

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

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Representative(s) Baxley and Diaz-Balart offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause and insert in lieu thereof:

Section 1. Paragraph (c) of subsection (2) of section 231.621, Florida Statutes, is amended to read:

231.621 Critical Teacher Shortage Student Loan Forgiveness Program.--

(2) From the funds available, the Department of Education may make loan principal repayments as follows:

(c) All repayments shall be contingent on continued proof of employment in the designated subject areas in this state and shall be made directly to the holder of the loan or, in case of a loan being paid in full, directly to the teacher.

The state shall not bear responsibility for the collection of any interest charges or other remaining balance. In the event that designated critical teacher shortage subject areas are changed by the State Board of Education, a teacher shall

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1 continue to be eligible for loan forgiveness as long as he or
2 she continues to teach in the subject area for which the
3 original loan repayment was made and otherwise meets all
4 conditions of eligibility.

5 Section 2. Effective July 1, 2002, paragraph (e) of
6 subsection (3) of section 240.209, Florida Statutes, is
7 amended to read:

8 240.209 Board of Regents; powers and duties.--

9 (3) The board shall:

10 (e) Establish student fees.

11 1. By no later than December 1 of each year, the board
12 shall raise the systemwide standard for resident undergraduate
13 matriculation and financial aid fees for the subsequent fall
14 term, up to but no more than 25 percent of the prior year's
15 cost of undergraduate programs. In implementing this
16 paragraph, fees charged for graduate, medical, veterinary, and
17 dental programs may be increased by the Board of Regents in
18 the same percentage as the increase in fees for resident
19 undergraduates. However, in the absence of legislative action
20 to the contrary in an appropriations act, the board may not
21 approve annual fee increases for resident students in excess
22 of 10 percent. The sum of nonresident student matriculation
23 and tuition fees must be sufficient to defray the full cost of
24 undergraduate education. Graduate, medical, veterinary, and
25 dental fees charged to nonresidents may be increased by the
26 board in the same percentage as the increase in fees for
27 nonresident undergraduates. However, in implementing this
28 policy and in the absence of legislative action to the
29 contrary in an appropriations act, annual fee increases for
30 nonresident students may not exceed 25 percent. In the absence
31 of legislative action to the contrary in the General

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1 Appropriations Act, the fees shall go into effect for the
2 following fall term.

3 2. When the appropriations act requires a new fee
4 schedule, the board shall establish a systemwide standard fee
5 schedule required to produce the total fee revenue established
6 in the appropriations act based on the product of the assigned
7 enrollment and the fee schedule. The board may approve the
8 expenditure of any fee revenues resulting from the product of
9 the fee schedule adopted pursuant to this section and the
10 assigned enrollment.

11 3. Upon provision of authority in a General
12 Appropriations Act to spend revenue raised pursuant to this
13 section, the board shall approve a university request to
14 implement a matriculation and out-of-state tuition fee
15 schedule which is calculated to generate revenue which varies
16 no more than 10 percent from the standard fee revenues
17 authorized through an appropriations act. In implementing an
18 alternative fee schedule, the increase in cost to a student
19 taking 15 hours in one term shall be limited to 5 percent.
20 Matriculation and out-of-state tuition fee revenues generated
21 as a result of this provision are to be expended for
22 implementing a plan for achieving accountability goals adopted
23 pursuant to s. 240.214 and for implementing a Board of
24 Regents-approved plan to contain student costs by reducing the
25 time necessary for graduation without reducing the quality of
26 instruction. The plans shall be recommended by a
27 universitywide committee, at least one-half of whom are
28 students appointed by the student body president. A
29 chairperson, appointed jointly by the university president and
30 the student body president, shall vote only in the case of a
31 tie.

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1 4. The board may implement individual university plans
2 for a differential out-of-state tuition fee for universities
3 that have a service area that borders another state.

4 5. The board is authorized to collect for financial
5 aid purposes an amount not to exceed 5 percent of the student
6 tuition and matriculation fee per credit hour. The revenues
7 from fees are to remain at each campus and replace existing
8 financial aid fees. Such funds shall be disbursed to students
9 as quickly as possible. These funds may not be used for direct
10 or indirect administrative purposes or salaries.The board
11 shall specify specific limits on the percent of the fees
12 collected in a fiscal year which may be carried forward
13 unexpended to the following fiscal year. A minimum of 75 ~~50~~
14 percent of funds from the student financial aid fee for new
15 financial aid awards shall be used to provide financial aid
16 based on absolute need. A student who has received an award
17 prior to July 1, 1984, shall have his or her eligibility
18 assessed on the same criteria that was used at the time of his
19 or her original award. The Board of Regents shall develop
20 criteria for making financial aid awards. Each university
21 shall report annually to the Department of Education on the
22 revenue collected pursuant to this subparagraph, the amount
23 carried forward, the criteria used to make awards, the amount
24 and number of awards for each criterion, and a delineation of
25 the distribution of such awards. The report shall include an
26 assessment by category of the financial need of every student
27 who receives an award, regardless of the purpose for which the
28 award is received. Awards which are based on financial need
29 shall be distributed in accordance with a nationally
30 recognized system of need analysis approved by the Board of
31 Regents. An award for academic merit shall require a minimum

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1 overall grade point average of 3.0 on a 4.0 scale or the
2 equivalent for both initial receipt of the award and renewal
3 of the award.

4 6. The board may recommend to the Legislature an
5 appropriate systemwide standard matriculation and tuition fee
6 schedule.

7 7. The Education and General Student and Other Fees
8 Trust Fund is hereby created, to be administered by the
9 Department of Education. Funds shall be credited to the trust
10 fund from student fee collections and other miscellaneous fees
11 and receipts. The purpose of the trust fund is to support the
12 instruction and research missions of the State University
13 System. Notwithstanding the provisions of s. 216.301, and
14 pursuant to s. 216.351, any balance in the trust fund at the
15 end of any fiscal year shall remain in the trust fund and
16 shall be available for carrying out the purposes of the trust
17 fund.

18 8. The board is further authorized to establish the
19 following fees:

20 a. A nonrefundable application fee in an amount not to
21 exceed \$30.

22 b. An admissions deposit fee for the University of
23 Florida College of Dentistry in an amount not to exceed \$200.

24 c. An orientation fee in an amount not to exceed \$35.

25 d. A fee for security, access, or identification
26 cards. The annual fee for such a card may not exceed \$10 per
27 card. The maximum amount charged for a replacement card may
28 not exceed \$15.

29 e. Registration fees for audit and zero-hours
30 registration; a service charge, which may not exceed \$15, for
31 the payment of tuition in installments; and a

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1 late-registration fee in an amount not less than \$50 nor more
2 than \$100 to be imposed on students who fail to initiate
3 registration during the regular registration period.

4 f. A late-payment fee in an amount not less than \$50
5 nor more than \$100 to be imposed on students who fail to pay
6 or fail to make appropriate arrangements to pay (by means of
7 installment payment, deferment, or third-party billing)
8 tuition by the deadline set by each university. Each
9 university may adopt specific procedures or policies for
10 waiving the late-payment fee for minor underpayments.

11 g. A fee for miscellaneous health-related charges for
12 services provided at cost by the university health center
13 which are not covered by the health fee set under s.
14 240.235(1).

15 h. Materials and supplies fees to offset the cost of
16 materials or supplies that are consumed in the course of the
17 student's instructional activities, excluding the cost of
18 equipment replacement, repairs, and maintenance.

19 i. Housing rental rates and miscellaneous housing
20 charges for services provided by the university at the request
21 of the student.

22 j. A charge representing the reasonable cost of
23 efforts to collect payment of overdue accounts.

24 k. A service charge on university loans in lieu of
25 interest and administrative handling charges.

26 l. A fee for off-campus course offerings when the
27 location results in specific, identifiable increased costs to
28 the university.

29 m. Library fees and fines, including charges for
30 damaged and lost library materials, overdue reserve library
31 books, interlibrary loans, and literature searches.

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1 n. Fees relating to duplicating, photocopying,
2 binding, and microfilming; copyright services; and
3 standardized testing. These fees may be charged only to those
4 who receive the services.

5 o. Fees and fines relating to the use, late return,
6 and loss and damage of facilities and equipment.

7 p. A returned-check fee as authorized by s. 832.07(1)
8 for unpaid checks returned to the university.

9 q. Traffic and parking fines, charges for parking
10 decals, and transportation access fees.

11 r. An Educational Research Center for Child
12 Development fee for child care and services offered by the
13 center.

14 s. Fees for transcripts and diploma replacement, not
15 to exceed \$10 per item.

16 Section 3. Effective July 1, 2002, subsection (11) of
17 section 240.35, Florida Statutes, is amended to read:

18 240.35 Student fees.--Unless otherwise provided, the
19 provisions of this section apply only to fees charged for
20 college credit instruction leading to an associate in arts
21 degree, an associate in applied science degree, or an
22 associate in science degree and noncollege credit
23 college-preparatory courses defined in s. 239.105.

24 (11)(a) Each community college is authorized to
25 establish a separate fee for financial aid purposes in an
26 additional amount up to, but not to exceed, 5 percent of the
27 total student tuition or matriculation fees collected. Each
28 community college may collect up to an additional 2 percent if
29 the amount generated by the total financial aid fee is less
30 than \$250,000. If the amount generated is less than \$250,000,
31 a community college that charges tuition and matriculation

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1 fees at least equal to the average fees established by rule
2 may transfer from the general current fund to the scholarship
3 fund an amount equal to the difference between \$250,000 and
4 the amount generated by the total financial aid fee
5 assessment. No other transfer from the general current fund to
6 the loan, endowment, or scholarship fund, by whatever name
7 known, is authorized.

8 (b) All funds collected under this program shall be
9 placed in the loan and endowment fund or scholarship fund of
10 the college, by whatever name known. Such funds shall be
11 disbursed to students as quickly as possible. An amount not
12 greater than 40 percent of the fees collected in a fiscal year
13 may be carried forward unexpended to the following fiscal
14 year. However, funds collected prior to July 1, 1989, and
15 placed in an endowment fund may not be considered part of the
16 balance of funds carried forward unexpended to the following
17 fiscal year.

18 (c) Up to 25 percent or \$300,000, whichever is
19 greater, of the financial aid fees collected may be used to
20 assist students who demonstrate academic merit; who
21 participate in athletics, public service, cultural arts, and
22 other extracurricular programs as determined by the
23 institution; or who are identified as members of a targeted
24 gender or ethnic minority population. The financial aid fee
25 revenues allocated for athletic scholarships and fee
26 exemptions provided pursuant to subsection (17) for athletes
27 shall be distributed equitably as required by s.
28 228.2001(3)(d). A minimum of 75 ~~50~~ percent of the balance of
29 these funds for new awards shall be used to provide financial
30 aid based on absolute need, and the remainder of the funds
31 shall be used for academic merit purposes and other purposes

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1 approved by the district boards of trustees. Such other
2 purposes shall include the payment of child care fees for
3 students with financial need. The State Board of Community
4 Colleges shall develop criteria for making financial aid
5 awards. Each college shall report annually to the Department
6 of Education on the revenue collected pursuant to this
7 paragraph, the amount carried forward, the criteria used to
8 make awards, the amount and number of awards for each
9 criterion, and a delineation of the distribution of such
10 awards. The report shall include an assessment by category of
11 the financial need of every student who receives an award,
12 regardless of the purpose for which the award is received.
13 Awards which are based on financial need shall be distributed
14 in accordance with a nationally recognized system of need
15 analysis approved by the State Board of Community Colleges. An
16 award for academic merit shall require a minimum overall grade
17 point average of 3.0 on a 4.0 scale or the equivalent for both
18 initial receipt of the award and renewal of the award.

19 (d) These funds may not be used for direct or indirect
20 administrative purposes or salaries.

21 Section 4. Subsections (1), (2), and (7) of section
22 240.40201, Florida Statutes, are amended to read:

23 240.40201 Florida Bright Futures Scholarship
24 Program.--

25 (1) The Florida Bright Futures Scholarship Program is
26 created to establish a lottery-funded scholarship program to
27 reward any Florida high school graduate who merits recognition
28 of high academic achievement and who enrolls in a degree
29 program, certificate program, or applied technology diploma
30 program at an eligible Florida public or private postsecondary
31 education institution within 7 3 years of graduation from high

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1 school. No award shall be provided to a student beyond 7 years
2 after high school graduation, regardless of the year in which
3 a student first receives scholarship funding.

4 (2) The Bright Futures Scholarship Program consists of
5 three types of awards, the Florida Academic Scholarship, the
6 Florida Medallion ~~Merit~~ Scholarship, and the Florida
7 ~~Vocational~~ Gold Seal Vocational Scholarship.

8 (7) A student may receive only one type of award from
9 the Florida Bright Futures Scholarship Program at a time, but
10 may transfer from one type of award to another through the
11 renewal application process, if the student's eligibility
12 status changes. However, a student is not eligible to transfer
13 from a Florida Medallion ~~Merit~~ Scholarship or a Florida
14 ~~Vocational~~ Gold Seal Vocational Scholarship to a Florida
15 Academic Scholarship. A student who receives an award from the
16 program may also receive a federal family education loan or a
17 federal direct loan, and the value of the award must be
18 considered in the certification or calculation of the
19 student's loan eligibility.

20 Section 5. Section 240.40202, Florida Statutes, is
21 amended to read:

22 240.40202 Florida Bright Futures Scholarship Program;
23 student eligibility requirements for initial awards.--

24 (1) To be eligible for an initial award from any of
25 the three types of scholarships under the Florida Bright
26 Futures Scholarship Program, a student must:

27 (a) Be a Florida resident as defined in s. 240.404 and
28 rules of the State Board of Education.

29 (b) Earn a standard Florida high school diploma or its
30 equivalent as described in s. 232.246 or s. 229.814 unless:

31 1. The student is enrolled full time in the early

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1 admission program of an eligible postsecondary education
2 institution or completes a home education program according to
3 s. 232.0201; or

4 2. The student earns a high school diploma from a
5 non-Florida school while living with a parent or guardian who
6 is on military or public service assignment away from Florida.
7 "Public service assignment," as used in this subparagraph,
8 means the occupational assignment outside Florida of a person
9 who is a permanent resident of Florida and who is employed by
10 the United States Government or the State of Florida, a
11 condition of which employment is assignment outside Florida.

