



Choice & Innovation Subcommittee

Tuesday, February 11, 2014

1:00 PM – 3:00 PM

306 HOB

Meeting Packet

**Will Weatherford
Speaker**

**Michael Bileca
Chair**



AGENDA

Choice & Innovation Subcommittee
Tuesday, February 11, 2014
1:00 p.m. – 3:00 p.m.
306 HOB

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Consideration of the following bill(s):
 - HB 377 Educational Facilities Financing by Moraitis
 - HB 533 Student Eligibility for Interscholastic Athletic Competition by Diaz, M.
- IV. Closing Remarks and Adjournment

Committee Meeting Notice
HOUSE OF REPRESENTATIVES

Choice & Innovation Subcommittee

Start Date and Time: Tuesday, February 11, 2014 01:00 pm
End Date and Time: Tuesday, February 11, 2014 03:00 pm
Location: 306 HOB
Duration: 2.00 hrs

Consideration of the following bill(s):

HB 377 Educational Facilities Financing by Moraitis
HB 533 Student Eligibility for Interscholastic Athletic Competition by Diaz, M.

Pursuant to rule 7.12, the deadline for amendments to bills on the agenda by a member who is not a member of the subcommittee shall be 6:00 pm, Monday, February 10, 2014.

By request of the Chair, all subcommittee members are asked to have amendments to bills on the agenda submitted by 6:00 pm, Monday, February 10, 2014.

NOTICE FINALIZED on 02/04/2014 15:09 by Flynn.Kaley

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 377 Educational Facilities Financing
SPONSOR(S): Moraitis, Jr.
TIED BILLS: IDEN./SIM. **BILLS:** SB 628

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|-------------------------------------|--------|-----------|--|
| 1) Choice & Innovation Subcommittee | | Beagle GB | Fudge F |
| 2) Finance & Tax Subcommittee | | | |
| 3) Education Committee | | | |

SUMMARY ANALYSIS

The Higher Educational Facilities Financing Authority (authority) is a public corporation which assists eligible institutions of higher education in financing and refinancing educational facilities construction. Among other things, the authority may issue tax-exempt or taxable revenue bonds, which are privately financed and not secured by full faith and credit of the state. Financing acquired through the authority may be used for such construction projects as dormitories, parking and student service facilities, administration and academic buildings, libraries, and loans made in anticipation of tuition revenues.

Independent nonprofit colleges or universities which are located in and chartered by the state of Florida; are accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (SACS); grant baccalaureate degrees; and are not a state university or community college may participate in educational facilities construction financing through the authority. This includes all 31 institutions belonging to the Independent Colleges and Universities of Florida (ICUF).

The bill renames the "Higher Educational Facilities Financing Authority" as the "Educational Facilities Financing Authority" and adds authorization for private, nonprofit elementary, middle, and secondary schools that are located in and chartered by the state of Florida and accredited by SACS to participate in construction financing through the authority. Accordingly, the term "institution of higher education" is replaced by the terms "educational institution" or "participating institution" throughout Part II of ch. 243, F.S. The bill makes a number of additional nomenclature changes to conform to this expansion of eligibility.

The bill expands the types of projects that the authority may finance to include:

- Costs for construction of dormitories or student housing; dining halls; student unions; administration or academic buildings; libraries; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking;
- Certain purchases of equipment and machinery; and
- A loan in anticipation of tuition revenues.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed.

The bill has an indeterminate fiscal impact on state and local governments. The bill extends opportunities to participate in tax-exempt educational facilities construction financing to certain private schools. This will likely reduce costs incurred for construction and financing; however, the amount of cost savings is indeterminate.

The bill takes effect July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Higher Educational Facilities Financing Authority (authority) is a public corporation which assists eligible institutions of higher education in financing and refinancing educational facilities construction.¹ Participation in financing through the authority is limited to independent nonprofit colleges or universities which are located in and chartered by the state of Florida; are accredited by the Southern Association of Colleges and Schools (SACS); grant baccalaureate degrees; and are not a state university or community college.² This includes all 31 institutions belonging to the Independent Colleges and Universities of Florida (ICUF).³

Among other things, the authority may issue tax-exempt or taxable revenue bonds; acquire real estate; contract; and execute loans, leases, and other legal instruments.⁴ Bonds issued by the authority are privately financed, are not secured by the full faith and credit of the state, and do not constitute an obligation of the state.⁵ The authority may not enter into a financing agreement with a participating institution unless the institution demonstrates that it is financially responsible and capable of fulfilling its obligations under the agreement.⁶

The authority may only finance such projects as dormitories, parking and student service facilities, administration and academic buildings, libraries, and loans made in anticipation of tuition revenues.⁷ Financing may be provided for project costs related to construction and land acquisition; machinery and equipment; financing charges and interest; provisions for working capital; reserves for principal, interest, and rebate; provisions for extensions, enlargements, additions, and improvements; engineering, financial, and legal services; and construction planning and cost estimating.⁸

The authority's board consists of five members appointed by the Governor.⁹ The board must submit an annual report regarding its activities to the Governor and presiding officers of each house of the Legislature within two months of the end of its fiscal year.¹⁰

Similar opportunities for higher educational facilities construction financing assistance are available through County Higher Educational Facilities Authorities (CHEFFA). However, since codified in 1969,

¹ Part II, ch. 243, F.S.

