniform security safeguards for cardholder data and to
1041 ensure compliance with the Payment Card Industry Data Security
1042 Standards.
1043 Section 20. Subsection (2) of section 215.96, Florida
1044 Statutes, is amended to read:

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1045 215.96 Coordinating council and design and coordination
1046 staff.—
1047 (2) The coordinating council shall consist of the Chief
1048 Financial Officer; the Commissioner of Agriculture; the Attorney
1049 General; the secretary of the Department of Management Services;
1050 the Secretary of the Department of State Technology ~~the Attorney~~
1051 ~~General~~; and the Director of Planning and Budgeting, Executive
1052 Office of the Governor, or their designees. The Chief Financial
1053 Officer, or his or her designee, shall be chair of the
1054 coordinating council, and the design and coordination staff
1055 shall provide administrative and clerical support to the council
1056 and the board. The design and coordination staff shall maintain
1057 the minutes of each meeting and ~~shall~~ make such minutes
1058 available to any interested person. The Auditor General, the
1059 State Courts Administrator, an executive officer of the Florida
1060 Association of State Agency Administrative Services Directors,
1061 and an executive officer of the Florida Association of State
1062 Budget Officers, or their designees, shall serve without voting
1063 rights as ex officio members of ~~on~~ the ~~coordinating~~ council. The
1064 chair may call meetings of the ~~coordinating~~ council as often as
1065 necessary to transact business; however, the ~~coordinating~~
1066 council must ~~shall~~ meet at least once a year. Action of the
1067 coordinating council shall be by motion, duly made, seconded and
1068 passed by a majority of the ~~coordinating~~ council voting in the
1069 affirmative for approval of items that are to be recommended for
1070 approval to the Financial Management Information Board.
1071 Section 21. Paragraph (c) of subsection (6) of section
1072 216.292, Florida Statutes, is amended to read:
1073 216.292 Appropriations nontransferable; exceptions.—

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1074 (6) The Chief Financial Officer shall transfer from any
1075 available funds of an agency or the judicial branch the
1076 following amounts and shall report all such transfers and the
1077 reasons therefor to the legislative appropriations committees
1078 and the Executive Office of the Governor:
1079 (c) The amount due to the Communications Working Capital
1080 Trust Fund from moneys appropriated in the General
1081 Appropriations Act for the purpose of paying for services
1082 provided by the state communications system in the Department of
1083 State Technology ~~Management Services~~ which is unpaid 45 days
1084 after the billing date. The amount transferred shall be that
1085 billed by the department.
1086 Section 22. Subsection (14) of section 287.012, Florida
1087 Statutes, is amended to read:
1088 287.012 Definitions.—As used in this part, the term:
1089 (14) "Information technology" means equipment, hardware,
1090 software, firmware, programs, systems, networks, infrastructure,
1091 media, and related material used to automatically,
1092 electronically, and wirelessly collect, receive, access,
1093 transmit, display, store, record, retrieve, analyze, evaluate,
1094 process, classify, manipulate, manage, assimilate, control,
1095 communicate, exchange, convert, converge, interface, switch, or
1096 disseminate information of any kind or form ~~has the meaning~~
1097 ~~ascribed in s. 282.0041~~.
1098 Section 23. Subsection (22) of section 287.057, Florida
1099 Statutes, is amended to read:
1100 287.057 Procurement of commodities or contractual
1101 services.—
1102 (22) The department, in consultation with the Department of

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1103 State ~~Agency for Enterprise Information~~ Technology and the Chief
1104 Financial Officer ~~Comptroller~~, shall maintain ~~develop~~ a program
1105 for online procurement of commodities and contractual services.
1106 To enable the state to promote open competition and to leverage
1107 its buying power, agencies shall participate in the online
1108 procurement program, and eligible users may participate in the
1109 program. Only vendors prequalified as meeting mandatory
1110 requirements and qualifications criteria may participate in
1111 online procurement.
1112 (a) The department, in consultation with the Department of
1113 State Technology ~~agency~~, may contract for equipment and services
1114 necessary to develop and implement online procurement.
1115 (b) The department, in consultation with the Department of
1116 State Technology ~~agency~~, shall adopt rules~~, pursuant to ss.~~
1117 ~~120.536(1) and 120.54,~~ to administer the program for online
1118 procurement. The rules must ~~shall~~ include, but are not ~~be~~
1119 limited to:
1120 1. Determining the requirements and qualification criteria
1121 for prequalifying vendors.
1122 2. Establishing the procedures for conducting online
1123 procurement.
1124 3. Establishing the criteria for eligible commodities and
1125 contractual services.
1126 4. Establishing the procedures for providing access to
1127 online procurement.
1128 5. Determining the criteria warranting any exceptions to
1129 participation in the online procurement program.
1130 (c) The department may impose and shall collect all fees
1131 for the use of the online procurement systems.

1132 1. The fees may be imposed on an individual transaction
1133 basis or as a fixed percentage of the cost savings generated. At
1134 a minimum, the fees must be ~~set~~ in an amount sufficient to cover
1135 the projected costs of the services, including administrative
1136 and project service costs, in accordance with the policies of
1137 the department.
1138 2. If the department contracts with a provider for online
1139 procurement, the department, pursuant to appropriation, shall
1140 compensate the provider from the fees after the department has
1141 satisfied all ongoing costs. The provider shall report
1142 transaction data to the department each month so that the
1143 department may determine the amount due and payable to the
1144 department from each vendor.
1145 3. All fees that are due and payable to the state on a
1146 transactional basis or as a fixed percentage of the cost savings
1147 generated are subject to s. 215.31 and must be remitted within
1148 40 days after receipt of payment for which the fees are due. For
1149 fees that are not remitted within 40 days, the vendor shall pay
1150 interest at the rate established under s. 55.03(1) on the unpaid
1151 balance from the expiration of the 40-day period until the fees
1152 are remitted.
1153 4. All fees and surcharges collected under this paragraph
1154 shall be deposited in the Operating Trust Fund as provided by
1155 law.
1156 Section 24. Subsection (17) of section 318.18, Florida
1157 Statutes, is amended to read:
1158 318.18 Amount of penalties.—The penalties required for a
1159 noncriminal disposition pursuant to s. 318.14 or a criminal
1160 offense listed in s. 318.17 are as follows:

1161 (17) In addition to any penalties imposed, a surcharge of
1162 $3 must be paid for all criminal offenses listed in s. 318.17
1163 and for all noncriminal moving traffic violations under chapter
1164 316. Revenue from the surcharge shall be remitted to the
1165 Department of Revenue and deposited quarterly into the State
1166 Agency Law Enforcement Radio System Trust Fund of the Department
1167 of State Technology ~~Management Services~~ for the state agency law
1168 enforcement radio system, as described in s. 282.709, and to
1169 provide technical assistance to state agencies and local law
1170 enforcement agencies with their statewide systems of regional
1171 law enforcement communications, as described in s. 282.7101.
1172 This subsection expires July 1, 2021. The Department of State
1173 Technology ~~Management Services~~ may retain funds sufficient to
1174 recover the costs and expenses incurred for managing,
1175 administering, and overseeing the Statewide Law Enforcement
1176 Radio System, and providing technical assistance to state
1177 agencies and local law enforcement agencies with their statewide
1178 systems of regional law enforcement communications. The
1179 Department of State Technology ~~Management Services~~ working in
1180 conjunction with the Joint Task Force on State Agency Law
1181 Enforcement Communications shall determine and direct the
1182 purposes for which these funds are used to enhance and improve
1183 the radio system.
1184 Section 25. Section 320.0802, Florida Statutes, is amended
1185 to read:
1186 320.0802 Surcharge on license tax.—There is hereby levied
1187 and imposed on each license tax imposed under s. 320.08, except
1188 those set forth in s. 320.08(11), a surcharge in the amount of
1189 $1, which shall be collected in the same manner as the license

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1190 tax and deposited into the State Agency Law Enforcement Radio
1191 System Trust Fund of the Department of State Technology
1192 ~~Management Services~~.
1193 Section 26. Subsection (9) of section 328.72, Florida
1194 Statutes, is amended to read:
1195 328.72 Classification; registration; fees and charges;
1196 surcharge; disposition of fees; fines; marine turtle stickers.—
1197 (9) SURCHARGE.—In addition, there is hereby levied and
1198 imposed on each vessel registration fee imposed under subsection
1199 (1) a surcharge in the amount of $1 for each 12-month period of
1200 registration, which shall be collected in the same manner as the
1201 fee and deposited into the State Agency Law Enforcement Radio
1202 System Trust Fund of the Department of State Technology
1203 ~~Management Services~~.
1204 Section 27. Subsections (2) through (5) of section
1205 364.0135, Florida Statutes, are amended to read:
1206 364.0135 Promotion of broadband adoption.—
1207 (2) The Department of State Technology may ~~Management~~
1208 ~~Services is authorized to~~ work collaboratively with, and ~~to~~
1209 receive staffing support and other resources from, Enterprise
1210 Florida, Inc., state agencies, local governments, private
1211 businesses, and community organizations to:
1212 (a) Monitor the adoption of broadband Internet service in
1213 collaboration with communications service providers, including,
1214 but not limited to, wireless and wireline Internet service
1215 providers, to develop geographical information system maps at
1216 the census tract level that ~~will~~:
1217 1. Identify geographic gaps in broadband services,
1218 including areas unserved by any broadband provider and areas

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1219 served by a single broadband provider;
1220 2. Identify the download and upload transmission speeds
1221 made available to businesses and individuals in the state, at
1222 the census tract level of detail, using data rate benchmarks for
1223 broadband service used by the Federal Communications Commission
1224 to reflect different speed tiers; and
1225 3. Provide a baseline assessment of statewide broadband
1226 deployment in terms of percentage of households with broadband
1227 availability.
1228 (b) Create a strategic plan that has goals and strategies
1229 for increasing the use of broadband Internet service in the
1230 state.
1231 (c) Build and facilitate local technology planning teams or
1232 partnerships with members representing cross-sections of the
1233 community, which may include, but are not limited to,
1234 representatives from the following organizations and industries:
1235 libraries, K-12 education, colleges and universities, local
1236 health care providers, private businesses, community
1237 organizations, economic development organizations, local
1238 governments, tourism, parks and recreation, and agriculture.
1239 (d) Encourage the use of broadband Internet service,
1240 especially in the rural, unserved, and underserved communities
1241 of the state through grant programs having effective strategies
1242 to facilitate the statewide deployment of broadband Internet
1243 service. For any grants to be awarded, priority must be given to
1244 projects that:
1245 1. Provide access to broadband education, awareness,
1246 training, access, equipment, and support to libraries, schools,
1247 colleges and universities, health care providers, and community

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1248 support organizations.
1249 2. Encourage the sustainable adoption of broadband in
1250 primarily unserved areas by removing barriers to entry.
1251 3. Work toward encouraging investments in establishing
1252 affordable and sustainable broadband Internet service in
1253 unserved areas of the state.
1254 4. Facilitate the development of applications, programs,
1255 and services, including, but not limited to, telework,
1256 telemedicine, and e-learning to increase the usage of, and
1257 demand for, broadband Internet service in the state.
1258 (3) The Department of State Technology may:
1259 (a) Apply for and accept federal funds for the purposes of
1260 this section, as well as gifts and donations from individuals,
1261 foundations, and private organizations.
1262 ~~(4) The Department may~~
1263 (b) Enter into contracts necessary or useful to carry out
1264 the purposes of this section.
1265 (c)~~(5)~~ ~~The department may~~ Establish any committee or
1266 workgroup to administer and carry out the purposes of this
1267 section.
1268 Section 28. Subsections (3), (4), (5), (7), (9), and (10)
1269 of section 365.171, Florida Statutes, are amended to read:
1270 365.171 Emergency communications number E911 state plan.—
1271 (3) DEFINITIONS.—As used in this section, the term:
1272 (a) "Department" means the Department of State Technology
1273 ~~"Office" means the Technology Program within the Department of~~
1274 ~~Management Services, as designated by the secretary of the~~
1275 ~~department~~.
1276 (b) "Local government" means any municipality ~~city~~, county,

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1277 or political subdivision of the state and its agencies.
1278 (c) "Public agency" means the state and any municipality
1279 ~~city~~, county, ~~city and county, municipal corporation,~~ chartered
1280 organization, special ~~public~~ district, or public authority
1281 located in whole or in part within this state which provides, or
1282 has authority to provide, firefighting, law enforcement,
1283 ambulance, medical, or other emergency services.
1284 (d) "Public safety agency" means a functional division of a
1285 public agency which provides firefighting, law enforcement,
1286 medical, or other emergency services.
1287 (4) STATE PLAN.—The department ~~office~~ shall develop,
1288 maintain, and implement appropriate modifications for a
1289 statewide emergency communications E911 system plan. The plan
1290 shall provide for:
1291 (a) The public agency emergency communications requirements
1292 for each entity of local government in the state.
1293 (b) A system to meet specific local government
1294 requirements. Such system must ~~shall~~ include law enforcement,
1295 firefighting, and emergency medical services and may include
1296 other emergency services such as poison control, suicide
1297 prevention, and emergency management services.
1298 (c) Identification of the mutual aid agreements necessary
1299 to obtain an effective E911 system.
1300 (d) A funding provision that identifies the cost necessary
1301 to implement the E911 system.
1302
1303 The department is ~~office shall be~~ responsible for the
1304 implementation and coordination of such plan. The department
1305 ~~office~~ shall adopt any necessary rules and schedules related to

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1306 public agencies for implementing and coordinating the plan,
1307 pursuant to chapter 120.
1308 (5) SYSTEM DIRECTOR.—The secretary of the department or his
1309 or her designee is designated as the director of the statewide
1310 emergency communications number E911 system and, for the purpose
1311 of carrying out the provisions of this section, may ~~is~~
1312 ~~authorized to~~ coordinate the activities of the system with
1313 state, county, local, and private agencies. The director in
1314 implementing the system shall consult, cooperate, and coordinate
1315 with local law enforcement agencies.
1316 (7) TELECOMMUNICATIONS INDUSTRY COORDINATION.—The
1317 department ~~office~~ shall coordinate with the Florida Public
1318 Service Commission which shall encourage the Florida
1319 telecommunications industry to activate facility modification
1320 plans for timely E911 implementation.
1321 (9) SYSTEM APPROVAL.—An ~~No~~ emergency communications number
1322 E911 system may not ~~shall~~ be established or ~~and no~~ present
1323 system ~~shall~~ be expanded without the prior approval of the
1324 department ~~office~~.
1325 (10) COMPLIANCE.—All public agencies shall assist the
1326 department ~~office~~ in their efforts to carry out the intent of
1327 this section, and such agencies shall comply with the developed
1328 plan.
1329 Section 29. Present paragraphs (h) through (s) of
1330 subsection (3) of section 365.172, Florida Statutes, are
1331 redesignated as paragraphs (i) through (t), respectively, a new
1332 paragraph (h) is added to that subsection, and paragraph (d) of
1333 subsection (2), present paragraph (t) of subsection (3),
1334 subsection (4), paragraph (a) of subsection (5), paragraph (c)

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1335 of subsection (6), and paragraph (f) of subsection (12) of that
1336 section, are amended to read:
1337 365.172 Emergency communications number "E911."—
1338 (2) LEGISLATIVE INTENT.—It is the intent of the Legislature
1339 to:
1340 (d) Provide for an E911 board to administer the fee, with
1341 oversight by the department ~~office~~, in a manner that is
1342 competitively and technologically neutral with respect ~~as~~ to all
1343 voice communications services providers.
1344
1345 It is further the intent of the Legislature that the fee
1346 authorized or imposed by this section not necessarily provide
1347 the total funding required for establishing or providing E911
1348 service.
1349 (3) DEFINITIONS.—Only as used in this section and ss.
1350 365.171, 365.173, and 365.174, the term:
1351 (h) "Department" means the Department of State Technology.
1352 ~~(t) "Office" means the Technology Program within the~~
1353 ~~Department of Management Services, as designated by the~~
1354 ~~secretary of the department.~~
1355 (4) POWERS AND DUTIES OF THE DEPARTMENT ~~OFFICE~~.—The
1356 department ~~office~~ shall oversee the administration of the fee
1357 authorized and imposed on subscribers of voice communications
1358 services under subsection (8).
1359 (5) THE E911 BOARD.—
1360 (a) The E911 Board is established to administer, with
1361 oversight by the department ~~office~~, the fee imposed under
1362 subsection (8), including ~~receiving~~ revenues derived from the
1363 fee; distributing portions of the revenues to wireless

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1364 providers, counties, and the department ~~office~~; accounting for
1365 receipts, distributions, and income derived from ~~by~~ the funds
1366 maintained in the fund; and providing annual reports to the
1367 Governor and the Legislature for submission by the department
1368 ~~office~~ on amounts collected and expended, the purposes for which
1369 expenditures have been made, and the status of E911 service in
1370 this state. In order to advise and assist the department ~~office~~
1371 in administering ~~implementing the purposes of~~ this section, the
1372 board, which has the power of a body corporate, has the powers
1373 enumerated in subsection (6).
1374 (6) AUTHORITY OF THE BOARD; ANNUAL REPORT.—
1375 (c) By February 28 of each year, the board shall prepare a
1376 report for submission by the department ~~office~~ to the Governor,
1377 Cabinet, the President of the Senate, and the Speaker of the
1378 House of Representatives which addresses for the immediately
1379 preceding calendar year:
1380 1. The annual receipts, including the total amount of fee
1381 revenues collected by each provider, the total disbursements of
1382 money in the fund, including the amount of fund-reimbursed
1383 expenses incurred by each wireless provider to comply with the
1384 order, and the amount of moneys on deposit in the fund.
1385 2. Whether the amount of the fee and the allocation
1386 percentages set forth in s. 365.173 have been or should be
1387 adjusted to comply with the ~~requirements of the~~ order or other
1388 provisions of this chapter, and the reasons for making or not
1389 making a recommended adjustment to the fee.
1390 3. Any other issues related to providing E911 services.
1391 4. The status of E911 services in this state.
1392 (12) FACILITATING E911 SERVICE IMPLEMENTATION.—To balance

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1393 the public need for reliable E911 services through reliable
1394 wireless systems and the public interest served by governmental
1395 zoning and land development regulations and notwithstanding any
1396 other law or local ordinance to the contrary, the following
1397 standards ~~shall~~ apply to a local government's actions, as a
1398 regulatory body, in the regulation of the placement,
1399 construction, or modification of a wireless communications
1400 facility. This subsection does ~~shall~~ not~~, however, be construed~~
1401 ~~to~~ waive or alter the provisions of s. 286.011 or s. 286.0115.
1402 For the purposes of this subsection only, the term "local
1403 government" means only ~~shall mean~~ any municipality or county and
1404 any agency of a municipality or county ~~only~~. The term "local
1405 government" does not~~, however,~~ include any airport, as defined
1406 by s. 330.27~~(2)~~, even if it is owned or controlled by or through
1407 a municipality, county, or agency of a municipality or county.
1408 Further, notwithstanding any other provision of ~~anything in~~ this
1409 section ~~to the contrary~~, this subsection does not apply to or
1410 control a local government's actions ~~as a property or structure~~
1411 ~~owner~~ in the use of any property or structure owned by such
1412 entity for the placement, construction, or modification of
1413 wireless communications facilities. In the use of property or
1414 structures owned by the local government, however, a local
1415 government may not use its regulatory authority so as to avoid
1416 compliance with, or in a manner that does not advance, the
1417 provisions of this subsection.
1418 (f) Any other law to the contrary notwithstanding, the
1419 department and the Department of Management Services shall
1420 negotiate, in the name of the state, leases for wireless
1421 communications facilities that provide access to state

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1422 government-owned property not acquired for transportation
1423 purposes, and the Department of Transportation shall negotiate,
1424 in the name of the state, leases for wireless communications
1425 facilities that provide access to property acquired for state
1426 rights-of-way. On property acquired for transportation purposes,
1427 leases shall be granted in accordance with s. 337.251. On other
1428 state government-owned property, leases shall be granted on a
1429 space available, first-come, first-served basis. Payments
1430 required by state government under a lease must be reasonable
1431 and ~~must~~ reflect the market rate for the use of the state
1432 government-owned property. The department ~~of Management Services~~
1433 and the Department of Transportation may ~~are authorized to~~ adopt
1434 rules for the terms and conditions and granting of any such
1435 leases.
1436 Section 30. Subsection (1) and paragraph (g) of subsection
1437 (2) of section 365.173, Florida Statutes, are amended to read:
1438 365.173 Emergency Communications Number E911 System Fund.—
1439 (1) All revenues derived from the fee levied on subscribers
1440 under s. 365.172 must be paid by the board into the State
1441 Treasury on or before the 15th day of each month. Such moneys
1442 must be accounted for in a special fund to be designated as the
1443 Emergency Communications Number E911 System Fund, a fund created
1444 in the Department of State Technology ~~Program~~, ~~or other office~~
1445 ~~as designated by the Secretary of Management Services,~~ and, for
1446 accounting purposes, ~~must be~~ segregated into two separate
1447 categories:
1448 (a) The wireless category; and
1449 (b) The nonwireless category.
1450