12 (c) Be accepted by and enroll in an eligible Florida
13 public or independent postsecondary education institution.

14 (d) Be enrolled for at least 6 semester credit hours
15 or the equivalent in quarter hours or clock hours.

16 (e) Not have been found guilty of, or have pled ~~plead~~
17 nolo contendere to or guilty to, a felony charge, unless the
18 student has been granted clemency by the Governor and Cabinet
19 sitting as the Executive Office of Clemency.

20 (f) Apply for a scholarship from the program by ~~April~~
21 ~~1 of the last semester before~~ high school graduation. Requests
22 for exceptions to this deadline may be accepted by the high
23 school or district through December 31 following high school
24 graduation.

25 ~~(2) A student is eligible to accept an initial award~~
26 ~~for 3 years following high school graduation and to accept a~~
27 ~~renewal award for 7 years following high school graduation. A~~
28 ~~student who applies for an award by April 1 and who meets all~~
29 ~~other~~ eligibility requirements, but who does not accept his or
30 her award during the first year of eligibility after high
31 school graduation, may apply for reinstatement of the award

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1 for use within 7 ~~reapply during subsequent application periods~~
2 ~~up to 3~~ years after high school graduation. Reinstatement
3 applications must be received by the deadline established by
4 the Department of Education.

5 (3) For purposes of calculating the grade point
6 average to be used in determining initial eligibility for a
7 Florida Bright Futures scholarship, the department shall
8 assign additional weights to grades earned in the following
9 courses:

10 (a) Courses identified in the course code directory as
11 Advanced Placement, pre-International Baccalaureate, or
12 International Baccalaureate.

13 (b) Courses designated as academic dual enrollment
14 courses in the statewide course numbering system.

15
16 The department may assign additional weights to courses, other
17 than those described in paragraphs (a) and (b), that are
18 identified by the Articulation Coordinating Committee as
19 containing rigorous academic curriculum and performance
20 standards. The additional weight assigned to a course pursuant
21 to this subsection shall not exceed 0.5 per course. The
22 weighted system shall be developed and distributed to all high
23 schools in the state prior to January 1, 1998. The department
24 may determine a student's eligibility status during the senior
25 year before graduation and may inform the student of the award
26 at that time.

27 (4) Each school district shall provide each high
28 school student a complete and accurate Florida Bright Futures
29 Scholarship Evaluation Report and Key annually. The report
30 shall be disseminated at the beginning of each school year.
31 The report must include all high school coursework attempted,

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1 the number of credits earned toward each type of award, and
2 the calculation of the grade point average for each award. The
3 report must also identify all requirements not met per award
4 as well as the award or awards for which the student has met
5 the academic requirements.

6 ~~(5)(4)~~ A student who wishes to qualify for a
7 particular award within the Florida Bright Futures Scholarship
8 Program, but who does not meet all of the requirements for
9 that level of award, may, nevertheless, receive the award if
10 the principal of the student's school or the district
11 superintendent verifies that the deficiency is caused by the
12 fact that school district personnel provided inaccurate or
13 incomplete information to the student. The school district
14 must provide a means for the student to correct the
15 deficiencies and the student must correct them, either by
16 completing comparable work at the postsecondary institution or
17 by completing a directed individualized study program
18 developed and administered by the school district. If the
19 student does not complete the requirements by December 31
20 immediately following high school graduation, the student is
21 ineligible to participate in the program.

22 Section 6. Section 240.40203, Florida Statutes, is
23 amended to read:

24 240.40203 Florida Bright Futures Scholarship Program;
25 student eligibility requirements for renewal, reinstatement,
26 and restoration awards.--

27 (1) To be eligible to receive ~~renew~~ a scholarship from
28 any of the three types of scholarships under the Florida
29 Bright Futures Scholarship Program after the first year of
30 eligibility, a student must meet the following requirements
31 for renewal, reinstatement, or restoration:

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1 (a) Renewal applies to students who receive an award
2 for at least one term during the immediately preceding
3 academic year. For renewal, a student must complete at least
4 12 semester credit hours or the equivalent in the last
5 academic year in which the student earned a scholarship and-

6 ~~(b)~~ maintain the cumulative grade point average
7 required by the scholarship program, except that:

8 1. If a recipient's grades fall beneath the average
9 required to renew a Florida Academic Scholarship, but are
10 sufficient to renew a Florida Medallion Merit Scholarship ~~or a~~
11 ~~Florida Vocational Gold Seal Scholarship~~, the Department of
12 Education may grant a renewal to the Florida Medallion

13 Scholarship.~~from one of those other scholarship programs, if~~
14 ~~the student meets the renewal eligibility requirements, or~~

15 2. If, upon renewal evaluation, a student fails to
16 meet the renewal criteria pursuant to this section, credit
17 hours and grades earned during the following summer term may
18 be used to satisfy the renewal requirements.~~If, at any time~~
19 ~~during the eligibility period, a student's grades are~~
20 ~~insufficient to renew the scholarship, the student may restore~~
21 ~~eligibility by improving the grade point average to the~~
22 ~~required level. A student is eligible for such a reinstatement~~
23 ~~only once.~~The Legislature encourages education institutions
24 to assist students to calculate whether or not it is possible
25 to raise the grade point average during the summer term. ~~If~~
26 ~~the institution determines that it is possible, the education~~
27 ~~institution may so inform the department, which may reserve~~
28 ~~the student's award if funds are available.~~The renewal,
29 however, must not be granted until the student achieves the
30 required cumulative grade point average and earns the required
31 number of hours. If, during the summer term, a student does

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1 ~~not earn is not sufficient hours or to~~ raise the grade point
2 average to the required renewal level, the student shall not
3 be eligible for an award ~~student's next opportunity for~~
4 ~~renewal is the fall semester of the following academic year.~~

5 (b) Reinstatement applies to students who were
6 eligible but did not receive an award during the previous
7 academic year or years, and who may apply to reestablish use
8 of the scholarship. For reinstatement, a student must have
9 been eligible at the time of the student's most recent Florida
10 Bright Futures Scholarship eligibility determination. The
11 student must apply for reinstatement by submitting a
12 reinstatement application by the deadline established by the
13 Department of Education.

14 (c) Restoration applies to students who lost
15 scholarship eligibility as a result of not meeting the renewal
16 grade point average or number of hours, or both, at a prior
17 evaluation period. A student may restore eligibility by
18 meeting the renewal grade point average during a subsequent
19 renewal evaluation period. A student is eligible to receive
20 such restoration only once. The student must submit an
21 application for restoration by the deadline established by the
22 Department of Education.

23 (2) A Florida Academic Scholar or a Florida Medallion
24 Scholar ~~student who is enrolled in a program that terminates~~
25 ~~in an associate degree or a baccalaureate degree~~ may receive
26 an award for a maximum of 110 percent of the number of credit
27 hours required to complete the undergraduate program.

28 (3) A Florida Academic Scholar or a Florida Medallion
29 Scholar who is enrolled in a combined undergraduate/graduate
30 program that terminates in the award of a postbaccalaureate
31 degree, or the simultaneous award of baccalaureate and

1 postbaccalaureate degrees, may receive an award for a maximum
2 of 110 percent of the number of credit hours required to
3 complete a standard undergraduate program at the institution
4 attended, at the undergraduate rate.

5 (4) A Florida Gold Seal Vocational Scholar ~~student who~~
6 ~~is enrolled in a program that terminates in a technical~~
7 ~~certificate~~ may receive an award for up to 90 semester a
8 ~~maximum of 110 percent of the credit hours or the equivalent~~
9 ~~clock hours required to complete the program up to 90 credit~~
10 ~~hours.~~ A student who transfers from the Florida Gold Seal
11 Vocational Scholars award to the Florida Medallion Scholars
12 award ~~one of these program levels to another~~ becomes eligible
13 for the higher of the two credit hour limits.

14 Section 7. Section 240.40204, Florida Statutes, is
15 amended to read:

16 240.40204 Florida Bright Futures Scholarship Program;
17 eligible postsecondary education institutions.--A student is
18 eligible for an award or the renewal, reinstatement, or
19 restoration of an award from the Florida Bright Futures
20 Scholarship Program if the student meets the requirements for
21 the program as described in this act and is enrolled in a
22 postsecondary education institution that meets the description
23 in any one of the following subsections:

24 (1) A Florida public university, community college, or
25 technical center.

26 (2) An independent Florida college or university that
27 is accredited by an accrediting agency recognized by the
28 United States Department of Education ~~a member of the~~
29 ~~Commission on Recognition of Postsecondary Accreditation~~ and
30 which has operated in the state for at least 3 years.

31 (3) An independent Florida postsecondary education

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1 institution that is licensed by the State Board of Independent
2 Colleges and Universities and which:

3 (a) Shows evidence of sound financial condition; and

4 (b) Has operated in the state for at least 3 years
5 without having its approval, accreditation, or license placed
6 on probation.

7 (4) A Florida independent postsecondary education
8 institution that offers a nursing diploma approved by the
9 Board of Nursing.

10 (5) A Florida independent postsecondary education
11 institution that is licensed by the State Board of Nonpublic
12 Career Education and which:

13 (a) Has a program completion and placement rate of at
14 least the rate required by the current Florida Statutes, the
15 Florida Administrative Code, or the Department of Education
16 for an institution at its level; and

17 (b) Shows evidence of sound financial condition; and
18 either:

19 1. Is accredited at the institutional level by an
20 accrediting agency recognized by the United States Department
21 of Education and has operated in the state for at least 3
22 years during which there has been no complaint for which
23 probable cause has been found; or

24 2. Has operated in Florida for 5 years during which
25 there has been no complaint for which probable cause has been
26 found.

27 Section 8. Section 240.40205, Florida Statutes, is
28 amended to read:

29 240.40205 Florida Academic Scholars award.--

30 (1) A student is eligible for a Florida Academic
31 Scholars award if the student meets the general eligibility

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1 requirements for the Florida Bright Futures Scholarship
2 Program and the student:

3 (a) Has achieved a 3.5 weighted grade point average as
4 calculated pursuant to s. 240.40202, or its equivalent, in
5 high school courses that are adopted by the Board of Regents
6 and recommended by the State Board of Community Colleges as
7 college-preparatory academic courses; and

8 (b) Has attained at least the score identified by
9 rules of the Department of Education on the combined verbal
10 and quantitative parts of the Scholastic Aptitude Test, the
11 Scholastic Assessment Test, or the recentered Scholastic
12 Assessment Test of the College Entrance Examination, or an
13 equivalent score on the American College Testing Program; or

14 (c) Has attended a home education program according to
15 s. 232.0201 during grades 11 and 12 or has completed the
16 International Baccalaureate curriculum but failed to earn the
17 International Baccalaureate Diploma, and has attained at least
18 the score identified by rules of the Department of Education
19 on the combined verbal and quantitative parts of the
20 Scholastic Aptitude Test, the Scholastic Assessment Test, or
21 the recentered Scholastic Assessment Test of the College
22 Entrance Examination, or an equivalent score on the American
23 College Testing Program; or

24 (d) Has been awarded an International Baccalaureate
25 Diploma from the International Baccalaureate Office; or

26 (e) Has been recognized by the merit or achievement
27 programs of the National Merit Scholarship Corporation as a
28 scholar or finalist; or

29 (f) Has been recognized by the National Hispanic
30 Recognition Program as a scholar recipient; or-

31 (g) Has been awarded the American International

1 Certificate of Education Diploma from the University of
2 Cambridge.

3
4 Effective with the 1998-1999 school year, a student must
5 complete a program of community service work, as approved by
6 the district school board or the administrators of a nonpublic
7 school, which shall include a minimum of 75 hours of service
8 work and require the student to identify a social problem that
9 interests him or her, develop a plan for his or her personal
10 involvement in addressing the problem, and, through papers or
11 other presentations, evaluate and reflect upon his or her
12 experience.

13 (2) A Florida Academic Scholar who is enrolled in a
14 public postsecondary education institution is eligible for an
15 award equal to the amount required to pay matriculation and
16 fees, as defined by the department, and \$600 for
17 college-related expenses annually. A student who is enrolled
18 in a nonpublic postsecondary education institution is eligible
19 for an award equal to the amount that would be required to pay
20 for the average matriculation and fees of a public
21 postsecondary education institution at the comparable level,
22 plus the annual \$600.

23 (3) To be eligible for a renewal or restoration award
24 as a Florida Academic Scholar, a student must meet the
25 requirements of s. 240.40203 and the ~~maintain the equivalent~~
26 ~~of a~~ grade point average requirement of 3.0 on a 4.0 scale, or
27 the equivalent, for all postsecondary education work
28 attempted. A student may have, ~~with~~ an opportunity for one
29 restoration reinstatement as provided in this act.

30 (4) In each school district, the Florida Academic
31 Scholar with the highest academic ranking shall be designated

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1 as an Academic Top Scholar and shall receive an additional
2 award of \$1,500 for college-related expenses. This award must
3 be funded from the Florida Bright Futures Scholarship Program.

4 Section 9. Section 240.40206, Florida Statutes, is
5 amended to read:

6 240.40206 Florida Medallion ~~Merit~~ Scholars award.--

7 (1) A student is eligible for a Florida Medallion
8 ~~Merit~~ Scholars award if the student meets the general
9 eligibility requirements for the Florida Bright Futures
10 Scholarship Program and the student:

11 (a) Has achieved a weighted grade point average of 3.0
12 as calculated pursuant to s. 240.40202, or the equivalent, in
13 high school courses that are adopted by the Board of Regents
14 and recommended by the State Board of Community Colleges as
15 college-preparatory academic courses; and

16 (b) Has attained at least the score identified by
17 rules of the Department of Education on the combined verbal
18 and quantitative parts of the Scholastic Aptitude Test, the
19 Scholastic Assessment Test, or the recentered Scholastic
20 Assessment Test of the College Entrance Examination, or an
21 equivalent score on the American College Testing Program; or

22 (c) Has attended a home education program according to
23 s. 232.0201 during grades 11 and 12 or has completed the
24 International Baccalaureate curriculum but failed to earn the
25 International Baccalaureate Diploma, and has attained at least
26 the score identified by rules of the Department of Education
27 on the combined verbal and quantitative parts of the
28 Scholastic Aptitude Test, the Scholastic Assessment Test, or
29 the recentered Scholastic Assessment Test of the College
30 Entrance Examination, or an equivalent score on the American
31 College Testing Program; or-

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1 (d) Has been recognized by the merit or achievement
2 programs of the National Merit Scholarship Corporation as a
3 scholar or finalist, but has not completed a program of
4 community service as provided in s. 240.40205; or

5 (e) Has been recognized by the National Hispanic
6 Recognition Program as a scholar, but has not completed a
7 program of community service as provided in s. 240.40205.

