

1 A bill to be entitled
2 An act relating to student financial
3 assistance; amending s. 231.621, F.S.;
4 providing for loan repayments under the
5 Critical Teacher Shortage Student Loan
6 Forgiveness Program directly to the teacher
7 under certain circumstances; amending s.
8 240.209, F.S.; revising language with respect
9 to student fees; increasing the percentage of
10 funds from the financial aid fee to be used for
11 need-based financial aid; requiring Board of
12 Regents to develop criteria for making awards;
13 providing for an annual report; amending s.
14 240.271, F.S.; requiring that a minimum
15 percentage of funds provided in the General
16 Appropriations Act for fellowship and fee
17 waivers shall be used only to support graduate
18 students or upper-division students in certain
19 disciplines; amending s. 240.35, F.S.; revising
20 language with respect to student fees;
21 increasing the percentage of funds from the
22 financial aid fee to be used for need-based
23 financial aid; revising provisions regarding
24 annual report; amending s. 240.40201, F.S.;
25 revising general student eligibility
26 requirements for the Florida Bright Futures
27 Scholarship Program; amending s. 240.40202,
28 F.S., relating to the Florida Bright Futures
29 Scholarship Program; revising student
30 eligibility provisions for initial award of a
31 Florida Bright Futures Scholarship; revising

1 language with respect to reinstatement
2 applications; requiring school districts to
3 provide each high school student a Florida
4 Bright Futures Scholarship Evaluation Report
5 and Key; amending s. 240.40203, F.S.; providing
6 requirements for renewal, reinstatement, and
7 restoration awards under the Florida Bright
8 Futures Scholarship Program; revising
9 provisions relating to award limits; amending
10 s. 240.40204, F.S.; updating obsolete language
11 with respect to eligible postsecondary
12 education institutions under the Florida Bright
13 Futures Scholarship Program; amending s.
14 240.40205, F.S.; revising eligibility
15 requirements with respect to the Florida
16 Academic Scholars award; amending s. 240.40206,
17 F.S.; changing the name of the Florida Merit
18 Scholars award to the Florida Medallion
19 Scholars award; revising eligibility
20 requirements with respect to the award;
21 amending s. 240.40207, F.S.; revising
22 eligibility requirements with respect to the
23 Florida Gold Seal Vocational Scholars award;
24 providing restrictions on use of the award;
25 providing for transfer of awards; creating s.
26 240.40211, F.S.; providing for Florida Bright
27 Futures Scholarship Program targeted
28 occupations; providing student awards;
29 repealing s. 240.40242, F.S., relating to the
30 use of certain scholarship funds by children of
31 deceased or disabled veterans; providing for

1 the Florida Bright Futures Scholarship Testing
2 Program; requiring the Articulation
3 Coordinating Committee to identify scores,
4 credit, and courses for which credit may be
5 awarded for specified examinations; requiring
6 the completion of examinations for receipt of
7 certain awards; providing requirements with
8 respect to the award of credit; requiring
9 annual reporting of the effectiveness of the
10 program; amending s. 240.404, F.S.; revising
11 language with respect to general requirements
12 for student eligibility for state financial
13 aid; reenacting, renumbering, and amending ss.
14 240.2985 and 240.6054, F.S.; revising and
15 combining provisions relating to ethics in
16 business scholarships; amending s. 240.409,
17 F.S.; revising language with respect to the
18 Florida Public Student Assistance Grant
19 Program; revising eligibility criteria;
20 amending s. 240.4095, F.S.; revising language
21 with respect to the Florida Private Student
22 Assistance Grant Program; revising eligibility
23 criteria; amending s. 240.4097, F.S.; revising
24 language with respect to the Florida
25 Postsecondary Student Assistance Grant Program;
26 revising eligibility criteria; creating s.
27 240.40975, F.S.; providing for priority with
28 respect to Florida student assistance grant
29 programs; amending s. 240.4128, F.S.; revising
30 language with respect to the minority teacher
31 education scholars program; requiring

1 participating institutions to report on
 2 eligible students to whom scholarships are
 3 disbursed each academic term; amending s.
 4 240.437, F.S.; revising language with respect
 5 to student financial aid planning and
 6 development; amending s. 240.465, F.S.;
 7 deleting language which prohibits certain
 8 delinquent borrowers from being furnished with
 9 their academic transcripts; reenacting and
 10 amending s. 240.551, F.S.; revising language
 11 with respect to the Florida Prepaid College
 12 Program; revising language with respect to
 13 transfer and refund provisions; providing for a
 14 rollover of benefits to a college savings
 15 program at the redemption value of the advance
 16 payment contract at a state postsecondary
 17 institution; revising provisions relating to
 18 appointment of directors of the direct-support
 19 organization; creating s. 240.6053, F.S.;
 20 providing for academic program contracts and
 21 for funding thereof; amending s. 295.02, F.S.;
 22 including postsecondary education institutions
 23 eligible to participate in the Florida Bright
 24 Futures Scholarship Program among institutions
 25 at which children of certain service members
 26 may receive an award under ch. 295, F.S.;
 27 providing effective dates.

28
 29 Be It Enacted by the Legislature of the State of Florida:
 30
 31

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

3 231.621 Critical Teacher Shortage Student Loan
4 Forgiveness Program.--

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

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

11 The state shall not bear responsibility for the collection of
12 any interest charges or other remaining balance. In the event
13 that designated critical teacher shortage subject areas are
14 changed by the State Board of Education, a teacher shall
15 continue to be eligible for loan forgiveness as long as he or
16 she continues to teach in the subject area for which the
17 original loan repayment was made and otherwise meets all
18 conditions of eligibility.

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

22 240.209 Board of Regents; powers and duties.--

23 (3) The board shall:

24 (e) Establish student fees.

25 1. By no later than December 1 of each year, the board
26 shall raise the systemwide standard for resident undergraduate
27 matriculation and financial aid fees for the subsequent fall
28 term, up to but no more than 25 percent of the prior year's
29 cost of undergraduate programs. In implementing this
30 paragraph, fees charged for graduate, medical, veterinary, and
31 dental programs may be increased by the Board of Regents in

1 the same percentage as the increase in fees for resident
2 undergraduates. However, in the absence of legislative action
3 to the contrary in an appropriations act, the board may not
4 approve annual fee increases for resident students in excess
5 of 10 percent. The sum of nonresident student matriculation
6 and tuition fees must be sufficient to defray the full cost of
7 undergraduate education. Graduate, medical, veterinary, and
8 dental fees charged to nonresidents may be increased by the
9 board in the same percentage as the increase in fees for
10 nonresident undergraduates. However, in implementing this
11 policy and in the absence of legislative action to the
12 contrary in an appropriations act, annual fee increases for
13 nonresident students may not exceed 25 percent. In the absence
14 of legislative action to the contrary in the General
15 Appropriations Act, the fees shall go into effect for the
16 following fall term.

17 2. When the appropriations act requires a new fee
18 schedule, the board shall establish a systemwide standard fee
19 schedule required to produce the total fee revenue established
20 in the appropriations act based on the product of the assigned
21 enrollment and the fee schedule. The board may approve the
22 expenditure of any fee revenues resulting from the product of
23 the fee schedule adopted pursuant to this section and the
24 assigned enrollment.

25 3. Upon provision of authority in a General
26 Appropriations Act to spend revenue raised pursuant to this
27 section, the board shall approve a university request to
28 implement a matriculation and out-of-state tuition fee
29 schedule which is calculated to generate revenue which varies
30 no more than 10 percent from the standard fee revenues
31 authorized through an appropriations act. In implementing an

1 alternative fee schedule, the increase in cost to a student
 2 taking 15 hours in one term shall be limited to 5 percent.
 3 Matriculation and out-of-state tuition fee revenues generated
 4 as a result of this provision are to be expended for
 5 implementing a plan for achieving accountability goals adopted
 6 pursuant to s. 240.214 and for implementing a Board of
 7 Regents-approved plan to contain student costs by reducing the
 8 time necessary for graduation without reducing the quality of
 9 instruction. The plans shall be recommended by a
 10 universitywide committee, at least one-half of whom are
 11 students appointed by the student body president. A
 12 chairperson, appointed jointly by the university president and
 13 the student body president, shall vote only in the case of a
 14 tie.

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

18 5. The board is authorized to collect for financial
 19 aid purposes an amount not to exceed 5 percent of the student
 20 tuition and matriculation fee per credit hour. The revenues
 21 from fees are to remain at each campus and replace existing
 22 financial aid fees. Such funds shall be disbursed to students
 23 as quickly as possible. These funds may not be used for direct
 24 or indirect administrative purposes or salaries.The board
 25 shall specify specific limits on the percent of the fees
 26 collected in a fiscal year which may be carried forward
 27 unexpended to the following fiscal year. A minimum of 75 ~~50~~
 28 percent of funds from the student financial aid fee for new
 29 financial aid awards shall be used to provide financial aid
 30 based on absolute need. A student who has received an award
 31 prior to July 1, 1984, shall have his or her eligibility

1 assessed on the same criteria that was used at the time of his
2 or her original award. The Board of Regents shall develop
3 criteria for making financial aid awards. Each university
4 shall report annually to the Department of Education on the
5 revenue collected pursuant to this subparagraph, the amount
6 carried forward, the criteria used to make awards, the amount
7 and number of awards for each criterion, and a delineation of
8 the distribution of such awards. The report shall include an
9 assessment by category of the financial need of every student
10 who receives an award, regardless of the purpose for which the
11 award is received. Awards which are based on financial need
12 shall be distributed in accordance with a nationally
13 recognized system of need analysis approved by the Board of
14 Regents. An award for academic merit shall require a minimum
15 overall grade point average of 3.0 on a 4.0 scale or the
16 equivalent for both initial receipt of the award and renewal
17 of the award.

18 6. The board may recommend to the Legislature an
19 appropriate systemwide standard matriculation and tuition fee
20 schedule.

21 7. The Education and General Student and Other Fees
22 Trust Fund is hereby created, to be administered by the
23 Department of Education. Funds shall be credited to the trust
24 fund from student fee collections and other miscellaneous fees
25 and receipts. The purpose of the trust fund is to support the
26 instruction and research missions of the State University
27 System. Notwithstanding the provisions of s. 216.301, and
28 pursuant to s. 216.351, any balance in the trust fund at the
29 end of any fiscal year shall remain in the trust fund and
30 shall be available for carrying out the purposes of the trust
31 fund.

1 8. The board is further authorized to establish the
2 following fees:

3 a. A nonrefundable application fee in an amount not to
4 exceed \$30.

