



1 university ~~and New College~~ to provide donors with an incentive  
2 in the form of matching grants for donations for the  
3 establishment of permanent endowments and sales tax exemption  
4 matching funds received pursuant to s. 212.08(5)(j), which  
5 must be invested, with the proceeds of the investment used to  
6 support libraries and instruction and research programs, as  
7 defined by the Board of Governors ~~State Board of Education~~.  
8 All funds appropriated for the challenge grants, new donors,  
9 major gifts, sales tax exemption matching funds pursuant to s.  
10 212.08(5)(j), or eminent scholars program must be deposited  
11 into the trust fund and invested pursuant to s. 17.61 until  
12 the Board of Governors ~~State Board of Education~~ allocates the  
13 funds to universities to match private donations.  
14 Notwithstanding s. 216.301 and pursuant to s. 216.351, any  
15 undisbursed balance remaining in the trust fund and interest  
16 income accruing to the portion of the trust fund which is not  
17 matched and distributed to universities must remain in the  
18 trust fund and be used to increase the total funds available  
19 for challenge grants. Funds deposited in the trust fund for  
20 the sales tax exemption matching program authorized in s.  
21 212.08(5)(j), and interest earnings thereon, shall be  
22 maintained in a separate account within the Trust Fund for  
23 University Major Gifts, and may be used only to match  
24 qualified sales tax exemptions that a certified business  
25 designates for use by state universities and community  
26 colleges to support research and development projects  
27 requested by the certified business. ~~The State Board of~~  
28 ~~Education may authorize any university to encumber the state~~  
29 ~~matching portion of a challenge grant from funds available~~  
30 ~~under s. 1011.45.~~  
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1           (2) The ~~Board of Governors State Board of Education~~  
2 shall specify the process for submission, documentation, and  
3 approval of requests for matching funds, accountability for  
4 endowments and proceeds of endowments, allocations to  
5 universities, restrictions on the use of the proceeds from  
6 endowments, and criteria used in determining the value of  
7 donations.

8           (3)(a) The ~~Board of Governors State Board of Education~~  
9 shall allocate the amount appropriated to the trust fund to  
10 ~~the Florida Board of Governors Foundation, Inc., and~~ each  
11 university ~~and New College~~ based on the amount of the donation  
12 and the restrictions applied to the donation.

13           (b)1. Donations from a private source, including any  
14 gift pledged and approved for initial match, which are  
15 approved by the Board of Governors and are on the pending list  
16 before July 1, 2006, must be for a specific purpose to support  
17 university priorities as established by the university's board  
18 of trustees and must be matched in the following manner:

19           a.1- The Florida Board of Governors Foundation, Inc.,  
20 and each university that raises at least \$100,000 but no more  
21 than \$599,999 from a private source must receive a matching  
22 grant equal to 50 percent of the private contribution.

23           b.2- The Florida Board of Governors Foundation, Inc.,  
24 and each university that raises a contribution of at least  
25 \$600,000 but no more than \$1 million from a private source  
26 must receive a matching grant equal to 70 percent of the  
27 private contribution.

28           c.3- The Florida Board of Governors Foundation, Inc.,  
29 and each university that raises a contribution in excess of \$1  
30 million but no more than \$1.5 million from a private source  
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1 must receive a matching grant equal to 75 percent of the  
2 private contribution.

3 ~~d.4.~~ The Florida Board of Governors Foundation, Inc.,  
4 and each university that raises a contribution in excess of  
5 \$1.5 million but no more than \$2 million from a private source  
6 must receive a matching grant equal to 80 percent of the  
7 private contribution.

8 ~~e.5.~~ The Florida Board of Governors Foundation, Inc.,  
9 and each university that raises a contribution in excess of \$2  
10 million from a private source must receive a matching grant  
11 equal to 100 percent of the private contribution.

12 2. For new gifts and pledges made on or after July 1,  
13 2006, donations from a private source must be for a specific  
14 purpose to support university priorities as established by the  
15 university's board of trustees and must be matched in the  
16 following manner:

17 a. The Florida Board of Governors Foundation, Inc.,  
18 and each university that raises at least \$100,000 but no more  
19 than \$499,999 from a private source must receive a matching  
20 grant equal to 25 percent of the private contribution.

21 b. The Florida Board of Governors Foundation, Inc.,  
22 and each university that raises a contribution of at least  
23 \$500,000 but no more than \$999,999 from a private source must  
24 receive a matching grant equal to 50 percent of the private  
25 contribution.