8 (2) A Florida Medallion Merit Scholar is eligible for
9 an award equal to the amount required to pay 75 percent of
10 matriculation and fees, as defined by the department, if the
11 student is enrolled in a public postsecondary education
12 institution. A student who is enrolled in a nonpublic
13 postsecondary education institution is eligible for an award
14 equal to the amount that would be required to pay 75 percent
15 of the average matriculation and fees of a public
16 postsecondary education institution at the comparable level.

17 (3) To be eligible for a renewal or restoration award
18 as a Florida Medallion Merit Scholar, a student must meet the
19 requirements of s. 240.40203 and the ~~maintain the equivalent~~
20 ~~of a~~ grade point average requirement of 2.75 on a 4.0 scale,
21 or the equivalent, for all postsecondary education work
22 attempted. A student may have, ~~with~~ an opportunity for
23 ~~reinstatement~~ one restoration time as provided in this act.

24 Section 10. Section 240.40207, Florida Statutes, is
25 amended to read:

26 240.40207 Florida Gold Seal Vocational Scholars
27 award.--The Florida Gold Seal Vocational Scholars award is
28 created within the Florida Bright Futures Scholarship Program
29 to recognize and reward academic achievement and vocational
30 preparation by high school students who wish to continue their
31 education.

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1 (1) A student is eligible for a Florida Gold Seal
2 Vocational Scholars award if the student meets the general
3 eligibility requirements for the Florida Bright Futures
4 Scholarship Program and the student:

5 (a) Successfully completes ~~the secondary school~~
6 ~~portion of a sequential program of studies that requires at~~
7 least three secondary school vocational credits in one program
8 of study, as identified by the Department of Education, taken
9 over at least 2 academic years, and is continued in a planned,
10 related postsecondary education program. If the student's
11 school does not offer such a two-plus-two or tech-prep
12 program, the student must complete a job-preparatory career
13 education program selected by the Workforce Estimating
14 Conference or Workforce Florida, Inc., for its ability to
15 provide high-wage employment in an occupation with high
16 potential for employment opportunities. By July 1, 2002, the
17 Articulation Coordinating Committee shall identify the
18 programs at each 4-year institution that qualify as planned,
19 related postsecondary education programs. On-the-job training
20 may not be substituted for any of the three required
21 vocational credits.

22 (b) Demonstrates readiness for postsecondary education
23 by earning a passing score on the Florida College Entry Level
24 Placement Test or its equivalent as identified by the
25 Department of Education.

26 (c) Earns a minimum cumulative weighted grade point
27 average of 3.0, as calculated pursuant to s. 240.40202, on all
28 subjects required for a standard high school diploma,
29 excluding elective courses.

30 (d) Earns a minimum unweighted grade point average of
31 3.5 on a 4.0 scale for secondary vocational courses comprising

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1 the vocational program.

2 ~~(e) Completes the requirements of a vocational-ready~~
3 ~~diploma program, as defined by rules of the State Board of~~
4 ~~Education.~~

5 (2) A Florida Gold Seal Vocational Scholar is eligible
6 for an award equal to the amount required to pay 75 percent of
7 matriculation and fees, as defined by the department, if the
8 student is enrolled in a public postsecondary education
9 institution. A student who is enrolled in a nonpublic
10 postsecondary education institution is eligible for an award
11 equal to the amount that would be required to pay 75 percent
12 of the matriculation and mandatory fees of a public
13 postsecondary education institution at the comparable level.

14 (3) To be eligible for a renewal or restoration award
15 as a Florida Gold Seal Vocational Scholar, a student must meet
16 the requirements of s. 240.40203 and the ~~maintain the~~
17 ~~equivalent of a~~ grade point average requirement of 2.75 on a
18 4.0 scale, or the equivalent, for all postsecondary education
19 work attempted. A student may have, with an opportunity for
20 ~~reinstatement~~ one restoration time as provided in this act.

21 (4) Beginning with the fall term of 2003, a Florida
22 Gold Seal Vocational Scholars award may only be used by
23 students who enroll in programs of 2 years or less at a
24 vocational-technical institution, a community college, or a
25 junior college unless the award is a renewal of an initial
26 award issued prior to the fall term of 2003 or as otherwise
27 provided for in this section. A student may use an award for a
28 program at a 4-year institution if the program has been
29 identified by the Articulation Coordinating Committee pursuant
30 to subsection (1), the student meets the minimum State
31 University System admissions requirements, and the institution

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1 certifies annually the student's continued enrollment in such
2 program.

3 (5) Upon successful completion of an associate degree
4 program or 60 hours, an award recipient who meets the renewal
5 criteria in subsection (3) and enrolls in a baccalaureate
6 degree program at an eligible postsecondary education
7 institution is eligible to transfer to the Florida Medallion
8 Scholars award component of the Florida Bright Futures
9 Scholarship Program. Other than initial eligibility criteria,
10 all other requirements of the Florida Medallion Scholars award
11 shall apply to a student who transfers to that program
12 pursuant to the provisions of this subsection. The number of
13 hours for which a student may receive a Florida Medallion
14 Scholars award shall be calculated by subtracting from the
15 student's total eligibility pursuant to s. 240.40206(2) the
16 number of hours for which the student has already received
17 funding under the Florida Bright Futures Scholarship Program.

18 (6) If a Florida Gold Seal Vocational Scholar received
19 an initial award prior to the fall term of 2003, and has a
20 cumulative grade point average of 2.75 in all postsecondary
21 education work attempted, the Department of Education may
22 transfer the student to the Florida Medallion Scholars award
23 component of the Florida Bright Futures Scholarship Program at
24 any renewal period. Other than initial eligibility criteria,
25 all other requirements of the Florida Medallion Scholars award
26 shall apply to a student who transfers to that program
27 pursuant to the provisions of this subsection. The number of
28 hours for which a student may receive a Florida Medallion
29 Scholars award shall be calculated by subtracting from the
30 student's total eligibility pursuant to s. 240.40206(2) the
31 number of hours for which the student has already received

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1 funding under the Florida Bright Futures Scholarship Program.

2 ~~(4) A student may earn a Florida Gold Seal Vocational~~
3 ~~Scholarship for 110 percent of the number of credit hours~~
4 ~~required to complete the program, up to 90 credit hours or the~~
5 ~~equivalent. A Florida Gold Seal Scholar who has a cumulative~~
6 ~~grade point average of 2.75 in all postsecondary education~~
7 ~~work attempted may apply for a Florida Merit Scholars award at~~
8 ~~any renewal period. All other provisions of that program~~
9 ~~apply, and the credit-hour limitation must be calculated by~~
10 ~~subtracting from the student's total eligibility the number of~~
11 ~~credit hours the student attempted while earning the Gold Seal~~
12 ~~Vocational Scholarship.~~

13 Section 11. Section 240.40242, Florida Statutes, is
14 repealed.

15 Section 12. Florida Bright Futures Scholarship Testing
16 Program.--

17 (1) By January 1, 2002, the Articulation Coordinating
18 Committee shall identify the minimum scores, maximum credit,
19 and course or courses for which credit is to be awarded for
20 each College Level Examination Program (CLEP) general
21 examination, CLEP subject examination, College Board Advanced
22 Placement Program examination, and International Baccalaureate
23 examination. In addition, the Articulation Coordinating
24 Committee shall identify such courses in the general education
25 core curriculum of each state university and community
26 college.

27 (2) Each community college and state university must
28 award credit for specific courses for which competency has
29 been demonstrated by successful passage of one of these
30 examinations unless the award of credit duplicates credit
31 already awarded. Community colleges and universities may not

1 exempt students from courses without the award of credit if
2 competencies have been so demonstrated.

3 (3) Beginning with initial award recipients for the
4 2002-2003 academic year and continuing thereafter, students
5 eligible for a Florida Academic Scholars award or a Florida
6 Medallion Scholars award who are admitted to and enroll in a
7 community college or state university shall, prior to
8 registering for courses that may be earned through a CLEP
9 examination and no later than registration for their second
10 term, complete at least five examinations from those specified
11 in subsection (1) in the following areas: English; humanities;
12 mathematics; natural sciences; and social sciences.

13 Successful completion of dual enrollment courses, Advanced
14 Placement examinations, and International Baccalaureate
15 examinations taken prior to high school graduation satisfy
16 this requirement. The Articulation Coordinating Committee
17 shall identify the examinations that satisfy each component of
18 this requirement.

19 (4) Initial award recipients for the 2001-2002
20 academic year who are eligible for a Florida Academic Scholars
21 award or a Florida Medallion Scholars award and who are
22 admitted to and enroll in a community college or state
23 university may choose, prior to registering for courses that
24 may be earned through CLEP examination, to complete up to five
25 CLEP examinations, one in each of the following areas:
26 English; humanities; mathematics; natural sciences; and social
27 sciences.

28 (5) Each community college and state university shall
29 pay for the CLEP examinations required pursuant to this
30 section from the funds appropriated from the Educational
31 Enhancement Trust Fund. Institutions shall pay no more than

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1 \$46 per examination for the program, which shall include
2 access to a student guide to prepare for the test. The
3 Department of Education shall negotiate with the College Board
4 for a reduced rate for the examinations. The institution shall
5 not charge the student for preparation and administration of
6 the test, access to a student guide to prepare for the test,
7 or recordkeeping and reporting of each student's test results
8 to the department.

9 (6) The credit awarded pursuant to this section shall
10 apply toward the 120 hours of college credit required pursuant
11 to s. 240.115(6).

12 (7) The maximum number of credit hours for which a
13 student is eligible to receive a Florida Bright Futures
14 Scholarship Program award shall be reduced by the number of
15 hours for which credit is awarded pursuant to this section.

16 (8) Beginning with the 2002-2003 award recipients, the
17 Department of Education shall track and annually report on the
18 effectiveness of the program, and include information on the
19 number of students participating in the program; the CLEP
20 examinations taken and the passage rate of Florida Academic
21 Scholars and Florida Medallion Scholars award recipients; the
22 use of Advanced Placement and International Baccalaureate
23 examinations and dual enrollment courses to satisfy the
24 requirements of the program; and the course credit provided.

25 Section 13. Subsection (1) of section 240.404, Florida
26 Statutes, is amended to read:

27 240.404 General requirements for student eligibility
28 for state financial aid.--

29 (1)(a) The general requirements for eligibility of
30 students for state financial aid awards consist of the
31 following:

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1 1. Achievement of the academic requirements of and
2 acceptance at a state university or community college; a
3 nursing diploma school approved by the Florida Board of
4 Nursing; a Florida college, university, or community college
5 which is accredited by an accrediting agency recognized by the
6 United States Department of Education ~~a member of the~~
7 ~~Commission on Recognition of Postsecondary Accreditation~~; any
8 Florida institution the credits of which are acceptable for
9 transfer to state universities; any area technical center; or
10 any private vocational-technical institution accredited by an
11 accrediting agency recognized by the United States Department
12 of Education ~~a member of the Commission on Recognition of~~
13 ~~Postsecondary Accreditation~~.

14 2.a. Residency in this state for no less than 1 year
15 preceding the award of aid for a program established pursuant
16 to s. 240.409, s. 240.4095, s. 240.4097, s. 240.412, s.
17 240.4125, s. 240.413, s. 240.4987, s. 240.605, or s. 240.606.
18 Residency in this state must be for purposes other than to
19 obtain an education. Resident status for purposes of receiving
20 state financial aid awards shall be determined in the same
21 manner as resident status for tuition purposes pursuant to s.
22 240.1201 and rules of the State Board of Education.

23 b. A person who has been properly classified as a
24 resident by a postsecondary institution for initial receipt of
25 state-funded student financial assistance and has been
26 determined eligible to participate in a financial assistance
27 program may continue to qualify as a resident for state-funded
28 financial aid programs if he or she maintains continuous
29 enrollment at the postsecondary institution, with no break in
30 enrollment greater than 12 consecutive months.

31 3. Submission of certification attesting to the

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1 accuracy, completeness, and correctness of information
2 provided to demonstrate a student's eligibility to receive
3 state financial aid awards. Falsification of such information
4 shall result in the denial of any pending application and
5 revocation of any award currently held to the extent that no
6 further payments shall be made. Additionally, students who
7 knowingly make false statements in order to receive state
8 financial aid awards shall be guilty of a misdemeanor of the
9 second degree subject to the provisions of s. 837.06 and shall
10 be required to return all state financial aid awards
11 wrongfully obtained.

12 (b)1. Eligibility for the renewal of undergraduate
13 financial aid awards shall be evaluated at the end of the
14 second semester or third quarter of each academic year. As a
15 condition for renewal, a student shall:

16 a. Have earned a minimum cumulative grade point
17 average of 2.0 on a 4.0 scale; and

18 b. Have earned, for full-time study, 12 credits per
19 term or the equivalent for the number of terms for which aid
20 was received.

21 2. A student who earns the minimum number of credits
22 required for renewal, but who fails to meet the minimum 2.0
23 cumulative grade point average, may be granted a probationary
24 award for up to the equivalent of 1 academic year and shall be
25 required to earn a cumulative grade point average of 2.0 on a
26 4.0 scale by the end of the probationary period to be eligible
27 for subsequent renewal. A student who receives a probationary
28 award and who fails to meet the conditions for renewal by the
29 end of his or her probationary period shall be ineligible to
30 receive additional awards for the equivalent of 1 academic
31 year following his or her probationary period. Each such

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1 student may, however, reapply for assistance during a
2 subsequent application period and may be eligible for an award
3 if he or she has earned a cumulative grade point average of
4 2.0 on a 4.0 scale.

5 3. A student who fails to earn the minimum number of
6 credits required for renewal shall lose his or her eligibility
7 for renewal for a period equivalent to 1 academic year.
8 However, the student may reapply during a subsequent
9 application period and may be eligible for an award if he or
10 she has earned a minimum cumulative grade point average of 2.0
11 on a 4.0 scale.