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

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

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

12 e. Registration fees for audit and zero-hours
13 registration; a service charge, which may not exceed \$15, for
14 the payment of tuition in installments; and a
15 late-registration fee in an amount not less than \$50 nor more
16 than \$100 to be imposed on students who fail to initiate
17 registration during the regular registration period.

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

25 g. A fee for miscellaneous health-related charges for
26 services provided at cost by the university health center
27 which are not covered by the health fee set under s.
28 240.235(1).

29 h. Materials and supplies fees to offset the cost of
30 materials or supplies that are consumed in the course of the
31

- 1 student's instructional activities, excluding the cost of
2 equipment replacement, repairs, and maintenance.
- 3 i. Housing rental rates and miscellaneous housing
4 charges for services provided by the university at the request
5 of the student.
- 6 j. A charge representing the reasonable cost of
7 efforts to collect payment of overdue accounts.
- 8 k. A service charge on university loans in lieu of
9 interest and administrative handling charges.
- 10 l. A fee for off-campus course offerings when the
11 location results in specific, identifiable increased costs to
12 the university.
- 13 m. Library fees and fines, including charges for
14 damaged and lost library materials, overdue reserve library
15 books, interlibrary loans, and literature searches.
- 16 n. Fees relating to duplicating, photocopying,
17 binding, and microfilming; copyright services; and
18 standardized testing. These fees may be charged only to those
19 who receive the services.
- 20 o. Fees and fines relating to the use, late return,
21 and loss and damage of facilities and equipment.
- 22 p. A returned-check fee as authorized by s. 832.07(1)
23 for unpaid checks returned to the university.
- 24 q. Traffic and parking fines, charges for parking
25 decals, and transportation access fees.
- 26 r. An Educational Research Center for Child
27 Development fee for child care and services offered by the
28 center.
- 29 s. Fees for transcripts and diploma replacement, not
30 to exceed \$10 per item.
- 31

1 Section 3. Effective July 1, 2002, subsection (7) is
2 added to section 240.271, Florida Statutes, to read:

3 240.271 State University System; funding.--

4 (7) A minimum of 55 percent of the new awards from
5 funds provided in the General Appropriations Act for
6 fellowships and fee waivers shall be used only to support:

7 (a) Upper-division students or graduate students
8 formally admitted to a degree program in one of the following
9 disciplines:

10 1. Computer and information sciences.

11 2. Engineering.

12 3. Engineering technology.

13 4. Biological sciences/life sciences.

14 5. Mathematics.

15 6. Physical sciences.

16 7. Health professions and related sciences.

17 (b) Upper-division students or master's level students
18 formally admitted to a state-approved teacher preparation
19 program.

20
21 The State University System shall report annually to the
22 Legislature the distribution of fellowships and fee waivers
23 provided, including, but not limited to, the number of awards,
24 the dollar value of the awards, student level, student
25 discipline, and the number and percent of award recipients
26 remaining in the state following graduation who are employed
27 in the field directly related to the discipline for which the
28 award was received.

29 Section 4. Effective July 1, 2002, subsection (11) of
30 section 240.35, Florida Statutes, is amended to read:

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1 240.35 Student fees.--Unless otherwise provided, the
2 provisions of this section apply only to fees charged for
3 college credit instruction leading to an associate in arts
4 degree, an associate in applied science degree, or an
5 associate in science degree and noncollege credit
6 college-preparatory courses defined in s. 239.105.

7 (11)(a) Each community college is authorized to
8 establish a separate fee for financial aid purposes in an
9 additional amount up to, but not to exceed, 5 percent of the
10 total student tuition or matriculation fees collected. Each
11 community college may collect up to an additional 2 percent if
12 the amount generated by the total financial aid fee is less
13 than \$250,000. If the amount generated is less than \$250,000,
14 a community college that charges tuition and matriculation
15 fees at least equal to the average fees established by rule
16 may transfer from the general current fund to the scholarship
17 fund an amount equal to the difference between \$250,000 and
18 the amount generated by the total financial aid fee
19 assessment. No other transfer from the general current fund to
20 the loan, endowment, or scholarship fund, by whatever name
21 known, is authorized.

22 (b) All funds collected under this program shall be
23 placed in the loan and endowment fund or scholarship fund of
24 the college, by whatever name known. Such funds shall be
25 disbursed to students as quickly as possible. An amount not
26 greater than 40 percent of the fees collected in a fiscal year
27 may be carried forward unexpended to the following fiscal
28 year. However, funds collected prior to July 1, 1989, and
29 placed in an endowment fund may not be considered part of the
30 balance of funds carried forward unexpended to the following
31 fiscal year.

1 (c) Up to 25 percent or \$300,000, whichever is
2 greater, of the financial aid fees collected may be used to
3 assist students who demonstrate academic merit; who
4 participate in athletics, public service, cultural arts, and
5 other extracurricular programs as determined by the
6 institution; or who are identified as members of a targeted
7 gender or ethnic minority population. The financial aid fee
8 revenues allocated for athletic scholarships and fee
9 exemptions provided pursuant to subsection (17) for athletes
10 shall be distributed equitably as required by s.
11 228.2001(3)(d). A minimum of 75 ~~50~~ percent of the balance of
12 these funds for new awards shall be used to provide financial
13 aid based on absolute need, and the remainder of the funds
14 shall be used for academic merit purposes and other purposes
15 approved by the district boards of trustees. Such other
16 purposes shall include the payment of child care fees for
17 students with financial need. The State Board of Community
18 Colleges shall develop criteria for making financial aid
19 awards. Each college shall report annually to the Department
20 of Education on the revenue collected pursuant to this
21 paragraph, the amount carried forward, the criteria used to
22 make awards, the amount and number of awards for each
23 criterion, and a delineation of the distribution of such
24 awards. The report shall include an assessment by category of
25 the financial need of every student who receives an award,
26 regardless of the purpose for which the award is received.
27 Awards which are based on financial need shall be distributed
28 in accordance with a nationally recognized system of need
29 analysis approved by the State Board of Community Colleges. An
30 award for academic merit shall require a minimum overall grade
31

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

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

5 Section 5. Subsections (1), (2), and (7) of section
6 240.40201, Florida Statutes, are amended to read:

7 240.40201 Florida Bright Futures Scholarship
8 Program.--

9 (1) The Florida Bright Futures Scholarship Program is
10 created to establish a lottery-funded scholarship program to
11 reward any Florida high school graduate who merits recognition
12 of high academic achievement and who enrolls in a degree
13 program, certificate program, or applied technology diploma
14 program at an eligible Florida public or private postsecondary
15 education institution within 7 ~~3~~ years of graduation from high
16 school. No award shall be provided to a student beyond 7 years
17 after high school graduation, regardless of the year in which
18 a student first receives scholarship funding.

19 (2) The Bright Futures Scholarship Program consists of
20 three types of awards, the Florida Academic Scholarship, the
21 Florida Medallion ~~Merit~~ Scholarship, and the Florida
22 ~~Vocational~~ Gold Seal Vocational Scholarship.

23 (7) A student may receive only one type of award from
24 the Florida Bright Futures Scholarship Program at a time, but
25 may transfer from one type of award to another through the
26 renewal application process, if the student's eligibility
27 status changes. However, a student is not eligible to transfer
28 from a Florida Medallion ~~Merit~~ Scholarship or a Florida
29 ~~Vocational~~ Gold Seal Vocational Scholarship to a Florida
30 Academic Scholarship. A student who receives an award from the
31 program may also receive a federal family education loan or a

1 federal direct loan, and the value of the award must be
2 considered in the certification or calculation of the
3 student's loan eligibility.

4 Section 6. Section 240.40202, Florida Statutes, is
5 amended to read:

6 240.40202 Florida Bright Futures Scholarship Program;
7 student eligibility requirements for initial awards.--

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

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

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

15 1. The student is enrolled full time in the early
16 admission program of an eligible postsecondary education
17 institution or completes a home education program according to
18 s. 232.0201; or

19 2. The student earns a high school diploma from a
20 non-Florida school while living with a parent or guardian who
21 is on military or public service assignment away from Florida.

22 "Public service assignment," as used in this subparagraph,
23 means the occupational assignment outside Florida of a person
24 who is a permanent resident of Florida and who is employed by
25 the United States Government or the State of Florida, a
26 condition of which employment is assignment outside Florida.

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

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

31

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

5 (f) Apply for a scholarship from the program by ~~April~~
6 ~~1 of the last semester before~~ high school graduation. Requests
7 for exceptions to this deadline may be accepted by the high
8 school or district through December 31 following high school
9 graduation.

10 (2) ~~A student is eligible to accept an initial award~~
11 ~~for 3 years following high school graduation and to accept a~~
12 ~~renewal award for 7 years following high school graduation.~~ A
13 student ~~who applies for an award by April 1 and who meets all~~
14 ~~other~~ eligibility requirements, but who does not accept his or
15 her award during the first year of eligibility after high
16 school graduation, may apply for reinstatement of the award
17 for use within 7 ~~reapply during subsequent application periods~~
18 ~~up to 3 years~~ after high school graduation. Reinstatement
19 applications must be received by the deadline established by
20 the Department of Education.

21 (3) For purposes of calculating the grade point
22 average to be used in determining initial eligibility for a
23 Florida Bright Futures scholarship, the department shall
24 assign additional weights to grades earned in the following
25 courses:

26 (a) Courses identified in the course code directory as
27 Advanced Placement, pre-International Baccalaureate, or
28 International Baccalaureate.

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

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1 The department may assign additional weights to courses, other
2 than those described in paragraphs (a) and (b), that are
3 identified by the Articulation Coordinating Committee as
4 containing rigorous academic curriculum and performance
5 standards. The additional weight assigned to a course pursuant
6 to this subsection shall not exceed 0.5 per course. The
7 weighted system shall be developed and distributed to all high
8 schools in the state prior to January 1, 1998. The department
9 may determine a student's eligibility status during the senior
10 year before graduation and may inform the student of the award
11 at that time.

12 (4) Each school district shall provide each high
13 school student a complete and accurate Florida Bright Futures
14 Scholarship Evaluation Report and Key annually. The report
15 shall be disseminated at the beginning of each school year.
16 The report must include all high school coursework attempted,
17 the number of credits earned toward each type of award, and
18 the calculation of the grade point average for each award. The
19 report must also identify all requirements not met per award
20 as well as the award or awards for which the student has met
21 the academic requirements.

