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To recognize the thousands of Florida families who have saved for college, the Florida Prepaid College Plan held a 20th birthday celebration. We share with you what a great event it was. An application to add a plan for local fees, dormitory housing or the tuition differential fee to your current Prepaid College Plan account has been provided on page 3 of College Bound. The Chairman's Message discusses Governor Charlie Crist's proposal to expand the tuition differential fee to all 11 of the state's public universities, while protecting prepaid families. Finally, you will find helpful information on using the Florida Prepaid College Plan at out-of-state and private colleges and about our enhanced web site, www.myfloridaprepaid.com.

College Bound

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"We love the peace of mind, knowing we're prepared for the inevitable day they leave the nest," said Robert Thompson of Tallahassee, whose son Wyatt, 4, and daughter Kaitlyn, 8, have Prepaid College Plans. "Just like any other parents, we have high hopes and dreams for them." Kaitlyn stretched up to the microphone to tell everyone, "Prepaid rocks!" Governor Bob Martinez joined the Thompsons at the 20th birthday festivities.

Governor Proposes Tuition Differential Fee Be Expanded to All State Universities

A new chapter in how Florida funds its state universities may be about to open, after Governor Charlie Crist in November proposed allowing all 11 of the state's public universities to implement the tuition differential fee.

Under Governor Crist's proposal, families who purchased their Prepaid College Plans prior to the 2007 legislative passage of the tuition differential fee would remain exempt from paying the tuition differential fee now or in the future. And Prepaid College Plan customers, beginning with the 2007/2008 enrollment, have the choice to add a tuition differential fee plan to a four-year university or 2+2 (two years community college and two years university) plan. As of November 30, 10,973 tuition differential fee plans have been purchased.

Currently, five research-level universities – University of Florida, Florida State University, University of South Florida, University of Central Florida and Florida International University – can charge a tuition differential fee of up to 30 to 40 percent of regular tuition. Under the governor's recommendations, each of the 11 universities' board of trustees would be able to decide how much of a tuition differential fee to adopt, and that amount would be subject to approval by the Florida Board of Governors, which oversees the university system. Tuition increases -- the combination of regular university tuition and the tuition differential fee -- still would be limited to no more than 15 percent a year, as under current state law.

The 2009 Legislature, whose session begins in March, will have to agree on the details and pass legislation to implement the Governor's idea for increasing higher education funding.

College Bound

NEWS FROM THE FLORIDA PREPAID COLLEGE BOARD

Florida Prepaid College Plan 20th Birthday Families, Friends Celebrate "One of the Great Successes of Florida"

What a special 20th birthday it was for the Florida Prepaid College Plan on November 17. Congratulating families who saved for college by enrolling more than 881,000 children in the Florida Prepaid College Plan, Lieutenant Governor Jeff Kottkamp said, "We're here to celebrate one of the great successes of Florida."

A crowd of children, students, parents and grandparents showed up for the event at Tallahassee Community College. Kids wearing "I'm Going to College" stickers blew out 20 candles on a birthday cake while the Florida A&M University Marching 100 Band played "Happy Birthday."

"So many things nowadays do not work. The Florida Prepaid College plan works," said grandmother Aurora Cooper. Thomas Balkcom, Cooper's grandson, was introduced at the birthday celebration by Governor Kottkamp. "As a single parent when he was born, I felt that the best way for me to make sure I would be able to afford his college was to participate in the Florida Prepaid College Plan," said his mother Lory Cooper of Miramar.

By its 20th birthday, the Florida Prepaid College Plan has become the largest and most successful prepaid college plan in the nation -- with one out of every 10 Florida children having a Prepaid College Plan and 18 percent of undergraduates at Florida's public universities using prepaid benefits.

"We are celebrating our 20 years – many, many accomplishments over those 20 years," Florida Prepaid College Board Chairman Ted Hoepner said. Hoepner noted the Prepaid College Plan has remained financially sound during its 20 years.

In 1988, Governor Bob Martinez purchased the first two Prepaid College Plans for his twin granddaughters Emily and Lydia Keen, now 22 years old and attending college. "It's always great to see a program that lasts, and I'm sure it will last into the future as well," Martinez said.