12 4. Students who receive state student aid and
13 subsequently fail to meet state academic progress requirements
14 due to verifiable illness or other emergencies may be granted
15 an exception from the academic requirements. Such students
16 shall make a written appeal to the institution. The appeal
17 shall include a description and verification of the
18 circumstances. Verification of illness or other emergencies
19 may include but not be limited to a physician's statement or
20 written statement of a parent or college official. The
21 institution shall recommend exceptions with necessary
22 documentation to the department. The department may accept or
23 deny such recommendations for exception from the institution.

24 Section 14. Notwithstanding subsection (7) of section
25 3 of chapter 2000-321, Laws of Florida, sections 240.2985 and
26 240.6054, Florida Statutes, shall not stand repealed on
27 January 7, 2003, and are reenacted, renumbered as section
28 240.4084, Florida Statutes, and amended to read:

29 (Substantial rewording of sections. See ss.

30 240.2985 and 240.6054, F.S., for present text.)

31 240.4084 Ethics in Business Scholarship Program.--The

1 Ethics in Business Scholarship Program is created to provide
2 scholarships to students who are enrolled in postsecondary
3 education institutions and who meet the general requirements
4 for student eligibility for state financial aid pursuant to s.
5 240.404. Moneys appropriated and allocated for such
6 scholarships shall be matched by private donations for the
7 purpose of providing ethics in business scholarships. The
8 Ethics in Business Scholarship Program shall consist of the
9 following components:

10 (1) Moneys appropriated from the Insurance
11 Commissioner's Regulatory Trust Fund to the Trust Fund for
12 Major Gifts, pursuant to section 2 of chapter 97-381, Laws of
13 Florida, shall be allocated to each university foundation on a
14 matching basis equal to the amount of private funds received
15 by such foundation for program purposes. Moneys appropriated
16 and allocated to university foundations for purposes of the
17 program shall be used to create endowments to provide
18 scholarships to undergraduate students enrolled in state
19 institutions of higher learning who register for one or more
20 credit hours in business ethics courses and who have
21 demonstrated a commitment to serve the interests of their
22 community. First priority for award of scholarships shall be
23 given to students who demonstrate financial need. The Board
24 of Regents shall administer the provisions of this subsection.

25 (2) Moneys transferred from the Insurance
26 Commissioner's Regulatory Trust Fund to the State Student
27 Financial Assistance Trust Fund, pursuant to section 3 of
28 chapter 97-381, Laws of Florida, shall be allocated to provide
29 ethics in business scholarships to students enrolled in public
30 community colleges and independent postsecondary education
31 institutions eligible to participate in the William L. Boyd,

1 IV, Florida Resident Access Grant Program under s. 240.605.
2 The funds shall be allocated to institutions for scholarships
3 in the following ratio: two-thirds for community colleges and
4 one-third for eligible independent institutions. These funds
5 shall be allocated to institutions that provide an equal
6 amount of matching funds generated by private donors for the
7 purpose of providing ethics in business scholarships. The
8 Department of Education shall administer the provisions of
9 this subsection and may adopt rules for such administration.
10 Notwithstanding any other provision of law, the State Board of
11 Administration shall have the authority to invest the funds
12 appropriated under this subsection.

13
14 Each institution that receives an allocation of funds shall
15 submit to the Legislature an annual report of the matching
16 funds collected and a profile of scholarship award recipients.

17 Section 15. Section 240.409, Florida Statutes, is
18 amended to read:

19 240.409 Florida Public Student Assistance Grant
20 Program; eligibility for grants.--

21 (1) There is hereby created a Florida Public Student
22 Assistance Grant Program. The program shall be administered by
23 the participating institutions in accordance with rules of the
24 state board.

25 (2) The department is directed to establish an initial
26 application deadline for funds administered pursuant to this
27 section.

28 (3) Using the priorities established in this section
29 and in s. 240.40975, institutions shall first award funds
30 administered pursuant to this section to students who meet the
31 initial application deadline established pursuant to

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1 subsection (2). An institution may, at its discretion, award
2 any remaining funds from this program to students who apply
3 after the deadline date and who are otherwise eligible
4 pursuant to this section.

5 (4)(2)(a) State student assistance grants through the
6 program may be made only to ~~full-time~~ degree-seeking students
7 who enroll in at least 6 semester hours, or the equivalent,
8 per semester and who meet the general requirements for student
9 eligibility as provided in s. 240.404, except as otherwise
10 provided in this section. Such grants shall be awarded
11 annually for the amount of demonstrated unmet need for the
12 cost of education and may not exceed an amount equal to the
13 average prior academic year cost of matriculation fees and
14 other registration fees for 30 credit hours at state
15 universities or such other amount as specified in the General
16 Appropriations Act, to any recipient. A demonstrated unmet
17 need of less than \$200 shall render the applicant ineligible
18 for a state student assistance grant. Recipients of such
19 grants must have been accepted at a state university or
20 community college authorized by Florida law. No student may
21 receive an award for more than the equivalent of 9 semesters
22 or 14 quarters of full-time enrollment, except as otherwise
23 provided in s. 240.404(3).

24 (b) A student applying for a Florida public student
25 assistance grant shall be required to apply for the Pell
26 Grant. The Pell Grant entitlement shall be considered when
27 conducting an assessment of the financial resources available
28 to each student.

29 ~~(c) Priority in the distribution of grant moneys shall~~
30 ~~be given to students with the lowest total family resources,~~
31 ~~in accordance with a nationally recognized system of need~~

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1 ~~analysis.~~Using the system of need analysis, the department
2 shall establish a maximum expected family contribution. An
3 institution may not make a grant from this program to a
4 student whose expected family contribution exceeds the level
5 established by the department. An institution may not impose
6 additional criteria to determine a student's eligibility to
7 receive a grant award.

8 (d) Each participating institution shall report, to
9 the department by the established date, the eligible students
10 to whom grant moneys are disbursed each academic term and
11 indicate whether or not the student met the application
12 deadline established pursuant to subsection (2). Each
13 institution shall also report to the department necessary
14 demographic and eligibility data for such students.

15 ~~(5)(3)~~ Based on the unmet financial need of an
16 eligible applicant, the amount of a Florida public student
17 assistance grant must be between \$200 and the weighted average
18 of the cost of matriculation and other registration fees for
19 30 credit hours at state universities per academic year or the
20 amount specified in the General Appropriations Act.

21 ~~(6)(4)~~(a) The funds appropriated for the Florida
22 Public Student Assistance Grant shall be distributed to
23 eligible institutions in accordance with a formula recommended
24 by the Department of Education's Florida Council of Student
25 Financial Aid Advisors and reviewed by the Postsecondary
26 Education Planning Commission, the State Board of Community
27 Colleges, and the Board of Regents. The formula shall consider
28 at least the prior year's distribution of funds, the number of
29 full-time eligible applicants who did not receive awards, the
30 number of eligible applicants who met the application
31 deadline, the standardization of the expected family

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1 contribution, and provisions for unused funds.

2 (b) Payment of Florida public student assistance
3 grants shall be transmitted to the president of the state
4 university or community college, or to his or her
5 representative, in advance of the registration period.
6 Institutions shall notify students of the amount of their
7 awards.

8 (c) The eligibility status of each student to receive
9 a disbursement shall be determined by each institution as of
10 the end of its regular registration period, inclusive of a
11 drop-add period. Institutions shall not be required to
12 reevaluate a student's eligibility status after this date for
13 purposes of changing eligibility determinations previously
14 made.

15 (d) Institutions shall certify to the department the
16 amount of funds disbursed to each student, shall indicate
17 whether or not the student met the application deadline
18 established pursuant to subsection (2), and shall remit to the
19 department any undisbursed advances by June 1 of each year.

20 ~~(7)(5)~~ Funds appropriated by the Legislature for state
21 student assistance grants shall be deposited in the State
22 Student Financial Assistance Trust Fund. Notwithstanding the
23 provisions of s. 216.301 and pursuant to s. 216.351, any
24 balance in the trust fund at the end of any fiscal year that
25 has been allocated to the Florida Public Student Assistance
26 Grant Program shall remain therein and shall be available for
27 carrying out the purposes of this section.

28 ~~(8)(6)~~ The State Board of Education shall establish
29 rules necessary to implement this section.

30 Section 16. Section 240.4095, Florida Statutes, is
31 amended to read:

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1 240.4095 Florida Private Student Assistance Grant
2 Program; eligibility for grants.--

3 (1) There is hereby created a Florida Private Student
4 Assistance Grant Program. The program shall be administered by
5 the participating institutions in accordance with rules of the
6 state board.

7 (2) The department is directed to establish an initial
8 application deadline for funds administered pursuant to this
9 section.

10 (3) Using the priorities established in this section
11 and in s. 240.40975, institutions shall first award funds
12 administered pursuant to this section to students who met the
13 initial application deadline established pursuant to
14 subsection (2). An institution may, at its discretion, award
15 any remaining funds from this program to students who apply
16 after the deadline date and who are otherwise eligible
17 pursuant to this section.

18 (4)(2)(a) Florida private student assistance grants
19 from the State Student Financial Assistance Trust Fund may be
20 made only to ~~full-time~~ degree-seeking students who enroll in
21 at least 6 semester hours, or the equivalent, per semester and
22 who meet the general requirements for student eligibility as
23 provided in s. 240.404, except as otherwise provided in this
24 section. Such grants shall be awarded for the amount of
25 demonstrated unmet need for tuition and fees and may not
26 exceed an amount equal to the average matriculation and other
27 registration fees for 30 credit hours at state universities
28 plus \$1,000 per academic year, or as specified in the General
29 Appropriations Act, to any applicant. A demonstrated unmet
30 need of less than \$200 shall render the applicant ineligible
31 for a Florida private student assistance grant. Recipients of

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1 such grants must have been accepted at a
2 baccalaureate-degree-granting independent nonprofit college or
3 university, which is accredited by the Commission on Colleges
4 of the Southern Association of Colleges and Schools and which
5 is located in and chartered as a domestic corporation by the
6 state. No student may receive an award for more than the
7 equivalent of 9 semesters or 14 quarters of full-time
8 enrollment, except as otherwise provided in s. 240.404(3).

9 (b) A student applying for a Florida private student
10 assistance grant shall be required to apply for the Pell
11 Grant. The Pell Grant entitlement shall be considered when
12 conducting an assessment of the financial resources available
13 to each student.

14 ~~(c) Priority in the distribution of grant moneys shall~~
15 ~~be given to students with the lowest total family resources,~~
16 ~~in accordance with a nationally recognized system of need~~
17 ~~analysis.~~ Using the system of need analysis, the department
18 shall establish a maximum expected family contribution. An
19 institution may not make a grant from this program to a
20 student whose expected family contribution exceeds the level
21 established by the department. An institution may not impose
22 additional criteria to determine a student's eligibility to
23 receive a grant award.

24 (d) Each participating institution shall report, to
25 the department by the established date, the eligible students
26 to whom grant moneys are disbursed each academic term and
27 indicate whether or not the student met the application
28 deadline established pursuant to subsection (2). Each
29 institution shall also report to the department necessary
30 demographic and eligibility data for such students.

31 ~~(5)(3)~~ Based on the unmet financial need of an

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1 eligible applicant, the amount of a Florida private student
2 assistance grant must be between \$200 and the average cost of
3 matriculation and other registration fees for 30 credit hours
4 at state universities plus \$1,000 per academic year or the
5 amount specified in the General Appropriations Act.

6 (6)(4)(a) The funds appropriated for the Florida
7 Private Student Assistance Grant shall be distributed to
8 eligible institutions in accordance with a formula recommended
9 by the Department of Education's Florida Council of Student
10 Financial Aid Advisors and reviewed by the Postsecondary
11 Education Planning Commission and the Independent Colleges and
12 Universities of Florida. The formula shall consider at least
13 the prior year's distribution of funds, the number of
14 full-time eligible applicants who did not receive awards, the
15 number of eligible applicants who met the application
16 deadline, the standardization of the expected family
17 contribution, and provisions for unused funds.

18 (b) Payment of Florida private student assistance
19 grants shall be transmitted to the president of the college or
20 university, or to his or her representative, in advance of the
21 registration period. Institutions shall notify students of the
22 amount of their awards.

23 (c) The eligibility status of each student to receive
24 a disbursement shall be determined by each institution as of
25 the end of its regular registration period, inclusive of a
26 drop-add period. Institutions shall not be required to
27 reevaluate a student's eligibility status after this date for
28 purposes of changing eligibility determinations previously
29 made.

30 (d) Institutions shall certify to the department the
31 amount of funds disbursed to each student, shall indicate

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1 whether or not the student met the application deadline
2 established pursuant to subsection (2), and shall remit to the
3 department any undisbursed advances by June 1 of each year.

4 (e) Each institution that receives moneys through the
5 Florida Private Student Assistance Grant Program shall cause
6 to be prepared a biennial report that includes an independent
7 external audit of the institution's administration of the
8 program and a complete accounting of moneys in the State
9 Student Financial Assistance Trust Fund allocated to the
10 institution for the program. Such report shall be submitted to
11 the department on or before March 1 every other year. The
12 department may conduct its own annual or biennial audit of an
13 institution's administration of the program and its allocated
14 funds in lieu of the required biennial report and independent
15 external audit. The department may suspend or revoke an
16 institution's eligibility to receive future moneys from the
17 trust fund for the program or request a refund of any moneys
18 overpaid to the institution through the trust fund for the
19 program if the department finds that an institution has not
20 complied with the provisions of this section. Any refund
21 requested pursuant to this paragraph shall be remitted within
22 60 days.

23 (7)~~(5)~~ Funds appropriated by the Legislature for
24 Florida private student assistance grants shall be deposited
25 in the State Student Financial Assistance Trust Fund.
26 Notwithstanding the provisions of s. 216.301 and pursuant to
27 s. 216.351, any balance in the trust fund at the end of any
28 fiscal year that has been allocated to the Florida Private
29 Student Assistance Grant Program shall remain therein and
30 shall be available for carrying out the purposes of this
31 section and as otherwise provided by law.

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1 ~~(8)(6)~~ The State Board of Education shall adopt rules
2 necessary to implement this section.

3 Section 17. Section 240.4097, Florida Statutes, is
4 amended to read:

5 240.4097 Florida Postsecondary Student Assistance
6 Grant Program; eligibility for grants.--

7 (1) There is hereby created a Florida Postsecondary
8 Student Assistance Grant Program. The program shall be
9 administered by the participating institutions in accordance
10 with rules of the state board.

11 (2) The department is directed to establish an initial
12 application deadline for funds administered pursuant to this
13 section.