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1451 All moneys must be invested by the Chief Financial Officer
1452 pursuant to s. 17.61. All moneys in such fund shall ~~are to~~ be
1453 expended by the department ~~office~~ for the purposes provided in
1454 this section and s. 365.172. These funds are not subject to s.
1455 215.20.
1456 (2) As determined by the board pursuant to s.
1457 365.172(8)(h), and subject to any modifications approved by the
1458 board pursuant to s. 365.172(6)(a)3. or (8)(i), the moneys in
1459 the fund shall be distributed and used only as follows:
1460 (g) Two percent of the moneys in the fund shall be used to
1461 make monthly distributions to rural counties for the purpose of
1462 providing facilities and network and service enhancements and
1463 assistance for the 911 or E911 systems operated by rural
1464 counties and for the provision of grants by the department
1465 ~~office~~ to rural counties for upgrading and replacing E911
1466 systems.
1467
1468 The Legislature recognizes that the fee authorized under s.
1469 365.172 may not necessarily provide the total funding required
1470 for establishing or providing the E911 service. It is the intent
1471 of the Legislature that all revenue from the fee be used as
1472 specified in this subsection.
1473 Section 31. Subsection (1) of section 365.174, Florida
1474 Statutes, is amended to read:
1475 365.174 Proprietary confidential business information.—
1476 (1) All proprietary confidential business information
1477 submitted by a provider to the board or the Department of State
1478 Technology ~~office~~, including the name and billing or service
1479 addresses of service subscribers, and trade secrets as defined

1480 by s. 812.081, is confidential and exempt from s. 119.07(1) and
1481 s. 24(a), Art. I of the State Constitution. Statistical
1482 abstracts of information collected by the board or the
1483 department ~~office~~ may be released or published, but only in a
1484 manner that does not identify or allow identification of
1485 subscribers or their service numbers or of revenues attributable
1486 to any provider.
1487 Section 32. Section 401.013, Florida Statutes, is amended
1488 to read:
1489 401.013 Legislative intent.—It is the intention and purpose
1490 of the Legislature that a statewide system of regional emergency
1491 medical telecommunications be developed whereby the maximum use
1492 of existing radio channels is achieved in order to more
1493 effectively and rapidly provide emergency medical service to the
1494 general population. To this end, all emergency medical service
1495 entities within the state are directed to provide the Department
1496 of State Technology ~~Management Services~~ with any information the
1497 department requests for the purpose of implementing ~~the~~
1498 ~~provisions of~~ s. 401.015, and such entities must ~~shall~~ comply
1499 with the resultant provisions established pursuant to this part.
1500 Section 33. Section 401.015, Florida Statutes, is amended
1501 to read:
1502 401.015 Statewide regional emergency medical
1503 telecommunication system.—The Department of State Technology
1504 shall ~~Management Services is authorized and directed to~~ develop
1505 a statewide system of regional emergency medical
1506 telecommunications. For the purpose of this part, the term
1507 "telecommunications" means ~~those~~ voice, data, and signaling
1508 transmissions and receptions between emergency medical service

1509 components, including, but not limited to: ambulances; rescue
1510 vehicles; hospitals or other related emergency receiving
1511 facilities; emergency communications centers; physicians and
1512 emergency medical personnel; paging facilities; law enforcement
1513 and fire protection agencies; and poison control, suicide, and
1514 emergency management agencies. In formulating such a system, the
1515 agency ~~department~~ shall divide the state into appropriate
1516 regions and ~~shall~~ develop a program that ~~which~~ includes, but is
1517 not limited to, the following provisions:
1518 (1) A requirements provision that states~~, which shall state~~
1519 the telecommunications requirements for each emergency medical
1520 entity comprising the region.
1521 (2) An interfacility communications provision that depicts~~,~~
1522 ~~which shall depict~~ the telecommunications interfaces between the
1523 various medical service entities which operate within the region
1524 and state.
1525 (3) An organizational layout provision that includes~~, which~~
1526 ~~shall include~~ each emergency medical entity and the number of
1527 radio operating units (base, mobile, handheld, etc.) per entity.
1528 (4) A frequency allocation and use provision that includes~~,~~
1529 ~~which shall include~~ on an entity basis each assigned and planned
1530 radio channel and the type of operation (simplex, duplex, half
1531 duplex, etc.) on each channel.
1532 (5) An operational provision that includes~~, which shall~~
1533 ~~include~~ dispatching, logging, and operating procedures
1534 pertaining to telecommunications on an entity basis and regional
1535 basis.
1536 (6) An emergency medical service telephone provision that
1537 includes~~, which shall include~~ the telephone and the numbering

1538 plan throughout the region for both the public and interface
1539 requirements.
1540 Section 34. Section 401.018, Florida Statutes, is amended
1541 to read:
1542 401.018 System coordination.—
1543 (1) The statewide system of regional emergency medical
1544 telecommunications shall be developed by the Department of State
1545 Technology ~~Management Services~~, which ~~department~~ shall be
1546 responsible for the implementation and coordination of such
1547 system into the state telecommunications plan. The department
1548 shall adopt any necessary rules ~~and regulations~~ for
1549 administering ~~implementing~~ and coordinating such a system.
1550 (2) The Department of State Technology ~~Management Services~~
1551 shall be designated as the state frequency coordinator for the
1552 special emergency radio service.
1553 Section 35. Section 401.021, Florida Statutes, is amended
1554 to read:
1555 401.021 System director.—The Secretary of the Department of
1556 State Technology ~~Management Services~~ or his or her designee is
1557 designated as the director of the statewide telecommunications
1558 system of the regional emergency medical service and, for the
1559 purpose of carrying out the provisions of this part, may ~~is~~
1560 ~~authorized to~~ coordinate the activities of the
1561 telecommunications system with other interested state, county,
1562 local, and private agencies.
1563 Section 36. Section 401.024, Florida Statutes, is amended
1564 to read:
1565 401.024 System approval.—An ~~From July 1, 1973, no~~ emergency
1566 medical telecommunications system may not ~~shall~~ be established

1567 or present systems expanded without prior approval of the
1568 Department of State Technology ~~Management Services~~.
1569 Section 37. Section 401.027, Florida Statutes, is amended
1570 to read:
1571 401.027 Federal assistance.—The Secretary of the Department
1572 of State Technology ~~Management Services~~ or his or her designee
1573 may ~~is authorized~~ to apply for and accept federal funding
1574 assistance in the development and implementation of a statewide
1575 emergency medical telecommunications system.
1576 Section 38. Subsection (4) of section 445.011, Florida
1577 Statutes, is amended to read:
1578 445.011 Workforce information systems.—
1579 (4) Workforce Florida, Inc., shall coordinate development
1580 and implementation of workforce information systems with the
1581 Secretary ~~executive director~~ of the Department of State ~~Agency~~
1582 ~~for Enterprise Information~~ Technology to ensure compatibility
1583 with the state's information system strategy and enterprise
1584 architecture.
1585 Section 39. Subsection (2) and paragraphs (a) and (b) of
1586 subsection (4) of section 445.045, Florida Statutes, are amended
1587 to read:
1588 445.045 Development of an Internet-based system for
1589 information technology industry promotion and workforce
1590 recruitment.—
1591 (2) Workforce Florida, Inc., shall coordinate with the
1592 Department of State ~~Agency for Enterprise Information~~ Technology
1593 and the Department of Economic Opportunity to ensure that links,
1594 where feasible and appropriate, to existing job information
1595 websites maintained by the state and state agencies and ~~to~~

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1596 ~~ensure~~ that information technology positions offered by the
1597 state and state agencies are posted on the information
1598 technology website.
1599 (4)(a) Workforce Florida, Inc., shall coordinate
1600 development and maintenance of the website under this section
1601 with the Secretary ~~executive director~~ of the Department of State
1602 ~~Agency for Enterprise Information~~ Technology to ensure
1603 compatibility with the state's information system strategy and
1604 enterprise architecture.
1605 (b) Workforce Florida, Inc., may enter into an agreement
1606 with the Department of State ~~Agency for Enterprise Information~~
1607 Technology, the Department of Economic Opportunity, or any other
1608 public agency with the requisite information technology
1609 expertise for the provision of design, operating, or other
1610 technological services necessary to develop and maintain the
1611 website.
1612 Section 40. Paragraph (b) of subsection (18) of section
1613 668.50, Florida Statutes, is amended to read:
1614 668.50 Uniform Electronic Transaction Act.—
1615 (18) ACCEPTANCE AND DISTRIBUTION OF ELECTRONIC RECORDS BY
1616 GOVERNMENTAL AGENCIES.—
1617 (b) To the extent that a governmental agency uses
1618 electronic records and electronic signatures under paragraph
1619 (a), the Department of State ~~Agency for Enterprise Information~~
1620 Technology, in consultation with the governmental agency, giving
1621 due consideration to security, may specify:
1622 1. The manner and format in which the electronic records
1623 must be created, generated, sent, communicated, received, and
1624 stored and the systems established for those purposes.

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1625 2. If electronic records must be signed by electronic
1626 means, the type of electronic signature required, the manner and
1627 format in which the electronic signature must be affixed to the
1628 electronic record, and the identity of, or criteria that must be
1629 met by, any third party used by a person filing a document to
1630 facilitate the process.
1631 3. Control processes and procedures as appropriate to
1632 ensure adequate preservation, disposition, integrity, security,
1633 confidentiality, and auditability of electronic records.
1634 4. Any other required attributes for electronic records
1635 which are specified for corresponding nonelectronic records or
1636 reasonably necessary under the circumstances.
1637 Section 41. Transfer from the Executive Office of the
1638 Governor.—All of the powers, duties, functions, records,
1639 personnel, and property; funds, trust funds, and unexpended
1640 balances of appropriations, allocations, and other funds;
1641 administrative authority; administrative rules; pending issues;
1642 and existing contracts of the Agency for Enterprise Information
1643 Technology within the Executive Office of the Governor shall
1644 continue and to the extent necessary are transferred by a type
1645 one transfer, pursuant to s. 20.06(1), Florida Statutes, to the
1646 Department of State Technology under s. 20.61, Florida Statutes.
1647 Section 42. Transfer from the Department of Management
1648 Services.—Effective January 1, 2014:
1649 (1) The Technology Program established under s. 20.22(2),
1650 Florida Statutes, is transferred intact by a type one transfer,
1651 as defined in s. 20.06, Florida Statutes, from the Department of
1652 Management Services to the Department of State Technology.
1653 (2) All of the powers, duties, functions, records,

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1654 personnel, and property; funds, trust funds, and unexpended
1655 balances of appropriations, allocations, and other funds;
1656 administrative authority; administrative rules; pending issues;
1657 and existing contracts relating to the following
1658 responsibilities of the Department of Management Services are
1659 transferred by a type one transfer, as defined in s.20.06, to
1660 the Department of State Technology:
1661 (a) Administrative and regulatory responsibilities under
1662 part II of chapter 282, Florida Statutes, consisting of ss.
1663 282.601-282.606, Florida Statutes, relating to accessibility of
1664 electronic information and information technology for state
1665 employees and members of the public with disabilities, including
1666 the responsibility for rules for the development, procurement,
1667 maintenance, and use of accessible electronic information
1668 technology by governmental units pursuant to s. 282.604, Florida
1669 Statutes.
1670 (b) Administrative and regulatory responsibilities under
1671 part III of chapter 282, Florida Statutes, consisting of ss.
1672 282.701-282.711, Florida Statutes, relating to the state
1673 telecommunications network, state communications,
1674 telecommunications services with state agencies and political
1675 subdivisions of the state, the SUNCOM network, the law
1676 enforcement radio system and interoperability network, regional
1677 law enforcement communications, and remote electronic access.
1678 (c) Administrative and regulatory responsibilities under s.
1679 364.0135, Florida Statutes, relating to broadband Internet
1680 service.
1681 (d) Administrative and regulatory responsibilities under
1682 ss. 365.171-365.175, Florida Statutes, relating to emergency

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1683 communications number E911.
1684 (e) Administrative and regulatory responsibilities under
1685 part I of chapter 401, Florida Statutes, consisting of ss.
1686 401.013-401.027, Florida Statutes, relating to a statewide
1687 system of regional emergency medical telecommunications.
1688 (3)(a) The following trust funds are transferred by a type
1689 one transfer, as defined in s. 20.06(1), Florida Statutes, from
1690 the Department of Management Services to the Department of State
1691 Technology:
1692 1. The Communications Working Capital Trust Fund.
1693 2. The Emergency Communications Number E911 System Fund.
1694 3. The State Agency Law Enforcement Radio System Trust
1695 Fund.
1696 4. Federal Grants Trust Fund.
1697 (b) All unexpended balances of appropriations, allocations,
1698 and other funds of the Department of Management Services
1699 relating to ss. 282.701-282.711, s. 364.0135, ss. 365.171-
1700 365.175, and part I of chapter 401, Florida Statutes, which are
1701 not specifically transferred by this subsection are transferred
1702 by a type one transfer, as defined in s. 20.06(1), Florida
1703 Statutes, to the Department of State Technology.
1704 (4) All lawful orders issued by the Department of
1705 Management Services implementing or enforcing or otherwise in
1706 regard to ss. 282.701-282.711, s. 364.0135, ss. 365.171-365.175,
1707 or part I of chapter 401, Florida Statutes, issued before
1708 January 1, 2014, shall remain in effect and be enforceable after
1709 that date unless thereafter modified in accordance with law.
1710 (5) Any binding contract or interagency agreement entered
1711 into pursuant to ss. 282.701-282.711, s. 364.0135, ss. 365.171-

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1712 365.175, or part I of chapter 401, Florida Statutes, and
1713 existing before January 1, 2014, between the Department of
1714 Management Services or an entity or agent of the department and
1715 any other agency, entity, or person shall continue as a binding
1716 contract or agreement for the remainder of the term of such
1717 contract or agreement on the Department of State Technology.
1718 (6) The rules of the Department of Management Services
1719 relating to ss. 282.701-282.711, s. 364.0135, ss. 365.171-
1720 365.175, or part I of chapter 401, Florida Statutes, that were
1721 in effect at 11:59 p.m. on December 31, 2013, shall become the
1722 rules of the Department of State Technology and remain in effect
1723 until amended or repealed in the manner provided by law.
1724 (7) The transfer of regulatory authority under ss. 282.701-
1725 282.711, s. 364.0135, ss. 365.171-365.175, or part I of chapter
1726 401, Florida Statutes, provided by this section does not affect
1727 the validity of any judicial or administrative action pending as
1728 of 11:59 p.m. on December 31, 2013, to which the Department of
1729 Management Services is at that time a party, and the Department
1730 of State Technology shall be substituted as a party in interest
1731 in any such action.
1732 (8) The Northwood Shared Resource Center is transferred by
1733 a type one transfer, as defined in s. 20.06, Florida Statutes,
1734 from the Department of Management Services to the Department of
1735 State Technology.
1736 (a) Any binding contract or interagency agreement entered
1737 into between the Northwood Shared Resource Center or an entity
1738 or agent of the center and any other agency, entity, or person
1739 shall continue as a binding contract or agreement for the
1740 remainder of the term of such contract or agreement on the

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

1741 Department of State Technology.
1742 (b) The rules of the Northwood Shared Resource Center that
1743 were in effect at 11:59 p.m. on December 31, 2013, shall become
1744 the rules of the Department of State Technology and shall remain
1745 in effect until amended or repealed in the manner provided by
1746 law.
1747 (9) The Southwood Shared Resource Center is transferred by
1748 a type one transfer, as defined in s. 20.06, Florida Statutes,
1749 from the Department of Management Services to the Department of
1750 State Technology.
1751 (a) Any binding contract or interagency agreement entered
1752 into between the Southwood Shared Resource Center or an entity
1753 or agent of the center and any other agency, entity, or person
1754 shall continue as a binding contract or agreement for the
1755 remainder of the term of such contract or agreement on the
1756 Department of State Technology.
1757 (b) The rules of the Southwood Shared Resource Center that
1758 were in effect at 11:59 p.m. on December 31, 2013, shall become
1759 the rules of the Department of State Technology and shall remain
1760 in effect until amended or repealed in the manner provided by
1761 law.
1762 Section 43. For the 2013-2014 fiscal year, the sum of
1763 $2,865,108 in recurring general revenue funds, $2,134,892 in
1764 nonrecurring general revenue funds, and 24 full-time equivalent
1765 positions and associated salary rate of 2,010,951 are
1766 appropriated to the Department of State Technology for the
1767 purpose of implementing this act.
1768 Section 44. Except as otherwise expressly provided in this
1769 act and except for this section, which shall take effect upon

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1770 become law, this act shall take effect July 1, 2013.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Bill

Bill Number: 1762 *(if applicable)*

Name: Frank Nemeroff

Amendment Barcode: _____ *(if applicable)*

Job Title: _____

Address: PO Box 1435
Street

Tall FL 32302
City *State* *Zip*

Phone: _____

E-mail: _____

Speaking: [X] For [ ] Against [ ] Information

Representing: AIF

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SPB 7126

INTRODUCER: For consideration by Appropriations Committee

SUBJECT: Tax Administration

DATE: April 1, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Fournier	Hansen		**Submitted as Committee Bill**
2.				
3.				
4.				
5.				
6.				

I. Summary:

SPB 7126 contains changes in tax administration that were recommended by the Department of Revenue and approved by the Governor and Cabinet. It deletes an unneeded estate tax filing requirement; expands the definition of "phosphate-related expenses" for the purpose of distributing phosphate tax proceeds, clarifies provisions pertaining to criminal penalties for failing to collect a tax or fee, making a false or fraudulent return, or failing to register with the department; clearly establishes the department's authority to require security for certain individuals seeking to register new businesses; increases the authority of the department's Executive Director to compromise taxes; bans the sale, purchase, installation, transfer, or possession of automated sales suppression devices, zappers, and phantom-ware, and provides criminal penalties for these actions; provides an incentive for businesses to comply with requests for records for audit purposes; and reduces the interest rate imposed on reemployment tax deficiencies.

Several sections of this bill have a positive but indeterminate impact on state revenue. Section 11, which reduces the interest rate charged on delinquent reemployment taxes, will reduce revenue to the Special Employment Security Administration Trust Fund by $0.6 million in Fiscal Year 2013-14 and by $1.3 million on a recurring basis.

This bill substantially amends the following sections of the Florida Statutes: 198.13, 212.07, 212.12, 212.14, 212.18, 212.20, 213.13, 213.21, 213.925, 322.142, 443.131, and 443.141.

II. Present Situation:

The department is responsible for ensuring that the taxes it administers are carried out in a fair and equitable manner. Each year the Executive Director seeks approval of proposed legislative concepts by the Governor and Cabinet, in their role as the head of the department. The department proposes changes in tax administration laws to reduce the burden on taxpayers and to ensure that Florida's tax laws are applied in a consistent, cost-effective, and equitable manner.

(See section-by-section analysis below.)

III. Effect of Proposed Changes:

Section 1

Present situation: Ch. 198. F.S., imposes a tax on estates for the privilege of transferring property at death. The tax is limited to the amount allowable as a credit against federal estate tax for state death taxes paid. As a result of changes in federal law that eliminated the credit for state taxes, the Florida estate tax has not been applicable since 2008. On January 1, 2013, the federal Growth and Tax Relief Reconciliation Act of 2001 sunset provisions would have restored the Florida estate tax, but the passage of the American Taxpayer Relief Act in January 2013 preempted that outcome. Section 198.13, F.S., requires the estates of person who die after January 1, 2013 to file certain documents with the department which are unnecessary because of American Taxpayer Relief Act.

Proposed change: Section 198.13, F.S., is amended to remove filing requirements for estates of people who die on or after January 1, 2013. This section applies retroactively to January 1, 2013.

Section 2

Present situation: Section 211.3103, F.S., levies an excise tax of $1.61 per ton on phosphate rock mining operations. This revenue is distributed as follows:

- 25.5 percent to the Conservation and Recreation Lands Trust Fund;
- 35.7 percent to the General Revenue Fund;
- 12.8 percent to counties where the phosphate rock is produced, to be used for phosphate related expenses;
- 10.0 percent to counties designated as a rural area of critical economic concern, in proportion to the amount of phosphate rock mined in the county, or to a local authority to promote and direct the economic development of such a county, if the Legislature has created such an authority;
- 6.2 percent to the Nonmandatory Land Reclamation Trust Fund;
- 6.2 percent to the Phosphate Research Trust fund in the Division of Universities of the Department of Education; and
- 3.6 percent to the Minerals Trust Fund.

"Phosphate-related expenses" are defined as those expenses that provide for infrastructure or services in support of the phosphate industry, reclamation or restoration of phosphate lands,

community infrastructure on such reclaimed lands, andsimilare expenses directly related to support of the phosphate industry.

Proposed change: The definition of "phosphate-related expenses" is expanded to include environmental education, maintenance and restoration of reclaimed lands and county-owned environmental lands that were formerly phosphate lands, and community infrastructure located on county-owned environmental lands that were formerly phosphate lands.

Sections 3, 4, and 6

Present situation: Sections 212.07, 212.12, and 212.18, F.S., contain redundant and potentially confusing language concerning criminal penalties.

Proposed change: The bill amends these sections to clarify the criminal penalties imposed on a person who:

- Willfully fails to collect a tax or fee.
- Makes a false or fraudulent return with a willful intent to evade payment of taxes or fees.
- Willfully fails to register after the department provides notice of the duty to register.

The bill creates no new penalties; the language is intended to clarify existing statutory penalties. These sections take effect upon becoming a law.

Section 5

Present situation: Section 212.14(4), F.S., authorizes the department to require a cash deposit, bond, or other security as a condition to a person obtaining or retaining a sales tax dealer's registration. Despite this requirement, delinquent sales tax dealers are able to close down businesses with tax liabilities and to reopen under a new name, because the current provision does not clearly apply to all of the individuals who were responsible for prior delinquent tax accounts when they seek to register new businesses.

Proposed change: The bill revises s. 212.14(4), F.S., to authorize the department to require security for individuals who are responsible for prior delinquent accounts when they seek to register new businesses. This section takes effect July 1, 2013.

Section 7

This section republishes s. 212.20(6)(c), F.S., for the purpose of incorporating this bill's amendment to s. 212.18(3), F.S.

