

By Senator Sullivan

22-795A-00

1 A bill to be entitled
2 An act relating to the Trust Fund for Major
3 Gifts; amending s. 240.2605, F.S.; rescinding a
4 provision that allows the Board of Regents to
5 authorize a university to encumber the state
6 matching portion of a challenge grant from
7 funds available under s. 240.272, F.S.;
8 revising provisions that prescribe the manner
9 in which donations from the trust fund must be
10 matched; providing the maximum yearly amount
11 and the maximum total amount of matching funds
12 which may be used to match a single gift;
13 repealing an obsolete provision; providing an
14 effective date.

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

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18 Section 1. Section 240.2605, Florida Statutes, is
19 amended to read:

20 240.2605 Trust Fund for Major Gifts.--

21 (1) There is established a Trust Fund for Major Gifts.
22 The purpose of the trust fund is to enable the Board of
23 Regents Foundation, each university, and New College to
24 provide donors with an incentive in the form of matching
25 grants for donations for the establishment of permanent
26 endowments, which must be invested, with the proceeds of the
27 investment used to support libraries and instruction and
28 research programs, as defined by procedure of the Board of
29 Regents. All funds appropriated for the challenge grants, new
30 donors, major gifts, or eminent scholars program must be
31 deposited into the trust fund and invested pursuant to s.

1 18.125 until the Board of Regents allocates the funds to
2 universities to match private donations. Notwithstanding s.
3 216.301 and pursuant to s. 216.351, any undisbursed balance
4 remaining in the trust fund and interest income accruing to
5 the portion of the trust fund which is not matched and
6 distributed to universities must remain in the trust fund and
7 be used to increase the total funds available for challenge
8 grants. ~~The Board of Regents may authorize any university to~~
9 ~~encumber the state matching portion of a challenge grant from~~
10 ~~funds available under s. 240.272.~~

11 (2) The Board of Regents shall specify the process for
12 submission, documentation, and approval of requests for
13 matching funds, accountability for endowments and proceeds of
14 endowments, allocations to universities, restrictions on the
15 use of the proceeds from endowments, and criteria used in
16 determining the value of donations.

17 (3)(a) The Board of Regents shall allocate the amount
18 appropriated to the trust fund to the Board of Regents
19 Foundation, each university, and New College based on the
20 amount of the donation and the restrictions applied to the
21 donation.

22 (b) Donations for a specific purpose must be matched
23 in the following manner:

24 1. The Board of Regents Foundation and each university
25 that raises at least \$100,000 but no more than \$999,999
26 ~~\$599,999~~ from a private source must receive a matching grant
27 equal to 50 percent of the private contribution.

28 ~~2. The Board of Regents Foundation and each university~~
29 ~~that raises a contribution of at least \$600,000 but no more~~
30 ~~than \$1 million from a private source must receive a matching~~
31 ~~grant equal to 70 percent of the private contribution.~~

1 ~~2.3.~~ The Board of Regents Foundation and each
2 university that raises a contribution in excess of \$1 million
3 but no more than ~~\$2,999,999~~\$1.5 million from a private source
4 must receive a matching grant equal to ~~60~~ 75 percent of the
5 private contribution.

6 ~~4.~~ ~~The Board of Regents Foundation and each university~~
7 ~~that raises a contribution in excess of \$1.5 million but no~~
8 ~~more than \$2 million from a private source must receive a~~
9 ~~matching grant equal to 80 percent of the private~~
10 ~~contribution.~~

11 ~~3.5.~~ The Board of Regents Foundation and each
12 university that raises a contribution in excess of ~~\$3~~\$2
13 million from a private source must receive a matching grant
14 equal to ~~85~~ 100 percent of the private contribution.

15 ~~4.~~ The maximum amount of matching funds which may be
16 used to match a single gift in any given year is \$3 million.
17 The maximum total amount of matching funds which may be used
18 to match any single gift is \$15 million, to be distributed in
19 equal amounts of \$3 million per year over a period of 5 years,
20 subject to the availability of funds.