14 (3) Using the priorities established in this section
15 and s. 240.40975, institutions shall first award funds
16 administered pursuant to this section to students who meet the
17 initial application deadline established pursuant to
18 subsection (2). An institution may, at its discretion, award
19 any remaining funds from this program to students who apply
20 after the deadline date and who are otherwise eligible
21 pursuant to this section.

22 ~~(4)(2)~~(a) Florida postsecondary student assistance
23 grants through the State Student Financial Assistance Trust
24 Fund may be made only to ~~full-time~~ degree-seeking students who
25 enroll in at least 6 semester hours, or the equivalent, per
26 semester and who meet the general requirements for student
27 eligibility as provided in s. 240.404, except as otherwise
28 provided in this section. Such grants shall be awarded for
29 the amount of demonstrated unmet need for tuition and fees and
30 may not exceed an amount equal to the average prior academic
31 year cost of matriculation and other registration fees for 30

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1 credit hours at state universities plus \$1,000 per academic
2 year, or as specified in the General Appropriations Act, to
3 any applicant. A demonstrated unmet need of less than \$200
4 shall render the applicant ineligible for a Florida
5 postsecondary student assistance grant. Recipients of such
6 grants must have been accepted at a postsecondary institution
7 that is located in the state and that is:

8 1. A private nursing diploma school approved by the
9 Florida Board of Nursing; or

10 2. An institution either licensed by the State Board
11 of Independent Colleges and Universities or exempt from
12 licensure pursuant to s. 246.085(1)(a), excluding those
13 institutions the students of which are eligible to receive a
14 Florida private student assistance grant pursuant to s.
15 240.4095.

16
17 No student may receive an award for more than the equivalent
18 of 9 semesters or 14 quarters of full-time enrollment, except
19 as otherwise provided in s. 240.404(3).

20 (b) A student applying for a Florida postsecondary
21 student assistance grant shall be required to apply for the
22 Pell Grant. The Pell Grant entitlement shall be considered
23 when conducting an assessment of the financial resources
24 available to each student.

25 ~~(c) Priority in the distribution of grant moneys shall~~
26 ~~be given to students with the lowest total family resources,~~
27 ~~in accordance with a nationally recognized system of need~~
28 ~~analysis.~~ Using the system of need analysis, the department
29 shall establish a maximum expected family contribution. An
30 institution may not make a grant from this program to a
31 student whose expected family contribution exceeds the level

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1 established by the department. An institution may not impose
2 additional criteria to determine a student's eligibility to
3 receive a grant award.

4 (d) Each participating institution shall report, to
5 the department by the established date, the eligible students
6 to whom grant moneys are disbursed each academic term and
7 indicate whether or not the student met the application
8 deadline established pursuant to subsection (2). Each
9 institution shall also report to the department necessary
10 demographic and eligibility data for such students.

11 ~~(5)(3)~~ Based on the unmet financial need of an
12 eligible applicant, the amount of a Florida postsecondary
13 student assistance grant must be between \$200 and the average
14 cost of matriculation and other registration fees for 30
15 credit hours at state universities plus \$1,000 per academic
16 year or the amount specified in the General Appropriations
17 Act.

18 ~~(6)(4)~~(a) The funds appropriated for the Florida
19 Postsecondary Student Assistance Grant shall be distributed to
20 eligible institutions in accordance with a formula recommended
21 by the Department of Education's Florida Council of Student
22 Financial Aid Advisors and reviewed by the Postsecondary
23 Education Planning Commission and the Florida Association of
24 Postsecondary Schools and Colleges. The formula shall consider
25 at least the prior year's distribution of funds, the number of
26 full-time eligible applicants who did not receive awards, the
27 number of eligible applicants who met the application
28 deadline, the standardization of the expected family
29 contribution, and provisions for unused funds.

30 (b) Payment of Florida postsecondary student
31 assistance grants shall be transmitted to the president of the

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1 eligible institution, or to his or her representative, in
2 advance of the registration period. Institutions shall notify
3 students of the amount of their awards.

4 (c) The eligibility status of each student to receive
5 a disbursement shall be determined by each institution as of
6 the end of its regular registration period, inclusive of a
7 drop-add period. Institutions shall not be required to
8 reevaluate a student's eligibility status after this date for
9 purposes of changing eligibility determinations previously
10 made.

11 (d) Institutions shall certify to the department the
12 amount of funds disbursed to each student, shall indicate
13 whether or not the student met the application deadline
14 established pursuant to subsection (2), and shall remit to the
15 department any undisbursed advances by June 1 of each year.

16 (e) Each institution that receives moneys through the
17 Florida Postsecondary Student Assistance Grant Program shall
18 cause to be prepared a biennial report that includes an
19 independent external audit of the institution's administration
20 of the program and a complete accounting of moneys in the
21 State Student Financial Assistance Trust Fund allocated to the
22 institution for the program. Such report shall be submitted
23 to the department on or before March 1 every other year. The
24 department may conduct its own annual or biennial audit of an
25 institution's administration of the program and its allocated
26 funds in lieu of the required biennial report and independent
27 external audit. The department may suspend or revoke an
28 institution's eligibility to receive future moneys from the
29 trust fund for the program or request a refund of any moneys
30 overpaid to the institution through the trust fund for the
31 program if the department finds that an institution has not

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1 complied with the provisions of this section. Any refund
2 requested pursuant to this paragraph shall be remitted within
3 60 days.

4 ~~(7)(5)~~ Any institution that was eligible to receive
5 state student assistance grants on January 1, 1989, and that
6 is not eligible to receive grants pursuant to s. 240.4095 is
7 eligible to receive grants pursuant to this section.

8 ~~(8)(6)~~ Funds appropriated by the Legislature for
9 Florida postsecondary student assistance grants shall be
10 deposited in the State Student Financial Assistance Trust
11 Fund. Notwithstanding the provisions of s. 216.301 and
12 pursuant to s. 216.351, any balance in the trust fund at the
13 end of any fiscal year that has been allocated to the Florida
14 Postsecondary Student Assistance Grant Program shall remain
15 therein and shall be available for carrying out the purposes
16 of this section and as otherwise provided by law.

17 ~~(9)(7)~~ The State Board of Education shall adopt rules
18 necessary to implement this section.

19 Section 18. Section 240.40975, Florida Statutes, is
20 created to read:

21 240.40975 Florida student assistance grant programs;
22 priority for receiving grants.--Priority in the distribution
23 of grants provided pursuant to s. 240.409, s. 240.4095, or s.
24 240.4097 shall be given to eligible applicants in the
25 following order:

26 (1) To full-time students with the greatest financial
27 need as determined by the department.

28 (2) To full-time students with financial need who
29 graduate from public Florida high schools, who have completed
30 the high school courses that are adopted by the Board of
31 Regents and recommended by the State Board of Community

1 Colleges as college-preparatory academic courses, and who rank
2 in the top 20 percent of their high school graduating class.
3 Class rank shall be determined by the Department of Education.

4 (3) To other full-time students with financial need.

5 (4) To part-time students with financial need, if
6 funds are remaining.

7 Section 19. Subsection (3) of section 240.4128,
8 Florida Statutes, is amended to read:

9 240.4128 Minority teacher education scholars
10 program.--There is created the minority teacher education
11 scholars program, which is a collaborative performance-based
12 scholarship program for African-American, Hispanic-American,
13 Asian-American, and Native American students. The participants
14 in the program include Florida's public community colleges and
15 its public and private universities that have teacher
16 education programs.

17 (3) The total amount appropriated annually for new
18 scholarships in the program must be divided by \$4,000 and by
19 the number of participating colleges and universities. Each
20 participating institution has access to the same number of
21 scholarships and may award all of them to eligible minority
22 students. If a college or university does not award all of its
23 scholarships by the date set by the program administration at
24 the Florida Fund for Minority Teachers, Inc., the remaining
25 scholarships must be transferred to another institution that
26 has eligible students. Each participating institution shall
27 report to the department, by the established date, the
28 eligible students to whom scholarships are disbursed each
29 academic term. Each institution shall also report to the
30 department necessary demographic and eligibility data for such
31 students.

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1 Section 20. Subsection (6) of section 240.437, Florida
2 Statutes, is amended to read:

3 240.437 Student financial aid planning and
4 development.--

5 (6) ~~Any Effective July 1, 1992, all new and existing~~
6 financial assistance programs authorized by state law that are
7 administered by the Bureau of Student Financial Assistance of
8 the Department of Education and that under this part which are
9 not funded for 3 consecutive years after enactment shall stand
10 repealed. Financial aid programs provided under this part on
11 July 1, 1992, which lose funding for 3 consecutive years shall
12 stand repealed. The Bureau Office of Student Financial
13 Assistance of the Department of Education shall annually
14 review the legislative appropriation of financial aid to
15 identify such programs.

16 Section 21. Section 240.465, Florida Statutes, is
17 amended to read:

18 240.465 Delinquent accounts.--

19 (1) The Department of Education is directed to exert
20 every lawful and reasonable effort to collect all delinquent
21 unpaid and uncanceled scholarship loan notes, student loan
22 notes, and defaulted guaranteed loan notes.

23 (2) The department is authorized to establish a
24 recovery account into which unpaid and uncanceled scholarship
25 loan note, student loan note, and defaulted guaranteed loan
26 note accounts may be transferred.

27 (3) The department is authorized to settle any
28 delinquent unpaid and uncanceled scholarship loan notes,
29 student loan notes, and defaulted guaranteed loan notes and to
30 employ the service of a collection agent when deemed advisable
31 in collecting delinquent or defaulted accounts. However, no

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1 collection agent may be paid a commission in excess of 35
2 percent of the amount collected. Any expense incurred by the
3 department in enforcing the collection of a loan note may be
4 borne by the signer of the note and may be added to the amount
5 of the principal of such note.

6 (4) The department is authorized to charge off unpaid
7 and uncanceled scholarship loan notes and student loan notes
8 which are at least 3 years delinquent and which prove
9 uncollectible after good faith collection efforts. However, a
10 delinquent account with a past due balance of \$25 or less may
11 be charged off as uncollectible when it becomes 6 months past
12 due and the cost of further collection effort or assignment to
13 a collection agent would not be warranted.

14 ~~(5) No individual borrower who has been determined to~~
15 ~~be in default in making legally required scholarship loan,~~
16 ~~student loan, or guaranteed loan repayments shall be furnished~~
17 ~~with his or her academic transcripts or other student records~~
18 ~~until such time as the loan is paid in full or the default~~
19 ~~status has been removed.~~

20 (5)(6) The department is authorized to charge an
21 individual borrower who has been determined to be in default
22 in making legally required loan repayments the maximum
23 interest rate authorized by law.

24 (6)(7) The State Board of Education shall adopt such
25 rules as are necessary to regulate the collection, settlement,
26 and charging off of delinquent unpaid and uncanceled
27 scholarship loan notes, student loan notes, and defaulted
28 guaranteed loan notes.

29 Section 22. Notwithstanding subsection (7) of section
30 3 of chapter 2000-321, Laws of Florida, section 240.551,
31 Florida Statutes, shall not stand repealed on January 7, 2003,

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1 and is reenacted and amended to read:

2 240.551 Florida Prepaid College Program.--

3 (1) LEGISLATIVE INTENT.--The Legislature recognizes
4 that educational opportunity at the postsecondary level is a
5 critical state interest. It further recognizes that
6 educational opportunity is best ensured through the provision
7 of postsecondary institutions that are geographically and
8 financially accessible. Accordingly, it is the intent of the
9 Legislature that a program be established through which many
10 of the costs associated with postsecondary attendance may be
11 paid in advance and fixed at a guaranteed level for the
12 duration of undergraduate enrollment. It is similarly the
13 intent of the Legislature to provide a program that fosters
14 timely financial planning for postsecondary attendance and to
15 encourage employer participation in such planning through
16 program contributions on behalf of employees and the
17 dependents of employees.

18 (2) DEFINITIONS.--

19 (a) "Advance payment contract" means a contract
20 entered into by the board and a purchaser pursuant to this
21 section.

22 (b) "Board" means the Florida Prepaid College Board.

23 (c) "Fund" means the Florida Prepaid College Trust
24 Fund.

25 (d) "Program" means the Florida Prepaid College
26 Program.

27 (e) "Purchaser" means a person who makes or is
28 obligated to make advance registration or dormitory residence
29 payments in accordance with an advance payment contract.

30 (f) "Qualified beneficiary" means:

31 1. A resident of this state at the time a purchaser

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1 enters into an advance payment contract on behalf of the
2 resident;

3 2. A nonresident who is the child of a noncustodial
4 parent who is a resident of this state at the time that such
5 parent enters into an advance payment contract on behalf of
6 the child; or

7 3. For purposes of advance payment contracts entered
8 into pursuant to subsection (22), a graduate of an accredited
9 high school in this state who is a resident of this state at
10 the time he or she is designated to receive the benefits of
11 the advance payment contract.

12 (g) "Registration fee" means matriculation fee,
13 financial aid fee, building fee, and Capital Improvement Trust
14 Fund fee.

15 (h) "State postsecondary institution" means any
16 community college identified in s. 240.3031 or university
17 identified in s. 240.2011.

18 (3) FLORIDA PREPAID COLLEGE PROGRAM; CREATION.--There
19 is created a Florida Prepaid College Program to provide a
20 medium through which the cost of registration and dormitory
21 residence may be paid in advance of enrollment in a state
22 postsecondary institution at a rate lower than the projected
23 corresponding cost at the time of actual enrollment. Such
24 payments shall be combined and invested in a manner that
25 yields, at a minimum, sufficient interest to generate the
26 difference between the prepaid amount and the cost of
27 registration and dormitory residence at the time of actual
28 enrollment. Students who enroll in a state postsecondary
29 institution pursuant to this section shall be charged no fees
30 in excess of the terms delineated in the advance payment
31 contract.

