

HB 779

2008

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

29 215.5605 Florida Prepaid Tuition Scholarship Endowment.--

30 (1) FLORIDA PREPAID TUITION SCHOLARSHIP ENDOWMENT;
 31 CREATION; PRINCIPAL.--

32 (a) There is created the Florida Prepaid Tuition
 33 Scholarship Endowment, to be administered by the State Board of
 34 Administration. The purpose of the endowment is to provide a
 35 perpetual source of enhanced funding for the Florida Prepaid
 36 Tuition Scholarship Program to provide prepaid postsecondary
 37 tuition scholarships for economically disadvantaged youth. The
 38 endowment is exempt from the service charges imposed by s.
 39 215.20.

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

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

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

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

57 Constitution of 1968.

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

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

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

62 (3) ADMINISTRATION.--

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

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

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

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

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

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

86 (a) Earnings in the Florida Prepaid Tuition Endowment Fund
87 shall be transferred by the board to the Educational Enhancement
88 Trust Fund in the amount appropriated from the Educational
89 Enhancement Trust Fund for Florida Prepaid Tuition Scholarships,
90 as provided in s. 1009.984, by the Legislature.

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

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

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

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

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