Six-year-old R'ielle Laidler thinks she will grow up to be a dancer and singer like Disney's Cheetah Girls. Her mother Ronschelle Laidler of Jacksonville bought her daughter the Prepaid College Plan "just in case her Cheetah Girl plan doesn't work out." She told the birthday guests that saving for R'ielle's college education is a sacrifice but, "When I write the check, it's not hard to write it out. I'm writing it for her future."



R'ielle Laidler, a 6-year-old from Jacksonville who has a Prepaid College Plan, helps Florida Prepaid College Board Chairman Ted Hoepner cut the 20th birthday cake.

GIVE THE GIFT OF COLLEGE

Today's Prepaid College Plan Prices are good until January 31, 2009

Imagine making a child or grandchild's dream of going to college come true. The Florida Prepaid College Plan is a truly lasting gift. The best time to enroll a child -- or add to a child's prepaid plan in order to cover local fees, the tuition differential fee or dormitory housing -- is now. Current Prepaid College Plan prices are available through January 31, 2009. An application to add a plan can be found on page 3 of this issue of College Bound. To add a plan, there is a \$10 application for each plan, and the first payment is not due until April. You also can view plan prices and enroll online by going to www.myfloridaprepaid.com. Or call 1-800-552-GRAD (4723) to request an Enrollment Kit in English or Spanish.



Chairman's Message By Chairman Ted Hoepner

This year as the Florida Prepaid College Plan turns 20 years old, we are proud to recognize your family and the thousands of Florida families who have saved for college with the Prepaid College Plan and invested in the future of their children and grandchildren.

Our Board welcomed children, students, parents and grandparents on November 17 to the Florida Prepaid College Plan 20th birthday celebration held at Tallahassee Community College. TCC President Bill Law opened the event by describing the Prepaid College Plan as "one of Florida's best" and something that "makes all of us see the future." The Florida A&M University Marching 100 Band entertained attendees with its spirited performance. Lieutenant Governor Jeff Kottkamp called the Prepaid College Plan "one of the great successes of Florida."

I was reminded of the great joy and responsibility of the Prepaid College Plan in helping families like yours save affordably for college. Since 1988, more than 881,000 children have been enrolled in the Prepaid College Plan, more than 206,000 students have gone to college using their Prepaid College Plans, and today 18 percent of undergraduates on public university campuses in Florida are using prepaid benefits.

In recent months, you probably have been concerned about the turmoil in the financial markets, but let me assure you that our financial performance remains strong.

With the vast majority of the Prepaid College Plan's assets invested in safe government-backed fixed income securities, you should have peace of mind knowing the total fund is actuarially sound. As of

June 30, 2008, Ernst & Young, the Board's independent actuaries, reported that the Plan's \$8.3 billion of assets exceeded the plan's liabilities by \$775 million, which represents an actuarial reserve of 10.3%. The reserve allows the fund to accommodate asset value fluctuations due to short-term economic or market conditions. Additionally, the Prepaid College Plan is financially guaranteed by the State of Florida, so you, the customer, cannot lose your money.

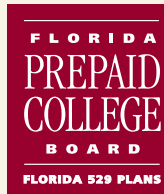
If you are a participant in the Florida College Investment Plan, you know your investment returns will fluctuate, and are not guaranteed. Overall, the underlying equity portfolios included in your investment options have been impacted by the swings in the equity markets, but the direct impacts resulting from events such as the Lehman Brothers bankruptcy filing and the significant drop in AIG's stock market value were lessened due to the portfolios' minimal exposure in these securities. Specific impacts will vary based on your account's asset allocation.

For your convenience, we have included in this College Bound an application to remind you about adding to your child or grandchild's Prepaid College Plan. To enhance a child's tuition plan, you may purchase a local fee plan, dormitory plan or tuition differential fee plan if you don't already have them. Remember these supplementary ways to save for college are only available for students up through the eighth grade. With college costs rising, there is no better time to add to your Prepaid College Plan. Current plan prices are good only through January 31, 2009.

