

By the Committees on Education Appropriations; Education; and  
Senators King, Smith and Dockery

602-2220-05

1                                   A bill to be entitled  
2           An act relating to education funding; amending  
3           s. 1011.32, F.S., relating to the Community  
4           College Facility Enhancement Challenge Grant  
5           Program; authorizing a direct-support  
6           organization of a community college to accept  
7           real property having a value of up to a  
8           specified amount; prohibiting initiation of a  
9           project until any gift of real property has  
10          been legally conveyed to the community college;  
11          amending s. 1013.79, F.S., relating to the  
12          University Facility Enhancement Challenge Grant  
13          Program; authorizing a foundation serving a  
14          university to accept real property having a  
15          value of up to a specified amount; prohibiting  
16          initiation of a project until any gift of real  
17          property has been legally conveyed to the  
18          university; amending s. 1011.94, F.S.;  
19          authorizing the Florida Board of Governors  
20          Foundation, Inc., to provide matching grants;  
21          providing duties of the Board of Governors;  
22          replacing references to the State Board of  
23          Education with references to the Board of  
24          Governors; deleting references to New College;  
25          deleting provisions that authorize  
26          encumbrances; requiring donations to support  
27          priorities established by a university's board  
28          of trustees; revising provisions that prescribe  
29          the manner in which donations must be matched;  
30          revising provisions relating to donations that  
31          may be used to designate an Eminent Scholar

1           Endowed Chair; requiring private donations to  
2           be expended for the direct benefit of the  
3           university or universities for which donated;  
4           providing a limit on the state's obligation for  
5           matching grants under unamended matching  
6           criteria; providing that, if an Eminent Scholar  
7           Endowed Chair is vacant for more than 12  
8           months, the donor may request that the gift be  
9           returned to the donor or the donor may request  
10          that the gift be transferred to another  
11          designated university; requiring that the state  
12          matching funds previously matched to the  
13          donation must be transferred to the university  
14          receiving the transferred gift; defining the  
15          term "vacant"; providing an effective date.

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

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19           Section 1. Subsections (2), (4), and (5) of section  
20       1011.32, Florida Statutes, are amended to read:

21           1011.32 Community College Facility Enhancement  
22       Challenge Grant Program.--

23           (2) There is established the Community College  
24       Facility Enhancement Challenge Grant Program for the purpose  
25       of assisting the community colleges in building high priority  
26       instructional and community-related capital facilities  
27       consistent with s. 1004.65, including common areas connecting  
28       such facilities. The direct-support organizations that serve  
29       the community colleges shall solicit gifts from private  
30       sources to provide matching funds for capital facilities. For  
31       the purposes of this section, private sources of funds shall

1 not include any federal or state government funds that a  
2 community college may receive. For purposes of this section, a  
3 gift may include real property having a value of up to \$5  
4 million, as determined by an appraisal by the Division of  
5 State Lands of the Department of Environmental Protection.

6 (4) Within the direct-support organization of each  
7 community college there must be established a separate capital  
8 facilities matching account for the purpose of providing  
9 matching funds from the direct-support organization's  
10 unrestricted donations or other private contributions for the  
11 development of high priority instructional and  
12 community-related capital facilities, including common areas  
13 connecting such facilities. The Legislature shall appropriate  
14 funds for distribution to a community college after matching  
15 funds are certified or real property is legally conveyed and  
16 certified by the direct-support organization and community  
17 college. The Public Education Capital Outlay and Debt Service  
18 Trust Fund shall not be used as the source of the state match  
19 for private contributions.

20 (5) A project may not be initiated unless all private  
21 funds for planning, construction, and equipping the facility  
22 have been received and deposited in the direct-support  
23 organization's matching account, or real property has been  
24 legally conveyed to the community college, and the state's  
25 share for the minimum amount of funds needed to begin the  
26 project has been appropriated by the Legislature. The  
27 Legislature may appropriate the state's matching funds in one  
28 or more fiscal years for the planning, construction, and  
29 equipping of an eligible facility. However, these requirements  
30 shall not preclude the community college or direct-support  
31 organization from expending available funds from private

1 sources to develop a prospectus, including preliminary  
2 architectural schematics ~~or and/or~~ models, for use in its  
3 efforts to raise private funds for a facility. Additionally,  
4 any private sources of funds expended for this purpose are  
5 eligible for state matching funds should the project  
6 materialize as provided for in this section.

7 Section 2. Subsections (2) and (4) of section 1013.79,  
8 Florida Statutes, are amended to read:

9 1013.79 University Facility Enhancement Challenge  
10 Grant Program.--

11 (2) There is hereby established the Alec P. Courtelis  
12 University Facility Enhancement Challenge Grant Program for  
13 the purpose of assisting universities build high priority  
14 instructional and research-related capital facilities,  
15 including common areas connecting such facilities. The  
16 associated foundations that serve the universities shall  
17 solicit gifts from private sources to provide matching funds  
18 for capital facilities. For the purposes of this act, private  
19 sources of funds shall not include any federal, state, or  
20 local government funds that a university may receive. For  
21 purposes of this section, a gift may include real property  
22 having a value of up to \$5 million, as determined by an  
23 appraisal by the Division of State Lands of the Department of  
24 Environmental Protection.