22 ~~(5)~~(4) A student who wishes to qualify for a
23 particular award within the Florida Bright Futures Scholarship
24 Program, but who does not meet all of the requirements for
25 that level of award, may, nevertheless, receive the award if
26 the principal of the student's school or the district
27 superintendent verifies that the deficiency is caused by the
28 fact that school district personnel provided inaccurate or
29 incomplete information to the student. The school district
30 must provide a means for the student to correct the
31 deficiencies and the student must correct them, either by

1 completing comparable work at the postsecondary institution or
2 by completing a directed individualized study program
3 developed and administered by the school district. If the
4 student does not complete the requirements by December 31
5 immediately following high school graduation, the student is
6 ineligible to participate in the program.

7 Section 7. Section 240.40203, Florida Statutes, is
8 amended to read:

9 240.40203 Florida Bright Futures Scholarship Program;
10 student eligibility requirements for renewal, reinstatement,
11 and restoration awards.--

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

17 (a) Renewal applies to students who receive an award
18 for at least one term during the immediately preceding
19 academic year. For renewal, a student must complete at least
20 12 semester credit hours or the equivalent in the last
21 academic year in which the student earned a scholarship and-

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

24 1. If a recipient's grades fall beneath the average
25 required to renew a Florida Academic Scholarship, but are
26 sufficient to renew a Florida Medallion Merit Scholarship ~~or a~~
27 ~~Florida Vocational Gold Seal Scholarship~~, the Department of
28 Education may grant a renewal to the Florida Medallion
29 Scholarship. ~~from one of those other scholarship programs, if~~
30 ~~the student meets the renewal eligibility requirements; or~~
31

1 2. If, upon renewal evaluation, a student fails to
2 meet the renewal criteria pursuant to this section, credit
3 hours and grades earned during the following summer term may
4 be used to satisfy the renewal requirements.~~If, at any time~~
5 ~~during the eligibility period, a student's grades are~~
6 ~~insufficient to renew the scholarship, the student may restore~~
7 ~~eligibility by improving the grade point average to the~~
8 ~~required level. A student is eligible for such a reinstatement~~
9 ~~only once.~~The Legislature encourages education institutions
10 to assist students to calculate whether or not it is possible
11 to raise the grade point average during the summer term. ~~If~~
12 ~~the institution determines that it is possible, the education~~
13 ~~institution may so inform the department, which may reserve~~
14 ~~the student's award if funds are available.~~The renewal,
15 however, must not be granted until the student achieves the
16 required cumulative grade point average and earns the required
17 number of hours. If, during the summer term, a student does
18 not earn is not sufficient hours or to raise the grade point
19 average to the required renewal level, the student shall not
20 be eligible for an award student's next opportunity for
21 renewal is the fall semester of the following academic year.

22 (b) Reinstatement applies to students who were
23 eligible but did not receive an award during the previous
24 academic year or years, and who may apply to reestablish use
25 of the scholarship. For reinstatement, a student must have
26 been eligible at the time of the student's most recent Florida
27 Bright Futures Scholarship eligibility determination. The
28 student must apply for reinstatement by submitting a
29 reinstatement application by the deadline established by the
30 Department of Education.

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1 (c) Restoration applies to students who lost
2 scholarship eligibility as a result of not meeting the renewal
3 grade point average or number of hours, or both, at a prior
4 evaluation period. A student may restore eligibility by
5 meeting the renewal grade point average during a subsequent
6 renewal evaluation period. A student is eligible to receive
7 such restoration only once. The student must submit an
8 application for restoration by the deadline established by the
9 Department of Education.

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

15 (3) A Florida Academic Scholar or a Florida Medallion
16 Scholar who is enrolled in a combined undergraduate/graduate
17 program that terminates in the award of a postbaccalaureate
18 degree, or the simultaneous award of baccalaureate and
19 postbaccalaureate degrees, may receive an award for a maximum
20 of 110 percent of the number of credit hours required to
21 complete a standard undergraduate program at the institution
22 attended, at the undergraduate rate.

23 (4) A Florida Gold Seal Vocational Scholar ~~student who~~
24 ~~is enrolled in a program that terminates in a technical~~
25 ~~certificate~~ may receive an award for up to 90 semester a
26 ~~maximum of 110 percent of the credit hours or the equivalent~~
27 ~~clock hours required to complete the program up to 90 credit~~
28 ~~hours.~~ A student who transfers from the Florida Gold Seal
29 Vocational Scholars award to the Florida Medallion Scholars
30 award ~~one of these program levels to another~~ becomes eligible
31 for the higher of the two credit hour limits.

1 Section 8. Section 240.40204, Florida Statutes, is
2 amended to read:

3 240.40204 Florida Bright Futures Scholarship Program;
4 eligible postsecondary education institutions.--A student is
5 eligible for an award or the renewal, reinstatement, or
6 restoration of an award from the Florida Bright Futures
7 Scholarship Program if the student meets the requirements for
8 the program as described in this act and is enrolled in a
9 postsecondary education institution that meets the description
10 in any one of the following subsections:

11 (1) A Florida public university, community college, or
12 technical center.

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

18 (3) An independent Florida postsecondary education
19 institution that is licensed by the State Board of Independent
20 Colleges and Universities and which:

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

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

25 (4) A Florida independent postsecondary education
26 institution that offers a nursing diploma approved by the
27 Board of Nursing.

28 (5) A Florida independent postsecondary education
29 institution that is licensed by the State Board of Nonpublic
30 Career Education and which:

31

1 (a) Has a program completion and placement rate of at
2 least the rate required by the current Florida Statutes, the
3 Florida Administrative Code, or the Department of Education
4 for an institution at its level; and

5 (b) Shows evidence of sound financial condition; and
6 either:

7 1. Is accredited at the institutional level by an
8 accrediting agency recognized by the United States Department
9 of Education and has operated in the state for at least 3
10 years during which there has been no complaint for which
11 probable cause has been found; or

12 2. Has operated in Florida for 5 years during which
13 there has been no complaint for which probable cause has been
14 found.

15 Section 9. Section 240.40205, Florida Statutes, is
16 amended to read:

17 240.40205 Florida Academic Scholars award.--

18 (1) A student is eligible for a Florida Academic
19 Scholars award if the student meets the general eligibility
20 requirements for the Florida Bright Futures Scholarship
21 Program and the student:

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

27 (b) Has attained at least the score identified by
28 rules of the Department of Education on the combined verbal
29 and quantitative parts of the Scholastic Aptitude Test, the
30 Scholastic Assessment Test, or the recentered Scholastic
31

1 Assessment Test of the College Entrance Examination, or an
2 equivalent score on the American College Testing Program; or
3 (c) Has attended a home education program according to
4 s. 232.0201 during grades 11 and 12 or has completed the
5 International Baccalaureate curriculum but failed to earn the
6 International Baccalaureate Diploma, and has attained at least
7 the score identified by rules of the Department of Education
8 on the combined verbal and quantitative parts of the
9 Scholastic Aptitude Test, the Scholastic Assessment Test, or
10 the recentered Scholastic Assessment Test of the College
11 Entrance Examination, or an equivalent score on the American
12 College Testing Program; or
13 (d) Has been awarded an International Baccalaureate
14 Diploma from the International Baccalaureate Office; or
15 (e) Has been recognized by the merit or achievement
16 programs of the National Merit Scholarship Corporation as a
17 scholar or finalist; or
18 (f) Has been recognized by the National Hispanic
19 Recognition Program as a scholar recipient; ~~or~~
20 (g) Has been awarded the American International
21 Certificate of Education Diploma from the University of
22 Cambridge.

23
24 Effective with the 1998-1999 school year, a student must
25 complete a program of community service work, as approved by
26 the district school board or the administrators of a nonpublic
27 school, which shall include a minimum of 75 hours of service
28 work and require the student to identify a social problem that
29 interests him or her, develop a plan for his or her personal
30 involvement in addressing the problem, and, through papers or
31

1 other presentations, evaluate and reflect upon his or her
2 experience.

3 (2) A Florida Academic Scholar who is enrolled in a
4 public postsecondary education institution is eligible for an
5 award equal to the amount required to pay matriculation and,
6 fees, as defined by the department, and \$600 for
7 college-related expenses annually. A student who is enrolled
8 in a nonpublic postsecondary education institution is eligible
9 for an award equal to the amount that would be required to pay
10 for the average matriculation and fees of a public
11 postsecondary education institution at the comparable level,
12 plus the annual \$600.

13 (3) To be eligible for a renewal or restoration award
14 as a Florida Academic Scholar, a student must meet the
15 requirements of s. 240.40203 and the ~~maintain the equivalent~~
16 ~~of a~~ grade point average requirement of 3.0 on a 4.0 scale, or
17 the equivalent, for all postsecondary education work
18 attempted. A student may have, ~~with~~ an opportunity for one
19 restoration ~~reinstatement~~ as provided in this act.

20 (4) In each school district, the Florida Academic
21 Scholar with the highest academic ranking shall be designated
22 as an Academic Top Scholar and shall receive an additional
23 award of \$1,500 for college-related expenses. This award must
24 be funded from the Florida Bright Futures Scholarship Program.

25 Section 10. Section 240.40206, Florida Statutes, is
26 amended to read:

27 240.40206 Florida Medallion ~~Merit~~ Scholars award.--

28 (1) A student is eligible for a Florida Medallion
29 ~~Merit~~ Scholars award if the student meets the general
30 eligibility requirements for the Florida Bright Futures
31 Scholarship Program and the student:

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

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

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

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

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

29 (2) A Florida Medallion ~~Merit~~ Scholar is eligible for
30 an award equal to the amount required to pay 75 percent of
31 matriculation and fees, as defined by the department, if the

1 student is enrolled in a public postsecondary education
 2 institution. A student who is enrolled in a nonpublic
 3 postsecondary education institution is eligible for an award
 4 equal to the amount that would be required to pay 75 percent
 5 of the average matriculation and fees of a public
 6 postsecondary education institution at the comparable level.

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

14 Section 11. Section 240.40207, Florida Statutes, is
 15 amended to read:

16 240.40207 Florida Gold Seal Vocational Scholars
 17 award.--The Florida Gold Seal Vocational Scholars award is
 18 created within the Florida Bright Futures Scholarship Program
 19 to recognize and reward academic achievement and vocational
 20 preparation by high school students who wish to continue their
 21 education.

22 (1) A student is eligible for a Florida Gold Seal
 23 Vocational Scholars award if the student meets the general
 24 eligibility requirements for the Florida Bright Futures
 25 Scholarship Program and the student:

26 (a) Successfully ~~completes the secondary school~~
 27 ~~portion of a sequential program of studies that requires at~~
 28 ~~least three secondary school vocational credits~~ in one program
 29 of study, as identified by the Department of Education, taken
 30 over at least 2 academic years, and is continued in a planned,
 31 related postsecondary education program. If the student's

1 school does not offer such a two-plus-two or tech-prep
 2 program, the student must complete a job-preparatory career
 3 education program selected by the Workforce Estimating
 4 Conference or Workforce Florida, Inc., for its ability to
 5 provide high-wage employment in an occupation with high
 6 potential for employment opportunities. By July 1, 2002, the
 7 Articulation Coordinating Committee shall identify the
 8 programs at each 4-year institution that qualify as planned,
 9 related postsecondary education programs. On-the-job training
 10 may not be substituted for any of the three required
 11 vocational credits.