Section 8

Present situation: Ch. 2010-162, L.O.F., changed the remittance date for funds state collected by the Clerks of the Court from the 20th day to the 10th day of the month immediately after the month in which the funds are collected. Section 213.13, F.S., which governs the electronic

remittance and distribution of funds by the Clerks of the Court, was not amended to conform to the change.

Proposed change: Section 213.13, F.S., is amended to conform to changes made by ch. 2010-162, L.O.F. This section takes effect upon becoming a law.

Section 9

Present situation: Section 213.21, F.S., allows the department's Executive Director to enter into an agreement with a taxpayer that compromises the taxpayer's liability if there is a "doubt as to liability" or "doubt as to collectability" of the tax assessed. The statute limits this compromise authority to a reduction of $250,000 or less.

Proposed change: The bill increases the Executive Director's authority to compromise taxes to a reduction of $500,000 or less.

Section 10

Present situation: Automated sales suppression devices or "zappers" are software programs that falsify the records of electronic cash registers and other point-of-sale systems. These devices alter sales records to reduce the value of sales that are reported for tax purposes in order to evade state and federal taxes. In the case of sales tax, the use of these devices results in the theft of taxes that have been collected from a business's customers. While evading state taxes is illegal under current law, the sale, purchase, installation, use, or possession of the devices themselves is not illegal *per se*.

Proposed change: The bill creates s. 213.295, F.S., which makes an automated sales suppression device a contraband article under ss. 932.701-932.706, F.S., and makes it unlawful to willfully and knowingly sell, purchase, install, transfer, or possess in this state any automated sales suppression device, zapper, or phantom-ware. Any person convicted of violating this law is guilty of a third degree felony and is liable for all taxes, fees, penalties and interest due the state as a result of the use of the device and must forfeit to the state as an additional penalty all profits associated with the sale or use of the device. The bill provides definitions for "automated sales suppression device," "zapper," "electronic cash register," "phantom-ware," "transaction data," and "transaction report." This section takes effect upon becoming a law.

Section 11

Present situation: Florida law provides a standard reemployment tax rate, and allows many businesses to receive a lower rate if they meet certain criteria, including being in compliance with the law. Section 443.131, F.S., lists the criteria necessary for a business to be in compliance, but it does not explicitly state that a taxpayer must comply with records requests during audits to qualify for the reduced tax rate.

Proposed change: Section 443.131, F.S., is amended to create an additional condition for receiving a lower-than-standard reemployment tax rate. The condition is that the employer has produced records requested by the Department of Economic Opportunity or the department for

audit purposes. An employer must have at least 60 days to provide the requested work records before the standard rate is assigned. This section takes effect upon the bill becoming a law.

Section 12

Present situation: Reemployment compensation tax contributions or reimbursements that are unpaid on the due date bear an interest rate of 1 percent per month, an effective annual rate of 12 percent. Other taxes that are administered by the department have an interest rate of prime plus 4 percent, not to exceed an effective rate of 1 percent per month. The interest rate is adjusted twice yearly.

Proposed change: Section 443.141, F.S. is amended to change the interest rate imposed on reemployment compensation tax deficiencies to prime plus 4 percent, not to exceed 1 percent per month, beginning January 1, 2014. This is the rate applied to other taxes administered by the department.

Section 13

This section provides that except as otherwise expressly provided, this act shall take effect shall take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The department anticipates that the following provisions of this bill will improve enforcement and collection of state tax laws:

- Banning the sale, purchase, installation, transfer, or possession of automated sales suppression devices, zappers, and phantom-ware, and providing criminal penalties for these actions, should improve the department's ability to collect and enforce the sales tax statutes.

- Improved compliance with reemployment tax reporting is expected to improve the department's audit capability.

The Revenue Estimating Conference has determined that decreasing the interest rate on unpaid reemployment taxes will reduce state trust fund revenue by $0.6 million in Fiscal Year 2013-2014 and by $1.3 million on a recurring basis. Other provisions of the bill are expected to have an indeterminate positive impact on state and local revenue.

B. Private Sector Impact:

This bill:

- Relieves estates of people who die on or after January 1, 2013, from filing estate tax documents with the department:
- Authorizes the department to require additional persons to provide a cash deposit, bond, or other security as a condition of obtaining or retaining a sales and use tax dealer's certificate of registration;
- Increases the Executive Director's authority to compromise taxes;
- Prohibits the sale, purchase, installation, transfer, or possession of automated sales suppression devices, zappers, and phantom-ware, and specifies criminal penalties for these actions;
- Provides that an employer may not qualify for a reduced reemployment tax rate unless the employer has produced all records that were requested by the department or the Department of Economic Opportunity; and
- Reduces the interest rate imposed on reemployment tax deficiencies.

C. Government Sector Impact:

The bill is expected to improve tax administration by banning the sale, purchase, installation, transfer, or possession of automated sales suppression devices, zappers, and phantom-ware, and providing criminal penalties for these actions; by providing a means by which department staff can verify the identity of business owners prior to visiting the business during audits; and by improving compliance with requests for information from employers for reemployment tax purposes.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

257122

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Hukill) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 78 and 79
4 insert:
5 Section 2. Paragraph (c) of subsection (6) of section
6 211.3103, Florida Statutes, is amended to read:
7 211.3103 Levy of tax on severance of phosphate rock; rate,
8 basis, and distribution of tax.—
9 (6)
10 (c) As used in ~~For purposes of~~ this subsection ~~section~~, the
11 term "phosphate-related expenses" means those expenses that
12 provide for infrastructure or services in support of the

257122

13 phosphate industry, including environmental education,
14 reclamation or restoration of phosphate lands, maintenance and
15 restoration of reclaimed lands and county-owned environmental
16 lands that were formerly phosphate lands, and community
17 infrastructure on ~~such~~ reclaimed lands and county-owned
18 environmental lands that were formerly phosphate lands, and
19 similar expenses directly related to support of the industry.
20
21 ========== T I T L E A M E N D M E N T ==========
22 And the title is amended as follows:
23 Between lines 4 and 5
24 insert:
25 amending s. 211.3103, F.S.; expanding the definition
26 of "phosphate-related expenses" for the purpose of
27 distributing certain tax proceeds;

601738

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/28/2013	.	
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	.	
	.	

The Committee on Appropriations (Hukill) recommended the following:

Senate Amendment (with title amendment)

Delete lines 521 - 561.

========== T I T L E A M E N D M E N T ==========

And the title is amended as follows:

Delete lines 41 - 45

and insert:

Forfeiture Act; amending s.

817878

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Hukill) recommended the following:

1 **Senate Amendment**
2
3 Delete line 578
4 and insert:
5 tax collection service provider pursuant to s. 443.171(5). An
6 employer shall have at least 60 days to provide the requested
7 work records before the employer is assigned the standard rate;
8 and

FOR CONSIDERATION By the Committee on Appropriations

576-01940E-13 20137126__

A bill to be entitled

An act relating to tax administration; amending s. 198.13, F.S.; deleting a requirement for filing a tax return for a decedent who dies after a certain date; amending s. 212.07, F.S.; conforming a cross-reference to changes made by the act; providing monetary and criminal penalties for a dealer's willful failure to collect certain taxes or fees after receiving notice of such duty to collect from the Department of Revenue; amending s. 212.12, F.S.; deleting provisions relating to the imposition of criminal penalties after department notice of requirements to register as a dealer or to collect taxes; making technical and grammatical changes to provisions specifying penalties for making a false or fraudulent return with the intent to evade payment of a tax or fee; amending s. 212.14, F.S.; modifying the definition of the term "person"; authorizing the department to adopt rules relating to requirements for a person to deposit cash, a bond, or other security with the department in order to ensure compliance with sales tax laws; making technical and grammatical changes; amending s. 212.18, F.S.; providing criminal penalties for a person who willfully fails to register as a dealer after receiving notice of such duty by the department; making technical and grammatical changes; reenacting s. 212.20, F.S., relating to the disposition of funds collected; amending s. 213.13, F.S.; revising the due date for transmitting funds collected by the clerks of

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576-01940E-13 20137126__

court to the department; providing retroactive application; amending s. 213.21, F.S.; increasing dollar threshold of compromise authority that can be delegated to the executive director; creating s. 213.295, F.S., relating to automated sales suppression devices; providing definitions; subjecting a person to criminal penalties and monetary penalties for knowingly selling or engaging in certain other actions involving a zapper or phantom-ware; providing that sales suppression devices and phantom-ware are contraband articles under the Florida Contraband Forfeiture Act; amending s. 322.142, F.S.; authorizing the Department of Highway Safety and Motor Vehicles to release photographs or digital images to the Department of Revenue in order to identify individuals for purposes of tax administration; amending s. 443.131, F.S.; imposing a requirement on employers to produce records for the Department of Economic Opportunity or its tax collection service provider as a prerequisite for a reduction in the rate of reemployment tax; amending s. 443.141, F.S.; providing a method to calculate the interest rate for past due contributions and reimbursements, and delinquent, erroneous, incomplete, or insufficient reports; providing effective dates.

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

Section 1. Operating retroactively to January 1, 2013,

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59 subsection (4) of section 198.13, Florida Statutes, is amended
60 to read:
61 198.13 Tax return to be made in certain cases; certificate
62 of nonliability.—
63 (4) Notwithstanding any other provisions of this section
64 and applicable to the estate of a decedent who dies after
65 December 31, 2004, if, upon the death of the decedent, a state
66 death tax credit or a generation-skipping transfer credit is not
67 allowable pursuant to the Internal Revenue Code of 1986, as
68 amended:
69 (a) The personal representative of the estate is not
70 required to file a return under subsection (1) in connection
71 with the estate.
72 (b) The person who would otherwise be required to file a
73 return reporting a generation-skipping transfer under subsection
74 (3) is not required to file such a return in connection with the
75 estate.
76
77 ~~The provisions of this subsection do not apply to estates of~~
78 ~~decedents dying after December 31, 2012.~~
79 Section 2. Paragraph (b) of subsection (1) and subsection
80 (3) of section 212.07, Florida Statutes, are amended to read:
81 212.07 Sales, storage, use tax; tax added to purchase
82 price; dealer not to absorb; liability of purchasers who cannot
83 prove payment of the tax; penalties; general exemptions.—
84 (1)
85 (b) A resale must be in strict compliance with s. 212.18
86 and the rules and regulations, and any dealer who makes a sale
87 for resale which is not in strict compliance with s. 212.18 and

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88 the rules and regulations shall himself or herself be liable for
89 and pay the tax. Any dealer who makes a sale for resale shall
90 document the exempt nature of the transaction, as established by
91 rules adopted ~~promulgated~~ by the department, by retaining a copy
92 of the purchaser's resale certificate. In lieu of maintaining a
93 copy of the certificate, a dealer may document, before ~~prior to~~
94 the time of sale, an authorization number provided
95 telephonically or electronically by the department, or by such
96 other means established by rule of the department. The dealer
97 may rely on a resale certificate issued pursuant to s.
98 212.18(3)(d) ~~212.18(3)(c)~~, valid at the time of receipt from the
99 purchaser, without seeking annual verification of the resale
100 certificate if the dealer makes recurring sales to a purchaser
101 in the normal course of business on a continual basis. For
102 purposes of this paragraph, "recurring sales to a purchaser in
103 the normal course of business" refers to a sale in which the
104 dealer extends credit to the purchaser and records the debt as
105 an account receivable, or in which the dealer sells to a
106 purchaser who has an established cash or C.O.D. account, similar
107 to an open credit account. For purposes of this paragraph,
108 purchases are made from a selling dealer on a continual basis if
109 the selling dealer makes, in the normal course of business,
110 sales to the purchaser no less frequently than once in every 12-
111 month period. A dealer may, through the informal protest
112 provided for in s. 213.21 and the rules of the department ~~of~~
113 ~~Revenue~~, provide the department with evidence of the exempt
114 status of a sale. Consumer certificates of exemption executed by
115 those exempt entities that were registered with the department
116 at the time of sale, resale certificates provided by purchasers

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who were active dealers at the time of sale, and verification by the department of a purchaser's active dealer status at the time of sale in lieu of a resale certificate shall be accepted by the department when submitted during the protest period, but may not be accepted in any proceeding under chapter 120 or any circuit court action instituted under chapter 72.

(3)(a) A ~~Any~~ dealer who fails, neglects, or refuses to collect the tax or fees imposed under this chapter ~~herein provided, either~~ by himself or herself or through the dealer's agents or employees, ~~is,~~ in addition to the penalty of being liable for ~~and~~ paying the tax ~~himself or herself~~, commits ~~guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

(b) A dealer who willfully fails to collect a tax or fee after the department provides notice of the duty to collect the tax or fee is liable for a specific penalty of 100 percent of the uncollected tax or fee. This penalty is in addition to any other penalty that may be imposed by law. A dealer who willfully fails to collect taxes or fees totaling:

1. Less than $300:

a. For a first offense, commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

b. For a second offense, commits a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

c. For a third or subsequent offense, commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

2. An amount equal to $300 or more, but less than $20,000, commits a felony of the third degree, punishable as provided in

s. 775.082, s. 775.083, or s. 775.084.

3. An amount equal to $20,000 or more, but less than $100,000, commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

4. An amount equal to $100,000 or more, commits a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(c) The department shall give written notice of the duty to collect taxes or fees to the dealer by personal service, by sending notice to the dealer's last known address by registered mail, or by both personal service and mail.

Section 3. Paragraph (d) of subsection (2) of section 212.12, Florida Statutes, is amended to read:

212.12 Dealer's credit for collecting tax; penalties for noncompliance; powers of Department of Revenue in dealing with delinquents; brackets applicable to taxable transactions; records required.—

(2)

(d) A ~~Any~~ person who makes a false or fraudulent return and who has ~~with~~ a willful intent to evade payment of any tax or fee imposed under this chapter is~~; any person who, after the department's delivery of a written notice to the person's last known address specifically alerting the person of the requirement to register the person's business as a dealer, intentionally fails to register the business; and any person who, after the department's delivery of a written notice to the person's last known address specifically alerting the person of the requirement to collect tax on specific transactions, intentionally fails to collect such tax, shall, in addition to~~

175 ~~the other penalties provided by law, be~~ liable for a specific
176 penalty of 100 percent of any unreported ~~or any uncollected~~ tax
177 or fee. This penalty is in addition to any other penalty
178 provided by law. A person who makes a false or fraudulent return
179 with a willful intent to evade payment of taxes or fees
180 totaling:
181 1. Less than $300:
182 a. For a first offense, commits a misdemeanor of the second
183 degree, punishable as provided in s. 775.082 or s. 775.083.
184 b. For a second offense, commits a misdemeanor of the first
185 degree, punishable as provided in s. 775.082 or s. 775.083.
186 c. For a third or subsequent offense, commits a felony of
187 the third degree, punishable as provided in s. 775.082, s.
188 775.083, or s. 775.084.
189 2. An amount equal to $300 or more, but less than $20,000,
190 commits a felony of the third degree, punishable as provided in
191 s. 775.082, s. 775.083, or s. 775.084.
192 3. An amount equal to $20,000 or more, but less than
193 $100,000, commits a felony of the second degree, punishable as
194 provided in s. 775.082, s. 775.083, or s. 775.084.
195 4. An amount equal to $100,000 or more, commits a felony of
196 the first degree, punishable ~~and, upon conviction, for fine and~~
197 ~~punishment~~ as provided in s. 775.082, s. 775.083, or s. 775.084.
198 ~~Delivery of written notice may be made by certified mail, or by~~
199 ~~the use of such other method as is documented as being necessary~~
200 ~~and reasonable under the circumstances. The civil and criminal~~
201 ~~penalties imposed herein for failure to comply with a written~~
202 ~~notice alerting the person of the requirement to register the~~
203 ~~person's business as a dealer or to collect tax on specific~~

204 ~~transactions shall not apply if the person timely files a~~
205 ~~written challenge to such notice in accordance with procedures~~
206 ~~established by the department by rule or the notice fails to~~
207 ~~clearly advise that failure to comply with or timely challenge~~
208 ~~the notice will result in the imposition of the civil and~~
209 ~~criminal penalties imposed herein.~~
210 ~~1. If the total amount of unreported or uncollected taxes~~
211 ~~or fees is less than $300, the first offense resulting in~~
212 ~~conviction is a misdemeanor of the second degree, the second~~
213 ~~offense resulting in conviction is a misdemeanor of the first~~
214 ~~degree, and the third and all subsequent offenses resulting in~~
215 ~~conviction is a misdemeanor of the first degree, and the third~~
216 ~~and all subsequent offenses resulting in conviction are felonies~~
217 ~~of the third degree.~~
218 ~~2. If the total amount of unreported or uncollected taxes~~
219 ~~or fees is $300 or more but less than $20,000, the offense is a~~
220 ~~felony of the third degree.~~
221 ~~3. If the total amount of unreported or uncollected taxes~~
222 ~~or fees is $20,000 or more but less than $100,000, the offense~~
223 ~~is a felony of the second degree.~~
224 ~~4. If the total amount of unreported or uncollected taxes~~
225 ~~or fees is $100,000 or more, the offense is a felony of the~~
226 ~~first degree.~~
227 Section 4. Effective July 1, 2013, subsection (4) of
228 section 212.14, Florida Statutes, is amended to read:
229 212.14 Departmental powers; hearings; distress warrants;
230 bonds; subpoenas and subpoenas duces tecum.—
231 (4) In all cases where it is necessary to ensure
232 compliance with ~~the provisions of~~ this chapter, the department

shall require a cash deposit, bond, or other security as a condition to a person obtaining or retaining a dealer's certificate of registration under this chapter. Such bond must ~~shall~~ be in the form and ~~such~~ amount ~~as~~ the department deems appropriate under the particular circumstances. A ~~Every~~ person failing to produce such cash deposit, bond, or other security is ~~as provided for herein shall~~ not be entitled to obtain or retain a dealer's certificate of registration under this chapter, and the Department of Legal Affairs is hereby authorized to proceed by injunction, if ~~when so~~ requested by the Department of Revenue, to prevent such person from doing business subject to ~~the provisions of~~ this chapter until such cash deposit, bond, or other security is posted with the department, and any temporary injunction for this purpose may be granted by any judge or chancellor authorized by law to grant injunctions. Any security required to be deposited may be sold by the department at public sale if ~~it becomes~~ necessary ~~so to do~~ in order to recover any tax, interest, or penalty due. Notice of such sale may be served personally or by mail upon the person who deposited the ~~such~~ security. If by mail, notice sent to the last known address as it ~~the same~~ appears on the records of the department is ~~shall be~~ sufficient for the purpose of this requirement. Upon such sale, the surplus, if any, above the amount due under this chapter shall be returned to the person who deposited the security. The department may adopt rules necessary to administer this subsection. For the purpose of the cash deposit, bond, or other security required by this subsection, the term "person" includes those entities defined in s. 212.02(12), as well as:

(a) An individual or entity owning a controlling interest

in an entity;

(b) An individual or entity that has acquired an ownership interest or a controlling interest in a business that would otherwise be liable for posting a cash deposit, bond, or other security, unless the department has determined that the individual or entity is not liable for taxes, interest, or penalties as set forth in s. 213.758; or

(c) An individual or entity seeking to obtain a dealer's certificate of registration for a business that will be operated at the same location as a previous business that would otherwise have been liable for posting a cash deposit, bond, or other security, if the individual or entity fails to provide evidence that the business was acquired for consideration in an arms-length transaction.