² Section 243.52(6), F.S. The law defines the terms "institution of higher education" and "participating institution" to be synonymous. See s. 243.52(6) and (7), F.S.

³ See Independent Colleges and Universities of Florida, *About Us*, <http://www.icuf.org/newdevelopment/about-icuf/> (last visited Feb. 3, 2014). ICUF institutions include Adventist University of Health Sciences, Ave Maria University, Barry University, Beacon College, Bethune-Cookman University, Clearwater Christian College, Eckerd College, Edward Waters College, Embry-Riddle Aeronautical University, Everglades University, Flagler College, Florida College, Florida Institute of Technology, Florida Memorial University, Florida Southern College, Hodges University, Jacksonville University, Keiser University, Lynn University, Nova Southeastern University, Palm Beach Atlantic University, Ringling College of Art and Design, Rollins College, St. Leo University, Southeastern University, St. Thomas University, Stetson University, The University of Tampa, University of Miami, Warner University, and Webber International University. Independent Colleges and Universities of Florida, *School Websites*, <http://www.icuf.org/newdevelopment/schools/> (last visited Feb. 3, 2014).

⁴ Section 243.54, F.S.

⁵ Section 243.64, F.S.; Email, Independent Colleges and Universities of Florida, General Counsel (Feb. 3, 2014).

⁶ Section 243.58(2), F.S.

⁷ Section 243.52(3), F.S.

⁸ Section 243.52(4), F.S.

⁹ Section 243.53(2), F.S.

¹⁰ Section 243.73(1), F.S.

CHEFFAs exist in only seven counties.¹¹ The Higher Educational Facilities Financing Authority was codified in 2001, in part, to extend such assistance to eligible institutions of higher education located in counties without a CHEFFA.¹² A more extensive list of projects may be financed through a CHEFFA. Allowable projects include:

- Costs for construction of dormitories or student housing; dining halls; student unions; administration or academic buildings; libraries; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking;
- Certain purchases of equipment and machinery; and
- A loan in anticipation of tuition revenues.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed through a CHEFFA.¹³

Effect of Proposed Changes

The bill renames the “Higher Educational Facilities Financing Authority” as the “Educational Facilities Financing Authority” and adds authorization for private, nonprofit elementary, middle, and secondary schools that are located in and chartered by the state of Florida and accredited by SACS to participate in construction financing through the authority. Accordingly, the term “institution of higher education” is replaced by the terms “educational institution” or “participating institution” throughout Part II of ch. 243, F.S. Under the bill, the term “chartered by the state” refers to the private school’s incorporation status with the state, and not status as a charter school. Charter schools are public schools and the charter, in that context, is a performance contract with its sponsor, typically a district school board.

The bill replaces the definition of “project” currently applicable to financing of construction projects through the authority with the broader definition currently applicable to CHEFFAs. Thus, allowable projects may include:

- Costs for construction of dormitories or student housing; dining halls; student unions; administration or academic buildings; libraries; laboratories; research facilities; classrooms; athletic facilities; health care facilities; maintenance, storage, or utility facilities; and related facilities or structures required or useful for the instruction of students, research, or the operation of an educational institution, e.g., parking;
- Certain purchases of equipment and machinery; and
- A loan in anticipation of tuition revenues.

Books, fuel, supplies, or other items which are customarily deemed to be operating costs may not be financed through the authority. To the extent that construction projects allowed by the bill are not currently available to eligible institutions, e.g., ICUF institutions, this change expands the types of projects that they may finance through the authority.

Additionally, the bill extends the deadline for the authority’s annual report from two months to four months after the end of the fiscal year.

The bill contains a number of nomenclature changes in ch. 243, F.S., which conform to substantive changes made by the bill. Chapter 243, F.S., entitled “Higher Educational Facilities Bonds” is renamed “Educational Facilities Bonds.” Part II of ch. 243, F.S., entitled “Higher Educational Facilities Financing

¹¹ Chapter 69-345, L.O.F., *codified as* Part I, ch. 243, F.S.; Email, Independent Colleges and Universities of Florida, General Counsel (Feb. 3, 2014).

¹² Chapter 2001-79, L.O.F.

¹³ Section 243.20(5), F.S.

is renamed "Educational Facilities Financing." The "Higher Educational Facilities Financing Act" is renamed the "Educational Facilities Financing Act."

B. SECTION DIRECTORY:

Section 1. Renames ch. 243, F.S., as "Educational Facilities Bonds" and Part II of ch. 243, F.S., as "Educational facilities financing."

Section 2. Amends s. 243.50, F.S., relating to Short title.