12 (b) Demonstrates readiness for postsecondary education
 13 by earning a passing score on the Florida College Entry Level
 14 Placement Test or its equivalent as identified by the
 15 Department of Education.

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

20 (d) Earns a minimum unweighted grade point average of
 21 3.5 on a 4.0 scale for secondary vocational courses comprising
 22 the vocational program.

23 ~~(e) Completes the requirements of a vocational-ready~~
 24 ~~diploma program, as defined by rules of the State Board of~~
 25 ~~Education.~~

26 (2) A Florida Gold Seal Vocational Scholar is eligible
 27 for an award equal to the amount required to pay 75 percent of
 28 matriculation and fees, as defined by the department, if the
 29 student is enrolled in a public postsecondary education
 30 institution. A student who is enrolled in a nonpublic
 31 postsecondary education institution is eligible for an award

1 equal to the amount that would be required to pay 75 percent
 2 of the matriculation and mandatory fees of a public
 3 postsecondary education institution at the comparable level.

4 (3) To be eligible for a renewal or restoration award
 5 as a Florida Gold Seal Vocational Scholar, a student must meet
 6 the requirements of s. 240.40203 and the ~~maintain the~~
 7 ~~equivalent of a~~ grade point average requirement of 2.75 on a
 8 4.0 scale, or the equivalent, for all postsecondary education
 9 work attempted. A student may have, ~~with~~ an opportunity for
 10 ~~reinstatement~~ one restoration time as provided in this act.

11 (4) Beginning with the fall term of 2003, a Florida
 12 Gold Seal Vocational Scholars award may only be used by
 13 students who enroll in programs of 2 years or less at a
 14 vocational-technical institution, a community college, or a
 15 junior college unless the award is a renewal of an initial
 16 award issued prior to the fall term of 2003 or as otherwise
 17 provided for in this section. A student may use an award for a
 18 program at a 4-year institution if the program has been
 19 identified by the Articulation Coordinating Committee pursuant
 20 to subsection (1), the student meets the minimum State
 21 University System admissions requirements, and the institution
 22 certifies annually the student's continued enrollment in such
 23 program.

24 (5) Upon successful completion of an associate degree
 25 program or 60 hours, an award recipient who meets the renewal
 26 criteria in subsection (3) and enrolls in a baccalaureate
 27 degree program at an eligible postsecondary education
 28 institution is eligible to transfer to the Florida Medallion
 29 Scholars award component of the Florida Bright Futures
 30 Scholarship Program. Other than initial eligibility criteria,
 31 all other requirements of the Florida Medallion Scholars award

1 shall apply to a student who transfers to that program
2 pursuant to the provisions of this subsection. The number of
3 hours for which a student may receive a Florida Medallion
4 Scholars award shall be calculated by subtracting from the
5 student's total eligibility pursuant to s. 240.40206(2) the
6 number of hours for which the student has already received
7 funding under the Florida Bright Futures Scholarship Program.

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

23 ~~(4) A student may earn a Florida Gold Seal Vocational~~
24 ~~Scholarship for 110 percent of the number of credit hours~~
25 ~~required to complete the program, up to 90 credit hours or the~~
26 ~~equivalent. A Florida Gold Seal Scholar who has a cumulative~~
27 ~~grade point average of 2.75 in all postsecondary education~~
28 ~~work attempted may apply for a Florida Merit Scholars award at~~
29 ~~any renewal period. All other provisions of that program~~
30 ~~apply, and the credit-hour limitation must be calculated by~~
31 ~~subtracting from the student's total eligibility the number of~~

1 ~~credit hours the student attempted while earning the Gold Seal~~
2 ~~Vocational Scholarship.~~

3 Section 12. Section 240.40211, Florida Statutes, is
4 created to read:

5 240.40211 Florida Bright Futures Scholarship Program
6 targeted occupations.--

7 (1)(a) Using information provided by the Workforce
8 Estimating Conference, the Department of Education, in
9 consultation with the Legislature, shall identify targeted
10 occupations that are high demand, high wage, and high skill
11 for which the state's postsecondary education institutions
12 provide the necessary education and training.

13 (b) The Department of Education shall identify the
14 specific associate and baccalaureate degree programs,
15 certificate programs, and applied technology diploma programs
16 that are offered by postsecondary education institutions and
17 prepare students for employment in the targeted occupations.
18 The department shall provide such information to the
19 postsecondary education institutions that participate in the
20 Florida Bright Futures Scholarship Program.

21 (c) Identification of targeted occupations and degree,
22 certificate, and diploma programs shall be completed, and
23 updated annually thereafter, for use in providing awards
24 pursuant to this section beginning with the 2002-2003 fall
25 academic term.

26 (2) A Florida Bright Futures Scholarship award
27 recipient who is enrolled at a vocational-technical
28 institution, a community college, or a junior college in a
29 program identified pursuant to paragraph (1)(b) is eligible to
30 receive an additional \$250 per semester, or the equivalent,
31 for postsecondary education-related expenses.

1 (3) A Florida Bright Futures Scholarship award
2 recipient who is enrolled at a baccalaureate-degree-granting
3 institution in the upper division of a program identified
4 pursuant to paragraph (1)(b) is eligible to receive an
5 additional \$500 per semester, or the equivalent, for
6 postsecondary education-related expenses.

7 (4) Institutions that participate in the Florida
8 Bright Futures Scholarship Program and offer a program
9 identified pursuant to paragraph (1)(b) shall advise their
10 students of the availability of the awards provided pursuant
11 to this section.

12 (5) The department shall establish procedures for
13 institutions to certify to the department the initial and
14 continued eligibility status of any student who is eligible to
15 receive an award pursuant to this section. A student's
16 continued enrollment in an eligible program shall be certified
17 by the institution each academic year.

18 (6) The department shall evaluate this component of
19 the Florida Bright Futures Scholarship Program from its
20 inception to determine, of the total number of students who
21 receive awards pursuant to this section, the number who become
22 employed in the occupation for which the award was provided.
23 This evaluation shall be reported on an annual basis to the
24 Governor and the Legislature.

25 (7) This award component of the Florida Bright Futures
26 Scholarship Program shall be implemented to the extent funded
27 in the General Appropriations Act. When funds are not
28 sufficient to make full awards, the department shall reduce
29 the amount of each recipient's award pro rata.

30 Section 13. Section 240.40242, Florida Statutes, is
31 repealed.

1 Section 14. Florida Bright Futures Scholarship Testing
2 Program.--

3 (1) By January 1, 2002, the Articulation Coordinating
4 Committee shall identify the minimum scores, maximum credit,
5 and course or courses for which credit is to be awarded for
6 each College Level Examination Program (CLEP) general
7 examination, CLEP subject examination, College Board Advanced
8 Placement Program examination, and International Baccalaureate
9 examination. In addition, the Articulation Coordinating
10 Committee shall identify such courses in the general education
11 core curriculum of each state university and community
12 college.

13 (2) Each community college and state university must
14 award credit for specific courses for which competency has
15 been demonstrated by successful passage of one of these
16 examinations unless the award of credit duplicates credit
17 already awarded. Community colleges and universities may not
18 exempt students from courses without the award of credit if
19 competencies have been so demonstrated.

20 (3) Beginning with initial award recipients for the
21 2002-2003 academic year and continuing thereafter, students
22 eligible for a Florida Academic Scholars award or a Florida
23 Medallion Scholars award who are admitted to and enroll in a
24 community college or state university shall, prior to
25 registering for courses that may be earned through a CLEP
26 examination and no later than registration for their second
27 term, complete at least five examinations from those specified
28 in subsection (1) in the following areas: English; humanities;
29 mathematics; natural sciences; and social sciences.
30 Successful completion of dual enrollment courses, Advanced
31 Placement examinations, and International Baccalaureate

1 examinations taken prior to high school graduation satisfy
2 this requirement. The Articulation Coordinating Committee
3 shall identify the examinations that satisfy each component of
4 this requirement.

5 (4) Initial award recipients for the 2001-2002
6 academic year who are eligible for a Florida Academic Scholars
7 award or a Florida Medallion Scholars award and who are
8 admitted to and enroll in a community college or state
9 university may choose, prior to registering for courses that
10 may be earned through CLEP examination, to complete up to five
11 CLEP examinations, one in each of the following areas:
12 English; humanities; mathematics; natural sciences; and social
13 sciences.

14 (5) Each community college and state university shall
15 pay for the CLEP examinations required pursuant to this
16 section from the funds appropriated from the Educational
17 Enhancement Trust Fund. Institutions shall pay no more than
18 \$46 per examination for the program, which shall include
19 access to a student guide to prepare for the test. The
20 Department of Education shall negotiate with the College Board
21 for a reduced rate for the examinations. The institution shall
22 not charge the student for preparation and administration of
23 the test, access to a student guide to prepare for the test,
24 or recordkeeping and reporting of each student's test results
25 to the department.

26 (6) The credit awarded pursuant to this section shall
27 apply toward the 120 hours of college credit required pursuant
28 to s. 240.115(6).

29 (7) The maximum number of credit hours for which a
30 student is eligible to receive a Florida Bright Futures
31

1 Scholarship Program award shall be reduced by the number of
2 hours for which credit is awarded pursuant to this section.

3 (8) Beginning with the 2002-2003 award recipients, the
4 Department of Education shall track and annually report on the
5 effectiveness of the program, and include information on the
6 number of students participating in the program; the CLEP
7 examinations taken and the passage rate of Florida Academic
8 Scholars and Florida Medallion Scholars award recipients; the
9 use of Advanced Placement and International Baccalaureate
10 examinations and dual enrollment courses to satisfy the
11 requirements of the program; and the course credit provided.