Section 5. Subsection (3) of section 212.18, Florida Statutes, is amended to read:

212.18 Administration of law; registration of dealers; rules.—

(3)(a) A ~~Every~~ person desiring to engage in or conduct business in this state as a dealer~~, as defined in this chapter,~~ or to lease, rent, or let or grant licenses in living quarters or sleeping or housekeeping accommodations in hotels, apartment houses, roominghouses, or tourist or trailer camps that are subject to tax under s. 212.03, or to lease, rent, or let or grant licenses in real property~~, as defined in this chapter~~, and every person who sells or receives anything of value by way of admissions, must file with the department an application for a certificate of registration for each place of business. The application must include~~, showing~~ the names of the persons who

291 have interests in such business and their residences, the
292 address of the business, and ~~such~~ other data reasonably required
293 by ~~as~~ the department ~~may reasonably require~~. However, owners and
294 operators of vending machines or newspaper rack machines are
295 required to obtain only one certificate of registration for each
296 county in which such machines are located. The department, by
297 rule, may authorize a dealer that uses independent sellers to
298 sell its merchandise to remit tax on the retail sales price
299 charged to the ultimate consumer in lieu of having the
300 independent seller register as a dealer and remit the tax. The
301 department may appoint the county tax collector as the
302 department's agent to accept applications for registrations. The
303 application must be submitted ~~made~~ to the department before the
304 person, firm, copartnership, or corporation may engage in such
305 business, and it must be accompanied by a registration fee of
306 $5. However, a registration fee is not required to accompany an
307 application to engage in or conduct business to make mail order
308 sales. The department may waive the registration fee for
309 applications submitted through the department's Internet
310 registration process.
311 (b) The department, upon receipt of such application, shall
312 ~~will~~ grant to the applicant a separate certificate of
313 registration for each place of business, which certificate may
314 be canceled by the department or its designated assistants for
315 any failure by the certificateholder to comply with ~~any of the~~
316 ~~provisions of~~ this chapter. The certificate is not assignable
317 and is valid only for the person, firm, copartnership, or
318 corporation to which issued. The certificate must be placed in a
319 conspicuous place in the business or businesses for which it is

320 issued and must be displayed at all times. Except as provided in
321 this subsection, a ~~no~~ person may not ~~shall~~ engage in business as
322 a dealer or in leasing, renting, or letting of or granting
323 licenses in living quarters or sleeping or housekeeping
324 accommodations in hotels, apartment houses, roominghouses,
325 tourist or trailer camps, or real property, or ~~as hereinbefore~~
326 ~~defined, nor shall any person~~ sell or receive anything of value
327 by way of admissions, without a valid ~~first having obtained such~~
328 ~~a~~ certificate. A ~~or after such certificate has been canceled; no~~
329 person may not ~~shall~~ receive a ~~any~~ license from any authority
330 within the state to engage in any such business without a valid
331 certificate ~~first having obtained such a certificate or after~~
332 ~~such certificate has been canceled~~. A person may not engage ~~The~~
333 ~~engaging~~ in the business of selling or leasing tangible personal
334 property or services or as a dealer; engage~~, as defined in this~~
335 ~~chapter, or the engaging~~ in leasing, renting, or letting of or
336 granting licenses in living quarters or sleeping or housekeeping
337 accommodations in hotels, apartment houses, roominghouses, or
338 tourist or trailer camps that are taxable under this chapter, or
339 real property;~~,~~ or engage ~~the engaging~~ in the business of
340 selling or receiving anything of value by way of admissions,
341 without a valid ~~such~~ certificate ~~first being obtained or after~~
342 ~~such certificate has been canceled by the department, is~~
343 ~~prohibited~~.
344 (c)1. A ~~The failure or refusal of any~~ person who engages in
345 acts requiring a certificate of registration under this
346 subsection who fails or refuses to register commits~~, firm,~~
347 ~~copartnership, or corporation to so qualify when required~~
348 ~~hereunder is~~ a misdemeanor of the first degree, punishable as

349 provided in s. 775.082 or s. 775.083. Such acts are~~, or~~ subject
350 to injunctive proceedings as provided by law. A person who
351 engages in acts requiring a certificate of registration and who
352 fails or refuses to register is also subject ~~Such failure or~~
353 ~~refusal also subjects the offender~~ to a $100 initial
354 registration fee in lieu of the $5 registration fee required by
355 ~~authorized in~~ paragraph (a). However, the department may waive
356 the increase in the registration fee if it finds ~~is determined~~
357 ~~by the department~~ that the failure to register was due to
358 reasonable cause and not to willful negligence, willful neglect,
359 or fraud.
360 2.a. A person who willfully fails to register after the
361 department provides notice of the duty to register as a dealer
362 commits a felony of the third degree, punishable as provided in
363 s. 775.082, s. 775.083, or s. 775.084.
364 b. The department shall provide written notice of the duty
365 to register to the person by personal service, by sending notice
366 by registered mail to the person's last known address, or by
367 both personal service and mail.
368 (d)~~(c)~~ In addition to the certificate of registration, the
369 department shall provide to each newly registered dealer an
370 initial resale certificate that will be valid for the remainder
371 of the period of issuance. The department shall provide each
372 active dealer with an annual resale certificate. For purposes of
373 this section, the term "active dealer" means a person who is
374 currently registered with the department and who is required to
375 file at least once during each applicable reporting period.
376 (e)~~(d)~~ The department may revoke a ~~any~~ dealer's certificate
377 of registration if ~~when~~ the dealer fails to comply with this

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

378 chapter. Before ~~Prior to~~ revocation of a dealer's certificate of
379 registration, the department must schedule an informal
380 conference at which the dealer may present evidence regarding
381 the department's intended revocation or enter into a compliance
382 agreement with the department. The department must notify the
383 dealer of its intended action and the time, place, and date of
384 the scheduled informal conference by written notification sent
385 by United States mail to the dealer's last known address of
386 record furnished by the dealer on a form prescribed by the
387 department. The dealer is required to attend the informal
388 conference and present evidence refuting the department's
389 intended revocation or enter into a compliance agreement with
390 the department which resolves the dealer's failure to comply
391 with this chapter. The department shall issue an administrative
392 complaint under s. 120.60 if the dealer fails to attend the
393 department's informal conference, fails to enter into a
394 compliance agreement with the department resolving the dealer's
395 noncompliance with this chapter, or fails to comply with the
396 executed compliance agreement.
397 (f)~~(e)~~ As used in this paragraph, the term "exhibitor"
398 means a person who enters into an agreement authorizing the
399 display of tangible personal property or services at a
400 convention or a trade show. The following provisions apply to
401 the registration of exhibitors as dealers under this chapter:
402 1. An exhibitor whose agreement prohibits the sale of
403 tangible personal property or services subject to the tax
404 imposed in this chapter is not required to register as a dealer.
405 2. An exhibitor whose agreement provides for the sale at
406 wholesale only of tangible personal property or services subject

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

407 to the tax imposed under ~~in~~ this chapter must obtain a resale
408 certificate from the purchasing dealer but is not required to
409 register as a dealer.
410 3. An exhibitor whose agreement authorizes the retail sale
411 of tangible personal property or services subject to the tax
412 imposed under ~~in~~ this chapter must register as a dealer and
413 collect the tax ~~imposed under this chapter~~ on such sales.
414 4. An ~~Any~~ exhibitor who makes a mail order sale pursuant to
415 s. 212.0596 must register as a dealer.
416
417 A ~~Any~~ person who conducts a convention or a trade show must make
418 his or her ~~their~~ exhibitor's agreements available to the
419 department for inspection and copying.
420 Section 6. For the purpose of incorporating the amendment
421 made by this act to subsection (3) of section 212.18, Florida
422 Statutes, in a reference thereto, paragraph (c) of subsection
423 (6) of section 212.20, Florida Statutes, is reenacted to read:
424 212.20 Funds collected, disposition; additional powers of
425 department; operational expense; refund of taxes adjudicated
426 unconstitutionally collected.—
427 (6) Distribution of all proceeds under this chapter and s.
428 202.18(1)(b) and (2)(b) shall be as follows:
429 (c) Proceeds from the fees imposed under ss. 212.05(1)(h)3.
430 and 212.18(3) shall remain with the General Revenue Fund.
431 Section 7. Operating retroactively to July 1, 2010,
432 subsection (5) of section 213.13, Florida Statutes, is amended
433 to read:
434 213.13 Electronic remittance and distribution of funds
435 collected by clerks of the court.—

436 (5) All court-related collections, including fees, fines,
437 reimbursements, court costs, and other court-related funds that
438 the clerks must remit to the state pursuant to law, must be
439 transmitted electronically by the 10th ~~20th~~ day of the month
440 immediately following the month in which the funds are
441 collected.
442 Section 8. Paragraph (a) of subsection (2) of section
443 213.21, Florida Statutes, is amended to read:
444 213.21 Informal conferences; compromises.—
445 (2)(a) The executive director of the department or his or
446 her designee is authorized to enter into closing agreements with
447 any taxpayer settling or compromising the taxpayer's liability
448 for any tax, interest, or penalty assessed under any of the
449 chapters specified in s. 72.011(1). Such agreements must ~~shall~~
450 be in writing if ~~when~~ the amount of tax, penalty, or interest
451 compromised exceeds $30,000, or for lesser amounts, if ~~when~~ the
452 department deems it appropriate or if ~~when~~ requested by the
453 taxpayer. When a written closing agreement has been approved by
454 the department and signed by the executive director or his or
455 her designee and the taxpayer, it shall be final and conclusive;
456 and, except upon a showing of fraud or misrepresentation of
457 material fact or except as to adjustments pursuant to ss. 198.16
458 and 220.23, no additional assessment may be made by the
459 department against the taxpayer for the tax, interest, or
460 penalty specified in the closing agreement for the time period
461 specified in the closing agreement, and the taxpayer is ~~shall~~
462 not ~~be~~ entitled to institute any judicial or administrative
463 proceeding to recover any tax, interest, or penalty paid
464 pursuant to the closing agreement. The department is authorized

465 to delegate to the executive director the authority to approve
466 any such closing agreement resulting in a tax reduction of
467 $500,000 ~~$250,000~~ or less.
468 Section 9. Section 213.295, Florida Statutes, is created to
469 read:
470 213.295 Automated sales suppression devices.—
471 (1) As used in this section, the term:
472 (a) "Automated sales suppression device" or "zapper" means
473 a software program that falsifies the electronic records of
474 electronic cash registers or other point-of-sale systems,
475 including, but not limited to, transaction data and transaction
476 reports. The term includes the software program, any device that
477 carries the software program, or an Internet link to the
478 software program.
479 (b) "Electronic cash register" means a device that keeps a
480 register or supporting documents through the use of an
481 electronic device or computer system designed to record
482 transaction data for the purpose of computing, compiling, or
483 processing retail sales transaction data in whatever manner.
484 (c) "Phantom-ware" means a hidden programming option
485 embedded in the operating system of an electronic cash register
486 or hardwired into the electronic cash register which may be used
487 to create a second set of records or eliminate or manipulate
488 transaction records, which may or may not be preserved in
489 digital formats, to represent the true or manipulated record of
490 transactions in the electronic cash register.
491 (d) "Transaction data" includes items purchased by a
492 customer; the price for each item; a taxability determination
493 for each item; a segregated tax amount for each of the taxed

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494 items; the amount of cash or credit tendered; the net amount
495 returned to the customer in change; the date and time of the
496 purchase; the name, address, and identification number of the
497 vendor; and the receipt or invoice number of the transaction.
498 (e) "Transaction report" means a report that documents, but
499 is not limited to documenting, the sales, taxes, or fees
500 collected, media totals, and discount voids at an electronic
501 cash register which is printed on a cash register tape at the
502 end of a day or a shift, or a report that documents every action
503 at an electronic cash register and which is stored
504 electronically.
505 (2) A person may not knowingly sell, purchase, install,
506 transfer, possess, use, or access any automated sales
507 suppression device, zapper, or phantom-ware.
508 (3) A person who violates this section:
509 (a) Commits a felony of the third degree, punishable as
510 provided in s. 775.082, s. 775.083, or s. 775.084.
511 (b) Is liable for all taxes, fees, penalties, and interest
512 due the state as a result of the use of an automated sales
513 suppression device, zapper, or phantom-ware and shall forfeit to
514 the state as an additional penalty all profits associated with
515 the sale or use of an automated sales suppression device,
516 zapper, or phantom-ware.
517 (4) An automated sales suppression device, zapper, phantom-
518 ware, or any device containing such device or software is a
519 contraband article under ss. 932.701-932.706, the Florida
520 Contraband Forfeiture Act.
521 Section 10. Effective July 1, 2013, subsection (4) of
522 section 322.142, Florida Statutes, is amended to read:

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523 322.142 Color photographic or digital imaged licenses.—
524 (4) The department may maintain a film negative or print
525 file. The department shall maintain a record of the digital
526 image and signature of the licensees, together with other data
527 required by the department for identification and retrieval.
528 Reproductions from the file or digital record are exempt from
529 ~~the provisions of~~ s. 119.07(1) and shall be made and issued only
530 for departmental administrative purposes; for the issuance of
531 duplicate licenses; in response to law enforcement agency
532 requests; to the Department of Business and Professional
533 Regulation pursuant to an interagency agreement for the purpose
534 of accessing digital images for reproduction of licenses issued
535 by the Department of Business and Professional Regulation; to
536 the Department of State pursuant to an interagency agreement to
537 facilitate determinations of eligibility of voter registration
538 applicants and registered voters in accordance with ss. 98.045
539 and 98.075; to the Department of Revenue pursuant to an
540 interagency agreement for use in establishing paternity and
541 establishing, modifying, or enforcing support obligations in
542 Title IV-D cases; to the Department of Revenue for use in
543 establishing positive identification for tax administration
544 purposes; to the Department of Children and Family Services
545 pursuant to an interagency agreement to conduct protective
546 investigations under part III of chapter 39 and chapter 415; to
547 the Department of Children and Family Services pursuant to an
548 interagency agreement specifying the number of employees in each
549 of that department's regions to be granted access to the records
550 for use as verification of identity to expedite the
551 determination of eligibility for public assistance and for use

552 in public assistance fraud investigations; to the Department of
553 Financial Services pursuant to an interagency agreement to
554 facilitate the location of owners of unclaimed property, the
555 validation of unclaimed property claims, and the identification
556 of fraudulent or false claims; or to District medical examiners
557 pursuant to an interagency agreement for the purpose of
558 identifying a deceased individual, determining cause of death,
559 and notifying next of kin of any investigations, including
560 autopsies and other laboratory examinations, authorized in s.
561 406.11 ~~s. 406.011~~.
562 Section 11. Paragraph (h) of subsection (3) of section
563 443.131, Florida Statutes, is amended to read:
564 443.131 Contributions.—
565 (3) VARIATION OF CONTRIBUTION RATES BASED ON BENEFIT
566 EXPERIENCE.—
567 (h) *Additional conditions for variation from the standard*
568 *rate.*—An employer's contribution rate may not be reduced below
569 the standard rate under this section unless:
570 1. All contributions, reimbursements, interest, and
571 penalties incurred by the employer for wages paid by him or her
572 in all previous calendar quarters, except the 4 calendar
573 quarters immediately preceding the calendar quarter or calendar
574 year for which the benefit ratio is computed, are paid; ~~and~~
575 2. The employer has produced for inspection and copying all
576 work records in his or her possession, custody, or control which
577 were requested by the Department of Economic Opportunity or its
578 tax collection service provider pursuant to s. 443.171(5); and
579 3.~~2.~~ The employer entitled to a rate reduction must have at
580 least one annual payroll as defined in subparagraph (b)1. unless

581 the employer is eligible for additional credit under the Federal
582 Unemployment Tax Act. If the Federal Unemployment Tax Act is
583 amended or repealed in a manner affecting credit under the
584 federal act, this section applies only to the extent that
585 additional credit is allowed against the payment of the tax
586 imposed by the ~~Federal Unemployment Tax~~ act.
587
588 The tax collection service provider shall assign an earned
589 contribution rate to an employer for ~~under subparagraph 1.~~ the
590 quarter immediately after the quarter in which all
591 contributions, reimbursements, interest, and penalties are paid
592 in full and all work records requested pursuant to s. 443.171(5)
593 have been produced for inspection and copying to the Department
594 of Economic Opportunity or the tax collection service provider.
595 Section 12. Effective January 1, 2014, paragraph (a) of
596 subsection (1) of section 443.141, Florida Statutes, is amended
597 to read:
598 443.141 Collection of contributions and reimbursements.—
599 (1) PAST DUE CONTRIBUTIONS AND REIMBURSEMENTS; DELINQUENT,
600 ERRONEOUS, INCOMPLETE, OR INSUFFICIENT REPORTS.—
601 (a) *Interest*.—Contributions or reimbursements unpaid on the
602 date due bear interest at the rate of 1 percent per month
603 through December 31, 2013. Beginning January 1, 2014, the
604 interest rate shall be calculated in accordance with s. 213.235,
605 except that the rate of interest may not exceed 1 percent per
606 month from and after the ~~that~~ date due until payment plus
607 accrued interest is received by the tax collection service
608 provider, unless the service provider finds that the employing
609 unit has good reason for failing to pay the contributions or

610 reimbursements when due. Interest collected under this
611 subsection must be paid into the Special Employment Security
612 Administration Trust Fund.
613 Section 13. Except as otherwise expressly provided in this
614 act, this act shall take effect upon becoming a law.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SPB 7128

INTRODUCER: For consideration by the Appropriations Committee

SUBJECT: The Internal Revenue Code

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Babin	Hansen		**Submitted as committee bill**
2.				
3.				
4.				
5.				
6.				

I. Summary:

SPB 7128 updates Florida's corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2013.

The American Taxpayer Relief Act of 2012 grants extraordinary deductions for capital asset expensing and depreciation. Similar to past treatment, the bill requires Florida taxpayers to spread the benefit of these deductions over a 7-year period.

The bill authorizes the Department of Revenue to adopt emergency rules to implement this legislation.

The Revenue Estimating Conference (REC) estimates that this bill will have an indeterminate impact on general revenue.

The bill substantially amends sections 220.03 and 220.13, Florida Statutes.

II. Present Situation:

Florida imposes a 5.5 percent tax on the taxable income of corporations and financial institutions doing business in Florida. The determination of taxable income for Florida tax purposes begins with the taxable income used for federal income tax purposes. This means that a corporation paying taxes in Florida receives the same treatment in Florida as is allowed in determining its federal taxable income.

Florida maintains this relationship with the federal Internal Revenue Code by each year adopting the federal Internal Revenue Code as it exists on January 1 of the year. By doing this, Florida adopts any changes that were made in the previous year to the determination of federal taxable income.

III. Effect of Proposed Changes:

General Update

The bill updates the Florida corporate Income Tax Code to reflect changes in the federal Internal Revenue Code enacted by Congress. The bill takes effect upon becoming a law and operates retroactively to January 1, 2013.

Additions due to Bonus Depreciation and Increased Expensing

President Obama signed into law the American Taxpayer Relief Act of 2012[1] on January 2, 2013. The act contained several significant amendments to the Internal Revenue Code.

The Internal Revenue Code allows a taxpayer to deduct the cost of capital assets by deducting a portion of the cost over the useful life of the property (depreciation).[2] Additionally, the Internal Revenue Code allows a taxpayer to treat a certain amount of the cost of capital assets as a business expense that can be taken entirely in the year of purchase (expensing).[3] Until recently, the amount that could be expensed was limited to $25,000.

Similar to other federal legislation during the past several years,[4] the American Taxpayer Relief Act of 2012 grants an additional depreciation deduction (bonus depreciation) and increases the expensing limitation. The American Taxpayer Relief Act of 2012 grants a bonus depreciation amount of 50 percent of the cost of the property placed in service during 2013 and it increases the expensing limitation to $500,000 for taxable years beginning in 2012 and 2013.

In order to slow the fiscal impact of these increased federal deductions on Florida, the bill requires taxpayers to spread the effect of these deductions over 7 taxable years. The bill accomplishes this by requiring taxpayers to "add-back" the bonus depreciation deduction and the amount of the increased expensing deductions above $125,000. The taxpayer is then permitted to subtract from income one-seventh (1/7) of these deductions for the current taxable year and the following 6 taxable years. This mechanism was used to address the impacts of similar federal legislation in 2009 and 2011.[5]

The bill grants the Department of Revenue emergency rulemaking authority to implement the provisions of the bill.

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[1] Pub.L. 112-240
[2] See generally ss. 167 and 168, Internal Revenue Code
[3] See generally s. 179, Internal Revenue Code
[4] See The Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010.
[5] Chapters 2009-132 and 2011-229, Laws of Florida

The bill is effective upon becoming law and operates retroactively to January 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

By adopting recent changes to the Internal Revenue Code, Florida provides ease of administration for Florida corporate taxpayers.

C. Government Sector Impact:

The REC estimates that this bill will have an indeterminate impact on general revenue.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

FOR CONSIDERATION By the Committee on Appropriations

576-02053-13 20137128__

A bill to be entitled

An act relating to the Internal Revenue Code; amending s. 220.03, F.S.; adopting the 2013 version of the code for the purposes of ch. 220, F.S.; amending s. 220.13, F.S.; incorporating a reference to a recent federal act into state law for the purpose of defining the term "adjusted federal income"; authorizing the executive director of the Department of Revenue to adopt emergency rules; providing for retroactive application; providing an effective date.

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

Section 1. Paragraph (n) of subsection (1) and subsection (2) of section 220.03, Florida Statutes, are amended to read:

220.03 Definitions.—

(1) SPECIFIC TERMS.—When used in this code, and when not otherwise distinctly expressed or manifestly incompatible with the intent thereof, the following terms shall have the following meanings:

(n) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended and in effect on January 1, 2013 ~~2012~~, except as provided in subsection (3).

(2) DEFINITIONAL RULES.—When used in this code and neither otherwise distinctly expressed nor manifestly incompatible with the intent thereof:

(a) The word "corporation" or "taxpayer" includes ~~shall be deemed to include~~ the words "and its successors and assigns" as if these words, or words of similar import, were expressed.~~;~~

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(b) Any term used in any section of this code with respect to the application of, or in connection with, the provisions of any other section of this code has ~~shall have~~ the same meaning as in such other section.~~; and~~

(c) Any term used in this code has ~~shall have~~ the same meaning as when used in a comparable context in the Internal Revenue Code and other statutes of the United States relating to federal income taxes, as such code and statutes are in effect on January 1, 2013 ~~2012~~. However, if subsection (3) is implemented, the meaning of a ~~any~~ term shall be taken at the time the term is applied under this code.

