

By Senator Lee

23-311A-99

1 A bill to be entitled
 2 An act relating to postsecondary education;
 3 amending s. 240.551, F.S.; providing for the
 4 transfer of Florida Prepaid College Program
 5 benefits to certain applied technology diploma
 6 programs and vocational certificate programs;
 7 allowing the Florida Prepaid College Board to
 8 permit direct-support organizations established
 9 under this section to use the property,
 10 facilities, and personal services of the board;
 11 providing for such direct-support organizations
 12 to invest funds with the moneys invested under
 13 the Florida Prepaid College Trust Fund;
 14 providing an effective date.

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

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 18 Section 1. Subsection (10) of section 240.551, Florida
 19 Statutes, 1998 Supplement, is amended, and paragraph (c) is
 20 added to subsection (22) of that section, to read:

21 240.551 Florida Prepaid College Program.--

22 (10) TRANSFER OF BENEFITS TO PRIVATE AND OUT-OF-STATE
 23 COLLEGES AND UNIVERSITIES AND TO AREA TECHNICAL CENTERS.--A
 24 qualified beneficiary may apply the benefits of an advance
 25 payment contract toward:

26 (a) ~~A qualified beneficiary may apply a community~~
 27 ~~college plan, university plan, or dormitory residence plan~~
 28 ~~toward~~ Any eligible independent college or university. An
 29 independent college or university that ~~which~~ is located and
 30 chartered in Florida, that is not for profit, that is
 31 accredited by the Commission on Colleges of the Southern

1 Association of Colleges and Schools or the Accrediting
2 Commission of the Association of Independent Colleges and
3 Schools, and that ~~which~~ confers degrees as defined in s.
4 246.021, ~~is shall be~~ eligible for such application. The board
5 shall transfer, or cause to have transferred, to the eligible
6 independent college or university designated by the qualified
7 beneficiary an amount not to exceed the redemption value of
8 the advance payment contract within a state postsecondary
9 institution. ~~If in the event that~~ the cost of registration or
10 housing fees at the independent college or university is less
11 than the corresponding fees at a state postsecondary
12 institution, the amount transferred shall not exceed the
13 actual cost of registration or housing fees. ~~A No~~ transfer
14 authorized under ~~pursuant to~~ this paragraph may not ~~shall~~
15 exceed the number of semester credit hours or semesters of
16 dormitory residence contracted on behalf of a qualified
17 beneficiary.

18 (b) ~~A qualified beneficiary may apply the benefits of~~
19 ~~an advance payment contract toward~~ An eligible out-of-state
20 college or university. An out-of-state college or university
21 that which is not for profit, that ~~and~~ is accredited by the
22 commission on colleges of a regional accrediting association,
23 and that which confers baccalaureate degrees ~~is, shall be~~
24 eligible for such application. The board shall transfer, or
25 cause to have transferred, an amount not to exceed the
26 redemption value of the advance payment contract or the
27 original purchase price plus 5 percent compounded interest,
28 whichever is less, after assessment of a reasonable transfer
29 fee. ~~If in the event that~~ the cost of registration or housing
30 fees charged the qualified beneficiary at the eligible
31 out-of-state college or university is less than this

1 calculated amount, the amount transferred shall not exceed the
2 actual cost of registration or housing fees. Any remaining
3 amount shall be transferred in subsequent semesters until the
4 transfer value is depleted. A ~~No~~ transfer authorized under
5 ~~pursuant to this paragraph may not shall~~ exceed the number of
6 semester credit hours or semesters of dormitory residence
7 contracted on behalf of a qualified beneficiary.

8 (c) An applied technology diploma program or
9 vocational certificate program conducted by a community
10 college listed in s. 240.3031 or an area technical center
11 operated by a district school board. The board shall transfer
12 or cause to be transferred to the community college or area
13 technical center designated by the qualified beneficiary an
14 amount not to exceed the redemption value of the advance
15 payment contract within a state postsecondary institution. If
16 the cost of the fees charged by the college or center, as
17 authorized in s. 239.117, is less than the corresponding fees
18 at a state postsecondary institution, the amount transferred
19 may not exceed the actual cost of the fees. A transfer
20 authorized under this paragraph may not exceed the number of
21 semester credit hours contracted on behalf of a qualified
22 beneficiary.

23
24 Notwithstanding any other provision in this section, an
25 institution must be an "eligible educational institution"
26 under section 529 of the Internal Revenue Code to be eligible
27 for the transfer of advance payment contract benefits.

28 (22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.--

29 (c) The Florida Prepaid College Board may permit the
30 use of program property, facilities, and personal services by
31 a direct-support organization established under this section.

1 The Florida Prepaid College Board shall prescribe, by rule,
2 the conditions with which the direct-support organization must
3 comply in order to use the property, facilities, and personal
4 services of the board. The direct-support organization may
5 invest funds for its accounts with the funds invested under
6 subsection (6).

7 Section 2. This act shall take effect July 1, 1999.

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10 SENATE SUMMARY

11 Allows benefits under the Florida Prepaid College Program
12 to be transferred to certain applied technology diploma
13 programs and vocational certificate programs. Allows the
14 Florida Prepaid College Board to permit direct-support
15 organizations established under s. 240.551, F.S., to use
16 the property, facilities, and personal services of the
17 board. Allows such direct-support organizations to invest
18 funds with the moneys invested under the Florida Prepaid
19 College Trust Fund.
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