12 Section 15. Subsection (1) of section 240.404, Florida
13 Statutes, is amended to read:

14 240.404 General requirements for student eligibility
15 for state financial aid.--

16 (1)(a) The general requirements for eligibility of
17 students for state financial aid awards consist of the
18 following:

19 1. Achievement of the academic requirements of and
20 acceptance at a state university or community college; a
21 nursing diploma school approved by the Florida Board of
22 Nursing; a Florida college, university, or community college
23 which is accredited by an accrediting agency recognized by the
24 United States Department of Education ~~a member of the~~
25 ~~Commission on Recognition of Postsecondary Accreditation~~; any
26 Florida institution the credits of which are acceptable for
27 transfer to state universities; any area technical center; or
28 any private vocational-technical institution accredited by an
29 accrediting agency recognized by the United States Department
30 of Education ~~a member of the Commission on Recognition of~~
31 ~~Postsecondary Accreditation.~~

1 2.a. Residency in this state for no less than 1 year
 2 preceding the award of aid for a program established pursuant
 3 to s. 240.409, s. 240.4095, s. 240.4097, s. 240.412, s.
 4 240.4125, s. 240.413, s. 240.4987, s. 240.605, or s. 240.606.
 5 Residency in this state must be for purposes other than to
 6 obtain an education. Resident status for purposes of receiving
 7 state financial aid awards shall be determined in the same
 8 manner as resident status for tuition purposes pursuant to s.
 9 240.1201 and rules of the State Board of Education.

10 b. A person who has been properly classified as a
 11 resident by a postsecondary institution for initial receipt of
 12 state-funded student financial assistance and has been
 13 determined eligible to participate in a financial assistance
 14 program may continue to qualify as a resident for state-funded
 15 financial aid programs if he or she maintains continuous
 16 enrollment at the postsecondary institution, with no break in
 17 enrollment greater than 12 consecutive months.

18 3. Submission of certification attesting to the
 19 accuracy, completeness, and correctness of information
 20 provided to demonstrate a student's eligibility to receive
 21 state financial aid awards. Falsification of such information
 22 shall result in the denial of any pending application and
 23 revocation of any award currently held to the extent that no
 24 further payments shall be made. Additionally, students who
 25 knowingly make false statements in order to receive state
 26 financial aid awards shall be guilty of a misdemeanor of the
 27 second degree subject to the provisions of s. 837.06 and shall
 28 be required to return all state financial aid awards
 29 wrongfully obtained.

30 (b)1. Eligibility for the renewal of undergraduate
 31 financial aid awards shall be evaluated at the end of the

1 second semester or third quarter of each academic year. As a
2 condition for renewal, a student shall:

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

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

8 2. A student who earns the minimum number of credits
9 required for renewal, but who fails to meet the minimum 2.0
10 cumulative grade point average, may be granted a probationary
11 award for up to the equivalent of 1 academic year and shall be
12 required to earn a cumulative grade point average of 2.0 on a
13 4.0 scale by the end of the probationary period to be eligible
14 for subsequent renewal. A student who receives a probationary
15 award and who fails to meet the conditions for renewal by the
16 end of his or her probationary period shall be ineligible to
17 receive additional awards for the equivalent of 1 academic
18 year following his or her probationary period. Each such
19 student may, however, reapply for assistance during a
20 subsequent application period and may be eligible for an award
21 if he or she has earned a cumulative grade point average of
22 2.0 on a 4.0 scale.

23 3. A student who fails to earn the minimum number of
24 credits required for renewal shall lose his or her eligibility
25 for renewal for a period equivalent to 1 academic year.
26 However, the student may reapply during a subsequent
27 application period and may be eligible for an award if he or
28 she has earned a minimum cumulative grade point average of 2.0
29 on a 4.0 scale.

30 4. Students who receive state student aid and
31 subsequently fail to meet state academic progress requirements

1 due to verifiable illness or other emergencies may be granted
 2 an exception from the academic requirements. Such students
 3 shall make a written appeal to the institution. The appeal
 4 shall include a description and verification of the
 5 circumstances. Verification of illness or other emergencies
 6 may include but not be limited to a physician's statement or
 7 written statement of a parent or college official. The
 8 institution shall recommend exceptions with necessary
 9 documentation to the department. The department may accept or
 10 deny such recommendations for exception from the institution.

11 Section 16. Notwithstanding subsection (7) of section
 12 3 of chapter 2000-321, Laws of Florida, sections 240.2985 and
 13 240.6054, Florida Statutes, shall not stand repealed on
 14 January 7, 2003, and are reenacted, renumbered as section
 15 240.4084, Florida Statutes, and amended to read:

16 (Substantial rewording of sections. See ss.
 17 240.2985 and 240.6054, F.S., for present text.)
 18 240.4084 Ethics in Business Scholarship Program.--The
 19 Ethics in Business Scholarship Program is created to provide
 20 scholarships to students who are enrolled in postsecondary
 21 education institutions and who meet the general requirements
 22 for student eligibility for state financial aid pursuant to s.
 23 240.404. Moneys appropriated and allocated for such
 24 scholarships shall be matched by private donations for the
 25 purpose of providing ethics in business scholarships. The
 26 Ethics in Business Scholarship Program shall consist of the
 27 following components:

28 (1) Moneys appropriated from the Insurance
 29 Commissioner's Regulatory Trust Fund to the Trust Fund for
 30 Major Gifts, pursuant to section 2 of chapter 97-381, Laws of
 31 Florida, shall be allocated to each university foundation on a

1 matching basis equal to the amount of private funds received
2 by such foundation for program purposes. Moneys appropriated
3 and allocated to university foundations for purposes of the
4 program shall be used to create endowments to provide
5 scholarships to undergraduate students enrolled in state
6 institutions of higher learning who register for one or more
7 credit hours in business ethics courses and who have
8 demonstrated a commitment to serve the interests of their
9 community. First priority for award of scholarships shall be
10 given to students who demonstrate financial need. The Board
11 of Regents shall administer the provisions of this subsection.

12 (2) Moneys transferred from the Insurance
13 Commissioner's Regulatory Trust Fund to the State Student
14 Financial Assistance Trust Fund, pursuant to section 3 of
15 chapter 97-381, Laws of Florida, shall be allocated to provide
16 ethics in business scholarships to students enrolled in public
17 community colleges and independent postsecondary education
18 institutions eligible to participate in the William L. Boyd,
19 IV, Florida Resident Access Grant Program under s. 240.605.
20 The funds shall be allocated to institutions for scholarships
21 in the following ratio: two-thirds for community colleges and
22 one-third for eligible independent institutions. These funds
23 shall be allocated to institutions that provide an equal
24 amount of matching funds generated by private donors for the
25 purpose of providing ethics in business scholarships. The
26 Department of Education shall administer the provisions of
27 this subsection and may adopt rules for such administration.
28 Notwithstanding any other provision of law, the State Board of
29 Administration shall have the authority to invest the funds
30 appropriated under this subsection.

31

1 Each institution that receives an allocation of funds shall
2 submit to the Legislature an annual report of the matching
3 funds collected and a profile of scholarship award recipients.

4 Section 17. Section 240.409, Florida Statutes, is
5 amended to read:

6 240.409 Florida Public Student Assistance Grant
7 Program; eligibility for grants.--

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

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

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

23 (4)(2)(a) State student assistance grants through the
24 program may be made only to full-time degree-seeking students
25 who enroll in at least 6 semester hours, or the equivalent,
26 per 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
29 annually for the amount of demonstrated unmet need for the
30 cost of education and may not exceed an amount equal to the
31 average prior academic year cost of matriculation fees and

1 other registration fees for 30 credit hours at state
2 universities or such other amount as specified in the General
3 Appropriations Act, to any recipient. A demonstrated unmet
4 need of less than \$200 shall render the applicant ineligible
5 for a state student assistance grant. Recipients of such
6 grants must have been accepted at a state university or
7 community college authorized by Florida law. No student may
8 receive an award for more than the equivalent of 9 semesters
9 or 14 quarters of full-time enrollment, except as otherwise
10 provided in s. 240.404(3).

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

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

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

31

1 institution shall also report to the department necessary
2 demographic and eligibility data for such students.

3 ~~(5)(3)~~ Based on the unmet financial need of an
4 eligible applicant, the amount of a Florida public student
5 assistance grant must be between \$200 and the weighted average
6 of the cost of matriculation and other registration fees for
7 30 credit hours at state universities per academic year or the
8 amount specified in the General Appropriations Act.

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

21 (b) Payment of Florida public student assistance
22 grants shall be transmitted to the president of the state
23 university or community college, or to his or her
24 representative, in advance of the registration period.
25 Institutions shall notify students of the amount of their
26 awards.

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

1 purposes of changing eligibility determinations previously
2 made.

3 (d) Institutions shall certify to the department the
4 amount of funds disbursed to each student, shall indicate
5 whether or not the student met the application deadline
6 established pursuant to subsection (2), and shall remit to the
7 department any undisbursed advances by June 1 of each year.

8 ~~(7)(5)~~ Funds appropriated by the Legislature for state
9 student assistance grants shall be deposited in the State
10 Student Financial Assistance Trust Fund. Notwithstanding the
11 provisions of s. 216.301 and pursuant to s. 216.351, any
12 balance in the trust fund at the end of any fiscal year that
13 has been allocated to the Florida Public Student Assistance
14 Grant Program shall remain therein and shall be available for
15 carrying out the purposes of this section.

16 ~~(8)(6)~~ The State Board of Education shall establish
17 rules necessary to implement this section.

18 Section 18. Section 240.4095, Florida Statutes, is
19 amended to read:

20 240.4095 Florida Private Student Assistance Grant
21 Program; eligibility for grants.--

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

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

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

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

6 (4)(2)(a) Florida private student assistance grants
7 from the State Student Financial Assistance Trust Fund may be
8 made only to ~~full-time~~ degree-seeking students who enroll in
9 at least 6 semester hours, or the equivalent, per semester and
10 who meet the general requirements for student eligibility as
11 provided in s. 240.404, except as otherwise provided in this
12 section. Such grants shall be awarded for the amount of
13 demonstrated unmet need for tuition and fees and may not
14 exceed an amount equal to the average matriculation and other
15 registration fees for 30 credit hours at state universities
16 plus \$1,000 per academic year, or as specified in the General
17 Appropriations Act, to any applicant. A demonstrated unmet
18 need of less than \$200 shall render the applicant ineligible
19 for a Florida private student assistance grant. Recipients of
20 such grants must have been accepted at a
21 baccalaureate-degree-granting independent nonprofit college or
22 university, which is accredited by the Commission on Colleges
23 of the Southern Association of Colleges and Schools and which
24 is located in and chartered as a domestic corporation by the
25 state. No student may receive an award for more than the
26 equivalent of 9 semesters or 14 quarters of full-time
27 enrollment, except as otherwise provided in s. 240.404(3).

28 (b) A student applying for a Florida private student
29 assistance grant shall be required to apply for the Pell
30 Grant. The Pell Grant entitlement shall be considered when
31

1 conducting an assessment of the financial resources available
2 to each student.