Section 3. Amends s. 243.51, F.S., relating to Findings and declarations.

Section 4. Amends s. 243.52, F.S., relating to Definitions.

Section 5. Amends s. 243.53, F.S., relating to Creation of Higher Educational Facilities Financing Authority.

Section 6. Amends s. 243.54, F.S., relating to Powers of the authority.

Section 7. Amends s. 243.59, F.S., relating to Approval required to issue bonds.

Section 8. Amends s. 243.66, F.S., relating to Payment of bonds.

Section 9. Amends s. 243.67, F.S., relating to Rates, rents, fees, and charges.

Section 10. Amends s. 243.73, F.S., relating to Reports; audits.

Section 11. Provides an effective date of July 1, 2014.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The fiscal impact on state government is indeterminate. See Fiscal Comments.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The fiscal impact on local government revenues is indeterminate. See Fiscal Comments.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill extends opportunities to participate in tax-exempt educational facilities construction financing to private, nonprofit, SACS accredited elementary, middle, and secondary schools. This will likely reduce costs incurred for construction and financing; however, the amount of the reduction is indeterminate. See Fiscal Comments.

D. FISCAL COMMENTS:

The revenue impact of this bill on state and local governments has not yet been estimated. The bill authorizes private, nonprofit, SACS accredited elementary, middle, and secondary schools that are located in and chartered by the state of Florida to participate in educational facilities construction financing through the authority. SACS's database of accredited schools indicates that 169 SACS accredited private elementary, middle, and secondary schools are located in Florida. The database does not indicate whether listed schools are nonprofit entities.¹⁴ Furthermore, even if a private school meets the bill's eligibility criteria, it must still demonstrate that it is financially responsible in order to finance through the authority.¹⁵ Thus, it is unclear how many of these private schools will be eligible to participate in construction financing through the authority.

Currently, the authority and participating institutions are exempt from taxes or assessments related to a project or any property acquired for a project and any tax on income from those projects. Any bonds issued by the authority, any security for the bonds, the transfer of the bonds, and the income from the bonds (including profit on their sale) and notes, mortgages, security agreements, letters of credit, or other instruments are also exempt from taxation of any kind by the state or any local unit, political subdivision, or other instrumentality of the state. This tax exemption does not apply to income taxes imposed on corporations under ch. 220, F.S.¹⁶ Private schools that qualify to participate in construction financing through the authority will be eligible for these existing tax exemptions.

It is likely that many of the private schools referenced by the bill already receive an exemption from ad valorem taxation. Generally speaking, educational institutions and property used by them for educational purposes are exempt from ad valorem taxation.¹⁷ Among other things, this tax exemption applies to "a federal, state, parochial, church, or private school, college, or university conducting regular classes and courses of study required for eligibility to certification by, accreditation to, or membership in the State Department of Education of Florida, SACS, or the Florida Council of Independent Schools . . ."¹⁸

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

¹⁴ Southern Association of Colleges and Schools, *Find Accredited Schools*, <http://www.advanc-ed.org/> (last visited Feb. 4, 2014).

¹⁵ Section 243.58(2), F.S.

¹⁶ Section 243.70, F.S.

¹⁷ Section 196.198, F.S. Property owned by an educational institution is deemed to be used for an educational purpose if the institution has taken affirmative steps to prepare the property for educational use. The term "affirmative steps" means environmental or land use permitting activities, creation of architectural plans or schematic drawings, land clearing or site preparation, construction or renovation activities, or other similar activities that demonstrate commitment of the property to an educational use. *Id.*

¹⁸ Section 196.012(5), F.S.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Lines 104-106: The bill extends opportunities to participate in tax-exempt educational facilities construction financing to private, nonprofit, SACS accredited elementary, middle, and secondary schools. In the context of the bill, the term "chartered by the state" refers to the private school's incorporation status with the state, and not status as a charter school. Charter schools are public schools and the charter, in that context, is a performance contract with its sponsor, typically a district school board.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

1 A bill to be entitled
 2 An act relating to educational facilities financing;
 3 renaming chapter 243, F.S., and part II thereof to
 4 conform to changes made by the act; amending ss.
 5 243.50, 243.51, 243.52, 243.53, 243.54, 243.59,
 6 243.66, 243.67, and 243.73, F.S.; revising provisions
 7 relating to the financing of independent nonprofit
 8 higher educational facilities to include financing for
 9 private nonprofit elementary, middle, and secondary
 10 schools meeting certain criteria; revising the short
 11 title and findings to conform; revising definitions;
 12 renaming the facilities financing authority to
 13 conform; revising powers of the authority, including
 14 the issuance and payment of bonds, to conform;
 15 revising the date for submission of an annual
 16 financial report by the authority to the Governor and
 17 Legislature; providing an effective date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

20
 21 Section 1. Chapter 243, Florida Statutes, entitled "Higher
 22 Educational Facilities Bonds," is renamed "Educational
 23 Facilities Bonds." Part II of that chapter, entitled "Higher
 24 Educational Facilities Financing," is renamed "Educational
 25 Facilities Financing."