Section 2. Paragraph (e) of subsection (1) of section 220.13, Florida Statutes, is amended to read:

220.13 "Adjusted federal income" defined.—

(1) The term "adjusted federal income" means an amount equal to the taxpayer's taxable income as defined in subsection (2), or such taxable income of more than one taxpayer as provided in s. 220.131, for the taxable year, adjusted as follows:

(e) *Adjustments related to federal acts* ~~*the Federal Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, and the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*~~.—Taxpayers shall be required to make the adjustments prescribed in this paragraph for Florida tax purposes with respect ~~in relation~~ to certain tax benefits received pursuant to the Economic Stimulus Act of 2008, the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, ~~and~~ the Tax Relief, Unemployment

59 Insurance Reauthorization, and Job Creation Act of 2010, and the
60 American Taxpayer Relief Act of 2012.
61 1. There shall be added to such taxable income an amount
62 equal to 100 percent of any amount deducted for federal income
63 tax purposes as bonus depreciation for the taxable year pursuant
64 to ss. 167 and 168(k) of the Internal Revenue Code of 1986, as
65 amended by s. 103 of Pub. L. No. 110-185, s. 1201 of Pub. L. No.
66 111-5, s. 2022 of Pub. L. No. 111-240, ~~and~~ s. 401 of Pub. L. No.
67 111-312, and s. 331 of Pub. L. No. 112-240, for property placed
68 in service after December 31, 2007, and before January 1, 2014
69 ~~2013~~. For the taxable year and for each of the 6 subsequent
70 taxable years, there shall be subtracted from such taxable
71 income an amount equal to one-seventh of the amount by which
72 taxable income was increased pursuant to this subparagraph,
73 notwithstanding any sale or other disposition of the property
74 that is the subject of the adjustments and regardless of whether
75 such property remains in service in the hands of the taxpayer.
76 2. There shall be added to such taxable income an amount
77 equal to 100 percent of any amount in excess of $128,000
78 deducted for federal income tax purposes for the taxable year
79 pursuant to s. 179 of the Internal Revenue Code of 1986, as
80 amended by s. 102 of Pub. L. No. 110-185, s. 1202 of Pub. L. No.
81 111-5, s. 2021 of Pub. L. No. 111-240, ~~and~~ s. 402 of Pub. L. No.
82 111-312, and s. 315 of Pub. L. No. 112-240, for taxable years
83 beginning after December 31, 2007, and before January 1, 2014
84 ~~2013~~. For the taxable year and for each of the 6 subsequent
85 taxable years, there shall be subtracted from such taxable
86 income one-seventh of the amount by which taxable income was
87 increased pursuant to this subparagraph, notwithstanding any

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88 sale or other disposition of the property that is the subject of
89 the adjustments and regardless of whether such property remains
90 in service in the hands of the taxpayer.
91 3. There shall be added to such taxable income an amount
92 equal to the amount of deferred income not included in such
93 taxable income pursuant to s. 108(i)(1) of the Internal Revenue
94 Code of 1986, as amended by s. 1231 of Pub. L. No. 111-5. There
95 shall be subtracted from such taxable income an amount equal to
96 the amount of deferred income included in such taxable income
97 pursuant to s. 108(i)(1) of the Internal Revenue Code of 1986,
98 as amended by s. 1231 of Pub. L. No. 111-5.
99 4. Subtractions available under this paragraph may be
100 transferred to the surviving or acquiring entity following a
101 merger or acquisition and used in the same manner and with the
102 same limitations as specified by this paragraph.
103 5. The additions and subtractions specified in this
104 paragraph are intended to adjust taxable income for Florida tax
105 purposes, and, notwithstanding any other provision of this code,
106 such additions and subtractions shall be permitted to change a
107 taxpayer's net operating loss for Florida tax purposes.
108 Section 3. Emergency rules.—
109 (1) The executive director of the Department of Revenue is
110 authorized, and all conditions are deemed met, to adopt
111 emergency rules under ss. 120.536(1) and 120.54(4), Florida
112 Statutes, for the purpose of implementing this act.
113 (2) Notwithstanding any other provision of law, the
114 emergency rules shall remain in effect for 6 months after
115 adoption and may be renewed during the pendency of procedures to
116 adopt permanent rules addressing the subject of the emergency

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117 rules.
118 Section 4. This act shall take effect upon becoming a law
119 and operate retroactively to January 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SPB 7130

INTRODUCER: For consideration by the Appropriations Committee

SUBJECT: Ad Valorem Taxation

DATE: April 1, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Babin	Hansen		**Submitted as Committee Bill**
2.				
3.				
4.				
5.				
6.				

I. Summary:

SPB 7130 updates property tax statutes.

The Revenue Estimating Conference (REC) estimates that the provisions of this bill that repeal the ability of limited liability partnerships to qualify for the affordable housing property tax exemption will increase local property tax revenue by $23.4 million in Fiscal Year 2013-2014.

The REC has not completed its review of the provisions of this bill that exempt certain commonly-owned property used for educational purposes. Staff estimates that these changes will reduce local government property tax revenue by an insignificant amount (less than $50,000).

The bill:

- Accommodates the use of commercial mail delivery service by taxpayers,
- Authorizes the use of electronic mail by property appraisers and value adjustment boards,
- Requires notices related to tax roll certification to be provided on websites,
- Provides long-term lessees the ability to retain homestead limitations in certain instances,
- Conforms appeal and penalty provisions,
- Provides for an automatic renewal for “granny flat” assessment reductions,
- Deletes a statutory requirement related to homestead that has been ruled unconstitutional by the Florida Supreme Court,
- Clarifies the ability of local governments to provide property tax exemptions for persons 65 and older,

- Repeals the ability for limited liability partnerships to qualify for the affordable housing property tax exemption,
- Exempts property used for educational purposes when the entities that own the property and the educational facility are commonly owned, and
- Amends the calculation of payments required by Martin County to St. Lucie County related to the county boundary line change passed in 2012.

The bill substantially amends the following sections of the Florida Statutes: 192.047, 193.122, 193.155, 193.703, 196.031, 196.075, 196.1978, and 196.198.

The bill substantially amends chapter 2012-45, Laws of Florida.

The bill creates section 192.130, Florida Statutes.

II. Present Situation:

The present situation for each section of the proposed bill has been included below in Section III, Effect of Proposed Changes.

III. Effect of Proposed Changes:

Section 1 - Filing Dates for Returns and Applications

Present situation: Section 192.047, F.S., instructs property tax administrators to determine the date a person filed a property tax return or an application for exemption or special classification by using the United States Postal Service postmark date. Taxpayers that use commercial mail delivery service do not receive a United States Postal Service postmark date, and thus, may not receive the same amount of time to file returns and applications.

Proposed change: The proposed bill amends the date of filing provisions to allow a postmark from the United State Postal Service or a commercial mail delivery service to be considered the date of filing for returns and applications.

Section 2 - Electronic Notices Related to Property Taxes

Present situation: Property appraisers must periodically mail notices of proposed property taxes, renewal applications for exemptions, and notices of intent to deny certain exemptions to taxpayers. Value adjustment boards are required to mail board decisions to property appraisers and petitioners.

Proposed change: The proposed bill creates s. 192.130, F.S., authorizing property appraisers to obtain permission from taxpayers to provide notices of proposed property taxes, renewal applications for certain exemptions and notices of intent to deny exemptions by electronic mail (email), rather than by mail. The proposed bill authorizes value adjustment boards to obtain permission to provide board decisions by email, rather than by mail.

In order to provide these items by email, property appraisers and value adjustment boards are required to obtain consent from the recipient in writing and verify the email address of the recipient. If a document is sent by email and the email is returned undeliverable, the property appraiser and value adjustment board must send the item by mail. Documents sent by email must comply with statutory requirements as to notice and form. The sender must renew the consent and verification requirements every 5 years.

Section 3 - Publication of Notice Concerning Certified Assessment Rolls

Present situation: After property appraisers certify their property assessment rolls, they are required to publish a notice of the date of certification in a local periodical meeting certain statutory requirements as to publication frequency, etc.

Proposed change: The proposed bill requires property appraisers to publish the notices of the date of certification on their websites in addition to the notices published in a local periodical.

Section 4 - Ad Valorem Tax – Homestead Exemption and Assessment Limitations

Present situation: Florida provides ad valorem tax exemptions and assessment limitations for homestead property.[1] Both property owners and long-term lessees[2] are entitled to homestead exemptions and assessment limitations if they use their property as a homestead.

Property generally is assessed at just value on January 1 of the year following a "change in ownership." A change of ownership is any sale, foreclosure, or transfer of legal or beneficial title.[3] However, certain title transfers—a transfer of title to correct an error, a transfer between legal and equitable title, and a transfer when the owner is listed as both a grantor and grantee—do not constitute a change of ownership when the person entitled to the homestead does not change after the transfer of title.

Proposed change: For long-term lessees that qualify for homestead tax exemptions and limitations, the proposed bill adds to the list of transfers that do not constitute a change of ownership a transfer of title that occurs when the person who is entitled to the homestead tax treatment is a long-term lessee entitled to homestead pursuant to s. 196.041(1), F.S., and that lessee continues to be entitled to homestead treatment after the transfer of title.

Present situation: When a homestead owner sells homestead property and purchases a new homestead, he or she is entitled to transfer a portion of the assessment limitation accrued on the prior homestead to his or her new homestead.[4] Property appraisers determine the amount of assessment limitation that can be transferred and, if the property owner disagrees, the property owner can appeal to the value adjustment board.[5] Property owners can appeal the value

[1] See generally Fla. Const. Art. VII, ss. 4 and 6
[2] Lessees are entitled to homestead exemptions and assessment limitations if they use the property as a homestead and have a lease of at least 98 years (50 years if executed prior to June 19, 1973). See s. 196.041(1), F.S.
[3] Section 193.155(3)(a), F.S.
[4] See Fla. Const. Art. VII, s. 4(d)(8)
[5] Section 193.155(8)(l), F.S.

adjustment board decision to circuit court, but must do so within 15 days following the value adjustment board decision.[6]

Proposed change: The proposed bill extends the time for property owners to appeal value adjustment board decisions on transfers of assessment limitations from 15 to 60 days, which will align this court filing time frame with the general court filing time frame provided for challenges to tax assessments.[7]

Section 5 - Homestead Exemption; Living Quarters for Parents and Grandparents; Application

Present situation: Counties may provide a reduction in assessed value for living quarters constructed on homestead property for the purpose of providing living quarters for parents or grandparents (granny flats).[8] The authority for the granny flats reduction is in chapter 193, F.S., and thus, counties cannot use their current authority to waive the annual application requirement; the property owner must apply for the assessment reduction every year.

If a property owner claiming the granny flats reduction willfully makes a false statement when applying for the reduction, a civil penalty of not more than $1,000 applies, and the property does not qualify for the reduction for 5 years.

Proposed change: The proposed bill amends the granny flats reduction to allow counties to waive the annual application requirement. Additionally, the proposed bill requires property owners to notify the property appraiser when the property owner no longer qualifies for the reduction. The proposed bill removes the civil penalty and 5 year disqualification provisions from the granny flats reduction, and inserts authorization to assess for any reductions improperly claimed for the prior 10 years, a penalty equal to 50 percent, and 15 percent interest per year. The property appraiser would be required to give the property owner 30 days to pay the assessment; after 30 days, the property appraiser must file a lien against all property of the property owner in the county. If a taxpayer improperly receives the reduction due to a clerical mistake or omission of the property appraiser, the property appraiser may not impose penalty or interest.

Section 6 - Homestead Exemption; Dependents Residing on the Property

Present situation: The statute implementing Florida's homestead exemption requires the property owner to live on the property in order to qualify for the exemption.[9] In 2012, the Florida Supreme Court held that the Florida Constitution grants homestead exemption to a property owner when a dependent of the property owner lives on the property, regardless of whether the owner lives on the property.[10]

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[6] *Id.*
[7] See s. 194.171(2), F.S.
[8] See s. 193.703, F.S.
[9] Section 196.031(1)(a), F.S., provides, in part, that "[e]very person who, on January 1, has . . . title . . . to real property in this state and who resides thereon and in good faith makes the same his or her permanent residence, or the permanent residence of another or others legally or naturally dependent upon such person, is entitled to an exemption . . . ." (emphasis added).
[10] See *Garcia v. Andonie*, 101 So. 3d 339 (Fla. 2012).

Proposed change: The proposed bill removes the statutory requirement that, in order to qualify for homestead exemption, the owner of homestead property must live on the property when a dependent lives on the property.

Section 7 - Additional Homestead Exemption – Person Age 65 or Older

Present situation: Since 1999, counties have been authorized to grant additional homestead exemptions up to $50,000 to persons who are 65 or older and who satisfy certain low-income requirements.[11]

In 2012, the voters approved a constitutional amendment allowing counties to provide an alternative additional exemption for the amount of homestead property with a just value less than $250,000.[12] The implementing legislation[13] inadvertently amended the original 1999 authority, causing concern that additional exemptions lower than $50,000 were no longer authorized.

Proposed change: The proposed bill clarifies that counties are authorized to grant additional homestead exemptions lower than $50,000.

Section 8 - Ad Valorem Tax Exemption – Affordable Housing Property

Present situation: Since 1999, Florida has provided an ad valorem exemption for affordable housing property when the property is wholly-owned by a non-profit corporation that qualified as a charitable 501(c)(3) organization and meets certain other statutory requirements. In 2009,[14] the statute was amended to also allow property to qualify if it was owned by a limited liability partnership and the only general partner of the limited liability partnership was a non-profit corporation that qualified as a charitable 501(c)(3) organization. Since the change was enacted, several for-profit limited liability partnerships have restructured to take advantage of the tax exemption.

Proposed change: The proposed bill amends the affordable housing property exemption to remove the authority of a limited liability partnership that merely has a non-profit general partner that is a charitable 501(c)(3) organization to qualify for the exemption.

Section 9 - Educational Property

Present situation: An educational institution and its property are exempt from ad valorem tax in Florida.[15] Educational institutions often separate their property into separate corporate entities for business planning purposes. In an effort to address this situation, Florida also exempts

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[11] See s. 196.075, F.S.
[12] Amendment 11, 2012 General Election. The amendment originated as CS/HJR 0169 (2012). The text of the amendment can be found on the website of the Florida Department of State at http://election.dos.state.fl.us/initiatives/fulltext/pdf/10-89.pdf (last visited March 18, 2013).
[13] Ch. 2012-57, Laws of Florida.
[14] The original 2009 legislation was ruled to have violated the unfunded mandate provision of the Florida Constitution, Article VII, section 18(a), and potentially the single subject rule of the Florida Constitution, Article III, section 6. See *City of Weston, Florida v. The Honorable Charlie Crist, et. al.*, 2009-CA-2639 (Fla. 1st Circuit 2010). The legislation was passed again in 2011. Ch. 2011-15, Laws of Florida.
[15] Section 196.198, F.S.

property that is not directly owned by the educational institution, as long as the property is used exclusively for educational purposes and is owned by the identical owners of the educational institution. A recent Attorney General's opinion concluded that this exemption does not apply when both the property and the educational institution are in separate corporations and those corporations are owned by the identical people.

Proposed change: The bill extends the educational institution exemption to include situations when the property and the educational institution are owned by separate corporations and those corporations are owned by the identical people.

Section 10 - Change of Boundary of St. Lucie County and Martin County; School Taxes

Present situation: In 2012, the boundary line between St. Lucie and Martin counties was adjusted, transferring the subdivision of Beau Rivage from St. Lucie County to Martin County.[16] The legislation requires Martin County to determine how much tax and assessment revenue the transferred property would have generated for St. Lucie County taxing authorities in Fiscal Year 2013-2014 and requires Martin County to pay St. Lucie County a percentage of that amount for several years.[17] The first payment is 90 percent of the total and is required in Fiscal Year 2013-2014. Thereafter, the payments are reduced by an additional 10 percent per year. The last payment is required in Fiscal Year 2022-2023.

Any loss in the ability of St. Lucie County to generate its required local effort school funding because of the transfer of the subdivision to Martin County will be made up in the Florida Education Finance Program through the state portion of the total required per student funding.

Proposed change: The proposed bill amends ch. 2012-45, Laws of Florida, to exclude taxes levied by school districts from the calculation of the tax payment that Martin County must make to St. Lucie County.

Section 11 provides that the act takes effect July 1, 2013.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The Legislature may not enact, amend, or repeal a general law if the anticipated effect of doing so would be to reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989, except by a two-thirds vote of the membership of each chamber.[18] However, laws that have an "insignificant fiscal impact," which for Fiscal Year 2012-2013 is $1.9 million, do not need a two-thirds vote.[19]

[16] See Ch. 2012-45, Laws of Florida. The law was required because, although the subdivision was located in St. Lucie County, the geography of the area required all government services to traverse Martin County. For instance, due to the vicinity of Martin County schools, the students in the subdivision had attended Martin County schools for many years prior to the boundary shift.
[17] The apparent intent is to slowly transition the tax revenue between the counties.
[18] Fla. Const. Art. VII, s. 18(b)
[19] Fla. Const. Art. VII, s. 18(d)

The REC has not completed its review of the provisions of this bill that exempt certain commonly-owned property used for educational purposes. Staff estimates that these changes will reduce local government property tax revenue by an insignificant amount (less than $50,000). Furthermore, in total, the bill will increase local property tax revenue. Thus, a two-thirds vote is not required.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The REC estimates that the provisions of this bill that repeal the ability of limited liability partnerships to qualify for the affordable housing property tax exemption will increase local property tax revenue by $23.4 million in Fiscal Year 2013-2014. By Fiscal Year 2017-2018, the full recurring impact is estimated to be $140.9 million

The REC has not completed its review of the provisions of this bill that exempt certain commonly-owned property used for educational purposes. Staff estimates that these changes will reduce local government property tax revenue by an insignificant amount (less than $50,000).

B. Private Sector Impact:

The proposed bill creates certainty for taxpayers who use commercial mail delivery services. It provides more access to information for taxpayers by requiring notices of the certification of tax rolls to be on the property appraisers' websites. The proposed bill also provides a tax reduction for long-term lessees in certain situations and provides taxpayers additional time for appealing certain value adjustment board decisions. The proposed bill lessens taxpayer filing requirements by allowing counties to waive annual exemption filing requirements. Additionally, the proposed bill will increase taxes for some limited liability partnerships that have taken advantage of a recently-enacted exemption.

C. Government Sector Impact:

The proposed bill authorizes property appraisers and value adjustment boards to send certain notices electronically, thereby lowering postage expenses; will increase local government property tax revenue by limiting the exemption for affordable housing property; and will lower the amount of taxes that Martin County must pay St. Lucie County, with respect to the boundary change enacted in 2012.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

275532

LEGISLATIVE ACTION

Senate	.	House
Comm: FAV	.	
03/28/2013	.	
	.	
	.	
	.	

The Committee on Appropriations (Hukill) recommended the following:

1 **Senate Amendment**
2
3 Delete lines 247 - 252
4 and insert:
5 percent per annum. However, if a reduction is improperly granted
6 due to a clerical mistake or omission by the property appraiser,
7 the person who improperly received the reduction may not be
8 assessed a penalty or interest. Before such lien may be filed,
9 the owner must be given 30 days within which to pay the taxes,
10 penalties, and interest. Such lien is subject to s. 196.161(3).

FOR CONSIDERATION By the Committee on Appropriations

576-02501C-13 20137130__

A bill to be entitled

An act relating to ad valorem taxation; amending s. 192.047, F.S.; providing that the postmark date of commercial mail delivery service is considered the date of filing for certain ad valorem applications or returns; creating s. 192.048, F.S.; allowing certain ad valorem communications to be sent electronically in lieu of first-class mail; providing requirements; amending s. 193.122, F.S.; requiring a property appraiser to publish notices of date of tax roll certifications and extensions on the property appraiser's website; amending s. 193.155, F.S.; providing that a change of ownership for purposes of assessing property at just value does not apply to lessees entitled to the homestead; extending the time for appealing a value adjustment board's denial of a taxpayer's application to transfer prior homestead assessment limitations to a new homestead; amending s. 193.703, F.S.; authorizing a county to waive the annual application requirement for a reduction in the assessed value of homestead property used to provide living quarters for the parents or grandparents of the owner or spouse of the owner; requiring the property owner to notify the property appraiser if the reduction no longer applies; providing for tax, penalty, and interest assessments if the property owner improperly received reductions; providing for liens; amending s. 196.031, F.S.; deleting the express requirement that titleholders of homesteads live on

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the homestead in order to qualify for homestead tax exemption; amending s. 196.075, F.S., as amended by s. 1 of chapter 2012-57, Laws of Florida; clarifying that local governments that provide additional homestead exemptions to persons 65 and older may provide exemptions up to a certain amount; amending s. 196.1978, F.S.; removing the ability of a general partner classified as a 501(c)(3) organization to qualify as a limited partnership for the affordable housing property tax exemption; providing for retroactive application; amending s. 196.198, F.S.; clarifying the ownership of property used for education purposes and exempt from ad valorem taxation; amending s. 4 of chapter 2012-45, Laws of Florida; providing that taxes imposed by school districts in certain areas are not included in determining the taxes that must be transmitted to St. Lucie County pursuant to the transfer of property from St. Lucie County to Martin County; providing an effective date.