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1 (4) FLORIDA PREPAID COLLEGE TRUST FUND.--There is
2 created within the State Board of Administration the Florida
3 Prepaid College Trust Fund. The fund shall consist of state
4 appropriations, moneys acquired from other governmental or
5 private sources, and moneys remitted in accordance with
6 advance payment contracts. All funds deposited into the trust
7 fund may be invested pursuant to s. 215.47. Dividends,
8 interest, and gains accruing to the trust fund shall increase
9 the total funds available for the program. Notwithstanding the
10 provisions of chapter 717, funds associated with terminated
11 contracts pursuant to subsection (12) and canceled contracts
12 for which no refunds have been claimed shall increase the
13 total funds available for the program. However, the board
14 shall establish procedures for notifying purchasers who
15 subsequently cancel their contracts of any unclaimed refund
16 and shall establish a time period after which no refund may be
17 claimed by a purchaser who canceled a contract. Any balance
18 contained within the fund at the end of a fiscal year shall
19 remain therein and shall be available for carrying out the
20 purposes of the program. In the event that dividends,
21 interest, and gains exceed the amount necessary for program
22 administration and disbursements, the board may designate an
23 additional percentage of the fund to serve as a contingency
24 fund. Moneys contained within the fund shall be exempt from
25 the investment requirements of s. 18.10. Any funds of a
26 direct-support organization created pursuant to subsection
27 (22) shall be exempt from the provisions of this subsection.

28 (5) PROGRAM ADMINISTRATION.--

29 (a) The Florida Prepaid College Program shall be
30 administered by the Florida Prepaid College Board as an agency
31 of the state. The Florida Prepaid College Board is hereby

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1 created as a body corporate with all the powers of a body
2 corporate for the purposes delineated in this section. For
3 the purposes of s. 6, Art. IV of the State Constitution, the
4 board shall be assigned to and administratively housed within
5 the State Board of Administration, but it shall independently
6 exercise the powers and duties specified in this section.

7 (b) The board shall consist of seven members to be
8 composed of the Insurance Commissioner and Treasurer, the
9 Comptroller, the Chancellor of the Board of Regents, the
10 Executive Director of the State Board of Community Colleges,
11 and three members appointed by the Governor and subject to
12 confirmation by the Senate. Each member appointed by the
13 Governor shall possess knowledge, skill, and experience in the
14 areas of accounting, actuary, risk management, or investment
15 management. Each member of the board not appointed by the
16 Governor may name a designee to serve the board on behalf of
17 the member; however, any designee so named shall meet the
18 qualifications required of gubernatorial appointees to the
19 board. Members appointed by the Governor shall serve terms of
20 3 years. Any person appointed to fill a vacancy on the board
21 shall be appointed in a like manner and shall serve for only
22 the unexpired term. Any member shall be eligible for
23 reappointment and shall serve until a successor qualifies.
24 Members of the board shall serve without compensation but
25 shall be reimbursed for per diem and travel in accordance with
26 s. 112.061. Each member of the board shall file a full and
27 public disclosure of his or her financial interests pursuant
28 to s. 8, Art. II of the State Constitution and corresponding
29 statute.

30 (c) The board shall annually elect a board member to
31 serve as chair and a board member to serve as vice chair and

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1 shall designate a secretary-treasurer who need not be a member
2 of the board. The secretary-treasurer shall keep a record of
3 the proceedings of the board and shall be the custodian of all
4 printed material filed with or by the board and of its
5 official seal. Notwithstanding the existence of vacancies on
6 the board, a majority of the members shall constitute a
7 quorum. The board shall take no official action in the absence
8 of a quorum. The board shall meet, at a minimum, on a
9 quarterly basis at the call of the chair.

10 (6) FLORIDA PREPAID COLLEGE BOARD; DUTIES.--The board
11 shall:

12 (a) Appoint an executive director to serve as the
13 chief administrative and operational officer of the board and
14 to perform other duties assigned to him or her by the board.

15 (b) Administer the fund in a manner that is
16 sufficiently actuarially sound to defray the obligations of
17 the program. The board shall annually evaluate or cause to be
18 evaluated the actuarial soundness of the fund. If the board
19 perceives a need for additional assets in order to preserve
20 actuarial soundness, the board may adjust the terms of
21 subsequent advance payment contracts to ensure such soundness.

22 (c) Establish a comprehensive investment plan for the
23 purposes of this section with the approval of the State Board
24 of Administration. The comprehensive investment plan shall
25 specify the investment policies to be utilized by the board in
26 its administration of the fund. The board may place assets of
27 the fund in savings accounts or use the same to purchase fixed
28 or variable life insurance or annuity contracts, securities,
29 evidence of indebtedness, or other investment products
30 pursuant to the comprehensive investment plan and in such
31 proportions as may be designated or approved under that plan.

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1 Such insurance, annuity, savings, or investment products shall
2 be underwritten and offered in compliance with the applicable
3 federal and state laws, regulations, and rules by persons who
4 are duly authorized by applicable federal and state
5 authorities. Within the comprehensive investment plan, the
6 board may authorize investment vehicles, or products incident
7 thereto, as may be available or offered by qualified companies
8 or persons. A contract purchaser may not direct the investment
9 of his or her contribution to the trust fund, and a contract
10 beneficiary may not direct the contribution made on his or her
11 behalf to the trust fund. Board members and employees of the
12 board are not prohibited from purchasing advance payment
13 contracts by virtue of their fiduciary responsibilities as
14 members of the board or official duties as employees of the
15 board.

16 (d) Solicit proposals and contract, pursuant to s.
17 287.057, for the marketing of the Florida Prepaid College
18 Program. The entity designated pursuant to this paragraph
19 shall serve as a centralized marketing agent for the program
20 and shall be solely responsible for the marketing of the
21 program. Any materials produced for the purpose of marketing
22 the program shall be submitted to the board for review. No
23 such materials shall be made available to the public before
24 the materials are approved by the board. Any educational
25 institution may distribute marketing materials produced for
26 the program; however, all such materials shall have been
27 approved by the board prior to distribution. Neither the state
28 nor the board shall be liable for misrepresentation of the
29 program by a marketing agent.

30 (e) Solicit proposals and contract, pursuant to s.
31 287.057, for a trustee services firm to select and supervise

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1 investment programs on behalf of the board. The goals of the
2 board in selecting a trustee services firm shall be to obtain
3 the highest standards of professional trustee services, to
4 allow all qualified firms interested in providing such
5 services equal consideration, and to provide such services to
6 the state at no cost and to the purchasers at the lowest cost
7 possible. The trustee services firm shall agree to meet the
8 obligations of the board to qualified beneficiaries if moneys
9 in the fund fail to offset the obligations of the board as a
10 result of imprudent selection or supervision of investment
11 programs by such firm. Evaluations of proposals submitted
12 pursuant to this paragraph shall include, but not be limited
13 to, the following criteria:

14 1. Adequacy of trustee services for supervision and
15 management of the program, including current operations and
16 staff organization and commitment of management to the
17 proposal.

18 2. Capability to execute program responsibilities
19 within time and regulatory constraints.

20 3. Past experience in trustee services and current
21 ability to maintain regular and continuous interactions with
22 the board, records administrator, and product provider.

23 4. The minimum purchaser participation assumed within
24 the proposal and any additional requirements of purchasers.

25 5. Adequacy of technical assistance and services
26 proposed for staff.

27 6. Adequacy of a management system for evaluating and
28 improving overall trustee services to the program.

29 7. Adequacy of facilities, equipment, and electronic
30 data processing services.

31 8. Detailed projections of administrative costs,

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1 including the amount and type of insurance coverage, and
2 detailed projections of total costs.

3 (f) Solicit proposals and contract, pursuant to s.
4 287.057, for product providers to develop investment
5 portfolios on behalf of the board to achieve the purposes of
6 this section. Product providers shall be limited to authorized
7 insurers as defined in s. 624.09, banks as defined in s.
8 658.12, associations as defined in s. 665.012, authorized
9 Securities and Exchange Commission investment advisers, and
10 investment companies as defined in the Investment Company Act
11 of 1940. All product providers shall have their principal
12 place of business and corporate charter located and registered
13 in the United States. In addition, each product provider shall
14 agree to meet the obligations of the board to qualified
15 beneficiaries if moneys in the fund fail to offset the
16 obligations of the board as a result of imprudent investing by
17 such provider. Each authorized insurer shall evidence superior
18 performance overall on an acceptable level of surety in
19 meeting its obligations to its policyholders and other
20 contractual obligations. Only qualified public depositories
21 approved by the Insurance Commissioner and Treasurer shall be
22 eligible for board consideration. Each investment company
23 shall provide investment plans as specified within the request
24 for proposals. The goals of the board in selecting a product
25 provider company shall be to provide all purchasers with the
26 most secure, well-diversified, and beneficially administered
27 postsecondary education expense plan possible, to allow all
28 qualified firms interested in providing such services equal
29 consideration, and to provide such services to the state at no
30 cost and to the purchasers at the lowest cost possible.

31 Evaluations of proposals submitted pursuant to this paragraph

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1 shall include, but not be limited to, the following criteria:

2 1. Fees and other costs charged to purchasers that
3 affect account values or operational costs related to the
4 program.

5 2. Past and current investment performance, including
6 investment and interest rate history, guaranteed minimum rates
7 of interest, consistency of investment performance, and any
8 terms and conditions under which moneys are held.

9 3. Past experience and ability to provide timely and
10 accurate service in the areas of records administration,
11 benefit payments, investment management, and complaint
12 resolution.

13 4. Financial history and current financial strength
14 and capital adequacy to provide products, including operating
15 procedures and other methods of protecting program assets.

16 (7) FLORIDA PREPAID COLLEGE BOARD; POWERS.--The board
17 shall have the powers necessary or proper to carry out the
18 provisions of this section, including, but not limited to, the
19 power to:

20 (a) Adopt an official seal and rules.

21 (b) Sue and be sued.

22 (c) Make and execute contracts and other necessary
23 instruments.

24 (d) Establish agreements or other transactions with
25 federal, state, and local agencies, including state
26 universities and community colleges.

27 (e) Invest funds not required for immediate
28 disbursement.

29 (f) Appear in its own behalf before boards,
30 commissions, or other governmental agencies.

31 (g) Hold, buy, and sell any instruments, obligations,

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1 securities, and property determined appropriate by the board.

2 (h) Require a reasonable length of state residence for
3 qualified beneficiaries.

4 (i) Restrict the number of participants in the
5 community college plan, university plan, and dormitory
6 residence plan, respectively. However, any person denied
7 participation solely on the basis of such restriction shall be
8 granted priority for participation during the succeeding year.

9 (j) Segregate contributions and payments to the fund
10 into various accounts and funds.

11 (k) Contract for necessary goods and services, employ
12 necessary personnel, and engage the services of private
13 consultants, actuaries, managers, legal counsel, and auditors
14 for administrative or technical assistance.

15 (l) Solicit and accept gifts, grants, loans, and other
16 aids from any source or participate in any other way in any
17 government program to carry out the purposes of this section.

18 (m) Require and collect administrative fees and
19 charges in connection with any transaction and impose
20 reasonable penalties, including default, for delinquent
21 payments or for entering into an advance payment contract on a
22 fraudulent basis.

23 (n) Procure insurance against any loss in connection
24 with the property, assets, and activities of the fund or the
25 board.

26 (o) Impose reasonable time limits on use of the
27 tuition benefits provided by the program. However, any such
28 limitation shall be specified within the advance payment
29 contract.

30 (p) Delineate the terms and conditions under which
31 payments may be withdrawn from the fund and impose reasonable

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1 fees and charges for such withdrawal. Such terms and
2 conditions shall be specified within the advance payment
3 contract.

4 (q) Provide for the receipt of contributions in lump
5 sums or installment payments.

6 (r) Require that purchasers of advance payment
7 contracts verify, under oath, any requests for contract
8 conversions, substitutions, transfers, cancellations, refund
9 requests, or contract changes of any nature. Verification
10 shall be accomplished as authorized and provided for in s.
11 92.525(1)(a).

12 (s) Delegate responsibility for administration of the
13 comprehensive investment plan required in paragraph (6)(c) to
14 a person the board determines to be qualified. Such person
15 shall be compensated by the board. Directly or through such
16 person, the board may contract with a private corporation or
17 institution to provide such services as may be a part of the
18 comprehensive investment plan or as may be deemed necessary or
19 proper by the board or such person, including, but not limited
20 to, providing consolidated billing, individual and collective
21 recordkeeping and accountings, and asset purchase, control,
22 and safekeeping.

23 (t) Endorse insurance coverage written exclusively for
24 the purpose of protecting advance payment contracts, and the
25 purchasers and beneficiaries thereof, which may be issued in
26 the form of a group life policy and which is exempt from the
27 provisions of part V of chapter 627.

28 (u) Solicit proposals and contract, pursuant to s.
29 287.057, for the services of a records administrator. The
30 goals of the board in selecting a records administrator shall
31 be to provide all purchasers with the most secure,

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1 well-diversified, and beneficially administered postsecondary
2 education expense plan possible, to allow all qualified firms
3 interested in providing such services equal consideration, and
4 to provide such services to the state at no cost and to the
5 purchasers at the lowest cost possible. Evaluations of
6 proposals submitted pursuant to this paragraph shall include,
7 but not be limited to, the following criteria:

8 1. Fees and other costs charged to purchasers that
9 affect account values or operational costs related to the
10 program.

11 2. Past experience in records administration and
12 current ability to provide timely and accurate service in the
13 areas of records administration, audit and reconciliation,
14 plan communication, participant service, and complaint
15 resolution.

16 3. Sufficient staff and computer capability for the
17 scope and level of service expected by the board.

18 4. Financial history and current financial strength
19 and capital adequacy to provide administrative services
20 required by the board.

21 (v) Establish other policies, procedures, and criteria
22 to implement and administer the provisions of this section.

23 (w) Adopt procedures to govern contract dispute
24 proceedings between the board and its vendors.

25 (8) QUALIFIED STATE TUITION PROGRAM

26 STATUS.--Notwithstanding any other provision of this section,
27 the board may adopt rules necessary to enable the program to
28 retain its status as a "qualified state tuition program" in
29 order to maintain its tax exempt status or other similar
30 status of the program, purchasers, and qualified beneficiaries
31 under the Internal Revenue Code of 1986, as defined in s.

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1 220.03(1). The board shall inform purchasers of changes to the
2 tax or securities status of contracts purchased through the
3 program.

4 (9) PREPAID COLLEGE PLANS.--At a minimum, the board
5 shall make advance payment contracts available for two
6 independent plans to be known as the community college plan
7 and the university plan. The board may also make advance
8 payment contracts available for a dormitory residence plan.

