

By the Committee on Higher Education Appropriations; and  
Senator Lynn

605-1921-07

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

A bill to be entitled  
An act relating to trust funds; terminating  
specified trust funds within the Board of  
Governors of the State University System;  
providing for the disposition of balances in  
and revenues of such trust funds; prescribing  
procedures for the termination of such trust  
funds; amending s. 1011.94, F.S.; redesignating  
the Trust Fund for University Major Gifts as  
the "University Major Gifts Program"; providing  
the purpose of the program; providing for the  
use of funds; modifying specified trust funds  
within the Board of Governors of the State  
University System; providing an effective date.

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

Section 1. ~~(1)~~ The following trust funds within the  
Board of Governors of the State University System are  
terminated:

(a) Grants and Donations Trust Fund, FLAIR number  
49-2-153.

(b) Engineering Industrial Experiment Station Trust  
Fund, FLAIR number 49-2-186.

(c) Experiment Station Federal Grant Trust Fund, FLAIR  
number 49-2-207.

(d) Experiment Station Incidental Trust Fund, FLAIR  
number 49-2-210.

(e) Extension Service Federal Grant Trust Fund, FLAIR  
number 49-2-216.

- 1           (f) Extension Service Incidental Trust Fund, FLAIR  
2 number 49-2-219.
- 3           (g) Auxiliary Trust Fund, FLAIR number 49-2-330.
- 4           (h) University of Florida Health Sciences Center  
5 Incidental Trust Fund, FLAIR number 49-2-381.
- 6           (i) University of Florida Health Sciences Center  
7 Operations and Maintenance Trust Fund, FLAIR number 49-2-424.
- 8           (j) Sponsored Research Trust Fund, FLAIR number  
9 49-2-655.
- 10           (k) Institute of Food and Agriculture Sciences  
11 Relocation and Reconstruction Trust Fund, FLAIR number  
12 48-2-395.
- 13           (l) Institute of Food and Agriculture Sciences  
14 Relocation and Reconstruction Trust Fund, FLAIR number  
15 49-2-395.
- 16           (m) Capital Improvement Fee Trust Fund, FLAIR number  
17 49-2-071.
- 18           (n) State University System Concurrency Trust Fund,  
19 FLAIR number 49-2-682.
- 20           (o) Major Gifts Trust Fund, FLAIR number 49-2-483.
- 21           (p) State University System Construction Trust Fund,  
22 FLAIR number 49-2-137. All current cash balances remaining in,  
23 and all revenues of, the fund shall be transferred to the  
24 Public Education and Capital Outlay and Debt Service Trust  
25 Fund, FLAIR number 48-2-555.
- 26           (q) Educational Enhancement Trust Fund, FLAIR number  
27 49-2-178.
- 28           (r) Developmental Research School Trust Fund, FLAIR  
29 number 49-2-999.
- 30
- 31

1           (2) Unless otherwise provided, all current balances  
2 remaining in, and all revenues of, the trust funds terminated  
3 by this act shall be transferred to the General Revenue Fund.

4           (3) For each trust fund terminated by this act, the  
5 agency that administers the trust fund shall pay any  
6 outstanding debts and obligations of the terminated fund as  
7 soon as practicable, and the Chief Financial Officer shall  
8 close out and remove the terminated fund from the various  
9 state accounting systems using generally accepted accounting  
10 principles concerning warrants outstanding, assets, and  
11 liabilities.

12           Section 2. Section 1011.94, Florida Statutes, is  
13 amended to read:

14           1011.94 ~~Trust Fund for~~ University Major Gifts  
15 Program.--

16           (1) There is established a ~~Trust Fund for~~ University  
17 Major Gifts Program. The purpose of the program ~~trust fund~~ is  
18 to enable each university and New College to provide donors  
19 with an incentive in the form of matching grants for donations  
20 for the establishment of permanent endowments and sales tax  
21 exemption matching funds received pursuant to s. 212.08(5)(j),  
22 which must be invested, with the proceeds of the investment  
23 used to support libraries and instruction and research  
24 programs, as defined by the State Board of Education. ~~All~~  
25 ~~funds appropriated for the challenge grants, new donors, major~~  
26 ~~gifts, sales tax exemption matching funds pursuant to s.~~  
27 ~~212.08(5)(j), or eminent scholars program may be deposited~~  
28 ~~into the trust fund and invested pursuant to s. 17.61 until~~  
29 ~~the State Board of Education allocates the funds to~~  
30 ~~universities to match private donations. Notwithstanding s.~~  
31 ~~216.301 and pursuant to s. 216.351, any undisbursed balance~~

