

By Senators Galvano and Smith

26-00823-14

2014732__

1 A bill to be entitled
2 An act relating to the Stanley G. Tate Florida Prepaid
3 College Program; amending s. 1009.98, F.S.; redefining
4 the term "tuition differential"; revising the purchase
5 date of an advance payment contract as it relates to
6 the amount paid by the Florida Prepaid College Board
7 to a state university on behalf of a qualified
8 beneficiary; prohibiting the amount of the aggregate
9 sum of registration fees, the tuition differential
10 fee, and local fees paid by the board to a state
11 university on behalf of a qualified beneficiary of an
12 advance payment contract from exceeding a certain
13 percentage of the amount charged by the state
14 university for the aggregate sum of those fees;
15 prohibiting the amount of the dormitory fees paid for
16 by the board to a state university on behalf of a
17 qualified beneficiary of an advance payment contract
18 from exceeding a certain percentage of the amount
19 charged by the state university for those fees;
20 conforming provisions to changes made by the act;
21 providing an effective date.

22
23 Be It Enacted by the Legislature of the State of Florida:

24
25 Section 1. Subsection (10) of section 1009.98, Florida
26 Statutes, is amended to read:

27 1009.98 Stanley G. Tate Florida Prepaid College Program.—

28 (10) PAYMENTS ON BEHALF OF QUALIFIED BENEFICIARIES.—

29 (a) As used in this subsection, the term:

26-00823-14

2014732__

30 1. "Actuarial reserve" means the amount by which the
31 expected value of the assets exceeds ~~exceed~~ the expected value
32 of the liabilities of the trust fund.

33 2. "Dormitory fees" means the fees included under advance
34 payment contracts pursuant to paragraph (2) (d).

35 3. "Fiscal year" means the fiscal year of the state
36 pursuant to s. 215.01.

37 4. "Local fees" means the fees covered by an advance
38 payment contract provided pursuant to subparagraph (2) (b)2.

39 5. "Tuition differential" means the fee covered by advance
40 payment contracts sold pursuant to subparagraph (2) (b)3. The
41 base rate for the tuition differential fee for the 2012-2013
42 fiscal year is established at \$37.03 per credit hour. The base
43 rate for the tuition differential in subsequent years is the
44 amount assessed ~~paid by the board~~ for the tuition differential
45 for the preceding year adjusted pursuant to subparagraph (b)2.

46 (b) Effective with the 2009-2010 academic year and
47 thereafter, and notwithstanding the provisions of s. 1009.24,
48 the amount paid by the board to any state university on behalf
49 of a qualified beneficiary of an advance payment contract whose
50 contract was purchased before July 1, 2024 ~~2009~~, shall be:

51 1. As to registration fees, if the actuarial reserve is
52 less than 5 percent of the expected liabilities of the trust
53 fund, the board shall pay the state universities 5.5 percent
54 above the amount assessed for registration fees in the preceding
55 fiscal year. If the actuarial reserve is between 5 percent and 6
56 percent of the expected liabilities of the trust fund, the board
57 shall pay the state universities 6 percent above the amount
58 assessed for registration fees in the preceding fiscal year. If

26-00823-14

2014732__

59 the actuarial reserve is between 6 percent and 7.5 percent of
60 the expected liabilities of the trust fund, the board shall pay
61 the state universities 6.5 percent above the amount assessed for
62 registration fees in the preceding fiscal year. If the actuarial
63 reserve is equal to or greater than 7.5 percent of the expected
64 liabilities of the trust fund, the board shall pay the state
65 universities 7 percent above the amount assessed for
66 registration fees in the preceding fiscal year, whichever is
67 greater.

68 2. As to the tuition differential, if the actuarial reserve
69 is less than 5 percent of the expected liabilities of the trust
70 fund, the board shall pay the state universities 5.5 percent
71 above the base rate for the tuition differential fee in the
72 preceding fiscal year. If the actuarial reserve is between 5
73 percent and 6 percent of the expected liabilities of the trust
74 fund, the board shall pay the state universities 6 percent above
75 the base rate for the tuition differential fee in the preceding
76 fiscal year. If the actuarial reserve is between 6 percent and
77 7.5 percent of the expected liabilities of the trust fund, the
78 board shall pay the state universities 6.5 percent above the
79 base rate for the tuition differential fee in the preceding
80 fiscal year. If the actuarial reserve is equal to or greater
81 than 7.5 percent of the expected liabilities of the trust fund,
82 the board shall pay the state universities 7 percent above the
83 base rate for the tuition differential fee in the preceding
84 fiscal year.

85 3. As to local fees, the board shall pay the state
86 universities 5 percent above the amount assessed for local fees
87 in the preceding fiscal year.

26-00823-14

2014732__

88 4. As to dormitory fees, the board shall pay the state
89 universities 6 percent above the amount assessed for dormitory
90 fees in the preceding fiscal year.

91 5. Qualified beneficiaries of advance payment contracts
92 purchased before July 1, 2007, are exempt from paying any
93 tuition differential fee.

94 (c) Notwithstanding the amount assessed for registration
95 fees, the tuition differential fee, or local fees, the amount
96 paid by the board to any state university on behalf of a
97 qualified beneficiary of an advance payment contract purchased
98 before July 1, 2024, may not exceed 100 percent of the amount
99 charged by the state university for the aggregate sum of those
100 fees.

101 (d) Notwithstanding the amount assessed for dormitory fees,
102 the amount paid by the board to any state university on behalf
103 of a qualified beneficiary of an advance payment contract
104 purchased before July 1, 2024, may not exceed 100 percent of the
105 amount charged by the state university for dormitory fees.

106 (e)~~(e)~~ The board shall pay state universities the actual
107 amount assessed in accordance with law for registration fees,
108 the tuition differential, local fees, and dormitory fees for
109 advance payment contracts purchased on or after July 1, 2024
110 2009.

111 (f)~~(d)~~ The board shall annually evaluate or cause to be
112 evaluated the actuarial soundness of the trust fund.

113 Section 2. This act shall take effect July 1, 2014.