

By Senator Brandes

22-00644A-16

2016800\_\_

1                                   A bill to be entitled  
2       An act relating to private postsecondary education;  
3       amending s. 1005.04, F.S.; requiring certain  
4       institutions to provide a student with a written  
5       disclosure of all fees and costs that the student will  
6       incur to complete his or her program; amending s.  
7       1005.21, F.S.; revising the membership of the  
8       Commission for Independent Education; amending s.  
9       1005.31, F.S.; requiring the commission to include a  
10      retention and completion management plan in the  
11      minimum standards used to evaluate an institution for  
12      licensure; requiring an institution applying for a  
13      provisional license to post and maintain a surety bond  
14      with the commission; specifying the amount of the  
15      surety bond; specifying the amount of time the surety  
16      bond remains in effect; authorizing the commission to  
17      allow a cash deposit escrow account or an irrevocable  
18      letter of credit as an alternative to the surety bond;  
19      providing for rulemaking; requiring the commission to  
20      review an application and request any necessary  
21      additional information from an applicant within a  
22      certain timeframe; amending s. 1005.32, F.S.; revising  
23      the criteria for licensure by means of accreditation;  
24      deleting the requirement that an applicant be a  
25      Florida corporation; requiring an institution that  
26      applies for licensure by means of accreditation to  
27      file a retention and completion management plan with  
28      the commission; amending s. 1005.37, F.S.; revising  
29      the institutions included in the Student Protection

22-00644A-16

2016800\_\_

30 Fund to include licensed institutions; providing an  
31 effective date.  
32

33 Be It Enacted by the Legislature of the State of Florida:  
34

35 Section 1. Subsection (1) of section 1005.04, Florida  
36 Statutes, is amended to read:

37 1005.04 Fair consumer practices.—

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

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

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

58 (c) Inform each student accurately about financial

22-00644A-16

2016800\_\_

59 assistance and obligations for repayment of loans; describe any  
60 employment placement services provided and the limitations  
61 thereof; and refrain from promising or implying guaranteed  
62 placement, market availability, or salary amounts;

63 (d) Provide to prospective and enrolled students accurate  
64 information regarding the relationship of its programs to state  
65 licensure requirements for practicing related occupations and  
66 professions in Florida;

67 (e) Ensure that all advertisements are accurate and not  
68 misleading;

69 (f) Publish and follow an equitable prorated refund policy  
70 for all students, and follow both the federal refund guidelines  
71 for students receiving federal financial assistance and the  
72 minimum refund guidelines set by commission rule;

73 (g) Follow the requirements of state and federal laws that  
74 require annual reporting with respect to crime statistics and  
75 physical plant safety and make those reports available to the  
76 public; ~~and~~

77 (h) Publish and follow procedures for handling student  
78 complaints, disciplinary actions, and appeals; ~~and.~~

79 (i) Before enrollment, provide to students and prospective  
80 students, in a format prescribed by the commission, a written  
81 disclosure of all fees and costs they will incur to complete the  
82 program.

83 Section 2. Paragraphs (c), (d), and (e) of subsection (2)  
84 of section 1005.21, Florida Statutes, are amended to read:

85 1005.21 Commission for Independent Education.—

86 (2) The Commission for Independent Education shall consist  
87 of seven members who are residents of this state. The commission

22-00644A-16

2016800\_\_

88 shall function in matters concerning independent postsecondary  
 89 educational institutions in consumer protection, program  
 90 improvement, and licensure for institutions under its purview.  
 91 The Governor shall appoint the members of the commission who are  
 92 subject to confirmation by the Senate. The membership of the  
 93 commission shall consist of:

94 (c) Two members ~~One member~~ from a public school district or  
 95 Florida College System institution who are administrators ~~is an~~  
 96 ~~administrator~~ of career education.

97 ~~(d) One representative of a college that meets the criteria~~  
 98 ~~of s. 1005.06(1)(f).~~

99 (d) ~~(e)~~ One lay member who is not affiliated with an  
 100 independent postsecondary educational institution.

101 Section 3. Present subsection (2) of section 1005.31,  
 102 Florida Statutes, is amended, present subsections (5) through  
 103 (15) of that section are redesignated as subsections (6) through  
 104 (16), respectively, a new subsection (5) is added to that  
 105 section, and present subsection (6) of that section is amended,  
 106 to read:

107 1005.31 Licensure of institutions.—

108 (2) The commission shall develop minimum standards ~~by which~~  
 109 to evaluate institutions for licensure. These standards must  
 110 include at least the institution's name;i financial stability;i  
 111 purpose;i administrative organization;i admissions and  
 112 recruitment;i educational programs and curricula;i retention  
 113 and completion, including a retention and completion management  
 114 plan prescribed by the commission; career placement;i faculty;i  
 115 learning resources;i student personnel services;i physical plant  
 116 and facilities;i publications;i and disclosure statements about

22-00644A-16

2016800\_\_

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

123 (5) (a) An institution applying for a provisional license  
124 shall post and maintain a surety bond with the commission in a  
125 format prescribed by the commission. The surety bond shall be  
126 executed by a surety company authorized to do business in this  
127 state, with the applicant as the principal. The surety bond  
128 shall be payable to the commission to assist the commission in  
129 aiding a student damaged by an institution ceasing operation  
130 before the student has completed his or her contracted program.