26 c. The Florida Board of Governors Foundation, Inc.,  
27 and each university that raises a contribution of at least \$1  
28 million but less than \$3 million from a private source must  
29 receive a matching grant equal to 75 percent of the private  
30 contribution.

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1           d. The Florida Board of Governors Foundation, Inc.,  
2 and each university that raises a contribution of \$3 million  
3 or more from a private source must receive a matching grant  
4 equal to 100 percent of the private contribution.

5           e. A bundled gift shall be limited to not more than \$1  
6 million and a maximum match of 50 percent.

7           f. The maximum amount of matching funds that may be  
8 used to match a single gift in any given year is \$3 million.  
9 The maximum total amount of matching funds that may be used to  
10 match any single gift is \$15 million, to be distributed in  
11 equal amounts of \$3 million per year over a period of 5 years,  
12 subject to availability of funds.

13           ~~(c) The State Board of Education shall encumber state~~  
14 ~~matching funds for any pledged contributions, pro rata, based~~  
15 ~~on the requirements for state matching funds as specified for~~  
16 ~~the particular challenge grant and the amount of the private~~  
17 ~~donations actually received by the university for the~~  
18 ~~respective challenge grant.~~

19           (4) Matching funds may be provided for contributions  
20 encumbered or pledged under the Eminent Scholars Act prior to  
21 July 1, 1994, and for donations or pledges of any amount equal  
22 to or in excess of the prescribed minimums which are pledged  
23 for the purpose of this section.

24           (5)(a) The Florida Board of Governors Foundation,  
25 Inc., and each university foundation and New College  
26 ~~Foundation~~ shall establish a challenge grant account for each  
27 challenge grant as a depository for private contributions and  
28 state matching funds to be administered on behalf of the Board  
29 of Governors or State Board of Education, the university, ~~or~~  
30 ~~New College~~. State matching funds must be transferred to a  
31 university foundation ~~or New College Foundation~~ upon

1 notification that the university ~~or New College~~ has received  
2 and deposited the amount specified in this section in a  
3 foundation challenge grant account.

4 (b) The foundation serving a university ~~and New~~  
5 ~~College Foundation each~~ has the responsibility for the  
6 maintenance and investment of its challenge grant account and  
7 for the administration of the program on behalf of the  
8 university ~~or New College~~, pursuant to procedures specified by  
9 the Board of Governors ~~State Board of Education~~. Each  
10 foundation shall include in its annual report to the Board of  
11 Governors ~~State Board of Education~~ information concerning  
12 collection and investment of matching gifts and donations and  
13 investment of the account.

14 (c) 1. A private donation, including any gift pledged  
15 and approved for initial match, which is approved by the Board  
16 of Governors and is on the pending list before July 1, 2006,  
17 of at least \$600,000 and associated state matching funds may  
18 be used to designate an Eminent Scholar Endowed Chair pursuant  
19 to procedures specified by the Board of Governors ~~State Board~~  
20 ~~of Education~~.

21 2. For new gifts and pledges made on or after July 1,  
22 2006, a private donation of at least \$700,000 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 Governors.

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.

30 (7) The Florida Board of Governors Foundation, Inc.,  
31 may participate in the same manner as a university foundation

1 with regard to the provisions of this section. However, any  
2 private donation to the Board of Governors Foundation, Inc.,  
3 for which state matching funds are sought under this section  
4 shall be expended for the direct benefit of the university or  
5 universities as specified in the private donor's gift or  
6 pledge agreement.

7 (8) Notwithstanding the foregoing provisions, for  
8 gifts and pledges made before July 1, 2006, the state's total  
9 obligation for matching grants under the current matching  
10 criteria may not exceed \$125 million. Gifts and pledges  
11 received by the Board of Governors Foundation, Inc., and each  
12 university before July 1, 2006, which are in excess of \$125  
13 million are not eligible for state match until July 1, 2006,  
14 under the revised match criteria set forth in  
15 sub-subparagraphs (3)(b)2.a.-f. and subparagraph (5)(c)2.

16 Section 2. This act shall take effect July 1, 2005.

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18 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
19 COMMITTEE SUBSTITUTE FOR  
20 Senate Bill 528

21 This committee substitute:

22 Requires any private donation to the Florida Board of  
23 Governors Foundation under this program must be expended  
24 for the direct benefit of a university or universities as  
provided in the donor's gift or pledge agreement;

25 Caps the state's total matching obligation under the program  
26 at \$125 million for all gifts made before July 1, 2006;  
and

27 Requires each gift received under the program in excess of a  
28 \$125 million cap before July 1, 2006 to be matched under  
revised matching criteria and to be matched subsequent to  
29 July 1, 2006.  
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