21 ~~(c)~~ ~~The Board of Regents shall encumber state matching~~
22 ~~funds for any pledged contributions, pro rata, based on the~~
23 ~~requirements for state matching funds as specified for the~~
24 ~~particular challenge grant and the amount of the private~~
25 ~~donations actually received by the university or Board of~~
26 ~~Regents Foundation for the respective challenge grant.~~

27 (4) Matching funds may be provided for contributions
28 encumbered or pledged under the Florida Endowment Trust Fund
29 for Eminent Scholars Act prior to July 1, 1994, and for
30 donations or pledges of any amount equal to or in excess of
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1 the prescribed minimums which are pledged for the purpose of
2 this section.

3 (5)(a) The Board of Regents Foundation, each
4 university foundation, and New College Foundation shall
5 establish a challenge grant account for each challenge grant
6 as a depository for private contributions and state matching
7 funds to be administered on behalf of the Board of Regents,
8 the university, or New College. State matching funds must be
9 transferred to a university foundation or New College
10 Foundation upon notification that the university or New
11 College has received and deposited the amount specified in
12 this section in a foundation challenge grant account.

13 (b) The foundation serving a university and New
14 College Foundation each has the responsibility for the
15 maintenance and investment of its challenge grant account and
16 for the administration of the program on behalf of the
17 university or New College, pursuant to procedures specified by
18 the Board of Regents. Each foundation shall include in its
19 annual report to the Board of Regents information concerning
20 collection and investment of matching gifts and donations and
21 investment of the account.

22 (c) A donation of at least \$600,000 and associated
23 state matching funds may be used to designate an Eminent
24 Scholar Endowed Chair pursuant to procedures specified by the
25 Board of Regents.

26 (6) The donations, state matching funds, or proceeds
27 from endowments established under this section may not be
28 expended for the construction, renovation, or maintenance of
29 facilities or for the support of intercollegiate athletics.

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1 (7) The Board of Regents Foundation may participate in
2 the same manner as a university foundation with regard to the
3 provisions of this section.

4 (8) Notwithstanding other provisions of this section,
5 for the 1999-2000 fiscal year only, for gifts received during
6 this period, the university presidents shall provide a list of
7 donations from private donors for challenge grants, new
8 donations, major gifts, and the eminent scholars program to be
9 matched for the 1999-2000 fiscal year to the Board of Regents.
10 The listing shall contain an explanation of the donation, a
11 statement of the specific benefits accrued to the university
12 as a result of the donation, and how the donation is
13 consistent with the mission of the institution, as defined by
14 the Board of Regents in the 1998-2003 Strategic Plan.
15 University presidents shall rank each private donation to
16 their university, giving highest priority to private donations
17 that provide additional library resources to universities;
18 donations that provide student assistance through
19 scholarships, fellowships, or assistantships; donations that
20 provide funding for existing academic programs at
21 universities; and donations that meet the matching requirement
22 without encumbering pledges. ~~The Board of Regents, using the~~
23 ~~same criteria, shall develop a systemwide priority list and~~
24 ~~may set restrictions on the annual amount of matching funds~~
25 ~~provided for single donations that exceed \$5 million.~~

26 Section 2. This act shall take effect July 1, 2000.
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SENATE SUMMARY

Revises provisions relating to the Trust Fund for Major Gifts. Rescinds a provision that allows the Board of Regents to authorize a university to encumber the state matching portion of a challenge grant from funds available under s. 240.272, F.S. Revises provisions that prescribe the manner in which donations from the trust fund must be matched. Provides that the maximum yearly amount of matching funds which may be used to match a single gift is \$3 million and that the maximum total amount that may be used to match a single gift is \$15 million. Deletes a provision requiring the Board of Regents to develop a systemwide priority list and to set restrictions on the required amount of matching funds for single donations that exceed \$5 million.