

Bill No. SB 1052

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602-2097-07

Proposed Committee Substitute by the Committee on Education
Pre-K - 12 Appropriations

1 A bill to be entitled

2 An act relating to the Florida Prepaid Tuition

3 Scholarship Endowment; creating s. 215.5605,

4 F.S.; creating the endowment within the State

5 Board of Administration for the purpose of

6 funding scholarships for economically

7 disadvantaged youth; providing for moneys from

8 the tax on slot machines to be transferred from

9 the Educational Enhancement Trust Fund to the

10 endowment as provided in the General

11 Appropriations Act; providing definitions;

12 requiring the board to invest funds of the

13 endowment and provide reports to the

14 Legislature; providing for the transfer of

15 earnings from the endowment to the Educational

16 Enhancement Trust Fund; requiring the

17 Department of Education to be accountable for

18 funds appropriated to the department; providing

19 requirements for costs and fees; providing

20 requirements for the expenditure and use of

21 distributions from the endowment; providing for

22 revenues of the endowment to be appropriated to

23 the direct-support organization of the Florida

24 Prepaid College Board; providing for the

25 reversion of unencumbered balances of

26 appropriations and undisbursed balances of the

27 endowment's principal; providing an effective

28 date.

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

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1 Section 1. Section 215.5605, Florida Statutes, is
2 created to read:

3 215.5605 Florida Prepaid Tuition Scholarship
4 Endowment.--

5 (1) FLORIDA PREPAID TUITION SCHOLARSHIP ENDOWMENT;
6 CREATION; PRINCIPAL.--

7 (a) There is created the Florida Prepaid Tuition
8 Scholarship Endowment, to be administered by the State Board
9 of Administration. The purpose of the endowment is to provide
10 a perpetual source of enhanced funding for the Florida Prepaid
11 Tuition Scholarship Program to provide prepaid postsecondary
12 tuition scholarships for economically disadvantaged youth. The
13 endowment shall be exempt from the service charges imposed by
14 s. 215.20.

15 (b) The endowment shall receive moneys from the tax on
16 slot machine revenues as defined in s. 551.106. Moneys to be
17 transferred from the Educational Enhancement Trust Fund to the
18 Florida Prepaid Tuition Scholarship Endowment shall be in the
19 amount provided by the Legislature in the General
20 Appropriations Act to the Department of Education. The
21 department shall transfer the appropriated funds to the
22 endowment at the State Board of Administration.

23 (c) The principal in the endowment shall be reserved
24 and accounted for within the endowment and the earnings shall
25 be used, as appropriated by the Legislature, for the funding
26 of Florida Prepaid Tuition Scholarships for economically
27 disadvantaged youth as provided in s. 1009.984.

28 (2) DEFINITIONS.--As used in this section, the term:

29 (a) "Board" means the State Board of Administration
30 established by s. 16, Art. IX of the State Constitution of
31 1885 and incorporated into s. 9(c), Art. XII of the State

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1 Constitution of 1968.

2 (b) "Endowment" means the Florida Prepaid Tuition
3 Scholarship Endowment.

4 (c) "Earnings" means all income generated by
5 investments.

6 (d) "Department" means the Department of Education.

7 (3) ADMINISTRATION.--

8 (a) The board may invest and reinvest funds of the
9 endowment in accordance with s. 215.47 and consistent with a
10 trust agreement as provided in s. 215.44.

11 (b) In accordance with s. 215.44, the board shall
12 include separate sections on the financial status of the
13 endowment in its annual investment report to the Legislature.

14 (c) The board shall report to the Legislature by
15 February 1 each year the estimated amount of earnings in the
16 endowment as of June 30 of that year. The Legislature may or
17 may not appropriate the available earnings in any fiscal year
18 for Florida Prepaid Tuition Scholarships as provided in s.
19 1009.984. The board shall transfer earnings to the Educational
20 Enhancement Trust Fund in the amount appropriated by the
21 Legislature.

22 (d) Accountability for funds from the endowment which
23 have been appropriated to the Department of Education and
24 distributed by the board shall reside with the department. The
25 board is not responsible or accountable for the proper
26 expenditure of funds from the endowment after distribution to
27 the department.

28 (e) Costs and fees of the board for investment
29 services shall be deducted from the earnings accruing to the
30 endowment. Fees for investment services shall be no greater
31 than fees charged to the Florida Retirement System.

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1 (4) AVAILABILITY OF FUNDS; USES.--

2 (a) Earnings in the Florida Prepaid Tuition Endowment
3 Fund shall be transferred by the board to the Educational
4 Enhancement Trust Fund in the amount appropriated from the
5 Educational Enhancement Trust Fund for Florida Prepaid Tuition
6 Scholarships, as provided in s. 1009.984, by the Legislature.

7 (b) In order to ensure that the expenditure of funds
8 earned from the Florida Prepaid Tuition Endowment Fund will be
9 used only for the purposes intended by the Legislature, the
10 Legislature shall establish line item categories that
11 designate the use of the appropriated funds in the General
12 Appropriations Act.

13 (c) Subject to legislative appropriations, the Florida
14 Prepaid College Board shall use distributions from the
15 endowment to provide prepaid postsecondary tuition
16 scholarships to economically disadvantaged youth pursuant to
17 s. 1009.984.

18 (d) Appropriations of endowment investment revenues by
19 the Legislature to the department shall be deposited into the
20 account of the direct-support organization of the Florida
21 Prepaid College Board established pursuant s. 1009.983.

22 (e) Notwithstanding s. 216.301 and pursuant to s.
23 216.351, all unencumbered balances of appropriations to the
24 department as of June 30 or undisbursed balances as of
25 September 30 shall revert to the endowment's principal at the
26 board.

27 Section 2. This act shall take effect July 1, 2007.

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