25 (4) No project shall be initiated unless all private  
26 funds for planning, construction, and equipping the facility  
27 have been received and deposited in the trust fund, or real  
28 property has been legally conveyed to the university, and the  
29 state's share for the minimum amount of funds needed to begin  
30 the project has been appropriated by the Legislature. The  
31 Legislature may appropriate the state's matching funds in one

1 or more fiscal years for the planning, construction, and  
2 equipping of an eligible facility. However, these requirements  
3 shall not preclude the university from expending available  
4 funds from private sources to develop a prospectus, including  
5 preliminary architectural schematics or ~~and/or~~ models, for use  
6 in its efforts to raise private funds for a facility.  
7 Additionally, any private sources of funds expended for this  
8 purpose are eligible for state matching funds should the  
9 project materialize as provided for in this section.

10 Section 3. Section 1011.94, Florida Statutes, is  
11 amended to read:

12 1011.94 Trust Fund for University Major Gifts.--

13 (1) There is established a Trust Fund for University  
14 Major Gifts. The purpose of the trust fund is to enable the  
15 Florida Board of Governors Foundation, Inc., and each  
16 university ~~and New College~~ to provide donors with an incentive  
17 in the form of matching grants for donations for the  
18 establishment of permanent endowments and sales tax exemption  
19 matching funds received pursuant to s. 212.08(5)(j), which  
20 must be invested, with the proceeds of the investment used to  
21 support libraries and instruction and research programs, as  
22 defined by the Board of Governors ~~State Board of Education~~.  
23 All funds appropriated for the challenge grants, new donors,  
24 major gifts, sales tax exemption matching funds pursuant to s.  
25 212.08(5)(j), or eminent scholars program must be deposited  
26 into the trust fund and invested pursuant to s. 17.61 until  
27 the Board of Governors ~~State Board of Education~~ allocates the  
28 funds to universities to match private donations.  
29 Notwithstanding s. 216.301 and pursuant to s. 216.351, any  
30 undisbursed balance remaining in the trust fund and interest  
31 income accruing to the portion of the trust fund which is not

1 | matched and distributed to universities must remain in the  
2 | trust fund and be used to increase the total funds available  
3 | for challenge grants. Funds deposited in the trust fund for  
4 | the sales tax exemption matching program authorized in s.  
5 | 212.08(5)(j), and interest earnings thereon, shall be  
6 | maintained in a separate account within the Trust Fund for  
7 | University Major Gifts, and may be used only to match  
8 | qualified sales tax exemptions that a certified business  
9 | designates for use by state universities and community  
10 | colleges to support research and development projects  
11 | requested by the certified business. ~~The State Board of~~  
12 | ~~Education may authorize any university to encumber the state~~  
13 | ~~matching portion of a challenge grant from funds available~~  
14 | ~~under s. 1011.45.~~

15 |       (2) The Board of Governors ~~State Board of Education~~  
16 | shall specify the process for submission, documentation, and  
17 | approval of requests for matching funds, accountability for  
18 | endowments and proceeds of endowments, allocations to  
19 | universities, restrictions on the use of the proceeds from  
20 | endowments, and criteria used in determining the value of  
21 | donations.

22 |       (3)(a) The Board of Governors ~~State Board of Education~~  
23 | shall allocate the amount appropriated to the trust fund to  
24 | the Florida Board of Governors Foundation, Inc., and each  
25 | university ~~and New College~~ based on the amount of the donation  
26 | and the restrictions applied to the donation.

27 |       (b)1. Donations from a private source, including any  
28 | gift pledged and approved for initial match, which are  
29 | approved by the Board of Governors and are on the pending list  
30 | before July 1, 2006, must be for a specific purpose to support  
31 |

1 university priorities as established by the university's board  
2 of trustees and must be matched in the following manner:

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

7 ~~b.2-~~ The Florida Board of Governors Foundation, Inc.,  
8 and each university that raises a contribution of at least  
9 \$600,000 but no more than \$1 million from a private source  
10 must receive a matching grant equal to 70 percent of the  
11 private contribution.

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

17 ~~d.4-~~ The Florida Board of Governors Foundation, Inc.,  
18 and each university that raises a contribution in excess of  
19 \$1.5 million but no more than \$2 million from a private source  
20 must receive a matching grant equal to 80 percent of the  
21 private contribution.

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

26 2. For new gifts and pledges made on or after July 1,  
27 2006, donations from a private source must be for a specific  
28 purpose to support university priorities as established by the  
29 university's board of trustees and must be matched in the  
30 following manner:  
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1           a. The Florida Board of Governors Foundation, Inc.,  
2 and each university that raises at least \$100,000 but no more  
3 than \$499,999 from a private source must receive a matching  
4 grant equal to 25 percent of the private contribution.