26 Section 2. Section 243.50, Florida Statutes, is amended to

HB 377

2014

27 read:

28 243.50 Short title.—Sections 243.50-243.77 may be cited as
 29 the "~~Higher~~ Educational Facilities Financing Act."

30 Section 3. Section 243.51, Florida Statutes, is amended to
 31 read:

32 243.51 Findings and declarations.—It is the purpose of ss.
 33 243.50-243.77 to provide a measure of assistance and an
 34 alternative method enabling private educational institutions in
 35 ~~of higher education of~~ this state to provide the facilities and
 36 structures that they need and to enable those institutions to
 37 coordinate their budgetary needs with the timing of receipt of
 38 tuition revenues.

39 Section 4. Subsections (3) through (8) of section 243.52,
 40 Florida Statutes, are amended to read:

41 243.52 Definitions.—As used in ss. 243.50-243.77, the
 42 term:

43 (3) "Project" means a structure suitable for use as a
 44 dormitory or other housing facility, dining hall, student union,
 45 administration building, academic building, library, laboratory,
 46 research facility, classroom, athletic facility, health care
 47 facility, or maintenance, storage, or utility facility, and
 48 other structures or facilities related thereto, or required
 49 thereto, or required or useful for the instruction of students,
 50 or the conducting of research, or the operation of an
 51 educational institution, including parking and other facilities
 52 or structures, essential or convenient for the orderly conduct

53 | of such institution and includes equipment and machinery and
 54 | other similar items necessary or convenient for the operation of
 55 | a particular facility or structure in the manner for which its
 56 | use is intended but does not include such items as books, fuel,
 57 | supplies, or other items that are customarily deemed to result
 58 | in a current operating charge. The term also ~~dormitory, student~~
 59 | ~~service facility, parking facility, administration building,~~
 60 | ~~academic building, or library~~ and includes a loan in
 61 | anticipation of tuition revenues by an educational institution
 62 | ~~of higher education,~~ as defined in subsection (6).

63 | (4) "Cost," as applied to a project or any portion thereof
 64 | financed under ss. 243.50-243.77, includes all or any part of
 65 | the cost of construction and acquisition of all lands,
 66 | structures, real property, rights, rights-of-way, franchises,
 67 | easements, and interests acquired or used for a project; the
 68 | cost of demolishing or removing any buildings or structures on
 69 | land so acquired, including the cost of acquiring any lands to
 70 | which the buildings or structures may be removed; the cost of
 71 | all machinery and equipment, financing charges, and interest
 72 | before, during, and for a period of 30 months after completion
 73 | of the construction; provisions for working capital, reserves
 74 | for principal, interest, and rebate; provisions for extensions,
 75 | enlargements, additions, and improvements; the cost of
 76 | engineering, financial, and legal services; the cost of plans,
 77 | specifications, studies, surveys, estimates of costs and
 78 | revenues, administrative expenses, and expenses necessary to

79 determining the feasibility or practicability of constructing
 80 the project; and other expenses necessary for constructing and
 81 acquiring the project, financing the construction, and placing
 82 the project in operation. In the case of a loan in anticipation
 83 of tuition revenues, the term "cost" means the amount of the
 84 loan in anticipation of revenues which does not exceed the
 85 amount of tuition revenues anticipated to be received by the
 86 borrowing institution ~~of higher education~~ in the 1-year period
 87 following the date of the loan, plus costs related to the
 88 issuance of the loan, or the amount of the bonds, the proceeds
 89 of which fund the loans and any related cost of debt service,
 90 reserve funds, and rebate associated therewith.

91 (5) "Bond" or "revenue bond" means a revenue bond of the
 92 authority issued under ss. 243.50-243.77, including a revenue
 93 refunding bond, notwithstanding that it may be secured by
 94 mortgage or the full faith and credit of a participating
 95 institution ~~of higher education~~ or any other lawfully pledged
 96 security of a participating institution ~~of higher education~~.

97 (6) "Educational institution of higher education" means:

98 (a) An independent nonprofit college or university that
 99 ~~which~~ is located in and chartered by the state; that ~~which~~ is
 100 accredited by the Commission on Colleges of the Southern
 101 Association of Colleges and Schools; that ~~which~~ grants
 102 baccalaureate degrees; and that ~~which~~ is not a state university
 103 or Florida College System institution ~~state community college~~.

104 (b) A private nonprofit elementary, middle, or secondary

105 school that is located in and chartered by the state and
 106 accredited by the Southern Association of Colleges and Schools.

107 (7) "Participating institution" means an educational
 108 ~~institution of higher education,~~ as defined in subsection (6) ~~7~~
 109 that undertakes the financing and construction or acquisition of
 110 a project or undertakes the refunding or refinancing of
 111 obligations or of a mortgage or of advances as provided in and
 112 permitted by ss. 243.50-243.77.