131 (b) The surety bond must be for at least \$100,000, and may  
132 not exceed 50 percent of the amount of the first year's  
133 projected revenue.

134 (c) A surety bond shall remain in effect until the  
135 institution applies for and receives a first annual licensure  
136 renewal and demonstrates financial stability as determined by  
137 the commission.

138 (d) As an alternative to a surety bond, the commission may  
139 allow an institution to establish and maintain a cash deposit  
140 escrow account or an irrevocable letter of credit payable to the  
141 commission. The amount of the cash deposit escrow account or the  
142 irrevocable letter of credit shall be the same as the bond  
143 amount would have been for the institution.

144 (e) The commission may adopt rules to implement this  
145 subsection.

22-00644A-16

2016800\_\_

146        (7)~~(6)~~ The commission shall ensure through an investigative  
147 process that applicants for licensure meet the standards as  
148 defined in rule. Within 60 days after receipt of an application,  
149 the commission shall examine the application, notify the  
150 applicant of any apparent error or omission, and request any  
151 necessary additional information. When the investigative process  
152 is not completed within the time set out in s. 120.60(1) and the  
153 commission has reason to believe that the applicant does not  
154 meet licensure standards, the commission or the executive  
155 director of the commission may issue a 90-day licensure delay,  
156 which shall be in writing and sufficient to notify the applicant  
157 of the reason for the delay. The provisions of this subsection  
158 shall control over any conflicting provisions of s. 120.60(1).

159        Section 4. Paragraph (e) of subsection (1) and subsection  
160 (3) of section 1005.32, Florida Statutes, are amended to read:

161        1005.32 Licensure by means of accreditation.—

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

165        ~~(e) The institution is a Florida corporation.~~

166        (3) The commission may not require an institution granted a  
167 license by means of accreditation to submit reports that differ  
168 from the reports required by its accrediting association, except  
169 that each institution must file with the commission an annual  
170 audit report and a retention and completion management plan as  
171 required in s. 1005.31. The institution must also ~~and~~ follow the  
172 commission's requirements for orderly closing, including  
173 provisions for trainout or refunds and arranging for the proper  
174 disposition of student and institutional records.

22-00644A-16

2016800\_\_

175 Section 5. Section 1005.37, Florida Statutes, is amended to  
176 read:

177 1005.37 Student Protection Fund.—

178 (1) The commission shall establish and administer a  
179 statewide, fee-supported financial program through which funds  
180 will be available to complete the training of a student who  
181 enrolls in a licensed institution ~~nonpublic school~~ that  
182 terminates a program or ceases operation before the student has  
183 completed his or her program of study. The financial program is  
184 named the Student Protection Fund.

185 (2) The commission is authorized to assess a fee from the  
186 licensed institutions ~~schools~~ within its jurisdiction for such  
187 purpose. The commission shall assess a licensed institution  
188 ~~school~~ an additional fee for its eligibility for the Student  
189 Protection Fund.

190 (3) If a licensed institution ~~school~~ terminates a program  
191 before all students complete it, the commission shall also  
192 assess that institution ~~school~~ a fee adequate to pay the full  
193 cost to the Student Protection Fund of completing the training  
194 of students.

195 (4) The fund shall consist entirely of fees assessed to  
196 licensed institutions ~~schools~~ and shall not be funded under any  
197 circumstances by public funds, nor shall the commission make  
198 payments or be obligated to make payments in excess of the  
199 assessments actually received from licensed institutions ~~schools~~  
200 and deposited in the Institutional Assessment Trust Fund to the  
201 credit of the Student Protection Fund.

202 (5) At each commission meeting, the commission shall  
203 consider the need for and shall make required assessments, shall

22-00644A-16

2016800\_\_

204 review the collection status of unpaid assessments and take all  
205 necessary steps to collect them, and shall review all moneys in  
206 the fund and expenses incurred since the last reporting period.  
207 This review must include administrative expenses, moneys  
208 received, and payments made to students or to lending  
209 institutions.

210 (6) Staff of the commission must immediately inform the  
211 commission upon learning of the closing of a licensed  
212 institution ~~school~~ or the termination of a program that could  
213 expose the fund to liability.

214 (7) The Student Protection Fund must be actuarially sound,  
215 periodically audited by the Auditor General in connection with  
216 his or her audit of the Department of Education, and reviewed to  
217 determine if additional fees must be charged to licensed  
218 institutions ~~schools~~ eligible to participate in the fund.

219 Section 6. This act shall take effect July 1, 2016.