

By Representatives J. Miller and C. Green

1 A bill to be entitled
2 An act relating to the Florida Prepaid College
3 Program; amending s. 240.551, F.S.; revising
4 the composition of the Florida Prepaid College
5 Board; providing for the transfer of benefits
6 of an advance payment contract to a community
7 college or area technical center that conducts
8 an applied technology diploma program or
9 vocational certificate program; providing an
10 effective date.

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

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14 Section 1. Paragraph (b) of subsection (5) and
15 subsection (10) of section 240.551, Florida Statutes, are
16 amended to read:

17 240.551 Florida Prepaid College Program.--

18 (5) PROGRAM ADMINISTRATION.--

19 (b) Until January 7, 2003,the board shall consist of
20 seven members to be composed of the Insurance Commissioner and
21 Treasurer, the Comptroller, the Chancellor of the Board of
22 Regents, the Executive Director of the State Board of
23 Community Colleges, and three members appointed by the
24 Governor and subject to confirmation by the Senate. Effective
25 January 7, 2003, the board shall consist of seven members to
26 be composed of the Chief Financial Officer, the Attorney
27 General, the Chancellor of the Board of Regents, the Executive
28 Director of the State Board of Community Colleges, and three
29 members appointed by the Governor and subject to confirmation
30 by the Senate.Each member appointed by the Governor shall
31 possess knowledge, skill, and experience in the areas of

1 accounting, actuary, risk management, or investment
2 management. Each member of the board not appointed by the
3 Governor may name a designee to serve the board on behalf of
4 the member; however, any designee so named shall meet the
5 qualifications required of gubernatorial appointees to the
6 board. Members appointed by the Governor shall serve terms of
7 3 years. Any person appointed to fill a vacancy on the board
8 shall be appointed in a like manner and shall serve for only
9 the unexpired term. Any member shall be eligible for
10 reappointment and shall serve until a successor qualifies.
11 Members of the board shall serve without compensation but
12 shall be reimbursed for per diem and travel in accordance with
13 s. 112.061. Each member of the board shall file a full and
14 public disclosure of his or her financial interests pursuant
15 to s. 8, Art. II of the State Constitution and corresponding
16 statute.

17 (10) ~~TRANSFER OF BENEFITS TO PRIVATE AND OUT-OF-STATE~~
18 ~~COLLEGES AND UNIVERSITIES.~~--A qualified beneficiary may apply
19 the benefits of an advance payment contract toward:

20 (a) ~~A qualified beneficiary may apply a community~~
21 ~~college plan, university plan, or dormitory residence plan~~
22 ~~toward~~ Any eligible independent college or university. An
23 independent college or university that ~~which~~ is located and
24 chartered in Florida, that is not for profit, that is
25 accredited by the Commission on Colleges of the Southern
26 Association of Colleges and Schools or the Accrediting
27 Commission of the Association of Independent Colleges and
28 Schools, and that ~~which~~ confers degrees as defined in s.
29 246.021, is ~~shall be~~ eligible for such application. The board
30 shall transfer, or cause to have transferred, to the eligible
31 independent college or university designated by the qualified

1 beneficiary an amount not to exceed the redemption value of
2 the advance payment contract within a state postsecondary
3 institution. ~~If in the event that~~ the cost of registration or
4 housing fees at the independent college or university is less
5 than the corresponding fees at a state postsecondary
6 institution, the amount transferred shall not exceed the
7 actual cost of registration or housing fees. A ~~No~~ transfer
8 authorized under ~~pursuant to~~ this paragraph may not ~~shall~~
9 exceed the number of semester credit hours or semesters of
10 dormitory residence contracted on behalf of a qualified
11 beneficiary.

12 (b) ~~A qualified beneficiary may apply the benefits of~~
13 ~~an advance payment contract toward~~ An eligible out-of-state
14 college or university. An out-of-state college or university
15 that which is not for profit, that and is accredited by the
16 commission on colleges of a regional accrediting association,
17 and that which confers ~~baccalaureate~~ degrees, is ~~shall be~~
18 eligible for such application. The board shall transfer, or
19 cause to have transferred, an amount not to exceed the
20 redemption value of the advance payment contract or the
21 original purchase price plus 5 percent compounded interest,
22 whichever is less, after assessment of a reasonable transfer
23 fee. ~~If in the event that~~ the cost of registration or housing
24 fees charged the qualified beneficiary at the eligible
25 out-of-state college or university is less than this
26 calculated amount, the amount transferred shall not exceed the
27 actual cost of registration or housing fees. Any remaining
28 amount shall be transferred in subsequent semesters until the
29 transfer value is depleted. A ~~No~~ transfer authorized under
30 ~~pursuant to~~ this paragraph may not ~~shall~~ exceed the number of
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1 semester credit hours or semesters of dormitory residence
2 contracted on behalf of a qualified beneficiary.
3 (c) A community college listed in s. 240.3031, or an
4 area technical center operated by a district school board that
5 conducts an applied technology diploma program or vocational
6 certificate program. The board shall transfer, or cause to
7 have transferred, to the community college or area technical
8 center designated by the qualified beneficiary an amount not
9 to exceed the redemption value of the advance payment contract
10 within a state postsecondary institution. If the cost of fees
11 charged by the college or center, as authorized in s. 239.117,
12 is less than the corresponding fees at a state postsecondary
13 institution, the amount transferred may not exceed the actual
14 cost of the fees. A transfer authorized under this paragraph
15 may not exceed the number of semester credit hours contracted
16 on behalf of a qualified beneficiary.

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18 Notwithstanding any other provision in this section to the
19 contrary, an institution must be an "eligible educational
20 institution" as defined by section 529 of the Internal Revenue
21 Code to be eligible for the transfer of advance payment
22 contract benefits.

23 Section 2. This act shall take effect July 1, 2000.

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26 HOUSE SUMMARY

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28 Revises the composition of the Florida Prepaid College
29 Board. Provides for the transfer of benefits of an
30 advance payment contract to a community college or area
31 technical center that conducts an applied technology
diploma program or vocational certificate program.