9 (a)1. Through the community college plan, the advance
10 payment contract shall provide prepaid registration fees for a
11 specified number of undergraduate semester credit hours not to
12 exceed the average number of hours required for the conference
13 of an associate degree. The cost of participation in the
14 community college plan shall be based primarily on the average
15 current and projected registration fees within the Florida
16 Community College System and the number of years expected to
17 elapse between the purchase of the plan on behalf of a
18 qualified beneficiary and the exercise of the benefits
19 provided in the plan by such beneficiary. Qualified
20 beneficiaries shall bear the cost of any laboratory fees
21 associated with enrollment in specific courses. Each qualified
22 beneficiary shall be classified as a resident for tuition
23 purposes, pursuant to s. 240.1201, regardless of his or her
24 actual legal residence.

25 2. Effective July 1, 1998, the board may provide
26 advance payment contracts for additional fees delineated in s.
27 240.35, not to exceed the average number of hours required for
28 the conference of an associate degree, in conjunction with
29 advance payment contracts for registration fees. The cost of
30 purchasing such fees shall be based primarily on the average
31 current and projected fees within the Florida Community

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1 College System and the number of years expected to elapse
2 between the purchase of the plan on behalf of the beneficiary
3 and the exercise of benefits provided in the plan by such
4 beneficiary. Community college plan contracts purchased prior
5 to July 1, 1998, shall be limited to the payment of
6 registration fees as defined in subsection (2).

7 (b)1. Through the university plan, the advance payment
8 contract shall provide prepaid registration fees for a
9 specified number of undergraduate semester credit hours not to
10 exceed the average number of hours required for the conference
11 of a baccalaureate degree. The cost of participation in the
12 university plan shall be based primarily on the current and
13 projected registration fees within the State University System
14 and the number of years expected to elapse between the
15 purchase of the plan on behalf of a qualified beneficiary and
16 the exercise of the benefits provided in the plan by such
17 beneficiary. Qualified beneficiaries shall bear the cost of
18 any laboratory fees associated with enrollment in specific
19 courses. Each qualified beneficiary shall be classified as a
20 resident for tuition purposes pursuant to s. 240.1201,
21 regardless of his or her actual legal residence.

22 2. Effective July 1, 1998, the board may provide
23 advance payment contracts for additional fees delineated in s.
24 240.235(1), for a specified number of undergraduate semester
25 credit hours not to exceed the average number of hours
26 required for the conference of a baccalaureate degree, in
27 conjunction with advance payment contracts for registration
28 fees. Such contracts shall provide prepaid coverage for the
29 sum of such fees, to a maximum of 45 percent of the cost of
30 registration fees. The costs of purchasing such fees shall be
31 based primarily on the average current and projected cost of

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1 these fees within the State University System and the number
2 of years expected to elapse between the purchase of the plan
3 on behalf of the qualified beneficiary and the exercise of the
4 benefits provided in the plan by such beneficiary. University
5 plan contracts purchased prior to July 1, 1998, shall be
6 limited to the payment of registration fees as defined in
7 subsection (2).

8 (c) Through the dormitory residence plan, the advance
9 payment contract may provide prepaid housing fees for a
10 maximum of 10 semesters of full-time undergraduate enrollment
11 in a state university. Dormitory residence plans shall be
12 purchased in increments of 2 semesters. The cost of
13 participation in the dormitory residence plan shall be based
14 primarily on the average current and projected housing fees
15 within the State University System and the number of years
16 expected to elapse between the purchase of the plan on behalf
17 of a qualified beneficiary and the exercise of the benefits
18 provided in the plan by such beneficiary. Qualified
19 beneficiaries shall have the highest priority in the
20 assignment of housing within university residence halls.
21 Qualified beneficiaries shall bear the cost of any additional
22 elective charges such as laundry service or long-distance
23 telephone service. Each state university may specify the
24 residence halls or other university-held residences eligible
25 for inclusion in the plan. In addition, any state university
26 may request immediate termination of a dormitory residence
27 contract based on a violation or multiple violations of rules
28 of the residence hall or other university-held residences. In
29 the event that sufficient housing is not available for all
30 qualified beneficiaries, the board shall refund the purchaser
31 or qualified beneficiary an amount equal to the fees charged

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1 for dormitory residence during that semester. If a qualified
2 beneficiary fails to be admitted to a state university or
3 chooses to attend a community college that operates one or
4 more dormitories or residency opportunities, or has one or
5 more dormitories or residency opportunities operated by the
6 community college direct-support organization, the qualified
7 beneficiary may transfer or cause to have transferred to the
8 community college, or community college direct-support
9 organization, the fees associated with dormitory residence.
10 Dormitory fees transferred to the community college or
11 community college direct-support organization may not exceed
12 the maximum fees charged for state university dormitory
13 residence for the purposes of this section, or the fees
14 charged for community college or community college
15 direct-support organization dormitories or residency
16 opportunities, whichever is less.

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

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

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1 exceed the redemption value of the advance payment contract at
2 ~~within~~ a state postsecondary institution. If the cost of
3 registration or housing fees at the independent college or
4 university is less than the corresponding fees at a state
5 postsecondary institution, the amount transferred shall not
6 exceed the actual cost of registration or housing fees. A
7 transfer authorized under this paragraph may not exceed the
8 number of semester credit hours or semesters of dormitory
9 residence contracted on behalf of a qualified beneficiary.

10 (b) An eligible out-of-state college or university. An
11 out-of-state college or university that is not for profit and
12 is accredited by a regional accrediting association, and that
13 confers degrees, is eligible for such application. The board
14 shall transfer, or cause to have transferred, an amount not to
15 exceed the redemption value of the advance payment contract at
16 a state postsecondary institution ~~or the original purchase~~
17 ~~price plus 5 percent compounded interest, whichever is less,~~
18 ~~after assessment of a reasonable transfer fee.~~ If the cost of
19 registration or housing fees charged the qualified beneficiary
20 at the eligible out-of-state college or university is less
21 than this calculated amount, the amount transferred shall not
22 exceed the actual cost of registration or housing fees. Any
23 remaining amount shall be transferred in subsequent semesters
24 until the transfer value is depleted. A transfer authorized
25 under this paragraph may not exceed the number of semester
26 credit hours or semesters of dormitory residence contracted on
27 behalf of a qualified beneficiary.

28 (c) An applied technology diploma program or
29 vocational certificate program conducted by a community
30 college listed in s. 240.3031 or an area technical center
31 operated by a district school board. The board shall transfer

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1 or cause to be transferred to the community college or area
2 technical center designated by the qualified beneficiary an
3 amount not to exceed the redemption value of the advance
4 payment contract at ~~within~~ a state postsecondary institution.
5 If the cost of the fees charged by the college or center, as
6 authorized in s. 239.117, is less than the corresponding fees
7 at a state postsecondary institution, the amount transferred
8 may not exceed the actual cost of the fees. A transfer
9 authorized under this paragraph may not exceed the number of
10 semester credit hours contracted on behalf of a qualified
11 beneficiary.

12

13 Notwithstanding any other provision in this section, an
14 institution must be an "eligible educational institution"
15 under s. 529 of the Internal Revenue Code to be eligible for
16 the transfer of advance payment contract benefits.

17 (11) ADVANCE PAYMENT CONTRACTS; CONTENTS.--The board
18 shall construct advance payment contracts for registration and
19 may construct advance payment contracts for dormitory
20 residence as provided in this section. Advance payment
21 contracts constructed for the purposes of this section shall
22 be exempt from chapter 517 and the Florida Insurance Code.
23 Such contracts shall include, but not be limited to, the
24 following:

25 (a) The amount of the payment or payments and the
26 number of payments required from a purchaser on behalf of a
27 qualified beneficiary.

28 (b) The terms and conditions under which purchasers
29 shall remit payments, including, but not limited to, the date
30 or dates upon which each payment shall be due.

31 (c) Provisions for late payment charges and for

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1 default.

2 (d) Provisions for penalty fees for withdrawals from
3 the fund.

4 (e) Except for an advance payment contract entered
5 into pursuant to subsection (22) or subsection (23), the name
6 and date of birth of the qualified beneficiary on whose behalf
7 the contract is drawn and the terms and conditions under which
8 another person may be substituted as the qualified
9 beneficiary.

10 (f) The name of any person who may terminate the
11 contract. The terms of the contract shall specify whether the
12 contract may be terminated by the purchaser, the qualified
13 beneficiary, a specific designated person, or any combination
14 of these persons.

15 (g) The terms and conditions under which a contract
16 may be terminated, modified, or converted, the name of the
17 person entitled to any refund due as a result of termination
18 of the contract pursuant to such terms and conditions, and the
19 amount of refund, if any, due to the person so named.

20 (h) The number of semester credit hours or semesters
21 of dormitory residence contracted by the purchaser.

22 (i) The state postsecondary system toward which the
23 contracted credit hours or semesters of dormitory residence
24 will be applied.

25 (j) The assumption of a contractual obligation by the
26 board to the qualified beneficiary to provide for a specified
27 number of semester credit hours of undergraduate instruction
28 at a state postsecondary institution, not to exceed the
29 average number of credit hours required for the conference of
30 the degree that corresponds to the plan purchased on behalf of
31 the qualified beneficiary or to provide for a specified number

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1 of semesters of dormitory residence, not to exceed the number
2 of semesters of full-time enrollment required for the
3 conference of a baccalaureate degree.

4 (k) Other terms and conditions deemed by the board to
5 be necessary or proper.

6 (12) DURATION OF BENEFITS; ADVANCE PAYMENT
7 CONTRACT.--An advance payment contract may provide that
8 contracts which have not been terminated or the benefits
9 exercised within a specified period of time shall be
10 considered terminated. Time expended by a qualified
11 beneficiary as an active duty member of any of the armed
12 services of the United States shall be added to the period of
13 time specified pursuant to this subsection. No purchaser or
14 qualified beneficiary whose advance payment contract is
15 terminated pursuant to this subsection shall be entitled to a
16 refund. The board shall retain any moneys paid by the
17 purchaser for an advance payment contract that has been
18 terminated in accordance with this subsection. Such moneys
19 retained by the board are exempt from chapter 717, and such
20 retained moneys must be used by the board to further the
21 purposes of this section.

22 (13) REFUNDS.--

23 (a) Except as provided in paragraphs (b), and (c), and
24 (f), no refund shall exceed the amount paid into the fund by
25 the purchaser.

26 (b) If the beneficiary is awarded a scholarship, the
27 terms of which cover the benefits included in the advance
28 payment contracts, moneys paid for the purchase of the advance
29 payment contracts shall be refunded ~~returned~~ to the purchaser
30 in semester installments coinciding with the matriculation by
31 the beneficiary in an amount which, in total, does not exceed

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1 the redemption value of the advance payment contract at a
2 state postsecondary institution amounts of either the original
3 purchase price plus 5 percent compounded interest, or the
4 current rates at state postsecondary institutions, whichever
5 is less.

6 (c) In the event of the death or total disability of
7 the beneficiary, moneys paid for the purchase of advance
8 payment contracts shall be refunded ~~returned~~ to the purchaser
9 in an amount not to exceed the redemption value of the advance
10 payment contract at a state postsecondary institution together
11 with 5 percent compounded interest, or the current rates at
12 state postsecondary institutions, whichever is less.

13 (d) If an advance payment contract is converted from
14 one registration plan to a plan of lesser value, the amount
15 refunded shall not exceed the difference between the amount
16 paid for the original contract and the amount that would have
17 been paid for the contract to which the plan is converted had
18 the converted plan been purchased under the same payment plan
19 at the time the original advance payment contract was
20 executed.

21 (e) No refund shall be authorized through an advance
22 payment contract for any school year partially attended but
23 not completed. For purposes of this section, a school year
24 partially attended but not completed shall mean any one
25 semester whereby the student is still enrolled at the
26 conclusion of the official drop-add period, but withdraws
27 before the end of such semester. If a beneficiary does not
28 complete a community college plan or university plan for
29 reasons other than specified in paragraph (c), the purchaser
30 shall receive a refund of the amount paid into the fund for
31 the remaining unattended years of the advance payment contract

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1 pursuant to rules promulgated by the board.

2 (f) Benefits purchased under the Florida Prepaid
3 College Program shall be permitted to roll over to a college
4 savings program, as defined under s. 529 of the United States
5 Internal Revenue Code, relating to qualified state tuition
6 programs. The board shall transfer, or cause to have
7 transferred, an amount not to exceed the redemption value of
8 the advance payment contract at a state postsecondary
9 institution in Florida at the time of the rollover, after
10 assessment of a reasonable transfer fee.

11 (14) CONFIDENTIALITY OF ACCOUNT
12 INFORMATION.--Information that identifies the purchasers or
13 beneficiaries of any plan promulgated under this section and
14 their advance payment account activities is exempt from the
15 provisions of s. 119.07(1). However, the board may authorize
16 the program's records administrator to release such
17 information to a community college, college, or university in
18 which a beneficiary may enroll or is enrolled. Community
19 colleges, colleges, and universities shall maintain such
20 information as exempt from the provisions of s. 119.07(1).

21 (15) OBLIGATIONS OF BOARD; PAYMENT.--The state shall
22 agree to meet the obligations of the board to qualified
23 beneficiaries if moneys in the fund fail to offset the
24 obligations of the board. The Legislature shall appropriate to
25 the Florida Prepaid College Trust Fund the amount necessary to
26 meet the obligations of the board to qualified beneficiaries.

27 (16) ASSETS OF THE FUND; EXPENDITURE PRIORITY.--The
28 assets of the fund shall be maintained, invested, and expended
29 solely for the purposes of this section and shall not be
30 loaned, transferred, or otherwise used by the state for any
31 purpose other than the purposes of this section. This

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1 subsection shall not be construed to prohibit the board from
2 investing in, by purchase or otherwise, bonds, notes, or other
3 obligations of the state or an agency or instrumentality of
4 the state. Unless otherwise specified by the board, assets of
5 the fund shall be expended in the following order of priority:

6 (a) To make payments to state postsecondary
7 institutions on behalf of qualified beneficiaries.

8 (b) To make refunds upon termination of advance
9 payment contracts.

10 (c) To pay the costs of program administration and
11 operations.

12 (17) EXEMPTION FROM CLAIMS OF CREDITORS.--Moneys paid
13 into or out of the fund by or on behalf of a purchaser or
14 qualified beneficiary of an advance payment contract made
15 under this section, which contract has not been terminated,
16 are exempt, as provided by s. 222.22, from all claims of
17 creditors of the purchaser or the beneficiary. Neither moneys
18 paid into the program nor benefits accrued through the program
19 may be pledged for the purpose of securing a loan.