You may have recently read about Governor Charlie Crist's proposal for higher education in Florida. The Governor's proposal would

expand the use of the tuition differential fee to all 11 state universities, not just the five research-level universities now eligible to charge the fee. Critically important to Prepaid College Plan customers, his plan would maintain the exemption from paying the fee for any prepaid beneficiary with a university tuition or university plus community college tuition plan purchased before the fee became law in July 2007. The Prepaid College Plan began offering a separate tuition differential fee plan to new prepaid customers as of fall 2007. Our Board was pleased to hear the governor's promise that his proposal would not affect families that have previously purchased Florida Prepaid College Plan contracts.

With the help of our families and our supporters like Governor Crist and the state Legislature, we are confident that providing Florida families with an affordable means to save for college will carry on into the future. Here's to the next 20 years!



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Call 1-800-552-GRAD (4723) or visit www.myfloridaprepaid.com.



Founding Chairman Stanley G. Tate at the 20th birthday celebration reached back to what he said in the Florida Prepaid College Board's first annual report in 1989: "We're embarking upon a path that is revolutionizing how Floridians plan for financing their children's college education." He reflected on the deliberately conservative investment approach that was built into the Plan from the beginning. And Tate, a businessman and philanthropist, told the crowd with emotion in his voice, "This program is the most important thing I've ever done." In 2006, the program was renamed "The Stanley G. Tate Florida Prepaid College Program" to honor the 18-year service of its founding chairman.

Florida Prepaid Is Great! But...What If My Child Goes Private or Out of State?

Have no fear: your Florida Prepaid College Plan can be used far or near!

The Prepaid College Plan can be used at most accredited in-state private or out-of-state colleges and universities. If your child decides to go to an out-of-state or private school, all you need to do is fill out a Transfer Form (<http://www.myfloridaprepaid.com/assets/PDFs/Forms/PPforms/pptranformweb.pdf>).

The Prepaid College Plan will pay your child's college of choice the same amount semester by semester that it would pay to a public college in Florida. Approved colleges for the Prepaid College Plan are listed online at http://www.myfloridaprepaid.com/Plans/Approved_Colleges.asp.

Check Out the New Look of College Savings At www.myfloridaprepaid.com

Florida Prepaid College Plans has enhanced its web site to make it easier for customers to research affordable college savings. It includes video testimonials from customers, a place to submit your own story, an interactive "Budget for College Challenge," easy-to-find forms and ways to save for college if you have more than one child or grandchild.



"I'm a proud purchaser of the Florida Prepaid College Plan for my son Jackson," Lt. Gov. Jeff Kottkamp said. "It's a great way for families to afford college."

A simple way to add dorm housing, local fee or tuition differential fee to your child or grandchild's Prepaid College Plan

APPLICATION TO ADD TO A FLORIDA PREPAID COLLEGE PLAN

You may use this application to add a local fee plan, tuition differential fee plan* and/or a dormitory plan to an existing Florida Prepaid College tuition plan for the same beneficiary (student). The student must be currently in the eighth grade or younger.

The account owner (purchaser) of the plan being added must be the same account owner listed on the existing tuition plan.

Please complete the information shown below and return the entire form and the application fee to the Florida Prepaid College Board, P.O. Box 6448, Tallahassee, FL 32314-6448. There is a \$10 application fee for each plan added to your current tuition plan. The deadline to sign up and receive this year's plan prices is Saturday, January 31, 2009.

For more information including plan prices, call 1-800-552-GRAD (4723) or go to www.myfloridaprepaid.com, where you have the option to add a plan online.

Purchaser Social Security Number _____
Beneficiary Social Security Number _____

Tuition Account Number _____

Local Fee Payment Option (Circle One) Lump Sum Payment 55-month payment Monthly Payment

Tuition Differential Fee Payment Option (Circle One) Lump Sum Payment 55-month payment Monthly Payment

Dormitory Plan Type (Circle One) 1-year plan 2-year plan 3-year plan 4-year plan

Dormitory Payment Options (Circle One) Lump Sum payment 55-month payment Monthly Payment

By signing below, I certify that all the information provided on this form is true, complete and correct.

Signature of Account Owner (Purchaser) Date

Please print Purchaser Name: _____

* Beneficiaries of Florida Prepaid College university tuition plans or 2+2 (university plus community college) tuition plans purchased before or as of January 31, 2007 are exempt from paying the tuition differential fee.