

By the Committees on Education Appropriations; Education; and
Senators Baker, Diaz de la Portilla and Campbell

602-2299-06

1 A bill to be entitled
2 An act relating to scholarship programs;
3 renaming the Florida Prepaid College Program as
4 the "Stanley G. Tate Florida Prepaid College
5 Program"; amending s. 1009.972, F.S.; providing
6 for the Florida Prepaid Tuition Scholarship
7 Program to be funded with moneys retained from
8 certain terminated or cancelled contracts under
9 the Florida Prepaid College Program;
10 authorizing the Florida Prepaid College Board
11 to approve scholarship programs for such
12 funding; requiring that any matching funds be
13 donated by the private sector; amending s.
14 1009.98, F.S.; deleting a restriction on the
15 types of postsecondary educational institutions
16 in which a qualified beneficiary may use his or
17 her benefits under the Florida Prepaid College
18 Program; requiring certain advertisements to
19 contain a disclaimer regarding the program;
20 conforming provisions to changes made by the
21 act; requiring that any matching funds be
22 donated by the private sector; amending s.
23 1009.983, F.S.; requiring the direct-support
24 organization of the Florida Prepaid College
25 Board to administer the scholarship program;
26 authorizing the board to establish and
27 administer additional scholarship programs
28 supported from escheated funds retained by the
29 board if the matching funds used for the
30 scholarships are obtained solely from the
31 private sector; providing an effective date.

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

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3 Section 1. The Florida Prepaid College Program is
4 renamed and may be cited as the "Stanley G. Tate Florida
5 Prepaid College Program."

6 Section 2. Subsection (5) of section 1009.972, Florida
7 Statutes, is amended to read:

8 1009.972 Florida Prepaid College Trust Fund.--

9 (5) ~~Notwithstanding the provisions of~~ chapter 717,
10 funds associated with terminated advance payment contracts
11 pursuant to s. 1009.98(4)(k) and canceled contracts for which
12 no refunds have been claimed shall be retained by the board.
13 The board shall establish procedures for notifying purchasers
14 who subsequently cancel their advance payment contracts of any
15 unclaimed refund and shall establish a time period after which
16 no refund may be claimed by a purchaser who canceled a
17 contract. The board may transfer funds retained from such
18 terminated advance payment contracts and canceled contracts to
19 the Florida Prepaid Tuition Scholarship Program to provide
20 matching funds for prepaid tuition scholarships for
21 economically disadvantaged youth who remain drug free and
22 crime free. In addition, such funds may be used for any other
23 scholarship programs approved by the board under s.
24 1009.983(8)(b) if the matching funds are obtained solely from
25 the private sector.

26 Section 3. Paragraph (a) of subsection (3) and
27 paragraph (k) of subsection (4) of section 1009.98, Florida
28 Statutes, are amended to read:

29 1009.98 Florida Prepaid College Program.--

30 (3) TRANSFER OF BENEFITS TO PRIVATE AND OUT-OF-STATE
31 COLLEGES AND UNIVERSITIES AND TO CAREER CENTERS.--A qualified

1 beneficiary may apply the benefits of an advance payment
2 contract toward:

3 (a) An independent college or university that is
4 located and chartered in Florida, ~~that is not for profit~~, that
5 is accredited by the Commission on Colleges of the Southern
6 Association of Colleges and Schools or the Accrediting Council
7 for Independent Colleges and Schools, and that confers degrees
8 as defined in s. 1005.02. Any advertisement disseminated by an
9 eligible for-profit independent college or university which
10 refers to the Florida Prepaid College Program must clearly
11 state: "While the benefits of a Florida Prepaid College
12 contract may be used at this institution, the Florida Prepaid
13 College Board does not endorse any particular college or
14 university."

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16 The board shall transfer or cause to be transferred to the
17 institution designated by the qualified beneficiary an amount
18 not to exceed the redemption value of the advance payment
19 contract at a state postsecondary institution. If the cost of
20 registration or housing fees at such institution is less than
21 the corresponding fees at a state postsecondary institution,
22 the amount transferred may not exceed the actual cost of
23 registration and housing fees. A transfer authorized under
24 this subsection may not exceed the number of semester credit
25 hours or semesters of dormitory residence contracted on behalf
26 of a qualified beneficiary. Notwithstanding any other
27 provision in this section, an institution must be an "eligible
28 educational institution" under s. 529 of the Internal Revenue
29 Code to be eligible for the transfer of advance payment
30 contract benefits.

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1 (4) ADVANCE PAYMENT CONTRACTS.--The board shall
2 develop advance payment contracts for registration and may
3 develop advance payment contracts for dormitory residence as
4 provided in this section. Advance payment contracts shall be
5 exempt from chapter 517 and the Florida Insurance Code. Such
6 contracts shall include, but not be limited to, the following:

7 (k) The period of time after which advance payment
8 contracts that have not been terminated or the benefits used
9 shall be considered terminated. Time expended by a qualified
10 beneficiary as an active duty member of ~~any of~~ the armed
11 services of the United States shall be added to the period of
12 time specified by the board. ~~A No~~ purchaser or qualified
13 beneficiary whose advance payment contract is terminated
14 pursuant to this paragraph is not ~~shall be~~ entitled to a
15 refund. Notwithstanding chapter 717, the board shall retain
16 any moneys paid by the purchaser for an advance payment
17 contract that has been terminated in accordance with this
18 paragraph. Such moneys may be transferred to the Florida
19 Prepaid Tuition Scholarship Program to provide matching funds
20 for prepaid tuition scholarships for economically
21 disadvantaged youths who remain drug free and crime free. In
22 addition, such funds may be used for any other scholarship
23 programs approved by the board under s. 1009.983(8)(b) if the
24 matching funds are obtained solely from the private sector.

25 Section 4. Subsection (8) is added to section
26 1009.983, Florida Statutes, to read:

27 1009.983 Direct-support organization; authority.--

28 (8)(a) The direct-support organization shall
29 administer the Florida Prepaid Tuition Scholarship Program
30 pursuant to the provisions of s. 1009.984.

1 (b) The board may establish and administer additional
2 scholarship programs supported from escheated funds retained
3 by the board pursuant to s. 1009.972(5) if the matching funds
4 used for such scholarships are obtained solely from the
5 private sector.

6 Section 5. This act shall take effect July 1, 2006.

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8 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
9 COMMITTEE SUBSTITUTE FOR
10 CS for Senate Bill 550

11 CS/CS/SB 550 gives authority to approve additional scholarship
12 programs to the Prepaid College Board rather than both the
13 board and the direct support organization. It clarifies that
14 only private, rather than state funds, shall be used to match
15 the additional scholarships authorized. The committee
16 substitute also removes students with disabilities as a
17 specified target population for prepaid tuition scholarships.