

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/CS/HB 217 College Campus Facilities in Areas of Critical State Concern
SPONSOR(S): Appropriations Committee and Postsecondary Education & Workforce Subcommittee, Mooney and others
TIED BILLS: None. **IDEN./SIM. BILLS:** CS/CS/SB 222

FINAL HOUSE FLOOR ACTION: 116 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

CS/CS/HB 217 passed the House on February 28, 2024, and subsequently passed the Senate on March 1, 2024.

Current law authorizes a Florida College System (FCS) institution located in a municipality within an area of critical state concern to construct dormitories for up to 340 beds for students and an additional 25 beds for employees, educators, and first responders. The FCS institution is not permitted to use state funds or tuition and fee revenues for construction, debt service payments, maintenance, or operation of the dormitories.

Currently, the College of the Florida Keys (CFK) is the only FCS institution that is located in a municipality within an area of critical state concern.

The bill expands the categories of non-students that may be housed within dormitories to include health care workers and increases the cap on non-student beds from 25 to 50.

The bill also clarifies which revenues may be used for construction, debt service payments, maintenance, or operation of dormitories and authorizes CFK to use grants and donations for capital outlay, as well as revenues from the capital improvement fee, for such purposes. The bill does not authorize a new fee, as CFK is authorized to assess a capital improvement fee under existing law.

The bill requires the Division of Bond Finance to analyze financing prior to the issuance of any bonds by nonpublic entities that partner with CFK.

The bill was approved by the Governor on April 2, 2024, ch. 2024-50, L.O.F., and will become effective on July 1, 2024.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Areas of Critical State Concern

The Areas of Critical State Concern Program (Program) is intended to protect resources and public facilities of major statewide significance, within designated geographic areas, from uncontrolled development that would cause substantial deterioration of such resources.¹ The designated Areas of Critical State Concern are the Apalachicola Bay Area (Franklin County), Brevard Barrier Island Area (Brevard County), Green Swamp Area (portions of Polk and Lake Counties), the Big Cypress Area (portions of Collier, Miami-Dade, and Monroe Counties), the Florida Keys Area (Monroe County), and the City of Key West Area (Monroe County).²

Florida College System Dormitory Facilities

An FCS institution and its direct-support organization have limited authority to plan and construct facilities and to acquire additional property.³ Residency opportunities within the FCS are predominately off campus and provided through a third party, often for specific student populations such as international students, student athletes, or specific scholarship recipients.⁴ FCS institutions were developed as commuter schools. With 28 institutions and multiple campuses all over the state, colleges were located so students would drive no further than 50 miles to be able to attend college. Historically, two colleges have institution-owned dormitories, Chipola College and Florida Gateway College, which were started in facilities that originally housed World War II bases for servicemen. Chipola College continues to operate a college-owned dormitory for athletes only. Florida Gateway College allows any student to apply for their limited number of beds.

Florida law authorizes an FCS institution campus within a municipality designated as an area of critical state concern, and having a comprehensive plan and land development regulations containing a building permit allocation system that limits annual growth, to construct dormitories for up to 340 beds for FCS institution students, and an additional 25 beds for employees, educators, and first responders.⁵ Such dormitories are exempt from the building permit allocation system and may be constructed up to 60 feet in height if the dormitories are otherwise consistent with the comprehensive plan, the FCS institution has a hurricane evacuation plan that requires all dormitory occupants to be evacuated 48 hours in advance of tropical force winds, and transportation is provided for dormitory occupants during an evacuation.⁶

State funds and tuition and fee revenues may not be used for construction, debt service payments, maintenance, or operation of such dormitories.⁷ Additional dormitory beds constructed after July 1,

¹ See 'Areas of Critical State Concern Program,' on Florida Department of Commerce's website at <https://www.floridajobs.org/community-planning-and-development/programs/community-planning-table-of-contents/areas-of-critical-state-concern>. (last visited November 28, 2023).

² Sections 380.05 – 380.0555, F.S.

³ Section 1013.40, F.S.

⁴ Florida College System, *Student Housing in the Florida College System*, available at <http://www.fldoe.org/core/fileparse.php/7480/urlt/0082726-faqhousing.pdf>.

⁵ Section 1013.40(4), F.S. Currently, only the College of the Florida Keys meets this requirement and is able to construct such dormitory facilities.

⁶ *Id.*

⁷ *Id.*

2016, may not be financed through the issuance of bonds by the college.⁸ However, nonpublic entities may issue bonds as part of a public-private partnership between the college and a nonpublic entity.⁹

Currently, the College of the Florida Keys (CFK) is the only college within a municipality designated as an area of critical state concern that meets the requirements specified in law.

The College of the Florida Keys

In 2008, CFK was granted legislative authority to build a dormitory facility with 100 beds for students,¹⁰ which was subsequently constructed and opened in 2011. Although there has been no further construction of student housing at CFK, the authorized number of beds has increased to 340 beds for FCS students and 25 beds for employees, educators, and first responders.¹¹

Capital Improvement Fees

Current law authorizes each FCS institution board of trustees to establish a separate fee for capital improvements which may not exceed 20 percent of tuition for resident students or 20 percent of the sum of tuition and out-of-state fees for nonresident students.¹² The fee for resident students is limited to an increase of \$2 per credit hour over the prior year.¹³ The fee must be collected as a component part of the tuition and fees, paid into a separate account, and expended only to acquire improved real property or construct and equip, maintain, improve, or enhance the educational facilities of the FCS institution.¹⁴ Funds collected by FCS institutions through the fee may be bonded only for the purpose of financing or refinancing new construction and equipment, renovation, remodeling of educational facilities, or the acquisition and renovation or remodeling of improved real property for use as educational facilities.¹⁵

Division of Bond Finance

The Division of Bond Finance is authorized to issue bonds on behalf of local governments and agencies of the State of Florida.¹⁶ The Division is housed administratively within the State Board of Administration and operates under the control of a governing board consisting of the Governor and Cabinet.¹⁷ The Division provides financial, legal, and marketing services necessary for the issuance and sale of bonds, including performing financial analyses and structuring bond issues.¹⁸

Effect of the Bill

The bill expands the categories of non-students that may be housed within CFK dormitories to include health care workers and increases the cap on non-student beds from 25 to 50.

The bill also clarifies which revenues may be used for construction, debt service payments, maintenance, or operation of dormitories and authorizes CFK to use grants and donations for capital outlay, as well as revenues from the capital improvement fee, for such purposes. The bill does not authorize a new fee, as CFK is authorized to assess a capital improvement fee under existing law.

⁸ *Id.*

⁹ *Id.*

¹⁰ S. 4, ch. 2008-213, Laws of Fla.

¹¹ *See* s. 1, ch. 2016-32, and s. 68, ch. 2022-154, Laws of Fla.

¹² Section 1009.23(11)(a) and (b), F.S.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Section 215.64, F.S.

¹⁷ Section 215.62, F.S.

¹⁸ *Supra* note 17.

The bill requires the Division of Bond Finance to review financing prior to the issuance of any bonds by a nonpublic entity as part of a public-private partnership with CFK.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill authorizes CFK to use grants and donations for capital outlay, as well as revenues from the capital improvement fee, for construction, debt service payments, maintenance, or operation of dormitories. CFK is already authorized to assess the capital improvement fee under existing law. The bill does not authorize a new fee. According to the Department of Education, CFK collected \$325,153 in capital improvement fees in Fiscal Year 2022-23.