

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 and youth with
8 disabilities; providing for moneys from the tax
9 on slot machines to be transferred from the
10 Educational Enhancement Trust Fund to the
11 endowment as provided in the General
12 Appropriations Act; providing definitions;
13 requiring the board to invest funds of the
14 endowment and provide reports to the
15 Legislature; providing for the transfer of
16 earnings from the endowment to the Educational
17 Enhancement Trust Fund; requiring the
18 Department of Education to be accountable for
19 funds appropriated to the department; providing
20 requirements for costs and fees; providing
21 requirements for the expenditure and use of
22 distributions from the endowment; providing for
23 revenues of the endowment to be appropriated to
24 the direct-support organization of the Florida
25 Prepaid College Board; providing for the
26 reversion of unencumbered balances of
27 appropriations and undisbursed balances of the
28 endowment's principal; providing an effective
29 date.
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31 Be It Enacted by the Legislature of the State of Florida:

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 and
13 youth with disabilities. The endowment shall be exempt from
14 the service charges imposed by 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 principle 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 and prepaid
28 tuition scholarships for youth with disabilities as provided
29 by the Legislature.

30 (2) DEFINITIONS.--As used in this section, the term:
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1 (a) "Board" means the State Board of Administration
2 established by s. 16, Art. IX of the State Constitution of
3 1885 and incorporated into s. 9(c), Art. XII of the State
4 Constitution of 1968.

5 (b) "Endowment" means the Florida Prepaid Tuition
6 Scholarship Endowment.

7 (c) "Earnings" means all income generated by
8 investments.

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

10 (3) ADMINISTRATION.--

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

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

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

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

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

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

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

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

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

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

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

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