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

Section 1. Subsection (1) of section 192.047, Florida Statutes, is amended to read:

192.047 Date of filing.—

(1) For the purposes of ad valorem tax administration, the date of an official United States Postal Service or commercial mail delivery service postmark on ~~of~~ an application for

59 exemption, an application for special assessment classification,
60 or a return filed by mail is ~~shall be~~ considered the date of
61 filing the application or return.
62 Section 2. Section 192.048, Florida Statutes, is created to
63 read:
64 192.048 Electronic transmission.—
65 (1) Subject to subsection (2), the following documents may
66 be transmitted electronically rather than by regular mail:
67 (a) The notice of proposed property taxes required under s.
68 200.069.
69 (b) The tax exemption renewal application required under s.
70 196.011(6)(a).
71 (c) The tax exemption renewal application required under s.
72 196.011(6)(b).
73 (d) A notification of an intent to deny a tax exemption
74 required under s. 196.011(9)(e).
75 (e) The decision of the value adjustment board required
76 under s. 194.034(2).
77 (2) Electronic transmission pursuant to this section is
78 authorized only under the following conditions:
79 (a) The recipient consents in writing to receiving the
80 document electronically;
81 (b) Before sending a document, the sender verifies the
82 recipient's address by sending an electronic transmission to the
83 recipient and receiving an affirmative response from the
84 recipient verifying that the recipient's address is correct;
85 (c) If a document is returned as undeliverable, the sender
86 must send the document by regular mail, as required by law;
87 (d) Documents sent pursuant to this section must comply

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88 with the same timing and form requirements as if the documents
89 were sent by regular mail; and
90 (e) The sender renews the consent and verification
91 requirements every 5 years.
92 Section 3. Subsection (2) of section 193.122, Florida
93 Statutes, is amended to read:
94 193.122 Certificates of value adjustment board and property
95 appraiser; extensions on the assessment rolls.—
96 (2) After the first certification of the tax rolls by the
97 value adjustment board, the property appraiser shall make all
98 required extensions on the rolls to show the tax attributable to
99 all taxable property. Upon completion of these extensions, and
100 upon satisfying himself or herself that all property is properly
101 taxed, the property appraiser shall certify the tax rolls and
102 shall within 1 week thereafter publish notice of the date and
103 fact of extension and certification on the property appraiser's
104 website and in a periodical meeting the requirements of s.
105 50.011 and publicly display a notice of the date of
106 certification in the office of the property appraiser. The
107 property appraiser shall also supply notice of the date of the
108 certification to any taxpayer who requests one in writing. These
109 certificates and notices shall be made in the form required by
110 the department and ~~shall be~~ attached to each roll as required by
111 the department by rule ~~regulation~~.
112 Section 4. Paragraph (a) of subsection (3) and paragraph
113 (l) of subsection (8) of section 193.155, Florida Statutes, are
114 amended to read:
115 193.155 Homestead assessments.—Homestead property shall be
116 assessed at just value as of January 1, 1994. Property receiving

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117 the homestead exemption after January 1, 1994, shall be assessed
118 at just value as of January 1 of the year in which the property
119 receives the exemption unless the provisions of subsection (8)
120 apply.
121 (3)(a) Except as provided in this subsection or subsection
122 (8), property assessed under this section shall be assessed at
123 just value as of January 1 of the year following a change of
124 ownership. Thereafter, the annual changes in the assessed value
125 of the property are subject to the limitations in subsections
126 (1) and (2). For the purpose of this section, a change of
127 ownership means any sale, foreclosure, or transfer of legal
128 title or beneficial title in equity to any person, except ~~as~~
129 ~~provided in this subsection. There is no change of ownership~~ if:
130 1. Subsequent to the change or transfer, the same person is
131 entitled to the homestead exemption as was previously entitled
132 and:
133 a. The transfer of title is to correct an error;
134 b. The transfer is between legal and equitable title or
135 equitable and equitable title and no additional person applies
136 for a homestead exemption on the property; ~~or~~
137 c. The change or transfer is by means of an instrument in
138 which the owner is listed as both grantor and grantee of the
139 real property and one or more other individuals are additionally
140 named as grantee. However, if any individual who is additionally
141 named as a grantee applies for a homestead exemption on the
142 property, the application is ~~shall be~~ considered a change of
143 ownership; or
144 d. The person is a lessee entitled to the homestead
145 exemption under s. 196.041(1).

146 2. Legal or equitable title is changed or transferred
147 between husband and wife, including a change or transfer to a
148 surviving spouse or a transfer due to a dissolution of marriage;
149 3. The transfer occurs by operation of law to the surviving
150 spouse or minor child or children under s. 732.401; or
151 4. Upon the death of the owner, the transfer is between the
152 owner and another who is a permanent resident and who is legally
153 or naturally dependent upon the owner.
154 (8) Property assessed under this section shall be assessed
155 at less than just value when the person who establishes a new
156 homestead has received a homestead exemption as of January 1 of
157 either of the 2 immediately preceding years. A person who
158 establishes a new homestead as of January 1, 2008, is entitled
159 to have the new homestead assessed at less than just value only
160 if that person received a homestead exemption on January 1,
161 2007, and only if this subsection applies retroactive to January
162 1, 2008. For purposes of this subsection, a husband and wife who
163 owned and both permanently resided on a previous homestead shall
164 each be considered to have received the homestead exemption even
165 though only the husband or the wife applied for the homestead
166 exemption on the previous homestead. The assessed value of the
167 newly established homestead shall be determined as provided in
168 this subsection.
169 (l) The property appraisers of the state shall, as soon as
170 practicable after March 1 of each year and on or before July 1
171 of that year, carefully consider all applications for assessment
172 under this subsection which have been filed in their respective
173 offices on or before March 1 of that year. If, upon
174 investigation, the property appraiser finds that the applicant

175 is entitled to assessment under this subsection, the property
176 appraiser shall make such entries upon the tax rolls of the
177 county as are necessary to allow the assessment. If, after due
178 consideration, the property appraiser finds that the applicant
179 is not entitled ~~under the law~~ to the assessment under this
180 subsection, the property appraiser shall immediately prepare
181 ~~make out~~ a notice of such disapproval, giving his or her reasons
182 therefor, and a copy of the notice must be served upon the
183 applicant by the property appraiser ~~either~~ by personal delivery
184 or by registered mail to the post office address given by the
185 applicant. The applicant may appeal the decision of the property
186 appraiser refusing to allow the assessment under this subsection
187 to the value adjustment board, and the board shall review the
188 application and evidence presented to the property appraiser
189 upon which the applicant based the claim and ~~shall~~ hear the
190 applicant in person or by agent on behalf of his or her right to
191 such assessment. Such appeal shall be heard by an attorney
192 special magistrate if the value adjustment board uses special
193 magistrates. The value adjustment board shall reverse the
194 decision of the property appraiser in the cause and grant
195 assessment under this subsection to the applicant if, in its
196 judgment, the applicant is entitled to ~~be granted~~ the assessment
197 or shall affirm the decision of the property appraiser. The
198 action of the board is final in the cause unless the applicant,
199 within 60 ~~15~~ days following the date of refusal of the
200 application by the board, files in the circuit court of the
201 county in which the homestead is located a proceeding against
202 the property appraiser for a declaratory judgment as is provided
203 under ~~by~~ chapter 86 or other appropriate proceeding. The failure

204 of the taxpayer to appear before the property appraiser or value
205 adjustment board or to file any paper other than the application
206 as provided in this subsection does not constitute a ~~any~~ bar to
207 or defense in the proceedings.
208 Section 5. Subsections (5) and (6) of section 193.703,
209 Florida Statutes, are amended, and subsection (7) is added to
210 that section, to read:
211 193.703 Reduction in assessment for living quarters of
212 parents or grandparents.—
213 (5) At the request of the property appraiser and by a
214 majority vote of the county governing body, a county may waive
215 the annual application requirement after the initial application
216 is filed and the reduction is granted. Notwithstanding such
217 waiver, an application is required if property granted a
218 reduction is sold or otherwise disposed of, the ownership
219 changes in any manner, the applicant for the reduction ceases to
220 use the property as his or her homestead, or the status of the
221 owner changes so as to change the use of the property qualifying
222 for the reduction pursuant to this section ~~If the owner of~~
223 ~~homestead property for which such a reduction in assessed value~~
224 ~~has been granted is found to have made any willfully false~~
225 ~~statement in the application for the reduction, the reduction~~
226 ~~shall be revoked, the owner is subject to a civil penalty of not~~
227 ~~more than $1,000, and the owner shall be disqualified from~~
228 ~~receiving any such reduction for a period of 5 years~~.
229 (6) The property owner shall notify the property appraiser
230 when the property owner no longer qualifies for the reduction in
231 assessed value for living quarters of parents or grandparents,
232 and the previously excluded just value of such improvements as

233 of the first January 1 after the improvements were substantially
234 completed shall be added back to the assessed value of the
235 property.
236 (7) If the property appraiser determines that for any year
237 within the previous 10 years a property owner who was not
238 entitled to a reduction in assessed value under this section was
239 granted such reduction, the property appraiser shall serve on
240 the owner a notice of intent to record in the public records of
241 the county a notice of tax lien against any property owned by
242 that person in the county, and that property must be identified
243 in the notice of tax lien. Any property that is owned by that
244 person and is situated in this state is subject to the taxes
245 exempted by the improper reduction, plus a penalty of 50 percent
246 of the unpaid taxes for each year and interest at a rate of 15
247 percent per annum, unless such reduction is improperly granted
248 as a result of a clerical mistake or omission by the property
249 appraiser. Before any such lien may be filed, the owner must be
250 given 30 days within which to pay the taxes, penalties, and
251 interest. Such a lien is subject to the procedures and
252 provisions set forth in s. 196.161(3).
253 Section 6. Subsection (1) of section 196.031, Florida
254 Statutes, is amended to read:
255 196.031 Exemption of homesteads.—
256 (1)(a) A ~~Every~~ person who, on January 1, has the legal
257 title or beneficial title in equity to real property in this
258 state ~~and who resides thereon~~ and who in good faith makes the
259 property ~~same~~ his or her permanent residence~~,~~ or the permanent
260 residence of another or others legally or naturally dependent
261 upon him or her ~~such person~~, is entitled to an exemption from

262 all taxation, except for assessments for special benefits, up to
263 the assessed valuation of $25,000 on the residence and
264 contiguous real property, as defined in s. 6, Art. VII of the
265 State Constitution. Such title may be held by the entireties,
266 jointly, or in common with others, and the exemption may be
267 apportioned among such of the owners as ~~shall~~ reside thereon, as
268 their respective interests ~~shall~~ appear. If only one of the
269 owners of an estate held by the entireties or held jointly with
270 the right of survivorship resides on the property, that owner is
271 allowed an exemption of up to the assessed valuation of $25,000
272 on the residence and contiguous real property. However, an ~~no~~
273 ~~such~~ exemption of more than $25,000 is not allowed to any one
274 person or on any one dwelling house, except that an exemption up
275 to the assessed valuation of $25,000 may be allowed on each
276 apartment or mobile home occupied by a tenant-stockholder or
277 member of a cooperative corporation and on each condominium
278 parcel occupied by its owner. Except for owners of an estate
279 held by the entireties or held jointly with the right of
280 survivorship, the amount of the exemption may not exceed the
281 proportionate assessed valuation of all owners who reside on the
282 property. Before such exemption may be granted, the deed or
283 instrument shall be recorded in the official records of the
284 county in which the property is located. The property appraiser
285 may request the applicant to provide additional ownership
286 documents to establish title.
287 (b) Every person who qualifies to receive the exemption
288 provided in paragraph (a) is entitled to an additional exemption
289 of up to $25,000 on the assessed valuation greater than $50,000
290 for all levies other than school district levies.

Section 7. Subsection (2) of section 196.075, as amended by section 1 of chapter 2012-57, Laws of Florida, is amended to read:

Section 1. Section 196.075, Florida Statutes, is amended to read:

196.075 Additional homestead exemption for persons 65 and older.—

(2) In accordance with s. 6(d), Art. VII of the State Constitution, the board of county commissioners of any county or the governing authority of any municipality may adopt an ordinance to allow either or both of the following an additional homestead exemptions:

(a) Up to $50,000 ~~Fifty thousand dollars~~ for any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age 65, and whose household income does not exceed $20,000; or

(b) The amount of the assessed value of the property for any person who has the legal or equitable title to real estate with a just value less than $250,000 and has maintained thereon the permanent residence of the owner for at least 25 years, who has attained age 65, and whose household income does not exceed the income limitation prescribed in paragraph (a), as calculated in subsection (3).

Section 8. Applying retroactively to the 2013 tax roll, section 196.1978, Florida Statutes, is amended to read:

196.1978 Affordable housing property exemption.—Property used to provide affordable housing serving eligible persons as defined by s. 159.603~~(7)~~ and natural persons or families meeting the extremely-low-income, very-low-income, low-income, or

moderate-income limits specified in s. 420.0004, which ~~property~~ is owned entirely by a nonprofit entity that is a corporation not for profit, qualified as charitable under s. 501(c)(3) of the Internal Revenue Code and in compliance with Rev. Proc. 96-32, 1996-1 C.B. 717, is ~~or a Florida based limited partnership, the sole general partner of which is a corporation not for profit which is qualified as charitable under s. 501(c)(3) of the Internal Revenue Code and which complies with Rev. Proc. 96-32, 1996-1 C.B. 717, shall be~~ considered property owned by an exempt entity and used for a charitable purpose, and those portions of the affordable housing property which provide housing to natural persons or families classified as extremely low income, very low income, low income, or moderate income under s. 420.0004 are ~~shall be~~ exempt from ad valorem taxation to the extent authorized in s. 196.196. All property identified in this section must ~~shall~~ comply with the criteria provided under s. 196.195 for determining ~~determination of~~ exempt status and ~~to be~~ applied by property appraisers on an annual basis ~~as defined in s. 196.195~~. The Legislature intends that any property owned by a limited liability company ~~or limited partnership~~ which is disregarded as an entity for federal income tax purposes pursuant to Treasury Regulation 301.7701-3(b)(1)(ii) ~~shall~~ be treated as owned by its sole member ~~or sole general partner~~.

Section 9. Section 196.198, Florida Statutes, is amended to read:

196.198 Educational property exemption.—Educational institutions within this state and their property used by them or by any other exempt entity or educational institution

349 exclusively for educational purposes is ~~shall be~~ exempt from
350 taxation. Sheltered workshops providing rehabilitation and
351 retraining of ~~disabled~~ individuals who have disabilities and
352 exempted by a certificate under s. (d) of the federal Fair Labor
353 Standards Act of 1938, as amended, are declared wholly
354 educational in purpose and are exempt ~~shall be exempted~~ from
355 certification, accreditation, and membership requirements set
356 forth in s. 196.012. Those portions of property of college
357 fraternities and sororities certified by the president of the
358 college or university to the appropriate property appraiser as
359 being essential to the educational process are ~~shall be~~ exempt
360 from ad valorem taxation. The use of property by public fairs
361 and expositions chartered by chapter 616 is presumed to be an
362 educational use of such property and is ~~shall be~~ exempt from ad
363 valorem taxation to the extent of such use. Property used
364 exclusively for educational purposes shall be deemed owned by an
365 educational institution if the entity owning 100 percent of the
366 educational institution is owned by the identical natural
367 persons who own the property, or if the entity owning 100
368 percent of the educational institution and the entity owning the
369 property are owned by the identical natural persons. Land,
370 buildings, and other improvements to real property used
371 exclusively for educational purposes shall be deemed owned by an
372 educational institution if the entity owning 100 percent of the
373 land is a nonprofit entity and the land is used, under a ground
374 lease or other contractual arrangement, by an educational
375 institution that owns the buildings and other improvements to
376 the real property, is a nonprofit entity under s. 501(c)(3) of
377 the Internal Revenue Code, and provides education limited to

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

378 students in prekindergarten through grade 8. If legal title to
379 property is held by a governmental agency that leases the
380 property to a lessee, the property shall be deemed to be owned
381 by the governmental agency and used exclusively for educational
382 purposes if the governmental agency continues to use such
383 property exclusively for educational purposes pursuant to a
384 sublease or other contractual agreement with that lessee. If the
385 title to land is held by the trustee of an irrevocable inter
386 vivos trust and if the trust grantor owns 100 percent of the
387 entity that owns an educational institution that is using the
388 land exclusively for educational purposes, the land is deemed to
389 be property owned by the educational institution for purposes of
390 this exemption. Property owned by an educational institution
391 shall be deemed to be used for an educational purpose if the
392 institution has taken affirmative steps to prepare the property
393 for educational use. The term "affirmative steps" means
394 environmental or land use permitting activities, creation of
395 architectural plans or schematic drawings, land clearing or site
396 preparation, construction or renovation activities, or other
397 similar activities that demonstrate commitment of the property
398 to an educational use.
399 Section 10. Section 4 of chapter 2012-45, Laws of Florida,
400 is amended to read:
401 Section 4. The governing bodies of St. Lucie County and
402 Martin County shall enter into an interlocal agreement by ~~no~~
403 ~~later than~~ May 1, 2013, which must ~~shall~~ provide a financially
404 feasible plan for transfer of services, personnel, and public
405 infrastructure from St. Lucie County to Martin County. The
406 agreement must ~~shall~~ include compensation for the value of

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

407 infrastructure investments by St. Lucie County in the
408 transferred property minus depreciation, if any. ~~Upon the~~
409 Effective July 1, 2013 ~~date of this act~~, the total tax and
410 assessment revenue that would have been generated in fiscal year
411 2013-2014 by all St. Lucie County taxing authorities levying
412 taxes or assessments within the area transferred to Martin
413 County, except for taxes levied by school districts, less 10
414 percent shall be transmitted to St. Lucie County for
415 distribution to the county and all other affected taxing
416 authorities. Thereafter, through fiscal year 2022-2023, the tax
417 and assessment revenue amount that would have been generated by
418 all St. Lucie County taxing authorities levying taxes or
419 assessments in the transferred area for fiscal year 2013-2014
420 shall serve as the base amount of tax and assessment revenue for
421 further annual reductions of 10 percent of the base amount
422 before annual distributions to the St. Lucie County through
423 fiscal year 2022-2023. However, for any fiscal year through
424 fiscal year 2022-2023, if ~~when~~ the total taxes and assessments
425 collected within the transferred area exceed the base amount by
426 more than 3 percent, St. Lucie County shall receive the same
427 percentage distribution from the tax and assessment revenue that
428 exceeds the base amount by more than 3 percent as they will
429 receive from the base amount. All distributions to St. Lucie
430 County shall occur within 30 days after the beginning of each
431 calendar year.
432 Section 11. This act shall take effect July 1, 2013.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: _____

Topic: Ad Valorem Taxes

Bill Number: 7130 (if applicable)

Name: Eric Poole

Amendment Barcode: _____ (if applicable)

Job Title: Asst. Leg Dir

Address: 100 Monroe (Street)

Tall Fl 32311 (City, State, Zip)

Phone: 922-9800

E-mail: _____

Speaking: [x] For [ ] Against [ ] Information

Representing: Florida Assoc Counties

Appearing at request of Chair: [ ] Yes [x] No

Lobbyist registered with Legislature: [x] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

The Florida Senate

BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SPB 7132

INTRODUCER: For consideration by the Appropriations Committee

SUBJECT: Taxation

DATE: March 28, 2013 REVISED:

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Cote/Fournier	Hansen		**Submitted as committee bill**
2.				
3.				
4.				
5.				
6.				

I. Summary:

SPB 7132 reduces the annual fees paid to register a motor vehicle. The reduction in fees results in a $12 annual decrease in the amount paid to register a motor vehicle.

The bill also deletes a tax credit that insurance companies can take against their premium tax liability of up to 15 percent of salaries paid to employees located or based within Florida.

The Revenue Estimating Conference has not considered the fiscal impact of this bill. Staff estimates that the reduced motor vehicle fees will decrease revenues to the General Revenue Fund by approximately $225 million on a recurring basis. The repeal of the insurance premium tax credit is expected to increase revenues to the General Revenue Fund by at least $220 million on a recurring basis.

The sections of this bill relating to fees for motor vehicle registrations are effective September 1, 2013. The sections of this bill relating to the tax credit for insurance companies are effective upon becoming law and apply to the 2013 insurance premium tax year.

This bill substantially amends the following sections of the Florida Statutes: 320.04, 320.06, 320.0804, 320.08046, 624.509, 624.5091, and 624.51055.

II. Present Situation:

Motor Vehicle Registration Fees

In 2009, the Legislature increased fees for annual motor vehicle registrations, along with other fees related to the issuance of driver's licenses, identification cards, driver's license reinstatements, motor vehicle titles, and driver's records. The revenues received from the increased fees were deposited into the General Revenue Fund.

Section 320.04(1)(a), F.S., provides for a service charge of $5.00 for each application of an original issuance, duplicate issuance or transfer of any license plate, mobile home sticker or validation sticker, including the transfer or duplicate issuance of any registration certification. Of the $5.00 fee, $2.50 is deposited into the General Revenue Fund, with the remainder retained by the Department of Highway Safety and Motor Vehicles (department) or the tax collector.

Section 320.04(1)(b), F.S., provides for a service charge of $3.00 for the issuance of each license plate validation sticker, vessel decal, or mobile home sticker issued from an automated vending facility or a printer dispenser machine. The fee is payable to the department, of which $1.00 is used to provide for the machines and $2.00 is deposited into the General Revenue Fund.

Section 320.06(3)(b) provides for a $1.50 fee on each motor vehicle registration or renewal registration issued in order to treat all license plate validation stickers with retroflective material. Of the $1.50 fee, $1.00 is deposited into the General Revenue Fund and 50 cents is deposited into the Highway Safety Operating Trust Fund.

Section 320.0804, F.S., provides for a $4.00 surcharge on each annual license tax imposed under s. 320.08, F.S.,[1] of which $2.00 is deposited into the General Revenue Fund and $2.00 is deposited into the State Transportation Trust Fund.

Section 320.08046, F.S., provides for a $5.50 surcharge on each annual license tax imposed under s. 320.08, F.S., of which $4.50 is deposited into the General Revenue Fund and $1.00 is deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice.

Insurance Premium Tax – Salary Credit

Florida imposes a tax of 1.75 percent on most Florida insurance premiums. (Other tax rates apply to wet marine and transportation insurance, self-insurance, and annuity premiums.) Several credits are provided that can be used by insurance companies to reduce their premium tax liability.[2]

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[1] The annual license tax imposed under s. 320.08, F.S. is paid upon the registration or renewal of motor vehicles, mopeds, motorized bikes, tri-vehicles and mobile homes.

[2] Credit for payments to the Municipal Firefighters' Pension Fund (s. 175.141, F.S.) and Municipal Police Officers' Retirement Fund (s. 185.12, F.S.); Corporate Income Tax Credit (s. 624.509(4),F.S.); Florida Employees' Salary Credit (s. 624.509(5),F.S.); New Markets Tax Credit (s. 288.9916, F.S.);Capital Investment Tax Credit (s. 220.191, F.S.); Community Contribution Tax Credit (s. 624.5105, F.S.); Child Care Tax Credit (s. 624.5107, F.S.); Credit for Contributions to Scholarship-Funding Organizations (s. 624.51055, F.S.); Credit for Workers' Compensation Assessments (440.51, F.S.); and Credit for Florida Life and Health Insurance Guaranty Association Assessments (s. 631.72, F.S.).