20 (18) PAYROLL DEDUCTION AUTHORITY.--The state or any
21 state agency, county, municipality, or other political
22 subdivision may, by contract or collective bargaining
23 agreement, agree with any employee to remit payments toward
24 advance payment contracts through payroll deductions made by
25 the appropriate officer or officers of the state, state
26 agency, county, municipality, or political subdivision. Such
27 payments shall be held and administered in accordance with
28 this section.

29 (19) DISCLAIMER.--Nothing in this section shall be
30 construed as a promise or guarantee that a qualified
31 beneficiary will be admitted to a state postsecondary

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1 institution or to a particular state postsecondary
2 institution, will be allowed to continue enrollment at a state
3 postsecondary institution after admission, or will be
4 graduated from a state postsecondary institution.

5 (20) PROGRAM TERMINATION.--In the event that the state
6 determines the program to be financially infeasible, the state
7 may discontinue the provision of the program. Any qualified
8 beneficiary who has been accepted by and is enrolled or is
9 within 5 years of enrollment in an eligible independent
10 college or university or state postsecondary institution shall
11 be entitled to exercise the complete benefits for which he or
12 she has contracted. All other contract holders shall receive a
13 refund of the amount paid in and an additional amount in the
14 nature of interest at a rate that corresponds, at a minimum,
15 to the prevailing interest rates for savings accounts provided
16 by banks and savings and loan associations.

17 (21) ANNUAL REPORT.--The board shall annually prepare
18 or cause to be prepared a report setting forth in appropriate
19 detail an accounting of the fund and a description of the
20 financial condition of the program at the close of each fiscal
21 year. Such report shall be submitted to the President of the
22 Senate, the Speaker of the House of Representatives, and
23 members of the State Board of Education on or before March 31
24 each year. In addition, the board shall make the report
25 available to purchasers of advance payment contracts. The
26 board shall provide to the Board of Regents and the State
27 Board of Community Colleges, by March 31 each year, complete
28 advance payment contract sales information, including
29 projected postsecondary enrollments of qualified
30 beneficiaries. The accounts of the fund shall be subject to
31 annual audits by the Auditor General or his or her designee.

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- 1 (22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.--
- 2 (a) The board may establish a direct-support
- 3 organization which is:
- 4 1. A Florida corporation, not for profit, incorporated
- 5 under the provisions of chapter 617 and approved by the
- 6 Secretary of State.
- 7 2. Organized and operated exclusively to receive,
- 8 hold, invest, and administer property and to make expenditures
- 9 to or for the benefit of the program.
- 10 3. An organization which the board, after review, has
- 11 certified to be operating in a manner consistent with the
- 12 goals of the program and in the best interests of the state.
- 13 Unless so certified, the organization may not use the name of
- 14 the program.
- 15 (b) The direct-support organization shall operate
- 16 under written contract with the board. The contract must
- 17 provide for:
- 18 1. Approval of the articles of incorporation and
- 19 bylaws of the direct-support organization by the board.
- 20 2. Submission of an annual budget for the approval of
- 21 the board. The budget must comply with rules adopted by the
- 22 board.
- 23 3. An annual financial and compliance audit of its
- 24 financial accounts and records by an independent certified
- 25 public accountant in accordance with rules adopted by the
- 26 board.
- 27 4. Certification by the board that the direct-support
- 28 organization is complying with the terms of the contract and
- 29 in a manner consistent with the goals and purposes of the
- 30 board and in the best interest of the state. Such
- 31 certification must be made annually and reported in the

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1 official minutes of a meeting of the board.

2 5. The reversion to the board, or to the state if the
3 board ceases to exist, of moneys and property held in trust by
4 the direct-support organization for the benefit of the board
5 or program if the direct-support organization is no longer
6 approved to operate for the board or if the board ceases to
7 exist.

8 6. The fiscal year of the direct-support organization,
9 which must begin July 1 of each year and end June 30 of the
10 following year.

11 7. The disclosure of material provisions of the
12 contract and of the distinction between the board and the
13 direct-support organization to donors of gifts, contributions,
14 or bequests, and such disclosure on all promotional and
15 fundraising publications.

16 (c) An annual financial and compliance audit of the
17 financial accounts and records of the direct-support
18 organization must be performed by an independent certified
19 public accountant. The audit must be submitted to the board
20 for review and approval. Upon approval, the board shall
21 certify the audit report to the Auditor General for review.
22 The board and Auditor General shall have the authority to
23 require and receive from the organization or its independent
24 auditor any detail or supplemental data relative to the
25 operation of the organization.

26 (d) The identity of donors who desire to remain
27 anonymous shall be confidential and exempt from the provisions
28 of s. 119.07(1) and s. 24(a), Art. I of the State
29 Constitution, and such anonymity shall be maintained in the
30 auditor's report. Information received by the organization
31 that is otherwise confidential or exempt by law shall retain

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1 such status. Any sensitive, personal information regarding
2 contract beneficiaries, including their identities, is exempt
3 from the provisions of s. 119.07(1) and s. 24(a), Art. I of
4 the State Constitution.

5 (e) The chair and the executive director of the board
6 shall be directors of the direct-support organization and
7 shall jointly name, at a minimum, three other individuals to
8 serve as directors of the organization.

9 (f) The board may authorize the direct-support
10 organization established in this subsection to use program
11 property, except money, and use facilities and personal
12 services subject to the provisions of this section. If the
13 direct-support organization does not provide equal employment
14 opportunities to all persons regardless of race, color,
15 religion, sex, age, or national origin, it may not use the
16 property, facilities, or personal services of the board. For
17 the purposes of this subsection, the term "personal services"
18 includes full-time personnel and part-time personnel as well
19 as payroll processing as prescribed by rule of the board. The
20 board shall adopt rules prescribing the procedures by which
21 the direct-support organization is governed and any conditions
22 with which such a direct-support organization must comply to
23 use property, facilities, or personal services of the board.

24 (g) The board may invest funds of the direct-support
25 organization which have been allocated for the purchase of
26 advance payment contracts for scholarships with receipts for
27 advance payment contracts.

28 (23) SCHOLARSHIPS.--A nonprofit organization described
29 in s. 501 (c)(3) of the United States Internal Revenue Code
30 and exempt from taxation under s. 501(a) of the United States
31 Internal Revenue Code may purchase advance payment contracts

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1 for a scholarship program that has been approved by the board
2 and is operated by the purchasing organization.

3 Section 23. Section 240.6053, Florida Statutes, is
4 created to read:

5 240.6053 Academic program contracts.--

6 (1) Academic program contracts with independent
7 institutions recommended by the Postsecondary Education
8 Planning Commission pursuant to s. 240.147(4), and approved by
9 the State Board of Education pursuant to s. 229.053(2), shall
10 be administered by the Department of Education.

11 (2) Funding for such contracts shall be based on the
12 average cost to the state to provide similar programs in the
13 State University System or an amount specified in the General
14 Appropriations Act.

15 (3) Priority for academic program contract support
16 shall be given to students with demonstrated financial need.
17 To be eligible for such support, a student shall meet the
18 general requirements for student eligibility for state
19 financial aid pursuant to s. 240.404.

20 (4) The tuition and fees assessed students supported
21 through an academic program contract shall not exceed the
22 amount required to pay the average matriculation and fees for
23 a comparable program at a state university.

24 (5) The amount an institution receives per student for
25 funding pursuant to this section, plus the tuition and fees
26 paid by the student, plus the value of the Florida Resident
27 Access Grant received by the student shall not exceed the full
28 cost per student to the state of a similar program in the
29 State University System.

30 (6) Institutions receiving support pursuant to this
31 section shall annually submit to the department data on

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1 performance measures, including, but not limited to, degrees
2 granted, graduation rates, licensure or certification rates of
3 graduates where applicable, and employment in Florida.

4 Section 24. Section 295.02, Florida Statutes, is
5 amended to read:

6 295.02 Use of funds; age, etc.--

7 (1) All sums appropriated and expended under this
8 chapter shall be used to pay tuition and registration fees as
9 defined by the Department of Education, board, and room rent
10 and to buy books and supplies for the children of:

11 (a) Deceased or disabled veterans or service members,
12 as defined and limited in s. 295.01, s. 295.016, s. 295.017,
13 s. 295.018, ~~s. 295.019,~~ or s. 295.0195; ~~or, or of~~

14 (b) Parents classified as prisoners of war or missing
15 in action, as defined and limited in s. 295.015., ~~who are~~

16 (2) Such children must be between the ages of 16 and
17 22 years and ~~who are~~ in attendance at:

18 (a) A state-supported institution of higher learning,
19 including a community college or vocational-technical school;
20 ~~or-~~

21 (b) A postsecondary education institution eligible to
22 participate in the Florida Bright Futures Scholarship Program.
23 A student attending an eligible independent postsecondary
24 education institution may receive an award equivalent to the
25 average matriculation and fees calculated for full-time
26 attendance at a public postsecondary education institution at
27 the comparable level.

28
29 Any child having entered upon a course of training or
30 education under the provisions of this chapter, consisting of
31 a course of not more than 4 years, and arriving at the age of

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1 22 years before the completion of such course may continue the
2 course and receive all benefits of the provisions of this
3 chapter until the course is completed.

4 (3) The Department of Education shall administer this
5 educational program subject to rules ~~regulations~~ of the State
6 Board of Education ~~department~~. The state board is authorized
7 to adopt rules to implement the provisions of this program.

8 Section 25. Except as otherwise provided herein, this
9 act shall take effect July 1, 2001.

10

11

12 ===== T I T L E A M E N D M E N T =====

13 And the title is amended as follows:

14 remove from the title of the bill: the entire title

15

16 and insert in lieu thereof:

17

A bill to be entitled

18

An act relating to student financial

19

assistance; amending s. 231.621, F.S.;

20

providing for loan repayments under the

21

Critical Teacher Shortage Student Loan

22

Forgiveness Program directly to the teacher

23

under certain circumstances; amending s.

24

240.209, F.S.; revising language with respect

25

to student fees; increasing the percentage of

26

funds from the financial aid fee to be used for

27

need-based financial aid; requiring Board of

28

Regents to develop criteria for making awards;

29

providing for an annual report; amending s.

30

240.35, F.S.; revising language with respect to

31

student fees; increasing the percentage of

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1 funds from the financial aid fee to be used for
2 need-based financial aid; revising provisions
3 regarding annual report; amending s. 240.40201,
4 F.S.; revising general student eligibility
5 requirements for the Florida Bright Futures
6 Scholarship Program; amending s. 240.40202,
7 F.S., relating to the Florida Bright Futures
8 Scholarship Program; revising student
9 eligibility provisions for initial award of a
10 Florida Bright Futures Scholarship; revising
11 language with respect to reinstatement
12 applications; requiring school districts to
13 provide each high school student a Florida
14 Bright Futures Scholarship Evaluation Report
15 and Key; amending s. 240.40203, F.S.; providing
16 requirements for renewal, reinstatement, and
17 restoration awards under the Florida Bright
18 Futures Scholarship Program; revising
19 provisions relating to award limits; amending
20 s. 240.40204, F.S.; updating obsolete language
21 with respect to eligible postsecondary
22 education institutions under the Florida Bright
23 Futures Scholarship Program; amending s.
24 240.40205, F.S.; revising eligibility
25 requirements with respect to the Florida
26 Academic Scholars award; amending s. 240.40206,
27 F.S.; changing the name of the Florida Merit
28 Scholars award to the Florida Medallion
29 Scholars award; revising eligibility
30 requirements with respect to the award;
31 amending s. 240.40207, F.S.; revising

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1 eligibility requirements with respect to the
2 Florida Gold Seal Vocational Scholars award;
3 providing restrictions on use of the award;
4 providing for transfer of awards; repealing s.
5 240.40242, F.S., relating to the use of certain
6 scholarship funds by children of deceased or
7 disabled veterans; providing for the Florida
8 Bright Futures Scholarship Testing Program;
9 requiring the Articulation Coordinating
10 Committee to identify scores, credit, and
11 courses for which credit may be awarded for
12 specified examinations; requiring the
13 completion of examinations for receipt of
14 certain awards; providing requirements with
15 respect to the award of credit; requiring
16 annual reporting of the effectiveness of the
17 program; amending s. 240.404, F.S.; revising
18 language with respect to general requirements
19 for student eligibility for state financial
20 aid; reenacting, renumbering, and amending ss.
21 240.2985 and 240.6054, F.S.; revising and
22 combining provisions relating to ethics in
23 business scholarships; amending s. 240.409,
24 F.S.; revising language with respect to the
25 Florida Public Student Assistance Grant
26 Program; revising eligibility criteria;
27 amending s. 240.4095, F.S.; revising language
28 with respect to the Florida Private Student
29 Assistance Grant Program; revising eligibility
30 criteria; amending s. 240.4097, F.S.; revising
31 language with respect to the Florida

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1 Postsecondary Student Assistance Grant Program;
2 revising eligibility criteria; creating s.
3 240.40975, F.S.; providing for priority with
4 respect to Florida student assistance grant
5 programs; amending s. 240.4128, F.S.; revising
6 language with respect to the minority teacher
7 education scholars program; requiring
8 participating institutions to report on
9 eligible students to whom scholarships are
10 disbursed each academic term; amending s.
11 240.437, F.S.; revising language with respect
12 to student financial aid planning and
13 development; amending s. 240.465, F.S.;
14 deleting language which prohibits certain
15 delinquent borrowers from being furnished with
16 their academic transcripts; reenacting and
17 amending s. 240.551, F.S.; revising language
18 with respect to the Florida Prepaid College
19 Program; revising language with respect to
20 transfer and refund provisions; providing for a
21 rollover of benefits to a college savings
22 program at the redemption value of the advance
23 payment contract at a state postsecondary
24 institution; revising provisions relating to
25 appointment of directors of the direct-support
26 organization; authorizing the purchase of
27 advance payment contracts for scholarships by
28 nonprofit organizations; creating s. 240.6053,
29 F.S.; providing for academic program contracts
30 and for funding thereof; amending s. 295.02,
31 F.S.; including postsecondary education

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1 institutions eligible to participate in the
2 Florida Bright Futures Scholarship Program
3 among institutions at which children of certain
4 service members may receive an award under ch.
5 295, F.S.; providing effective dates.
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