

By Senator Wise

5-00341-08

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1 A bill to be entitled

2 An act relating to the Florida Prepaid Tuition Scholarship
3 Endowment; creating s. 215.5605, F.S.; creating the
4 endowment within the State Board of Administration for the
5 purpose of funding scholarships for economically
6 disadvantaged youth; providing for moneys from the tax on
7 slot machines to be transferred from the Educational
8 Enhancement Trust Fund to the endowment as provided in the
9 General Appropriations Act; providing definitions;
10 requiring the board to invest funds of the endowment and
11 provide reports to the Legislature; providing for the
12 transfer of earnings from the endowment to the Educational
13 Enhancement Trust Fund; requiring the Department of
14 Education to be accountable for funds appropriated to the
15 department; providing requirements for costs and fees;
16 providing requirements for the expenditure and use of
17 distributions from the endowment; providing for revenues
18 of the endowment to be appropriated to the direct-support
19 organization of the Florida Prepaid College Board;
20 providing for the reversion of unencumbered balances of
21 appropriations and undisbursed balances of the endowment's
22 principal; providing an effective date.

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

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

28 215.5605 Florida Prepaid Tuition Scholarship Endowment.--
29 (1) FLORIDA PREPAID TUITION SCHOLARSHIP ENDOWMENT;

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30 CREATION; PRINCIPAL.--

31 (a) There is created the Florida Prepaid Tuition
32 Scholarship Endowment, to be administered by the State Board of
33 Administration. The purpose of the endowment is to provide a
34 perpetual source of enhanced funding for the Florida Prepaid
35 Tuition Scholarship Program to provide prepaid postsecondary
36 tuition scholarships for economically disadvantaged youth. The
37 endowment is exempt from the service charges imposed by s.
38 215.20.

39 (b) The endowment shall receive moneys from the tax on slot
40 machine revenues as defined in s. 551.106. Moneys to be
41 transferred from the Educational Enhancement Trust Fund to the
42 Florida Prepaid Tuition Scholarship Endowment shall be in the
43 amount provided by the Legislature in the General Appropriations
44 Act to the Department of Education. The department shall transfer
45 the appropriated funds to the endowment at the State Board of
46 Administration.

47 (c) The principal in the endowment shall be reserved and
48 accounted for within the endowment and the earnings shall be
49 used, as appropriated by the Legislature, for the funding of
50 Florida Prepaid Tuition Scholarships for economically
51 disadvantaged youth as provided in s. 1009.984.

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

53 (a) "Board" means the State Board of Administration
54 established by s. 16, Art. IX of the State Constitution of 1885
55 and incorporated into s. 9(c), Art. XII of the State Constitution
56 of 1968.

57 (b) "Endowment" means the Florida Prepaid Tuition
58 Scholarship Endowment.

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

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

61 (3) ADMINISTRATION.--

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

65 (b) In accordance with s. 215.44, the board shall include
66 separate sections concerning the financial status of the
67 endowment in its annual investment report to the Legislature.

68 (c) The board shall report to the Legislature by February 1
69 each year the estimated amount of earnings in the endowment as of
70 June 30 of that year. The Legislature may or may not appropriate
71 the available earnings in any fiscal year for Florida Prepaid
72 Tuition Scholarships as provided in s. 1009.984. The board shall
73 transfer earnings to the Educational Enhancement Trust Fund in
74 the amount appropriated by the Legislature.

75 (d) Accountability for funds from the endowment which have
76 been appropriated to the Department of Education and distributed
77 by the board shall reside with the department. The board is not
78 responsible or accountable for the proper expenditure of funds
79 from the endowment after distribution to the department.

80 (e) Costs and fees of the board for investment services
81 shall be deducted from the earnings accruing to the endowment.
82 Fees for investment services may not be greater than the fees
83 charged to the Florida Retirement System.

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

85 (a) Earnings in the Florida Prepaid Tuition Endowment Fund
86 shall be transferred by the board to the Educational Enhancement
87 Trust Fund in the amount appropriated from the Educational

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88 Enhancement Trust Fund for Florida Prepaid Tuition Scholarships,
89 as provided in s. 1009.984, by the Legislature.

90 (b) In order to ensure that the expenditure of funds earned
91 from the Florida Prepaid Tuition Endowment Fund will be used only
92 for the purposes intended by the Legislature, the Legislature
93 shall establish line-item categories that designate the use of
94 the appropriated funds in the General Appropriations Act.

95 (c) Subject to legislative appropriations, the Florida
96 Prepaid College Board shall use distributions from the endowment
97 to provide prepaid postsecondary tuition scholarships to
98 economically disadvantaged youth pursuant to s. 1009.984.

99 (d) Appropriations of endowment investment revenues by the
100 Legislature to the department shall be deposited into the account
101 of the direct-support organization of the Florida Prepaid College
102 Board established pursuant s. 1009.983.

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

107 Section 2. This act shall take effect July 1, 2008.