113 (8) "Loan in anticipation of tuition revenues" means a
 114 loan to a participating ~~an~~ ~~institution of higher education~~ under
 115 circumstances in which tuition revenues anticipated to be
 116 received by the institution in any budget year are estimated to
 117 be insufficient at any time during the budget year to pay the
 118 operating expenses or other obligations of the institution in
 119 accordance with the budget of the institution.

120 Section 5. Subsections (1) and (2) of section 243.53,
 121 Florida Statutes, are amended to read:

122 243.53 Creation of ~~Higher~~ Educational Facilities Financing
 123 Authority.-

124 (1) There is created a public body corporate and politic
 125 to be known as the ~~Higher~~ Educational Facilities Financing
 126 Authority. The authority is constituted as a public
 127 instrumentality, and the exercise by the authority of the powers
 128 conferred by ss. 243.50-243.77 is considered to be the
 129 performance of an essential public function. Chapters 119 and
 130 286 apply to the authority.

131 (2) The authority shall consist of five members to be
 132 appointed by the Governor, subject to confirmation by the
 133 Senate. One member shall be a trustee, director, officer, or
 134 employee of a participating ~~an~~ institution ~~of higher education~~.
 135 Of the members first appointed, one shall serve for 1 year, one
 136 for 2 years, one for 3 years, one for 4 years, and one for 5
 137 years, and in each case until his or her successor is appointed
 138 and has qualified. Thereafter, the Governor shall appoint for
 139 terms of 5 years each a member or members to succeed those whose
 140 terms expire. The Governor shall fill any vacancy for an
 141 unexpired term. A member of the authority is eligible for
 142 reappointment. Any member of the authority may be removed by the
 143 Governor for misfeasance, malfeasance, or willful neglect of
 144 duty. Each member of the authority before entering upon his or
 145 her duties shall take and subscribe to the oath or affirmation
 146 required by the State Constitution. A record of each oath must
 147 be filed in the office of the Department of State and with the
 148 authority.

149 Section 6. Section 243.54, Florida Statutes, is amended to
 150 read:

151 243.54 Powers of the authority.—The purpose of the
 152 authority is to assist participating institutions ~~of higher~~
 153 ~~education~~ in constructing, financing, and refinancing projects
 154 throughout the state, and ~~7~~ for this purpose, the authority may:

155 (1) Exercise all powers granted to corporations under the
 156 Florida Business Corporation Act, chapter 607.

157 (2) Have perpetual succession as a body politic and
 158 corporate and adopt bylaws for the regulation of its affairs and
 159 the conduct of its business.

160 (3) Adopt an official seal and alter the same at its
 161 pleasure.

162 (4) Maintain an office at any place in the state that it
 163 may designate.

164 (5) Sue and be sued in its own name, and plead and be
 165 impleaded.

166 (6) Make and execute financing agreements, leases, as
 167 lessee or as lessor, contracts, deeds, and other instruments
 168 necessary or convenient in the exercise of the powers and
 169 functions of the authority, including contracts with persons,
 170 firms, corporations, federal and state agencies, and other
 171 authorities, which state agencies and other authorities are
 172 authorized to enter into contracts and otherwise cooperate with
 173 the authority to facilitate the financing, construction,
 174 leasing, or sale of any project or the institution of any
 175 program; engage in sale-leaseback, lease-purchase, lease-
 176 leaseback, or other undertakings and provide for the sale of
 177 certificates of participation incident thereto; and enter into
 178 interlocal agreements in the manner provided in s. 163.01.

179 (7) Determine the location and character of any project to
 180 be financed under ss. 243.50-243.77 and may:

181 (a) Construct, reconstruct, maintain, repair, and lease
 182 the project as lessee or lessor.

183 (b) Enter into contracts for any of those purposes.

184 (c) Designate a participating institution as its agent to
 185 determine the location and character of a project undertaken by
 186 a participating institution under ss. 243.50-243.77 and, as the
 187 agent of the authority, construct, reconstruct, maintain,
 188 repair, own, and lease the project as lessee or lessor.

189 (8) Issue bonds, bond anticipation notes, and other
 190 obligations of the authority for any of its corporate purposes,
 191 including the provision of funds to pay all or any part of the
 192 cost of any project and to fund or refund the cost of any
 193 project as provided in ss. 243.50-243.77.

194 (9) Establish rules for the use of a project or any
 195 portion thereof and designate a participating institution as its
 196 agent to establish rules for the use of a project undertaken by
 197 the participating institution.

198 (10) Employ consulting engineers, architects, attorneys,
 199 accountants, construction and financial experts,
 200 superintendents, managers, and other employees and agents as
 201 necessary~~r~~ and fix their compensation.

202 (11) Receive and accept from any public agency loans or
 203 grants for or in aid of the construction of a project or any
 204 portion thereof, and receive and accept loans, grants, aid, or
 205 contributions from any source of money, property, labor, or
 206 other things of value, to be held, used, and applied only for
 207 the purposes for which the loans, grants, aid, and contributions
 208 are made.