The Florida employees' salary credit is equal to 15 percent of salaries paid to employees located or based within this state, and does not include amounts paid as commissions. For purposes of this credit, "employees" does not include independent contractors or any person whose duties require that the person hold a valid license under the Florida Insurance Code, except adjustors, managing general agents, and service representatives.

Until 1987, Florida exempted insurance companies that maintained their home offices in Florida from the insurance premium tax, and provided a lower tax rate for out-of-state insurance companies doing business in Florida if they owned and substantially occupied any building in the state as a regional home office. Chapter 87-99, L.O.F., repealed these differential rates and provided a credit equal to 10 percent of the salaries of Florida employees. One year later, chapter 88-20, L.O.F., increased the salary credit to 15 percent.

The maximum credit that can be taken is equal to the lesser of total premium tax due after subtracting credits for taxes levied for police retirement funds and firefighters' pension funds and corporate income taxes paid or 15 percent of eligible Florida salaries. This amount is further limited by the requirement that the sum of the salary credit and the credit for corporate income taxes paid may not exceed 65 percent of the total premium tax due after subtracting credits for taxes levied for police retirement funds and firefighters' pension funds and workers' compensation assessment credits.

Credits and deductions against the insurance premium tax must be taken in the following order prescribed in s. 624.509(7), F.S.: Workers' Compensation Administrative Assessment credits, credits for taxes paid into firefighters' pension funds and police retirement funds, credits for corporate income taxes, credits for employees' salaries, and all other available credits and deductions.

Because of the types of credits that are available, the order in which they must be taken, and the limits place on some credits, an insurance company's ability to take full advantage of the statutory credits depends on the type of insurance it sells. In the 2011 insurance premium tax year, the total available salary credits were $320.5 million. However, because of the 65 percent limitation on combined salary and corporate income tax credits, total salary credits taken were $219.8 million. The current insurance premium tax forecast assumes salary credits taken for the 2012 insurance premium tax year will equal $230.1 million.

III. Effect of Proposed Changes:

Section 1 amends s. 320.04, F.S., to decrease from $5.00 to $2.50 a service charge imposed on each application of an original issuance, duplicate issuance or transfer of any license plate, mobile home sticker or validation sticker, including the transfer or duplicate issuance of any registration certification.

This section also decreases from $3.00 to $1.00 a service charge imposed on the issuance of a registration receipt for a vehicle, vessel or mobile home registration and specifies that fee be payable to and retained by the department. (The proposed decrease lowers the fee to the amount of the fee prior to the 2009 increase in motor vehicle fees.)

Section 2 amends 320.06(3)(b), F.S. to decrease from $1.50 to 50 cents a fee imposed on each motor vehicle registration issued in order to treat all license plates and validation stickers with retroflective material. The revenues will be deposited into the Highway Safety Operating Trust Fund. (The proposed decrease lowers the fee to the amount of the fee prior to the 2009 increase in motor vehicle fees.)

Section 3 amends 320.0804, F.S., to decrease the surcharge on each license tax imposed under s. 320.08, F.S.,[3] excluding mobile home registrations. The surcharge is decreased from $4.00 to $2.00 and provides for the revenues to be deposited into the State Transportation Trust Fund. (The proposed decrease lowers the fee to the amount of the fee prior to the 2009 increase in motor vehicle fees.)

Section 4 amends 320.08046, F.S., to decrease the surcharge on each license tax imposed under s. 320.08, F.S., excluding mobile home registrations. The surcharge is decreased from $5.50 to $1.00 and provides for the revenues to be deposited into the Grants and Donations Trust Fund in the Department of Juvenile Justice. (The proposed decrease lowers the fee to the amount of the fee prior to the 2009 increase in motor vehicle fees.)

Sections 5 reenacts s. 320.0807, F.S. to incorporate changes made to s. 320.06, F.S.

Section 6 amends s. 624.509, F.S., to delete the insurance premium tax credit for Florida employees' salaries, effective January 1, 2013.

Section 7 amends s.624.5091, F.S., to make changes conforming to the repeal of the insurance premium tax credit.

Section 8 amends 624.51055, F.S., to make changes conforming to the repeal of the insurance premium tax credit.

Section 9 provides that sections 1 through 5 (motor vehicle registration fees) are effective September 1, 2013 and sections 6 through 8 (insurance premium tax credit) are effective upon becoming law and apply to the 2013 insurance premium tax year.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

[3] The annual license tax imposed under s. 320.08, F.S. is paid upon the registration or renewal of motor vehicles, mopeds, motorized bikes, tri-vehicles and mobile homes.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

This bill decreases the following fees for vehicle registration to the amount of the fee prior to September 1, 2009:

Vehicle Registration Fees	Current Fee	New Fee
Registration Service Charge	$5.00	$2.50
Validation Sticker Service Charge	$3.00	$1.00
Retro-reflective Tag Sticker	$1.50	$0.50
License Tax Surcharge (STTF)	$4.00	$2.00
License Tax Surcharge (DJJ)	$5.50	$1.00

The reduction in motor vehicle registration fees results in a $12 annual decrease in the amount paid to register a motor vehicle. The Revenue Estimating Conference has not yet determined the impact from reducing motor vehicle registration fees. Staff estimates the reduced fees will decrease General Revenue by approximately $225 million on a recurring basis.

The repeal of the insurance premium tax credit is expected to increase General Revenue by at least $220 million on a recurring basis.

B. Private Sector Impact:

Private motor vehicle owners will be assessed lower fees when making purchases related to motor vehicle registrations.

This bill is expected to increase the insurance premium tax liability of insurance companies doing business in Florida by at least $220 million on a recurring basis.

C. Government Sector Impact:

The fee reductions in this bill will require programming changes to the Department of Highway Safety and Motor Vehicle's financial management system. The department should be able to absorb the workload within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

FOR CONSIDERATION By the Committee on Appropriations

576-02874B-13 20137132__

A bill to be entitled

An act relating to taxation; amending s. 320.04, F.S.; reducing the service charges that are collected with an application for the original issuance, duplicate issuance, or transfer of certain specified registration certificates; amending s. 320.06, F.S.; reducing a fee collected for a motor vehicle registration; amending ss. 320.0804 and 320.08046, F.S.; reducing a surcharge on a license tax; reenacting s. 320.0807(4), F.S., relating to special vehicle license plates for the Governor and federal and state legislators, to incorporate the amendment made to s. 320.06, F.S., in a reference thereto; amending s. 624.509, F.S.; deleting a credit based on the amount paid in salaries to employees within this state; amending ss. 624.5091 and 624.51055, F.S.; revising provisions to conform to changes made by the act; providing effective dates.

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

Section 1. Section 320.04, Florida Statutes, is amended to read:

320.04 Registration service charge.—

(1)(a) There shall be a service charge of $2.50 ~~$5~~ for each application which is handled in connection with original issuance, duplicate issuance, or transfer of any license plate, mobile home sticker, or validation sticker or with transfer or duplicate issuance of any registration certificate, which shall

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~~. Of that amount, $2.50 shall be deposited into the General Revenue Fund, and the remainder shall~~ be retained by the department or by the tax collector, as the case may be, as other fees accruing to those offices.

(b) There shall also be a service charge of $1 ~~$3~~ for the issuance of each license plate validation sticker, vessel decal, and mobile home sticker issued from an automated vending facility or printer dispenser machine, which is payable to the department, which~~. Of that amount, $1~~ shall be used to provide for automated vending facilities or printer dispenser machines used to dispense such stickers and decals by each tax collector's or license tag agent's employee. ~~The remaining $2 shall be deposited into the General Revenue Fund.~~

(c) The tax collector may impose an additional service charge of not more than 50 cents on any transaction specified in paragraph (a) or paragraph (b), or on any transaction specified in s. 319.32(2)(a) or s. 328.48 if such transaction occurs at any tax collector's branch office.

Section 2. Section 320.06, Florida Statutes, is amended to read:

320.06 Registration certificates, license plates, and validation stickers generally.—

(1)(a) Upon the receipt of an initial application for registration and payment of the appropriate license tax and other fees required by law, the department shall assign to the motor vehicle a registration license number consisting of letters and numerals or numerals and issue to the owner or lessee a certificate of registration and one registration license plate, unless two plates are required for display by s.

59 320.0706, for each vehicle so registered.
60 (b) Registration license plates bearing a graphic symbol
61 and the alphanumeric system of identification shall be issued
62 for a 10-year period. At the end of that 10-year period, upon
63 renewal, the plate shall be replaced. The department shall
64 extend the scheduled license plate replacement date from a 6-
65 year period to a 10-year period. The fee for such replacement is
66 $28, $2.80 of which shall be paid each year before the plate is
67 replaced, to be credited towards the next $28 replacement fee.
68 The fees shall be deposited into the Highway Safety Operating
69 Trust Fund. A credit or refund may not be given for any prior
70 years' payments of such prorated replacement fee if the plate is
71 replaced or surrendered before the end of the 10-year period,
72 except that a credit may be given if a registrant is required by
73 the department to replace a license plate under s.
74 320.08056(8)(a). With each license plate, a validation sticker
75 shall be issued showing the owner's birth month, license plate
76 number, and the year of expiration or the appropriate renewal
77 period if the owner is not a natural person. The validation
78 sticker shall be placed on the upper right corner of the license
79 plate. Such license plate and validation sticker shall be issued
80 based on the applicant's appropriate renewal period. The
81 registration period is 12 months, the extended registration
82 period is 24 months, and all expirations occur based on the
83 applicant's appropriate registration period. A vehicle with an
84 apportioned registration shall be issued an annual license plate
85 and a cab card that denote the declared gross vehicle weight for
86 each apportioned jurisdiction in which the vehicle is authorized
87 to operate.

88 (c) Registration license plates equipped with validation
89 stickers subject to the registration period are valid for not
90 more than 12 months and expire at midnight on the last day of
91 the registration period. A registration license plate equipped
92 with a validation sticker subject to the extended registration
93 period is valid for not more than 24 months and expires at
94 midnight on the last day of the extended registration period.
95 For each registration period after the one in which the metal
96 registration license plate is issued, and until the license
97 plate is required to be replaced, a validation sticker showing
98 the month and year of expiration shall be issued upon payment of
99 the proper license tax amount and fees and is valid for not more
100 than 12 months. For each extended registration period occurring
101 after the one in which the metal registration license plate is
102 issued and until the license plate is required to be replaced, a
103 validation sticker showing the year of expiration shall be
104 issued upon payment of the proper license tax amount and fees
105 and is valid for not more than 24 months. When license plates
106 equipped with validation stickers are issued in any month other
107 than the owner's birth month or the designated registration
108 period for any other motor vehicle, the effective date shall
109 reflect the birth month or month and the year of renewal.
110 However, when a license plate or validation sticker is issued
111 for a period of less than 12 months, the applicant shall pay the
112 appropriate amount of license tax and the applicable fee under
113 s. 320.14 in addition to all other fees. Validation stickers
114 issued for vehicles taxed under s. 320.08(6)(a), for any company
115 that owns 250 vehicles or more, or for semitrailers taxed under
116 the provisions of s. 320.08(5)(a), for any company that owns 50

117 vehicles or more, may be placed on any vehicle in the fleet so
118 long as the vehicle receiving the validation sticker has the
119 same owner's name and address as the vehicle to which the
120 validation sticker was originally assigned.
121 (2) The department shall provide the several tax collectors
122 and license plate agents with the necessary number of validation
123 stickers.
124 (3)(a) Registration license plates must be made of metal
125 specially treated with a retroreflection material, as specified
126 by the department. The registration license plate is designed to
127 increase nighttime visibility and legibility and must be at
128 least 6 inches wide and not less than 12 inches in length,
129 unless a plate with reduced dimensions is deemed necessary by
130 the department to accommodate motorcycles, mopeds, or similar
131 smaller vehicles. Validation stickers must also be treated with
132 a retroreflection material, must be of such size as specified by
133 the department, and must adhere to the license plate. The
134 registration license plate must be imprinted with a combination
135 of bold letters and numerals or numerals, not to exceed seven
136 digits, to identify the registration license plate number. The
137 license plate must be imprinted with the word "Florida" at the
138 top and the name of the county in which it is sold, the state
139 motto, or the words "Sunshine State" at the bottom. Apportioned
140 license plates must have the word "Apportioned" at the bottom
141 and license plates issued for vehicles taxed under s.
142 320.08(3)(d), (4)(m) or (n), (5)(b) or (c), or (14) must have
143 the word "Restricted" at the bottom. License plates issued for
144 vehicles taxed under s. 320.08(12) must be imprinted with the
145 word "Florida" at the top and the word "Dealer" at the bottom.

146 Manufacturer license plates issued for vehicles taxed under s.
147 320.08(12) must be imprinted with the word "Florida" at the top
148 and the word "Manufacturer" at the bottom. License plates issued
149 for vehicles taxed under s. 320.08(5)(d) or (e) must be
150 imprinted with the word "Wrecker" at the bottom. Any county may,
151 upon majority vote of the county commission, elect to have the
152 county name removed from the license plates sold in that county.
153 The state motto or the words "Sunshine State" shall be printed
154 in lieu thereof. A license plate issued for a vehicle taxed
155 under s. 320.08(6) may not be assigned a registration license
156 number, or be issued with any other distinctive character or
157 designation, that distinguishes the motor vehicle as a for-hire
158 motor vehicle.
159 (b) An additional fee of $.50 ~~$1.50~~ shall be collected and
160 deposited into the Highway Safety Operating Trust Fund on each
161 motor vehicle registration or motor vehicle renewal registration
162 issued in this state in order for all license plates and
163 validation stickers to be fully treated with retroreflection
164 material. ~~Of that amount, $1 shall be deposited into the General~~
165 ~~Revenue Fund and 50 cents shall be deposited into the Highway~~
166 ~~Safety Operating Trust Fund.~~
167 Section 3. Section 320.0804, Florida Statutes, is amended
168 to read:
169 320.0804 Surcharge on license tax; transportation trust
170 fund.—There is hereby levied and imposed on each license tax
171 imposed under s. 320.08, except those set forth in s.
172 320.08(11), a surcharge in the amount of $2 ~~$4~~, which shall be
173 collected in the same manner as the license tax and~~. Of this~~
174 ~~amount, $2 shall be~~ deposited into the State Transportation

175 Trust Fund~~, and $2 shall be deposited into the General Revenue~~
176 ~~Fund~~.
177 Section 4. Section 320.08046, Florida Statutes, is amended
178 to read:
179 320.08046 Surcharge on license tax.—There is levied on each
180 license tax imposed under s. 320.08, except those set forth in
181 s. 320.08(11), a surcharge in the amount of $1 ~~$5.50~~, which
182 shall be collected in the same manner as the license tax and ~~.~~
183 ~~Of the proceeds of each license tax surcharge, $4.50 shall be~~
184 ~~deposited into the General Revenue Fund and $1 shall be~~
185 deposited into the Grants and Donations Trust Fund in the
186 Department of Juvenile Justice to fund the juvenile crime
187 prevention programs and the community juvenile justice
188 partnership grants program.
189 Section 5. For the purpose of incorporating the amendment
190 made by this act to section 320.06, Florida Statutes, in a
191 reference thereto, subsection (4) of section 320.0807, Florida
192 Statutes, is reenacted to read:
193 320.0807 Special license plates for Governor and federal
194 and state legislators.—
195 (4) License plates purchased under subsection (1),
196 subsection (2), or subsection (3) shall be replaced by the
197 department at no cost, other than the fees required by ss.
198 320.04 and 320.06(3)(b), when the person to whom the plates have
199 been issued leaves the elective office with respect to which the
200 license plates were issued. Within 30 days after leaving office,
201 the person to whom the license plates have been issued shall
202 make application to the department for a replacement license
203 plate. The person may return the prestige license plates to the

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204 department or may retain the plates as souvenirs. Upon receipt
205 of the replacement license plate, the person may not continue to
206 display on any vehicle the prestige license plate or plates
207 issued with respect to his or her former office.
208 Section 6. Subsections (5), (6), (7), (8), and (9) of
209 section 624.509, Florida Statutes, are amended to read:
210 624.509 Premium tax; rate and computation.—
211 ~~(5)(a)1. There shall be allowed a credit against the net~~
212 ~~tax imposed by this section equal to 15 percent of the amount~~
213 ~~paid by an insurer in salaries to employees located or based~~
214 ~~within this state and who are covered by the provisions of~~
215 ~~chapter 443.~~
216 ~~2. As an alternative to the credit allowed in subparagraph~~
217 ~~1., an affiliated group of corporations which includes at least~~
218 ~~one insurance company writing premiums in Florida may elect to~~
219 ~~take a credit against the net tax imposed by this section in an~~
220 ~~amount that may not exceed 15 percent of the salary of the~~
221 ~~employees of the affiliated group of corporations who perform~~
222 ~~insurance related activities, are located or based within this~~
223 ~~state, and are covered by chapter 443. For purposes of this~~
224 ~~subparagraph, the term "affiliated group of corporations" means~~
225 ~~two or more corporations that are entirely owned directly or~~
226 ~~indirectly by a single corporation and that constitute an~~
227 ~~affiliated group as defined in s. 1504(a) of the Internal~~
228 ~~Revenue Code. The amount of credit allowed under this~~
229 ~~subparagraph is limited to the combined Florida salary tax~~
230 ~~credits allowed for all insurance companies that were members of~~
231 ~~the affiliated group of corporations for the tax year ending~~
232 ~~December 31, 2002, divided by the combined Florida taxable~~

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~~premiums written by all insurance companies that were members of the affiliated group of corporations for the tax year ending December 31, 2002, multiplied by the combined Florida taxable premiums of the affiliated group of corporations for the current year. An affiliated group of corporations electing this alternative calculation method must make such election on or before August 1, 2005. The election of this alternative calculation method is irrevocable and binding upon successors and assigns of the affiliated group of corporations electing this alternative. However, if a member of an affiliated group of corporations acquires or merges with another insurance company after the date of the irrevocable election, the acquired or merged company is not entitled to the affiliated group election and shall only be entitled to calculate the tax credit under subparagraph 1.~~

~~In no event shall the salary paid to an employee by an affiliated group of corporations be claimed as a credit by more than one insurer or be counted more than once in an insurer's calculation of the credit as described in subparagraph 1. or subparagraph 2. Only the portion of an employee's salary paid for the performance of insurance related activities may be included in the calculation of the premium tax credit in this subsection.~~

~~(b) For purposes of this subsection:~~

~~1. The term "salaries" does not include amounts paid as commissions.~~

~~2. The term "employees" does not include independent contractors or any person whose duties require that the person~~

~~hold a valid license under the Florida Insurance Code, except adjusters, managing general agents, and service representatives, as defined in s. 626.015.~~

~~3. The term "net tax" means the tax imposed by this section after applying the calculations and credits set forth in subsection (4).~~

~~4. An affiliated group of corporations that created a service company within its affiliated group on July 30, 2002, shall allocate the salary of each service company employee covered by contracts with affiliated group members to the companies for which the employees perform services. The salary allocation is based on the amount of time during the tax year that the individual employee spends performing services or otherwise working for each company over the total amount of time the employee spends performing services or otherwise working for all companies. The total amount of salary allocated to an insurance company within the affiliated group shall be included as that insurer's employee salaries for purposes of this section.~~

~~a. Except as provided in subparagraph (a)2., the term "affiliated group of corporations" means two or more corporations that are entirely owned by a single corporation and that constitute an affiliated group of corporations as defined in s. 1504(a) of the Internal Revenue Code.~~

~~b. The term "service company" means a separate corporation within the affiliated group of corporations whose employees provide services to affiliated group members and which are treated as service company employees for reemployment assistance or unemployment compensation and common law purposes. The~~

291 ~~holding company of an affiliated group may not qualify as a~~
292 ~~service company. An insurance company may not qualify as a~~
293 ~~service company.~~
294 ~~c. If an insurance company fails to substantiate, whether~~
295 ~~by means of adequate records or otherwise, its eligibility to~~
296 ~~claim the service company exception under this section, or its~~
297 ~~salary allocation under this section, no credit shall be~~
298 ~~allowed.~~
299 ~~5. A service company that is a subsidiary of a mutual~~
300 ~~insurance holding company, which mutual insurance holding~~
301 ~~company was in existence on or before January 1, 2000, shall~~
302 ~~allocate the salary of each service company employee covered by~~
303 ~~contracts with members of the mutual insurance holding company~~
304 ~~system to the companies for which the employees perform~~
305 ~~services. The salary allocation is based on the ratio of the~~
306 ~~amount of time during the tax year which the individual employee~~
307 ~~spends performing services or otherwise working for each company~~
308 ~~to the total amount of time the employee spends performing~~
309 ~~services or otherwise working for all companies. The total~~
310 ~~amount of salary allocated to an insurance company within the~~
311 ~~mutual insurance holding company system shall be included as~~
312 ~~that insurer's employee salaries for purposes of this section.~~
313 ~~However, this subparagraph does not apply for any tax year~~
314 ~~unless funds sufficient to offset the anticipated salary credits~~
315 ~~have been appropriated to the General Revenue Fund prior to the~~
316 ~~due date of the final return for that year.~~
317 ~~a. The term "mutual insurance holding company system" means~~
318 ~~two or more corporations that are subsidiaries of a mutual~~
319 ~~insurance holding company and in compliance with part IV of~~