5           b. The Florida Board of Governors Foundation, Inc.,  
6 and each university that raises a contribution of at least  
7 \$500,000 but no more than \$999,999 from a private source must  
8 receive a matching grant equal to 50 percent of the private  
9 contribution.

10           c. The Florida Board of Governors Foundation, Inc.,  
11 and each university that raises a contribution of at least \$1  
12 million but less than \$3 million from a private source must  
13 receive a matching grant equal to 75 percent of the private  
14 contribution.

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

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

21           f. The maximum amount of matching funds that may be  
22 used to match a single gift in any given year is \$3 million.  
23 The maximum total amount of matching funds that may be used to  
24 match any single gift is \$15 million, to be distributed in  
25 equal amounts of \$3 million per year over a period of 5 years,  
26 subject to availability of funds.

27           ~~(c) The State Board of Education shall encumber state~~  
28 ~~matching funds for any pledged contributions, pro rata, based~~  
29 ~~on the requirements for state matching funds as specified for~~  
30 ~~the particular challenge grant and the amount of the private~~  
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1 ~~donations actually received by the university for the~~  
2 ~~respective challenge grant.~~

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

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

19 (b) The foundation serving a university ~~and New~~  
20 ~~College Foundation~~ each has the responsibility for the  
21 maintenance and investment of its challenge grant account and  
22 for the administration of the program on behalf of the  
23 university ~~or New College~~, pursuant to procedures specified by  
24 the Board of Governors ~~State Board of Education~~. Each  
25 foundation shall include in its annual report to the Board of  
26 Governors ~~State Board of Education~~ information concerning  
27 collection and investment of matching gifts and donations and  
28 investment of the account.

29 (c) 1. A private donation, including any gift pledged  
30 and approved for initial match, which is approved by the Board  
31 of Governors and is on the pending list before July 1, 2006,

1 of at least \$600,000 and associated state matching funds may  
2 be used to designate an Eminent Scholar Endowed Chair pursuant  
3 to procedures specified by the Board of Governors ~~State Board~~  
4 ~~of Education~~.

5 2. For new gifts and pledges made on or after July 1,  
6 2006, a private donation of at least \$700,000 and associated  
7 state matching funds may be used to designate an Eminent  
8 Scholar Endowed Chair pursuant to procedures specified by the  
9 Board of Governors.

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

14 (7) The Florida Board of Governors Foundation, Inc.,  
15 may participate in the same manner as a university foundation  
16 with regard to the provisions of this section. However, any  
17 private donation to the Board of Governors Foundation, Inc.,  
18 for which state matching funds are sought under this section  
19 shall be expended for the direct benefit of the university or  
20 universities as specified in the private donor's gift or  
21 pledge agreement.

22 (8) Notwithstanding the foregoing provisions, for  
23 gifts and pledges made before July 1, 2006, the state's total  
24 obligation for matching grants under the current matching  
25 criteria may not exceed \$125 million. Gifts and pledges  
26 received by the Board of Governors Foundation, Inc., and each  
27 university before July 1, 2006, which are in excess of \$125  
28 million are not eligible for state match until July 1, 2006,  
29 under the revised match criteria set forth in  
30 sub-subparagraphs (3)(b)2.a.-f. and subparagraph (5)(c)2.  
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1           (9)(a) Notwithstanding any provision of this section,  
2 if an Eminent Scholar Endowed Chair is vacant for more than 12  
3 months, the donor may request that the gift be returned to the  
4 donor and the gift shall be returned to the donor immediately  
5 or the donor may request that the gift be transferred to  
6 another designated university that expresses a willingness to  
7 immediately employ a person to occupy the chair and the gift  
8 shall be transferred to that designated university.

9           (b) If the donor transfers the gift to another  
10 university eligible to participate in the program, the state  
11 matching funds previously matched to the donation must be  
12 transferred to the university receiving the transferred gift.

13           (c) If the university from which the gift and matching  
14 funds are transferred has entered into a contract with a  
15 person to serve as the eminent scholar but the person has not  
16 begun to serve as the employed eminent scholar, then the  
17 contract, and the funds associated with it, must be delivered  
18 to the designated university to which the gift and matching  
19 funds are transferred. In all other circumstances, the state  
20 matching funds received on a returned or transferred gift  
21 shall revert to General Revenue.

22           (d) For the purposes of this subsection, the term  
23 "vacant" means that no person has been employed and is serving  
24 full time as the eminent scholar or that the university has  
25 not designated an eminent scholar chair for a specific purpose  
26 consistent with the intent of the donor.

27           Section 4. This act shall take effect July 1, 2005.  
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
CS for Senate Bill 528

The Committee Substitute for CS/SB 528 allows donations of real property having a value of up to \$5 million to qualify for state matching funds under the Community College Facility Enhancement Challenge Grant Program or the University Facility Enhancement Grant Program. The Committee Substitute also provides for the return or transfer of donations for Eminent Scholar Endowed Chairs under certain circumstances.