209 (12) Mortgage any project and the site thereof for the
 210 benefit of the holders of revenue bonds issued to finance
 211 projects or those providing credit for that purpose.

212 (13) Make loans to any participating institution for the
 213 cost of a project, including a loan in anticipation of tuition
 214 revenues, in accordance with an agreement between the authority
 215 and the participating institution. However, a loan may not
 216 exceed the total cost of the project as determined by the
 217 participating institution and approved by the authority.

218 (14) Make loans to a participating institution to refund
 219 outstanding obligations, mortgages, or advances issued, made, or
 220 given by the participating institution for the cost of a
 221 project.

222 (15) Charge to and equitably apportion among participating
 223 institutions its administrative costs and expenses incurred in
 224 the exercise of the powers and duties conferred by ss. 243.50-
 225 243.77.

226 (16) Contract with an entity as its agent to assist the
 227 authority in screening applications of participating
 228 institutions ~~of higher education~~ for loans under ss. 243.50-
 229 243.77 and receive any recommendations the entity may make.

230 (17) Do all things necessary or convenient to carry out
 231 the purposes of ss. 243.50-243.77.

232 Section 7. Section 243.59, Florida Statutes, is amended to
 233 read:

234 243.59 Approval required to issue bonds.—The authority is

235 created for the purpose of promoting private nonprofit ~~higher~~
 236 education and issuing bonds on behalf of the state, and the
 237 Governor may approve any bonds issued by the authority which
 238 require approval under federal law.

239 Section 8. Section 243.66, Florida Statutes, is amended to
 240 read:

241 243.66 Payment of bonds.—Revenue bonds issued under ss.
 242 243.50-243.77 are not a debt or liability of the authority, any
 243 municipality, the state, or any political subdivision thereof,
 244 and are not a pledge of the faith and credit of the state, the
 245 authority, any municipality, or any political subdivision
 246 thereof, but are payable solely from revenues of the authority
 247 pertaining to the project relating to the issue; payments by
 248 participating institutions ~~of higher education~~, banks, insurance
 249 companies, or others under letters of credit or purchase
 250 agreements; investment earnings from funds or accounts
 251 maintained under the bond resolution; insurance proceeds; loan
 252 funding deposits; proceeds of sales of education loans; proceeds
 253 of refunding obligations; and fees, charges, and other revenues
 254 of the authority from the project. All revenue bonds must
 255 contain on the face thereof a statement to the effect that
 256 neither the authority nor any municipality, the state, or any
 257 political subdivision thereof is obligated to pay the bond or
 258 the interest thereon except from revenues of the project or the
 259 portion thereof for which they are issued, and that neither the
 260 faith and credit nor the taxing power of the authority, any

261 | municipality, the state, or any political subdivision thereof is
 262 | pledged to the payment of the principal of or the interest on
 263 | the bonds. The issuance of revenue bonds under ss. 243.50-243.77
 264 | may not directly, indirectly, or contingently obligate the
 265 | authority, any municipality, the state, or any political
 266 | subdivision thereof to levy or to pledge any form of taxation
 267 | therefor or to make any appropriation for their payment.

268 | Section 9. Subsection (3) of section 243.67, Florida
 269 | Statutes, is amended to read:

270 | 243.67 Rates, rents, fees, and charges.—

271 | (3) The use and disposition of moneys to the credit of a
 272 | sinking or other similar fund must be subject to the resolution
 273 | authorizing the issuance of the bonds or of the trust agreement.
 274 | Except as otherwise provided in the resolution or the trust
 275 | agreement, the sinking or other similar fund must be a fund for
 276 | all revenue bonds issued to finance projects at a particular
 277 | participating institution ~~of higher education~~ without
 278 | distinction or priority of one over another. However, the
 279 | authority in any resolution or trust agreement may provide that
 280 | the sinking or other similar fund be the fund for a particular
 281 | project at a participating institution and for payment of the
 282 | revenue bonds issued to finance that project, and may,
 283 | additionally, permit and provide for the issuance of revenue
 284 | bonds having a subordinate lien in respect of the security
 285 | authorized to other revenue bonds of the authority, and, in such
 286 | case, the authority may create separate sinking or other similar

287 funds in respect of the subordinate lien bonds.

288 Section 10. Subsection (1) of section 243.73, Florida
 289 Statutes, is amended to read:

290 243.73 Reports; audits.—

291 (1) The authority shall submit to the Governor and the
 292 presiding officers of each house of the Legislature, within 4 ~~2~~
 293 months after the end of its fiscal year, a complete and detailed
 294 report setting forth:

295 (a) Its operations and accomplishments.

296 (b) Its receipts and expenditures during its fiscal year
 297 in accordance with the categories or classifications established
 298 by the authority for its operating and capital outlay purposes.

299 (c) Its assets and liabilities at the end of its fiscal
 300 year and the status of reserve, special, or other funds.