3 ~~(c) Priority in the distribution of grant moneys shall~~
4 ~~be given to students with the lowest total family resources,~~
5 ~~in accordance with a nationally recognized system of need~~
6 ~~analysis.~~ Using the system of need analysis, the department
7 shall establish a maximum expected family contribution. An
8 institution may not make a grant from this program to a
9 student whose expected family contribution exceeds the level
10 established by the department. An institution may not impose
11 additional criteria to determine a student's eligibility to
12 receive a grant award.

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

20 ~~(5)(3)~~ Based on the unmet financial need of an
21 eligible applicant, the amount of a Florida private student
22 assistance grant must be between \$200 and the average cost of
23 matriculation and other registration fees for 30 credit hours
24 at state universities plus \$1,000 per academic year or the
25 amount specified in the General Appropriations Act.

26 ~~(6)(4)~~(a) The funds appropriated for the Florida
27 Private Student Assistance Grant shall be distributed to
28 eligible institutions in accordance with a formula recommended
29 by the Department of Education's Florida Council of Student
30 Financial Aid Advisors and reviewed by the Postsecondary
31 Education Planning Commission and the Independent Colleges and

1 Universities of Florida. The formula shall consider at least
 2 the prior year's distribution of funds, the number of
 3 full-time eligible applicants who did not receive awards, the
 4 number of eligible applicants who met the application
 5 deadline, the standardization of the expected family
 6 contribution, and provisions for unused funds.

7 (b) Payment of Florida private student assistance
 8 grants shall be transmitted to the president of the college or
 9 university, or to his or her representative, in advance of the
 10 registration period. Institutions shall notify students of the
 11 amount of their awards.

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

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

24 (e) Each institution that receives moneys through the
 25 Florida Private Student Assistance Grant Program shall cause
 26 to be prepared a biennial report that includes an independent
 27 external audit of the institution's administration of the
 28 program and a complete accounting of moneys in the State
 29 Student Financial Assistance Trust Fund allocated to the
 30 institution for the program. Such report shall be submitted to
 31 the department on or before March 1 every other year. The

1 department may conduct its own annual or biennial audit of an
2 institution's administration of the program and its allocated
3 funds in lieu of the required biennial report and independent
4 external audit. The department may suspend or revoke an
5 institution's eligibility to receive future moneys from the
6 trust fund for the program or request a refund of any moneys
7 overpaid to the institution through the trust fund for the
8 program if the department finds that an institution has not
9 complied with the provisions of this section. Any refund
10 requested pursuant to this paragraph shall be remitted within
11 60 days.

12 (7)~~(5)~~ Funds appropriated by the Legislature for
13 Florida private student assistance grants shall be deposited
14 in the State Student Financial Assistance Trust Fund.
15 Notwithstanding the provisions of s. 216.301 and pursuant to
16 s. 216.351, any balance in the trust fund at the end of any
17 fiscal year that has been allocated to the Florida Private
18 Student Assistance Grant Program shall remain therein and
19 shall be available for carrying out the purposes of this
20 section and as otherwise provided by law.

21 (8)~~(6)~~ The State Board of Education shall adopt rules
22 necessary to implement this section.

23 Section 19. Section 240.4097, Florida Statutes, is
24 amended to read:

25 240.4097 Florida Postsecondary Student Assistance
26 Grant Program; eligibility for grants.--

27 (1) There is hereby created a Florida Postsecondary
28 Student Assistance Grant Program. The program shall be
29 administered by the participating institutions in accordance
30 with rules of the state board.

31

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

4 (3) Using the priorities established in this section
5 and s. 240.40975, institutions shall first award funds
6 administered pursuant to this section to students who meet the
7 initial application deadline established pursuant to
8 subsection (2). An institution may, at its discretion, award
9 any remaining funds from this program to students who apply
10 after the deadline date and who are otherwise eligible
11 pursuant to this section.

12 (4)(2)(a) Florida postsecondary student assistance
13 grants through the State Student Financial Assistance Trust
14 Fund may be made only to ~~full-time~~ degree-seeking students who
15 enroll in at least 6 semester hours, or the equivalent, per
16 semester and who meet the general requirements for student
17 eligibility as provided in s. 240.404, except as otherwise
18 provided in this section. Such grants shall be awarded for
19 the amount of demonstrated unmet need for tuition and fees and
20 may not exceed an amount equal to the average prior academic
21 year cost of matriculation and other registration fees for 30
22 credit hours at state universities plus \$1,000 per academic
23 year, or as specified in the General Appropriations Act, to
24 any applicant. A demonstrated unmet need of less than \$200
25 shall render the applicant ineligible for a Florida
26 postsecondary student assistance grant. Recipients of such
27 grants must have been accepted at a postsecondary institution
28 that is located in the state and that is:

29 1. A private nursing diploma school approved by the
30 Florida Board of Nursing; or
31

1 2. An institution either licensed by the State Board
2 of Independent Colleges and Universities or exempt from
3 licensure pursuant to s. 246.085(1)(a), excluding those
4 institutions the students of which are eligible to receive a
5 Florida private student assistance grant pursuant to s.
6 240.4095.

7
8 No student may receive an award for more than the equivalent
9 of 9 semesters or 14 quarters of full-time enrollment, except
10 as otherwise provided in s. 240.404(3).

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

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

26 (d) Each participating institution shall report, to
27 the department by the established date, the eligible students
28 to whom grant moneys are disbursed each academic term and
29 indicate whether or not the student met the application
30 deadline established pursuant to subsection (2). Each
31

1 institution shall also report to the department necessary
2 demographic and eligibility data for such students.

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

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

22 (b) Payment of Florida postsecondary student
23 assistance grants shall be transmitted to the president of the
24 eligible institution, or to his or her representative, in
25 advance of the registration period. Institutions shall notify
26 students of the amount of their awards.

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

1 purposes of changing eligibility determinations previously
 2 made.

3 (d) Institutions shall certify to the department the
 4 amount of funds disbursed to each student, shall indicate
 5 whether or not the student met the application deadline
 6 established pursuant to subsection (2), and shall remit to the
 7 department any undisbursed advances by June 1 of each year.

8 (e) Each institution that receives moneys through the
 9 Florida Postsecondary Student Assistance Grant Program shall
 10 cause to be prepared a biennial report that includes an
 11 independent external audit of the institution's administration
 12 of the program and a complete accounting of moneys in the
 13 State Student Financial Assistance Trust Fund allocated to the
 14 institution for the program. Such report shall be submitted
 15 to the department on or before March 1 every other year. The
 16 department may conduct its own annual or biennial audit of an
 17 institution's administration of the program and its allocated
 18 funds in lieu of the required biennial report and independent
 19 external audit. The department may suspend or revoke an
 20 institution's eligibility to receive future moneys from the
 21 trust fund for the program or request a refund of any moneys
 22 overpaid to the institution through the trust fund for the
 23 program if the department finds that an institution has not
 24 complied with the provisions of this section. Any refund
 25 requested pursuant to this paragraph shall be remitted within
 26 60 days.

27 (7)~~(5)~~ Any institution that was eligible to receive
 28 state student assistance grants on January 1, 1989, and that
 29 is not eligible to receive grants pursuant to s. 240.4095 is
 30 eligible to receive grants pursuant to this section.

31

1 ~~(8)(6)~~ Funds appropriated by the Legislature for
2 Florida postsecondary student assistance grants shall be
3 deposited in the State Student Financial Assistance Trust
4 Fund. Notwithstanding the provisions of s. 216.301 and
5 pursuant to s. 216.351, any balance in the trust fund at the
6 end of any fiscal year that has been allocated to the Florida
7 Postsecondary Student Assistance Grant Program shall remain
8 therein and shall be available for carrying out the purposes
9 of this section and as otherwise provided by law.

10 ~~(9)(7)~~ The State Board of Education shall adopt rules
11 necessary to implement this section.

12 Section 20. Section 240.40975, Florida Statutes, is
13 created to read:

14 240.40975 Florida student assistance grant programs;
15 priority for receiving grants.--Priority in the distribution
16 of grants provided pursuant to s. 240.409, s. 240.4095, or s.
17 240.4097 shall be given to eligible applicants in the
18 following order:

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

21 (2) To full-time students with financial need who
22 graduate from public Florida high schools, who have completed
23 the high school courses that are adopted by the Board of
24 Regents and recommended by the State Board of Community
25 Colleges as college-preparatory academic courses, and who rank
26 in the top 20 percent of their high school graduating class.
27 Class rank shall be determined by the Department of Education.

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

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

31

1 Section 21. Subsection (3) of section 240.4128,
2 Florida Statutes, is amended to read:

3 240.4128 Minority teacher education scholars
4 program.--There is created the minority teacher education
5 scholars program, which is a collaborative performance-based
6 scholarship program for African-American, Hispanic-American,
7 Asian-American, and Native American students. The participants
8 in the program include Florida's public community colleges and
9 its public and private universities that have teacher
10 education programs.

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

26 Section 22. Subsection (6) of section 240.437, Florida
27 Statutes, is amended to read:

28 240.437 Student financial aid planning and
29 development.--

30 (6) ~~Any Effective July 1, 1992, all new and existing~~
31 financial assistance programs authorized by state law that are

1 administered by the Bureau of Student Financial Assistance of
2 the Department of Education and that ~~under this part which~~ are
3 not funded for 3 consecutive years after enactment shall stand
4 repealed. Financial aid programs provided under this part on
5 July 1, 1992, which lose funding for 3 consecutive years shall
6 stand repealed. The Bureau ~~Office~~ of Student Financial
7 Assistance of the Department of Education shall annually
8 review the legislative appropriation of financial aid to
9 identify such programs.

10 Section 23. Section 240.465, Florida Statutes, is
11 amended to read:

12 240.465 Delinquent accounts.--

13 (1) The Department of Education is directed to exert
14 every lawful and reasonable effort to collect all delinquent
15 unpaid and uncanceled scholarship loan notes, student loan
16 notes, and defaulted guaranteed loan notes.

17 (2) The department is authorized to establish a
18 recovery account into which unpaid and uncanceled scholarship
19 loan note, student loan note, and defaulted guaranteed loan
20 note accounts may be transferred.

21 (3) The department is authorized to settle any
22 delinquent unpaid and uncanceled scholarship loan notes,
23 student loan notes, and defaulted guaranteed loan notes and to
24 employ the service of a collection agent when deemed advisable
25 in collecting delinquent or defaulted accounts. However, no
26 collection agent may be paid a commission in excess of 35
27 percent of the amount collected. Any expense incurred by the
28 department in enforcing the collection of a loan note may be
29 borne by the signer of the note and may be added to the amount
30 of the principal of such note.