1 ~~remaining in the trust fund and interest income accruing to~~  
2 ~~the portion of the trust fund which is not matched and~~  
3 ~~distributed to universities must remain in the trust fund and~~  
4 ~~be used to increase the total funds available for challenge~~  
5 ~~grants. Funds deposited in the trust fund for the sales tax~~  
6 ~~exemption matching program authorized in s. 212.08(5)(j), and~~  
7 ~~interest earnings thereon, shall be maintained in a separate~~  
8 ~~account within the Trust Fund for University Major Gifts, and~~  
9 ~~may be used only to match qualified sales tax exemptions that~~  
10 ~~a certified business designates for use by state universities~~  
11 ~~and community colleges to support research and development~~  
12 ~~projects requested by the certified business. The State Board~~  
13 ~~of Education may authorize any university to encumber the~~  
14 ~~state matching portion of a challenge grant from funds~~  
15 ~~available under s. 1011.45.~~

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

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

26 (b) Donations for a specific purpose must be matched  
27 in the following manner:

28 1. Each university that raises at least \$100,000 but  
29 no more than \$599,999 from a private source must receive a  
30 matching grant equal to 50 percent of the private  
31 contribution.

1           2. Each university that raises a contribution of at  
2 least \$600,000 but no more than \$1 million from a private  
3 source must receive a matching grant equal to 70 percent of  
4 the private contribution.

5           3. Each university that raises a contribution in  
6 excess of \$1 million but no more than \$1.5 million from a  
7 private source must receive a matching grant equal to 75  
8 percent of the private contribution.

9           4. Each university that raises a contribution in  
10 excess of \$1.5 million but no more than \$2 million from a  
11 private source must receive a matching grant equal to 80  
12 percent of the private contribution.

13           5. Each university that raises a contribution in  
14 excess of \$2 million from a private source must receive a  
15 matching grant equal to 100 percent of the private  
16 contribution.

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

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

28           (5)(a) Each university foundation and New College  
29 Foundation shall establish a challenge grant account for each  
30 challenge grant as a depository for private contributions and  
31 state matching funds to be administered on behalf of the State

1 Board of Education, the university, or New College. State  
2 matching funds must be transferred to a university foundation  
3 or New College Foundation upon notification that the  
4 university or New College has received and deposited the  
5 amount specified in this section in a foundation challenge  
6 grant account.

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

16 (c) A donation of at least \$600,000 and associated  
17 state matching funds may be used to designate an Eminent  
18 Scholar Endowed Chair pursuant to procedures specified by the  
19 State Board of Education.

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

24 Section 3. The following trust funds within the Board  
25 of Governors of the State University System are modified:

26 (1) Uniform Payroll Trust Fund, from FLAIR number  
27 49-2-766 to 48-2-766.

28 (2) Ancillary Facilities Construction Trust Fund, from  
29 FLAIR number 49-2-026 to 48-2-026.

30 (3) Law Enforcement Trust Fund, from FLAIR number  
31 49-2-434 to 48-2-434.

1           (4) Phosphate Research Trust Fund, from FLAIR number  
2 49-2-530 to 48-2-530.

3           (5) Replacement Trust Fund, from FLAIR number 49-2-580  
4 to 48-2-580.

5           (6) Capital Facilities Matching Trust Fund, from FLAIR  
6 number 49-2-070 to 48-2-070.

7           (7) Student and Other Fees Trust Fund, from FLAIR  
8 number 49-2-164 to 48-2-164.

9           (8) Operations and Maintenance Trust Fund, from FLAIR  
10 number 49-2-516 to 48-2-516.

11           (9) Building Fee Trust Fund, from FLAIR number  
12 49-2-064 to 48-2-064.

13           Section 4. This act shall take effect July 1, 2007.

14  
15           STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
16                           COMMITTEE SUBSTITUTE FOR  
17                           Senate Bill 1328

18           The Committee Substitute specifies that residual cash from the  
19           SUS Construction Trust Fund is to be returned to the PECO  
20           Trust Fund. It moves the Building Fee Trust Fund from the  
21           terminate list to the modify list where the fund will be  
22           retained to support an old bond issue. The Committee  
23           Substitute also clarifies that, other than the termination of  
24           the Major Gifts Trust Fund, no other changes are being made in  
25           the Major Gifts Program.  
26  
27  
28  
29  
30  
31