301 (d) A schedule of its bonds outstanding at the end of its
 302 fiscal year, together with a statement of the principal amounts
 303 of bonds issued and redeemed during the fiscal year.

304 (e) Any other information the authority deems appropriate.

305 Section 11. This act shall take effect July 1, 2014.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 533 Student Eligibility for Interscholastic Athletic Competition
SPONSOR(S): Diaz, Jr.
TIED BILLS: IDEN./SIM. BILLS: SB 284

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--|--------|--------------------|--|
| 1) Choice & Innovation Subcommittee | | Rininger <i>GR</i> | Fudge <i>NY</i> |
| 2) Education Appropriations Subcommittee | | | |
| 3) Education Committee | | | |

SUMMARY ANALYSIS

Florida law requires a uniform preparticipation physical evaluation form be used to elicit a student's medical history and to conduct a physical assessment of the student's physical capabilities used to participate in athletic competition. This form must advise a student to complete a cardiovascular assessment. The bill requires the preparticipation physical evaluation form to advise a student to complete an electrocardiogram as part of the suggested cardiovascular assessment. Further, the bill requires the Florida High School Athletic Association to make literature available to parents on the importance of a preparticipation cardiovascular assessment that includes an electrocardiogram.

The bill does not have a fiscal impact on state or local governments.

Provides an effective date of July 1, 2014.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Founded in 1920,¹ the Florida High School Athletic Association (FHSAA) is a non-profit organization that governs interscholastic athletics in Florida's schools from grades 6 through 12.² Currently, the FHSAA is required to adopt bylaws to establish eligibility requirements for all students, prohibit recruiting students for athletic purposes, and require students participating in athletics to satisfactorily pass an annual medical evaluation.³

FHSAA bylaws require each student to undergo a physical evaluation each year prior to participation in interscholastic athletic programs.⁴ The completed physical evaluation form must be on file in the school before a student participates in an activity related to interscholastic athletic programs.⁵ And the physical evaluation must be completed by either a licensed physician, a licensed osteopathic physician, a licensed chiropractic physician, a licensed physician assistant or a certified advanced registered nurse practitioner.⁶

According to Florida law, these bylaws must require a uniform preparticipation form be used to elicit a student's medical history and to conduct a physical assessment of the student's physical capabilities used to participate in athletic competition.⁷ This evaluation form must:

- Incorporate the recommendations of the American Heart Association for participation cardiovascular screening.⁸
- Provide a place for the practitioner's signature indicating the completion of each examination procedure listed on the form.⁹
- Include a place for the referral of a student to another practitioner and subsequent completion of examination procedures by the new practitioner.¹⁰
- Advise a student to complete a cardiovascular assessment.¹¹

¹ Florida High School Athletic Association, *About the FHSAA*, available at <http://www.fhsaa.org/about> (last visited Jan. 31, 2014).

² While high school is typically defined to include grades 9 through 12, for the purposes of athletics in public K-12 schools, high school is defined to include grades 6-12. Section 1006.20(1), F.S.

³ Section 1006.20(1) and (2), F.S.

⁴ Bylaw 9.7.1, *FHSAA Handbook*. Available at http://www.fhsaa.org/sites/default/files/attachments/2010/09/16/node-235/2013-14_handbook_-_bylaws_section.pdf.

⁵ Bylaw 9.7.2, *FHSAA Handbook*. Available at http://www.fhsaa.org/sites/default/files/attachments/2010/09/16/node-235/2013-14_handbook_-_bylaws_section.pdf.

⁶ *Id.* Florida law requires the evaluation to be administered by a practitioner licensed under chapter 458, chapter 459, chapter 468, or s. 464.012. Section 1006.20(2)(c), F.S.

⁷ Section 1006.20(2)(c), F.S.

⁸ *Id.* A 2012 advisory report from the American Heart Association advances underlying principles for screening strategies that suggest a "successful screening program will require extensive planning and will not be able to eliminate sudden cardiac deaths completely," "[a]ny broad screening strategy should be widely supported and available to all children," "pilot screening programs must track their performance," "[p]ediatric cardiovascular specialists need to be included in strategies that look to identify cardiac disease so that any enhanced screening strategies are practical in terms of manpower and integrate well into the current practice of identifying children thought to be at increased risk for arrhythmia, ischemia, or sudden death events," and "secondary prevention of sudden death with training of cardiopulmonary resuscitation and deployment of automatic external defibrillators must be emphasized." American Heart Association, *Key Concepts in the Evaluation of Screening Approaches for Heart Disease in Children and Adolescents: A Science Advisory from the American Heart Association* (2012), available at <http://circ.ahajournals.org/content/early/2012/04/30/CIR.0b013e3182579f25.full.pdf>.

⁹ Section 1006.20(2)(c), F.S.

