

By the Committee on Education and Senator Sullivan

304-2014-00

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; amending s.
14 240.2601, F.S.; requiring a report to the Board
15 of Regents and a priority list; providing an
16 effective date.

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

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20 Section 1. Section 240.2605, Florida Statutes, is
21 amended to read:

22 240.2605 Trust Fund for Major Gifts.--

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

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

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

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

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

26 1. The Board of Regents Foundation and each university
27 that raises at least \$100,000 but no more than \$999,999
28 ~~\$599,999~~ from a private source must receive a matching grant
29 equal to 50 percent of the private contribution.

30 2. ~~The Board of Regents Foundation and each university~~
31 ~~that raises a contribution of at least \$600,000 but no more~~

1 ~~than \$1 million from a private source must receive a matching~~
2 ~~grant equal to 70 percent of the private contribution.~~

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

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

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

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

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

29 (4) Matching funds may be provided for contributions
30 encumbered or pledged under the Florida Endowment Trust Fund
31 for Eminent Scholars Act prior to July 1, 1994, and for

1 donations or pledges of any amount equal to or in excess of
2 the prescribed minimums which are pledged for the purpose of
3 this section.

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

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

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

27 (6) The donations, state matching funds, or proceeds
28 from endowments established under this section may not be
29 expended for the construction, renovation, or maintenance of
30 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) For challenge grants for which state matching
5 funds are requested ~~Notwithstanding other provisions of this~~
6 ~~section, for the 1999-2000 fiscal year only, for gifts~~
7 ~~received during this period, the university presidents shall~~
8 annually provide a list to the Board of Regents of donations
9 ~~from private donors for challenge grants, new donations, major~~
10 ~~gifts, and the eminent scholars program to be matched for the~~
11 ~~1999-2000 fiscal year to the Board of Regents.~~ The listing
12 shall include, but need not be limited to, ~~contain~~ an
13 explanation of the donation, a statement of the specific
14 benefits accrued to the university as a result of the
15 donation, and how the donation is consistent with the mission
16 of the institution, as defined by the Board of Regents in its
17 most recent ~~the 1998-2003~~ Strategic Plan. University
18 presidents shall rank each private donation to their
19 university, giving highest priority to private donations that
20 provide additional library resources to universities;
21 donations that provide student assistance through
22 scholarships, fellowships, or assistantships; donations that
23 provide funding for existing academic programs at
24 universities. The Board of Regents shall submit a report to
25 the President of the Senate, the Speaker of the House of
26 Representatives, and the Governor by January 15 of each year.
27 The report must include, but not be limited to, the annual
28 listing described in this subsection as well as information
29 regarding the expenditure of the proceeds of the endowments
30 for the previous year. ~~and donations that meet the matching~~
31 ~~requirement without encumbering pledges. The Board of Regents,~~

1 ~~using the same criteria, shall develop a systemwide priority~~
2 ~~list and may set restrictions on the annual amount of matching~~
3 ~~funds provided for single donations that exceed \$5 million.~~

4 Section 2. Present subsections (7) through (11) of
5 section 240.2601, Florida Statutes, are redesignated as
6 subsections (8) through (11), respectively, and a new
7 subsection (7) is added to that section to read:

8 240.2601 State University System Facility Enhancement
9 Challenge Grant Program.--

10 (7) For challenge grants for which state matching is
11 being requested, university presidents shall provide to the
12 Board of Regents a list of donations received from private
13 donors for the State University System Facility Enhancement
14 Challenge Grant Program. This listing shall contain an
15 explanation of the donation, a statement of the specific
16 benefits accrued to the university as a result of the
17 donation, and the projected cost to the state for the
18 operation and maintenance of the facility. The Board of
19 Regents shall review and rank each private donation, giving
20 highest priority to private donations that provide the
21 financial resources for major renovations to existing
22 facilities, particularly instructional facilities, and new
23 space requirements as identified by the space utilization
24 model. The listing shall be submitted by August 1 of each
25 year.

26 Section 3. This act shall take effect July 1, 2000.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
SB 2092

The Committee Substitute makes permanent a 1-year requirement that university presidents and the Board of Regents must report the donations and explain their consistency with the master plan. It requires the same type of report for the Facility Enhancement Challenge Grant Program. The reports must rank the donations in priority order, but state funding is not required to be allocated first to the first donations in priority. Universities may continue to match donations on a first-come, first-matched basis.