31

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

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

15 (5)~~(6)~~ The department is authorized to charge an
16 individual borrower who has been determined to be in default
17 in making legally required loan repayments the maximum
18 interest rate authorized by law.

19 (6)~~(7)~~ The State Board of Education shall adopt such
20 rules as are necessary to regulate the collection, settlement,
21 and charging off of delinquent unpaid and uncanceled
22 scholarship loan notes, student loan notes, and defaulted
23 guaranteed loan notes.

24 Section 24. Notwithstanding subsection (7) of section
25 3 of chapter 2000-321, Laws of Florida, section 240.551,
26 Florida Statutes, shall not stand repealed on January 7, 2003,
27 and is reenacted and amended to read:

28 240.551 Florida Prepaid College Program.--

29 (1) LEGISLATIVE INTENT.--The Legislature recognizes
30 that educational opportunity at the postsecondary level is a
31 critical state interest. It further recognizes that

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

13 (2) DEFINITIONS.--

14 (a) "Advance payment contract" means a contract
15 entered into by the board and a purchaser pursuant to this
16 section.

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

18 (c) "Fund" means the Florida Prepaid College Trust
19 Fund.

20 (d) "Program" means the Florida Prepaid College
21 Program.

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

25 (f) "Qualified beneficiary" means:

26 1. A resident of this state at the time a purchaser
27 enters into an advance payment contract on behalf of the
28 resident;

29 2. A nonresident who is the child of a noncustodial
30 parent who is a resident of this state at the time that such
31

1 parent enters into an advance payment contract on behalf of
2 the child; or

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

8 (g) "Registration fee" means matriculation fee,
9 financial aid fee, building fee, and Capital Improvement Trust
10 Fund fee.

11 (h) "State postsecondary institution" means any
12 community college identified in s. 240.3031 or university
13 identified in s. 240.2011.

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

28 (4) FLORIDA PREPAID COLLEGE TRUST FUND.--There is
29 created within the State Board of Administration the Florida
30 Prepaid College Trust Fund. The fund shall consist of state
31 appropriations, moneys acquired from other governmental or

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

24 (5) PROGRAM ADMINISTRATION.--

25 (a) The Florida Prepaid College Program shall be
26 administered by the Florida Prepaid College Board as an agency
27 of the state. The Florida Prepaid College Board is hereby
28 created as a body corporate with all the powers of a body
29 corporate for the purposes delineated in this section. For
30 the purposes of s. 6, Art. IV of the State Constitution, the
31 board shall be assigned to and administratively housed within

1 the State Board of Administration, but it shall independently
2 exercise the powers and duties specified in this section.

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

26 (c) The board shall annually elect a board member to
27 serve as chair and a board member to serve as vice chair and
28 shall designate a secretary-treasurer who need not be a member
29 of the board. The secretary-treasurer shall keep a record of
30 the proceedings of the board and shall be the custodian of all
31 printed material filed with or by the board and of its

1 official seal. Notwithstanding the existence of vacancies on
2 the board, a majority of the members shall constitute a
3 quorum. The board shall take no official action in the absence
4 of a quorum. The board shall meet, at a minimum, on a
5 quarterly basis at the call of the chair.

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

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

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

18 (c) Establish a comprehensive investment plan for the
19 purposes of this section with the approval of the State Board
20 of Administration. The comprehensive investment plan shall
21 specify the investment policies to be utilized by the board in
22 its administration of the fund. The board may place assets of
23 the fund in savings accounts or use the same to purchase fixed
24 or variable life insurance or annuity contracts, securities,
25 evidence of indebtedness, or other investment products
26 pursuant to the comprehensive investment plan and in such
27 proportions as may be designated or approved under that plan.
28 Such insurance, annuity, savings, or investment products shall
29 be underwritten and offered in compliance with the applicable
30 federal and state laws, regulations, and rules by persons who
31 are duly authorized by applicable federal and state

1 authorities. Within the comprehensive investment plan, the
2 board may authorize investment vehicles, or products incident
3 thereto, as may be available or offered by qualified companies
4 or persons. A contract purchaser may not direct the investment
5 of his or her contribution to the trust fund, and a contract
6 beneficiary may not direct the contribution made on his or her
7 behalf to the trust fund. Board members and employees of the
8 board are not prohibited from purchasing advance payment
9 contracts by virtue of their fiduciary responsibilities as
10 members of the board or official duties as employees of the
11 board.

12 (d) Solicit proposals and contract, pursuant to s.
13 287.057, for the marketing of the Florida Prepaid College
14 Program. The entity designated pursuant to this paragraph
15 shall serve as a centralized marketing agent for the program
16 and shall be solely responsible for the marketing of the
17 program. Any materials produced for the purpose of marketing
18 the program shall be submitted to the board for review. No
19 such materials shall be made available to the public before
20 the materials are approved by the board. Any educational
21 institution may distribute marketing materials produced for
22 the program; however, all such materials shall have been
23 approved by the board prior to distribution. Neither the state
24 nor the board shall be liable for misrepresentation of the
25 program by a marketing agent.

26 (e) Solicit proposals and contract, pursuant to s.
27 287.057, for a trustee services firm to select and supervise
28 investment programs on behalf of the board. The goals of the
29 board in selecting a trustee services firm shall be to obtain
30 the highest standards of professional trustee services, to
31 allow all qualified firms interested in providing such

1 services equal consideration, and to provide such services to
2 the state at no cost and to the purchasers at the lowest cost
3 possible. The trustee services firm shall agree to meet the
4 obligations of the board to qualified beneficiaries if moneys
5 in the fund fail to offset the obligations of the board as a
6 result of imprudent selection or supervision of investment
7 programs by such firm. Evaluations of proposals submitted
8 pursuant to this paragraph shall include, but not be limited
9 to, the following criteria:

10 1. Adequacy of trustee services for supervision and
11 management of the program, including current operations and
12 staff organization and commitment of management to the
13 proposal.

14 2. Capability to execute program responsibilities
15 within time and regulatory constraints.

16 3. Past experience in trustee services and current
17 ability to maintain regular and continuous interactions with
18 the board, records administrator, and product provider.

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

21 5. Adequacy of technical assistance and services
22 proposed for staff.

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

25 7. Adequacy of facilities, equipment, and electronic
26 data processing services.

27 8. Detailed projections of administrative costs,
28 including the amount and type of insurance coverage, and
29 detailed projections of total costs.

30 (f) Solicit proposals and contract, pursuant to s.
31 287.057, for product providers to develop investment

1 portfolios on behalf of the board to achieve the purposes of
2 this section. Product providers shall be limited to authorized
3 insurers as defined in s. 624.09, banks as defined in s.
4 658.12, associations as defined in s. 665.012, authorized
5 Securities and Exchange Commission investment advisers, and
6 investment companies as defined in the Investment Company Act
7 of 1940. All product providers shall have their principal
8 place of business and corporate charter located and registered
9 in the United States. In addition, each product provider shall
10 agree to meet the obligations of the board to qualified
11 beneficiaries if moneys in the fund fail to offset the
12 obligations of the board as a result of imprudent investing by
13 such provider. Each authorized insurer shall evidence superior
14 performance overall on an acceptable level of surety in
15 meeting its obligations to its policyholders and other
16 contractual obligations. Only qualified public depositories
17 approved by the Insurance Commissioner and Treasurer shall be
18 eligible for board consideration. Each investment company
19 shall provide investment plans as specified within the request
20 for proposals. The goals of the board in selecting a product
21 provider company shall be to provide all purchasers with the
22 most secure, well-diversified, and beneficially administered
23 postsecondary education expense plan possible, to allow all
24 qualified firms interested in providing such services equal
25 consideration, and to provide such services to the state at no
26 cost and to the purchasers at the lowest cost possible.
27 Evaluations of proposals submitted pursuant to this paragraph
28 shall include, but not be limited to, the following criteria:
29 1. Fees and other costs charged to purchasers that
30 affect account values or operational costs related to the
31 program.

1 2. Past and current investment performance, including
2 investment and interest rate history, guaranteed minimum rates
3 of interest, consistency of investment performance, and any
4 terms and conditions under which moneys are held.

5 3. Past experience and ability to provide timely and
6 accurate service in the areas of records administration,
7 benefit payments, investment management, and complaint
8 resolution.

9 4. Financial history and current financial strength
10 and capital adequacy to provide products, including operating
11 procedures and other methods of protecting program assets.

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

16 (a) Adopt an official seal and rules.

17 (b) Sue and be sued.

18 (c) Make and execute contracts and other necessary
19 instruments.

20 (d) Establish agreements or other transactions with
21 federal, state, and local agencies, including state
22 universities and community colleges.

23 (e) Invest funds not required for immediate
24 disbursement.

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

27 (g) Hold, buy, and sell any instruments, obligations,
28 securities, and property determined appropriate by the board.

29 (h) Require a reasonable length of state residence for
30 qualified beneficiaries.

31

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

6 (j) Segregate contributions and payments to the fund
7 into various accounts and funds.

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

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

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

20 (n) Procure insurance against any loss in connection
21 with the property, assets, and activities of the fund or the
22 board.

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

27 (p) Delineate the terms and conditions under which
28 payments may be withdrawn from the fund and impose reasonable
29 fees and charges for such withdrawal. Such terms and
30 conditions shall be specified within the advance payment
31 contract.

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

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

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

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

25 (u) Solicit proposals and contract, pursuant to s.
26 287.057, for the services of a records administrator. The
27 goals of the board in selecting a records administrator shall
28 be to provide all purchasers with the most secure,
29 well-diversified, and beneficially administered postsecondary
30 education expense plan possible, to allow all qualified firms
31 interested in providing such services equal consideration, and

1 to provide such services to the state at no cost and to the
2 purchasers at the lowest cost possible. Evaluations of
3 proposals submitted pursuant to this paragraph shall include,
4 but not be limited to, the following criteria:

5 1. Fees and other costs charged to purchasers that
6 affect account values or operational costs related to the
7 program.

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

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

15 4. Financial history and current financial strength
16 and capital adequacy to provide administrative services
17 required by the board.

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

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

22 (8) QUALIFIED STATE TUITION PROGRAM

23 STATUS.--Notwithstanding any other provision of this section,
24 the board may adopt rules necessary to enable the program to
25 retain its status as a "qualified state tuition program" in
26 order to maintain its tax exempt status or other similar
27 status of the program, purchasers, and qualified beneficiaries
28 under the Internal Revenue Code of 1986, as defined in s.
29 220.03(1). The board shall inform purchasers of changes to the
30 tax or securities status of contracts purchased through the
31 program.