¹⁰ *Id.*

A routine electrocardiogram costs around \$35, including both technical costs and the cost of a physician's interpretation of the test results.¹² An exercise stress test involving an electrocardiogram costs around \$151.¹³ The results of these tests could lead to further medical testing, which could involve additional costs.¹⁴

Effect of Proposed Changes

The bill requires the preparticipation physical evaluation form advise a student to complete an electrocardiogram as part of the suggested cardiovascular assessment. Further, the bill requires the FHSAA to make available to parents literature on the importance of a preparticipation cardiovascular assessment that includes an electrocardiogram.

B. SECTION DIRECTORY:

Section 1. Amends s. 1006.20, F.S., relating to student eligibility for interscholastic athletic competition.

Section 2. Provides an effective date of July 1, 2014.

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:

There may be an indeterminate impact on the private sector if students elect to undergo a cardiovascular assessment that includes an electrocardiogram.

¹¹ *Id.*

¹² Healthcare Bluebook, *Electrocardiogram*,

https://www.healthcarebluebook.com/page_Results.aspx?id=189&dataset=MD&g=Electrocardiogram (last visited Feb. 3, 2014). This is the fair price that Healthcare Bluebook calculates based on the price providers typically accept from insurance companies. The price may vary by geographical area. *Id.*

¹³ *Id.*

¹⁴ American Heart Association, *Recommendations and Considerations Related to Preparticipation Screening for Cardiovascular Abnormalities in Competitive Athletes: 2007 Update: A Scientific Statement From the American Heart Association Council on Nutrition, Physical Activity, and Metabolism: Endorsed by the American College of Cardiology Foundation* (2007), p. 1649, available at <http://circ.ahajournals.org/content/115/12/1643.full.pdf>.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

1 A bill to be entitled
 2 An act relating to student eligibility for
 3 interscholastic athletic competition; amending s.
 4 1006.20, F.S.; revising requirements for the bylaws of
 5 the Florida High School Athletic Association to
 6 require the preparticipation physical evaluation form
 7 to advise students to complete a cardiovascular
 8 assessment that includes an electrocardiogram;
 9 requiring the association to make available to parents
 10 literature on the importance of preparticipation
 11 cardiovascular assessment; providing an effective
 12 date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Paragraph (c) of subsection (2) of section
 17 1006.20, Florida Statutes, is amended to read:

18 1006.20 Athletics in public K-12 schools.—

19 (2) ADOPTION OF BYLAWS, POLICIES, OR GUIDELINES.—

20 (c) The FHSAA shall adopt bylaws that require all students
 21 participating in interscholastic athletic competition or who are
 22 candidates for an interscholastic athletic team to
 23 satisfactorily pass a medical evaluation each year before ~~prior~~
 24 ~~to~~ participating in interscholastic athletic competition or
 25 engaging in any practice, tryout, workout, or other physical
 26 activity associated with the student's candidacy for an

27 | interscholastic athletic team. ~~Such medical evaluation may be~~
 28 | ~~administered only by~~ A practitioner licensed under chapter 458,
 29 | chapter 459, or chapter 460, or certified under s. 464.012, who
 30 | is and in good standing with his or her professional ~~the~~
 31 | ~~practitioner's~~ regulatory board, shall administer the medical
 32 | evaluation. The bylaws shall establish requirements for
 33 | eliciting a student's medical history and performing the medical
 34 | evaluation required under this paragraph, which shall include a
 35 | physical assessment of the student's physical capabilities to
 36 | participate in interscholastic athletic competition as contained
 37 | in a uniform preparticipation physical evaluation and history
 38 | form. The evaluation form shall incorporate the recommendations
 39 | of the American Heart Association for participation
 40 | cardiovascular screening and shall provide a place for the
 41 | signature of the practitioner performing the evaluation with an
 42 | attestation that each examination procedure listed on the form
 43 | was performed by the practitioner or by someone under the direct
 44 | supervision of the practitioner. The form shall also contain a
 45 | place for the practitioner to indicate if a referral to another
 46 | practitioner was made in lieu of completion of a certain
 47 | examination procedure. The form shall provide a place for the
 48 | practitioner to whom the student was referred to complete the
 49 | remaining sections and attest to that portion of the
 50 | examination. The preparticipation physical evaluation form shall
 51 | contain information that advises a student ~~advise students~~ to
 52 | complete a cardiovascular assessment that includes an

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53 electrocardiogram. The preparticipation physical evaluation form
54 ~~and~~ shall also include information concerning alternative
55 cardiovascular evaluation and diagnostic tests. Results of such
56 medical evaluation must be provided to the school. A ~~No~~ student
57 is not ~~shall be~~ eligible to participate in any interscholastic
58 athletic competition or engage in any practice, tryout, workout,
59 or other physical activity associated with the student's
60 candidacy for an interscholastic athletic team until the results
61 of the medical evaluation have been received and approved by the
62 school. The FHSAA shall make available to the parent of each
63 student literature on the importance of a preparticipation
64 cardiovascular assessment that includes an electrocardiogram.

65 Section 2. This act shall take effect July 1, 2014.