320 ~~chapter 628.~~
321 ~~b. The term "service company" means a separate corporation~~
322 ~~within the mutual insurance holding company system whose~~
323 ~~employees provide services to other members of the mutual~~
324 ~~insurance holding company system and are treated as service~~
325 ~~company employees for reemployment assistance or unemployment~~
326 ~~compensation and common-law purposes. The mutual insurance~~
327 ~~holding company may not qualify as a service company.~~
328 ~~c. If an insurance company fails to substantiate, whether~~
329 ~~by means of adequate records or otherwise, its eligibility to~~
330 ~~claim the service company exception under this section, or its~~
331 ~~salary allocation under this section, no credit shall be~~
332 ~~allowed.~~
333 ~~(c) The department may adopt rules pursuant to ss.~~
334 ~~120.536(1) and 120.54 to administer this subsection.~~
335 (5) ~~(6)(a)~~ The total of the credit granted for the taxes
336 paid by the insurer under chapter 220 ~~and the credit granted by~~
337 ~~subsection (5)~~ may not exceed 65 percent of the tax due under
338 subsection (1) after deducting therefrom the taxes paid by the
339 insurer under ss. 175.101 and 185.08 and any assessments
340 pursuant to s. 440.51.
341 ~~(b) To the extent that any credits granted by subsection~~
342 ~~(5) remain as a result of the limitation set forth in paragraph~~
343 ~~(a), such excess credits related to salaries and wages of~~
344 ~~employees whose place of employment is located within an~~
345 ~~enterprise zone created pursuant to chapter 290 may be~~
346 ~~transferred, in an aggregate amount not to exceed 25 percent of~~
347 ~~such excess salary credits, to any insurer that is a member of~~
348 ~~an affiliated group of corporations, as defined in sub-~~

349 ~~subparagraph (5)(b)4.a., that includes the original insurer~~
350 ~~qualifying for the credits under subsection (5). The amount of~~
351 ~~such excess credits to be transferred shall be calculated by~~
352 ~~multiplying the amount of such excess credits by a fraction, the~~
353 ~~numerator of which is the sum of the salaries qualifying for the~~
354 ~~credit allowed by subsection (5) of employees whose place of~~
355 ~~employment is located in an enterprise zone and the denominator~~
356 ~~of which is the sum of the salaries qualifying for the credit~~
357 ~~allowed by subsection (5). Any such transferred credits shall be~~
358 ~~subject to the same provisions and limitations set forth within~~
359 ~~part IV of this chapter. The provisions of this paragraph do not~~
360 ~~apply to an affiliated group of corporations that participate in~~
361 ~~a common paymaster arrangement as defined in s. 443.1216.~~
362 (6) ~~(7)~~ Credits and deductions against the tax imposed by
363 this section shall be taken in the following order: deductions
364 for assessments made pursuant to s. 440.51; credits for taxes
365 paid under ss. 175.101 and 185.08; and credits for income taxes
366 paid under chapter 220 ~~and the credit allowed under subsection~~
367 ~~(5)~~, as these credits are limited by subsection (5) ~~(6)~~; all
368 other available credits and deductions.
369 (7) ~~(8)~~ From and after July 1, 1980, the premium tax
370 authorized by this section shall not be imposed upon receipts of
371 annuity premiums or considerations paid by holders in this state
372 if the tax savings derived are credited to the annuity holders.
373 Upon request by the Department of Revenue, any insurer availing
374 itself of this provision shall submit to the department evidence
375 which establishes that the tax savings derived have been
376 credited to annuity holders. As used in this subsection, the
377 term "holders" shall be deemed to include employers contributing

378 to an employee's pension, annuity, or profit-sharing plan.
379 (8) ~~(9)~~ As used in this section "insurer" includes any
380 entity subject to the tax imposed by this section.
381 Section 7. Subsection (1) of section 624.5091, Florida
382 Statutes, is amended to read:
383 624.5091 Retaliatory provision, insurers.—
384 (1) ~~(a)~~ When by or pursuant to the laws of any other state
385 or foreign country any taxes, licenses, and other fees, in the
386 aggregate, and any fines, penalties, deposit requirements, or
387 other material obligations, prohibitions, or restrictions are or
388 would be imposed upon Florida insurers or upon the agents or
389 representatives of such insurers, which are in excess of such
390 taxes, licenses, and other fees, in the aggregate, or which are
391 in excess of the fines, penalties, deposit requirements, or
392 other obligations, prohibitions, or restrictions directly
393 imposed upon similar insurers, or upon the agents or
394 representatives of such insurers, of such other state or country
395 under the statutes of this state, so long as such laws of such
396 other state or country continue in force or are so applied, the
397 same taxes, licenses, and other fees, in the aggregate, or
398 fines, penalties, deposit requirements, or other material
399 obligations, prohibitions, or restrictions of whatever kind
400 shall be imposed by the Department of Revenue upon the insurers,
401 or upon the agents or representatives of such insurers, of such
402 other state or country doing business or seeking to do business
403 in this state. ~~In determining the taxes to be imposed under this~~
404 ~~section, 80 percent and a portion of the remaining 20 percent as~~
405 ~~provided in paragraph (b) of the credit provided by s.~~
406 ~~624.509(5), as limited by s. 624.509(6) and further determined~~

407 ~~by s. 624.509(7), shall not be taken into consideration.~~
408 ~~(b) As used in this subsection, the term "portion of the~~
409 ~~remaining 20 percent" shall be calculated by multiplying the~~
410 ~~remaining 20 percent by a fraction, the numerator of which is~~
411 ~~the sum of the salaries qualifying for the credit allowed by s.~~
412 ~~624.509(5) of employees whose place of employment is located in~~
413 ~~an enterprise zone created pursuant to chapter 290 and the~~
414 ~~denominator of which is the sum of the salaries qualifying for~~
415 ~~the credit allowed by s. 624.509(5).~~
416 Section 8. Subsection (1) of section 624.51055, Florida
417 Statutes, is amended to read:
418 624.51055 Credit for contributions to eligible nonprofit
419 scholarship-funding organizations.—
420 (1) There is allowed a credit of 100 percent of an eligible
421 contribution made to an eligible nonprofit scholarship-funding
422 organization under s. 1002.395 against any tax due for a taxable
423 year under s. 624.509(1) after deducting from such tax
424 deductions for assessments made pursuant to s. 440.51; credits
425 for taxes paid under ss. 175.101 and 185.08; and credits for
426 income taxes paid under chapter 220~~; and the credit allowed~~
427 ~~under s. 624.509(5),~~ as ~~such credit is~~ limited by ~~s. 624.509(6)~~
428 s. 624.509(5). An insurer claiming a credit against premium tax
429 liability under this section shall not be required to pay any
430 additional retaliatory tax levied pursuant to s. 624.5091 as a
431 result of claiming such credit. Section 624.5091 does not limit
432 such credit in any manner.
433 Section 9. Sections 1 through 5 of this act shall take
434 effect on September 1, 2013, and sections 6 through 8 shall take
435 effect upon becoming a law and apply to the 2013 insurance

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436 premium tax year.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: Taxation

Bill Number: SB 7132 *(if applicable)*

Name: Brewster Bevis

Amendment Barcode: _____ *(if applicable)*

Job Title: Senior VP

Address: 516 N Adams St
Street

Tallahassee FL 32301
City *State* *Zip*

Phone: 224-7173

E-mail: bbevis@aifi.com

Speaking: ☐ For ☑ Against ☐ Information

Representing: Associated Industries of Florida

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28
Meeting Date

Topic _____ Bill Number 7132 *(if applicable)*

Name Gerald Wester Amendment Barcode _____ *(if applicable)*

Job Title _____

Address 101 College Av *Street* Phone 445756

Tall *City* Fl *State* 32301 *Zip* E-mail _____

Speaking: ☐ For ☒ Against ☐ Information

Representing American Insurance Association

Appearing at request of Chair: ☐ Yes ☐ No Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic _____ Bill Number 7132 *(if applicable)*

Name Leticia Adams Amendment Barcode _____ *(if applicable)*

Job Title Director of Governance Policy

Address 136 S. Bronough St. Phone 850 544 6866
Street

Tall FL 32301 E-mail _____
City *State* *Zip*

Speaking: ☐ For ☒ Against ☐ Information

Representing Florida Chamber of Commerce

Appearing at request of Chair: ☐ Yes ☒ No Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic _____ Bill Number 7132 *(if applicable)*

Name Paul Sunford Amendment Barcode _____ *(if applicable)*

Job Title _____

Address 106 S. Monroe St Phone 222-7200
Street

Tallahassee FL 32301 E-mail _____
City *State* *Zip*

Speaking: ☐ For ☒ Against ☐ Information

Representing FIC

Appearing at request of Chair: ☐ Yes ☒ No Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Insurance Premium Tax Credit

Bill Number: 7132 *(if applicable)*

Name: MICHAEL CARLSON

Amendment Barcode: _____ *(if applicable)*

Job Title: Executive Director

Address: 215 S. Monroe Ste. 835
Street

TLH FL 32301
City *State* *Zip*

Phone: 850 597 7425

E-mail: Michael.Carlson@PIFF.net

Speaking: ☐ For ☑ Against ☐ Information

Representing: PERSONAL INSURANCE FEDERATION of FLA

Appearing at request of Chair: ☐ Yes ☑ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Topic: Pro Salva Craft

Bill Number: 7132 (if applicable)

Name: Mike Highfill

Amendment Barcode: (if applicable)

Job Title: V.P. Govt Relations

Address: 4800 Deerwood Campus Pkwy
Street

JAX, FLA 32205
City, State, Zip

Phone: 904-610-

E-mail:

Speaking: ☐ For ☒ Against ☒ Information

Representing: Florida Blue / Formerly Blue Cross / Blue Shield of FL

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-28-13
Meeting Date

Topic: Taxation

Bill Number: SB 7132 (if applicable)

Name: Joy Ryan

Amendment Barcode: (if applicable)

Job Title:

Address: 2015 Monroe
Street

Tally 32301
City State Zip

Phone: 681-6710

E-mail: joy@blanklaw.com

Speaking: [ ] For [ ] Against [X] Information

Representing: AHIP

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/28/13
Meeting Date

Topic: TAXATION

Bill Number: PCB 7132 *(if applicable)*

Name: MICHAEL GARNER

Amendment Barcode: *(if applicable)*

Job Title: PRESIDENT & CEO - FL ASSN OF HEALTH PLANS

Address: 200 W. COLLEGE AVE
Street

TALLAHASSEE, FL
City *State* *Zip*

Phone: (850) 386-2904

E-mail: michael@fahp.net

Speaking: [ ] For [ ] Against [X] Information

Representing: FLORIDA ASSOCIATION OF HEALTH PLANS

Appearing at request of Chair: [ ] Yes [X] No

Lobbyist registered with Legislature: [X] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

CourtSmart Tag Report

Room: KN 412 **Case:** **Type:**
Caption: Senate Appropriations Committee **Judge:**

Started: 3/28/2013 9:04:53 AM
Ends: 3/28/2013 11:59:31 AM Length: 02:54:39

9:04:58 AM	Sen. Negron (Chair)
9:06:41 AM	S 1076
9:06:48 AM	PCS 688260
9:06:57 AM	Sen. Legg
9:07:53 AM	Sen. Joyner
9:08:36 AM	Sen. Legg
9:09:13 AM	Am. 834644
9:09:48 AM	Sen. Bean
9:10:46 AM	Sen. Negron
9:10:56 AM	Sen. Bean
9:11:29 AM	Sen. Montford
9:12:07 AM	Sen. Bean
9:12:42 AM	Am. 488646
9:12:51 AM	Sen. Bean
9:14:01 AM	Sen. Latvala
9:14:20 AM	Sen. Legg
9:15:23 AM	Sen. Latvala
9:15:28 AM	Sen. Legg
9:17:12 AM	Sen. Negron
9:17:59 AM	Sen. Legg
9:19:08 AM	Sen. Negron
9:20:59 AM	Sen. Joyner
9:21:49 AM	Sen. Negron
9:22:09 AM	Sen. Bean
9:22:40 AM	Sen. Benacquisto
9:23:34 AM	Sen. Legg
9:25:03 AM	Sen. Joyner
9:25:28 AM	Sen. Legg
9:26:34 AM	Sen. Joyner
9:28:08 AM	Sen. Montford
9:30:02 AM	Sen. Sobel
9:31:05 AM	Sen. Bean
9:31:29 AM	Am. 375326
9:31:40 AM	Sen. Montford
9:31:53 AM	Am. 136654
9:32:02 AM	Sen. Montford
9:32:22 AM	Am. 679092
9:32:42 AM	Sen. Montford
9:32:50 AM	Am. 857770
9:32:57 AM	Sen. Montford
9:33:38 AM	Am. 784300
9:33:45 AM	Sen. Montford
9:34:10 AM	John Cerra, Lobbyist, Florida League of International Baccalaureate Schools
9:34:47 AM	Am. 907534
9:34:56 AM	Am. 355650
9:35:06 AM	Sen. Montford
9:35:30 AM	Sen. Latvala
9:36:04 AM	Brewster Bevis, Senior Vice President, Associated Industries of Florida
9:36:10 AM	Bill Warren, Legislative Director, Foundation for Florida's Future
9:36:30 AM	Sen. Latvala
9:37:35 AM	Sen. Negron
9:38:43 AM	Sen. Legg

9:38:48 AM	Pablo Diaz, Legislative Director, National Federation of Independent Business
9:39:14 AM	S 86
9:39:21 AM	Rep. Diaz, Florida House of Representatives
9:40:21 AM	Am. 642270
9:40:26 AM	Rep. Diaz
9:42:16 AM	S 1720
9:42:23 AM	PCS 621676
9:42:33 AM	Sen. Galvano
9:43:28 AM	Sen. Joyner
9:45:21 AM	Sen. Galvano
9:45:36 AM	Sen. Smith
9:45:53 AM	Sen. Galvano
9:45:56 AM	Sen. Joyner
9:46:21 AM	Sen. Galvano
9:46:43 AM	Sen. Sobel
9:47:05 AM	Sen. Galvano
9:47:07 AM	Sen. Joyner
9:47:51 AM	Sen. Galvano
9:49:08 AM	Sen. Joyner
9:49:53 AM	Sen. Galvano
9:50:59 AM	Am. 619490
9:51:11 AM	Sen. Galvano
9:51:48 AM	Am. 612572
9:51:56 AM	Sen. Galvano
9:52:17 AM	Adam Giery, Director of Policy, Florida Chamber of Commerce
9:52:34 AM	Sen. Joyner
9:54:46 AM	S 1660
9:54:52 AM	Sen. Benacquisto
9:56:13 AM	Am. 742744
9:56:28 AM	Sen. Benacquisto
9:56:49 AM	Am. 851056
9:57:04 AM	Sen. Benacquisto
9:58:52 AM	S 1762
9:59:13 AM	PCS 140800
9:59:26 AM	Sen. Ring
9:59:32 AM	S 92
9:59:37 AM	Sen. Negron
10:00:02 AM	Ron Bilbao, Senior Legislative Associate, American Civil Liberties Union of Florida
10:00:22 AM	Nancy Daniels, Public Defender, Second Circuit, Florida Public Defender Association
10:01:32 AM	S 1762
10:01:49 AM	PCS 140800
10:01:55 AM	Sen. Ring
10:03:30 AM	Frank Meiners, Associated Industries of Florida
10:04:38 AM	S 1076
10:04:47 AM	Sen. Bean
10:04:54 AM	Am. 488646
10:05:49 AM	A. Giery
10:06:48 AM	S 7128
10:06:51 AM	Sen. Hukill
10:07:23 AM	Sen. Joyner
10:07:48 AM	Sen. Hukill
10:08:40 AM	S 7130
10:08:46 AM	Sen. Hukill
10:09:26 AM	S 7128
10:10:31 AM	S 7130
10:10:39 AM	Sen. Latvala
10:10:59 AM	Sen. Hukill
10:11:20 AM	Sen. Latvala
10:11:30 AM	Sen. Hukill
10:11:34 AM	Sen. Latvala
10:12:22 AM	Sen. Sobel
10:12:56 AM	Sen. Hukill

10:13:07 AM Sen. Joyner
10:13:20 AM Sen. Hukill
10:13:39 AM Am. 275532
10:13:45 AM Sen. Hukill
10:14:08 AM Eric Poole, Assistant Legislative Director, Florida Association of Counties
10:14:55 AM Sen. Latvala
10:16:33 AM Sen. Smith
10:17:25 AM Sen. Hukill
10:19:05 AM S 7128
10:20:17 AM S 7132
10:20:20 AM Sen. Negron
10:21:21 AM Sen. Joyner
10:21:45 AM Sen. Negron
10:22:34 AM B. Bevis
10:23:55 AM Sen. Joyner
10:24:07 AM B. Bevis
10:24:14 AM Sen. Smith
10:24:21 AM B. Bevis
10:24:31 AM Sen. Smith
10:24:48 AM B. Bevis
10:25:00 AM Sen. Thrasher
10:25:22 AM B. Bevis
10:25:41 AM Sen. Thrasher
10:25:45 AM B. Bevis
10:25:53 AM Gerald Wester, American Insurance Association
10:28:09 AM Sen. Latvala
10:28:31 AM G. Wester
10:29:02 AM Sen. Latvala
10:29:44 AM G. Wester
10:30:36 AM Sen. Margolis
10:31:00 AM Sen. Negron
10:31:17 AM Sen. Margolis
10:31:34 AM Sen. Negron
10:32:10 AM G. Wester
10:33:07 AM Leticia Adams, Director of Governance Policy, Florida Chamber of Commerce
10:34:05 AM Paul Sanford, Florida Insurance Council
10:39:30 AM Sen. Smith
10:40:11 AM P. Sanford
10:40:22 AM Sen. Gardiner
10:42:24 AM P. Sanford
10:43:11 AM Sen. Gardiner
10:43:38 AM P. Sanford
10:43:47 AM Sen. Gardiner
10:44:57 AM Sen. Richter
10:46:56 AM P. Sanford
10:47:10 AM Sen. Negron
10:47:24 AM Michael Carlson, Executive Director, Personal Insurance Federation of Florida
10:50:50 AM Mike Hightower, Vice President of Government Relations, Florida Blue
10:56:56 AM Joy Ryan, America's Health Insurance Plans
10:58:52 AM Michael Garner, President and CEO, Florida Association of Health Plans
11:00:36 AM Sen. Lee
11:03:14 AM Sen. Sobel
11:05:12 AM Sen. Richter
11:09:50 AM Sen. Smith
11:11:09 AM Sen. Thrasher
11:14:13 AM Sen. Gardiner
11:16:37 AM Sen. Margolis
11:19:04 AM S 7126
11:19:09 AM Sen. Hukill
11:19:29 AM Am. 257122
11:19:41 AM Sen. Hukill
11:19:52 AM Am. 601738

11:20:04 AM Sen. Hukill
11:20:11 AM Am. 817878
11:20:19 AM Sen. Hukill
11:21:24 AM S 778
11:21:44 AM Dan Rogers, Legislative Assistant to Senator Thompson
11:22:07 AM David Francis, Government Relations Director, American Heart Association
11:23:09 AM S 1392
11:23:21 AM Sen. Simpson
11:25:20 AM Am. 726700
11:25:31 AM Sen. Simpson
11:26:25 AM Sen. Joyner
11:26:48 AM Sen. Simpson
11:26:51 AM Sen. Joyner
11:26:57 AM Sen. Simpson
11:27:10 AM Sen. Montford
11:27:48 AM Sen. Simpson
11:28:18 AM Am. 249988
11:28:51 AM Am. 858238
11:29:01 AM Sen. Margolis
11:29:40 AM Sen. Simpson
11:30:10 AM Sen. Margolis
11:30:50 AM Am. 401884
11:31:01 AM Sen. Margolis
11:31:25 AM Sen. Simpson
11:31:38 AM Sen. Margolis
11:31:48 AM Am. 939074
11:31:57 AM Sen. Sobel
11:33:32 AM Sen. Latvala
11:34:17 AM Sen. Simpson
11:34:23 AM Sen. Latvala
11:34:29 AM Sen. Simpson
11:35:03 AM Sen. Montford
11:35:47 AM Sen. Simpson
11:37:14 AM Sen. Smith
11:37:54 AM Sen. Sobel
11:39:17 AM Am. 359426
11:39:26 AM Sen. Sobel
11:39:28 AM Am. 675968
11:40:12 AM Sen. Sobel
11:42:21 AM Am. 782204
11:42:22 AM Sen. Joyner
11:43:44 AM Am. 211356
11:43:54 AM Sen. Margolis
11:44:04 AM Am. 104692
11:44:16 AM Sen. Sobel
11:44:42 AM Gary Rainey, President, Florida Professional Firefighters
11:46:23 AM Sen. Latvala
11:47:10 AM Sen. Sobel
11:47:52 AM Sen. Joyner
11:47:53 AM Amy Datz, retired state employee
11:49:38 AM Jon Costello, Lobbyist, Associated Industries of Florida
11:49:47 AM Brett Sandlin, Pesident, Alachua County Firefighters
11:50:23 AM Walter Dix, President, Broward County Firefighters
11:50:41 AM G. Rainey
11:51:21 AM Manly Bolin, First District Vice President, Florida Professional Firefighters
11:51:31 AM L. Adams
11:51:34 AM Shari Gewanter, Teacher, Leon County Schools
11:54:15 AM Rowan Taylor, President, Miami-Dade Firefighters
11:54:48 AM Matt Puckett, Lobbyist, Florida Police Benevolent Association
11:55:35 AM Ron Silver, Teamsters
11:56:30 AM Ron Poppell, Senior DC Programs Officer, State Board of Administration
11:56:54 AM Sen. Joyner

11:57:15 AM	R. Poppell
11:58:01 AM	Lynda Russell, Florida Education Association
11:58:05 AM	Sammie Jones, University of Florida student
11:58:17 AM	Doug Martin, Legislative Director, AFSCME Florida Council 79
11:58:20 AM	Pat Dix, Legislative Advocate, Florida Education Association
11:58:22 AM	David Jacobsen, Northwest Florida ASFSCME Retirees
11:58:27 AM	Mtg. adjourned