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

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

22 2. Effective July 1, 1998, the board may provide
23 advance payment contracts for additional fees delineated in s.
24 240.35, not to exceed the average number of hours required for
25 the conference of an associate degree, in conjunction with
26 advance payment contracts for registration fees. The cost of
27 purchasing such fees shall be based primarily on the average
28 current and projected fees within the Florida Community
29 College System and the number of years expected to elapse
30 between the purchase of the plan on behalf of the beneficiary
31 and the exercise of benefits provided in the plan by such

1 beneficiary. Community college plan contracts purchased prior
2 to July 1, 1998, shall be limited to the payment of
3 registration fees as defined in subsection (2).

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

19 2. Effective July 1, 1998, the board may provide
20 advance payment contracts for additional fees delineated in s.
21 240.235(1), for a specified number of undergraduate semester
22 credit hours not to exceed the average number of hours
23 required for the conference of a baccalaureate degree, in
24 conjunction with advance payment contracts for registration
25 fees. Such contracts shall provide prepaid coverage for the
26 sum of such fees, to a maximum of 45 percent of the cost of
27 registration fees. The costs of purchasing such fees shall be
28 based primarily on the average current and projected cost of
29 these fees within the State University System and the number
30 of years expected to elapse between the purchase of the plan
31 on behalf of the qualified beneficiary and the exercise of the

1 benefits provided in the plan by such beneficiary. University
2 plan contracts purchased prior to July 1, 1998, shall be
3 limited to the payment of registration fees as defined in
4 subsection (2).

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

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

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

18 (a) Any eligible independent college or university. An
 19 independent college or university that is located and
 20 chartered in Florida, that is not for profit, that is
 21 accredited by the Commission on Colleges of the Southern
 22 Association of Colleges and Schools or the Accrediting Council
 23 for Independent Colleges and Schools ~~Accrediting Commission of~~
 24 ~~the Association of Independent Colleges and Schools~~, and that
 25 confers degrees as defined in s. 246.021, is eligible for such
 26 application. The board shall transfer, or cause to have
 27 transferred, to the eligible independent college or university
 28 designated by the qualified beneficiary an amount not to
 29 exceed the redemption value of the advance payment contract at
 30 ~~within~~ a state postsecondary institution. If the cost of
 31 registration or housing fees at the independent college or

1 university is less than the corresponding fees at a state
2 postsecondary institution, the amount transferred shall not
3 exceed the actual cost of registration or housing fees. A
4 transfer authorized under this paragraph may not exceed the
5 number of semester credit hours or semesters of dormitory
6 residence contracted on behalf of a qualified beneficiary.

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

25 (c) An applied technology diploma program or
26 vocational certificate program conducted by a community
27 college listed in s. 240.3031 or an area technical center
28 operated by a district school board. The board shall transfer
29 or cause to be transferred to the community college or area
30 technical center designated by the qualified beneficiary an
31 amount not to exceed the redemption value of the advance

1 payment contract within a state postsecondary institution. If
2 the cost of the fees charged by the college or center, as
3 authorized in s. 239.117, is less than the corresponding fees
4 at a state postsecondary institution, the amount transferred
5 may not exceed the actual cost of the fees. A transfer
6 authorized under this paragraph may not exceed the number of
7 semester credit hours contracted on behalf of a qualified
8 beneficiary.

9
10 Notwithstanding any other provision in this section, an
11 institution must be an "eligible educational institution"
12 under s. 529 of the Internal Revenue Code to be eligible for
13 the transfer of advance payment contract benefits.

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

22 (a) The amount of the payment or payments and the
23 number of payments required from a purchaser on behalf of a
24 qualified beneficiary.

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

28 (c) Provisions for late payment charges and for
29 default.

30 (d) Provisions for penalty fees for withdrawals from
31 the fund.

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

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

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

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

18 (i) The state postsecondary system toward which the
19 contracted credit hours or semesters of dormitory residence
20 will be applied.

21 (j) The assumption of a contractual obligation by the
22 board to the qualified beneficiary to provide for a specified
23 number of semester credit hours of undergraduate instruction
24 at a state postsecondary institution, not to exceed the
25 average number of credit hours required for the conference of
26 the degree that corresponds to the plan purchased on behalf of
27 the qualified beneficiary or to provide for a specified number
28 of semesters of dormitory residence, not to exceed the number
29 of semesters of full-time enrollment required for the
30 conference of a baccalaureate degree.

31

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

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

19 (13) REFUNDS.--

20 (a) Except as provided in paragraphs (b), ~~and~~ (c), and
21 (f), no refund shall exceed the amount paid into the fund by
22 the purchaser.

23 (b) If the beneficiary is awarded a scholarship, the
24 terms of which cover the benefits included in the advance
25 payment contracts, moneys paid for the purchase of the advance
26 payment contracts shall be refunded ~~returned~~ to the purchaser
27 in semester installments coinciding with the matriculation by
28 the beneficiary in an amount which, in total, does not exceed
29 the redemption value of the advance payment contract at a
30 state postsecondary institution ~~amounts of either the original~~
31 ~~purchase price plus 5 percent compounded interest, or the~~

1 ~~current rates at state postsecondary institutions, whichever~~
2 ~~is less.~~

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

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

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

30 (f) Benefits purchased under the Florida Prepaid
31 College Program shall be permitted to roll over to a college

1 savings program, as defined under s. 529 of the United States
 2 Internal Revenue Code, relating to qualified state tuition
 3 programs. The board shall transfer, or cause to have
 4 transferred, an amount not to exceed the redemption value of
 5 the advance payment contract at a state postsecondary
 6 institution in Florida at the time of the rollover, after
 7 assessment of a reasonable transfer fee.

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

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

24 (16) ASSETS OF THE FUND; EXPENDITURE PRIORITY.--The
 25 assets of the fund shall be maintained, invested, and expended
 26 solely for the purposes of this section and shall not be
 27 loaned, transferred, or otherwise used by the state for any
 28 purpose other than the purposes of this section. This
 29 subsection shall not be construed to prohibit the board from
 30 investing in, by purchase or otherwise, bonds, notes, or other
 31 obligations of the state or an agency or instrumentality of

1 the state. Unless otherwise specified by the board, assets of
2 the fund shall be expended in the following order of priority:

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

5 (b) To make refunds upon termination of advance
6 payment contracts.

7 (c) To pay the costs of program administration and
8 operations.

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

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

26 (19) DISCLAIMER.--Nothing in this section shall be
27 construed as a promise or guarantee that a qualified
28 beneficiary will be admitted to a state postsecondary
29 institution or to a particular state postsecondary
30 institution, will be allowed to continue enrollment at a state
31

1 postsecondary institution after admission, or will be
2 graduated from a state postsecondary institution.

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

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

30 (22) DIRECT-SUPPORT ORGANIZATION; AUTHORITY.--
31

1 (a) The board may establish a direct-support
2 organization which is:

3 1. A Florida corporation, not for profit, incorporated
4 under the provisions of chapter 617 and approved by the
5 Secretary of State.

6 2. Organized and operated exclusively to receive,
7 hold, invest, and administer property and to make expenditures
8 to or for the benefit of the program.

9 3. An organization which the board, after review, has
10 certified to be operating in a manner consistent with the
11 goals of the program and in the best interests of the state.
12 Unless so certified, the organization may not use the name of
13 the program.

14 (b) The direct-support organization shall operate
15 under written contract with the board. The contract must
16 provide for:

17 1. Approval of the articles of incorporation and
18 bylaws of the direct-support organization by the board.

19 2. Submission of an annual budget for the approval of
20 the board. The budget must comply with rules adopted by the
21 board.

22 3. An annual financial and compliance audit of its
23 financial accounts and records by an independent certified
24 public accountant in accordance with rules adopted by the
25 board.

26 4. Certification by the board that the direct-support
27 organization is complying with the terms of the contract and
28 in a manner consistent with the goals and purposes of the
29 board and in the best interest of the state. Such
30 certification must be made annually and reported in the
31 official minutes of a meeting of the board.

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

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

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

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

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

1 contract beneficiaries, including their identities, is exempt
2 from the provisions of s. 119.07(1) and s. 24(a), Art. I of
3 the State Constitution.

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

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

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

27 Section 25. Section 240.6053, Florida Statutes, is
28 created to read:

29 240.6053 Academic program contracts.--

30 (1) Academic program contracts with independent
31 institutions recommended by the Postsecondary Education

1 Planning Commission pursuant to s. 240.147(4), and approved by
2 the State Board of Education pursuant to s. 229.053(2), shall
3 be administered by the Department of Education.

4 (2) Funding for such contracts shall be based on the
5 average cost to the state to provide similar programs in the
6 State University System or an amount specified in the General
7 Appropriations Act.

8 (3) Priority for academic program contract support
9 shall be given to students with demonstrated financial need.
10 To be eligible for such support, a student shall meet the
11 general requirements for student eligibility for state
12 financial aid pursuant to s. 240.404.

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

17 (5) The amount an institution receives per student for
18 funding pursuant to this section, plus the tuition and fees
19 paid by the student, plus the value of the Florida Resident
20 Access Grant received by the student shall not exceed the full
21 cost per student to the state of a similar program in the
22 State University System.

23 (6) Institutions receiving support pursuant to this
24 section shall annually submit to the department data on
25 performance measures, including, but not limited to, degrees
26 granted, graduation rates, licensure or certification rates of
27 graduates where applicable, and employment in Florida.

28 Section 26. Section 295.02, Florida Statutes, is
29 amended to read:

30 295.02 Use of funds; age, etc.--
31

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

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

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

10 (2) Such children must be between the ages of 16 and
11 22 years and ~~who are~~ in attendance at:

12 (a) A state-supported institution of higher learning,
13 including a community college or vocational-technical school;
14 ~~or~~

15 (b) A postsecondary education institution eligible to
16 participate in the Florida Bright Futures Scholarship Program.
17 A student attending an eligible independent postsecondary
18 education institution may receive an award equivalent to the
19 average matriculation and fees calculated for full-time
20 attendance at a public postsecondary education institution at
21 the comparable level.

22
23 Any child having entered upon a course of training or
24 education under the provisions of this chapter, consisting of
25 a course of not more than 4 years, and arriving at the age of
26 22 years before the completion of such course may continue the
27 course and receive all benefits of the provisions of this
28 chapter until the course is completed.

29 (3) The Department of Education shall administer this
30 educational program subject to rules ~~regulations~~ of the State

31

1 Board of Education ~~department~~. The state board is authorized
2 to adopt rules to implement the provisions of this program.

3 Section 27. Except as otherwise provided herein, this
4 act shall take effect July 1, 2001.

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