

By the Committee on Education Pre-K - 12 Appropriations; and  
Senator Wise

602-2270-07

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  
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1 1885 and incorporated into s. 9(c), Art. XII of the State  
2 Constitution of 1968.

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

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

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

8 (3) ADMINISTRATION.--

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

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

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

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

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

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

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

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

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

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

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

29 Section 2. This act shall take effect July 1, 2007.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                   COMMITTEE SUBSTITUTE FOR  
3                   Senate Bill 1052

4 The Committee Substitute:

5 The bill creates the Florida Prepaid Tuition Scholarship  
6 Endowment within the State Board of Administration for the  
7 purpose of providing a perpetual source of enhanced funding to  
8 provide postsecondary education prepaid tuition scholarships  
9 for economically disadvantaged youth. The endowment will  
10 receive money, subject to appropriation, from the tax on slot  
11 machine revenues. Funds for the endowment will be in an amount  
12 determined annually by the Legislature in the General  
13 Appropriations Act.

14 Earnings in the endowment shall be transferred by the Board of  
15 Administration in the amount appropriated by the Legislature  
16 to fund scholarships. Subject to legislative appropriations,  
17 the Florida Prepaid College Board shall use the distributions  
18 from the endowment to provide prepaid postsecondary tuition  
19 scholarships to economically disadvantaged youth.  
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