

College Bound

NEWS FROM THE FLORIDA PREPAID COLLEGE BOARD

SPRING 2008



Give the Gift of College by Opening A COLLEGE INVESTMENT PLAN

You can open a Florida College Investment Plan* with a \$25 a month automatic bank withdrawal or a single \$250 payment. You have the choice of five customized investment options, including an age-based investment option that allocates your contributions between the Fixed Income Investment Option and the U.S. Equity Investment Option, based on the beneficiary's age or number of years to college enrollment. And you decide how much you want to save, based on what fits your family budget.

With federal income tax time rolling around, this is a good time to consider opening an account. The Florida College Investment Plan is a 529 plan under federal tax code, and your investment account earnings are tax-free if used for qualified college expenses. Money accumulated in a Florida College Investment Plan may be spent on tuition and fees, room and board, textbooks and other college-related costs. It can be used for students attending public and private universities and colleges throughout the United States. Florida residency is not required to open a Florida College Investment Plan account.

If a child already has a Florida Prepaid College Plan covering costs such as tuition, local fees and dormitory housing, the Florida College Investment Plan is a good choice to

cover the additional expenses of going to college. The two plans are complementary, with 63 percent of investment plan owners having a prepaid plan.

Open the doors of opportunity to loved ones by enrolling them online today at www.florida529plans.com. Or call 1-800-552-GRAD (4723) to request an Enrollment Kit and paper application and to speak with a customer service representative.

If you already have a Florida College Investment Plan, tax time is a good time to think about additional contributions to get your child or grandchild one step closer to college.

* The Florida College Investment Plan is not a prepaid plan. Investments in the plan are not insured or guaranteed, and you could lose all or a portion of your investment. Participation in the plan will be sold only by means of a Disclosure Statement and Participation Agreement. A copy of each will be sent to you upon request; you should read them before investing. Nothing in this message should be construed as financial, investment, legal or tax advice. Consult your own advisors before investing.

You share so much with children and grandchildren in the stories you tell and the lessons you teach them. They reward you with laughter, love and glimpses of whom they will turn out to be when they grow up.

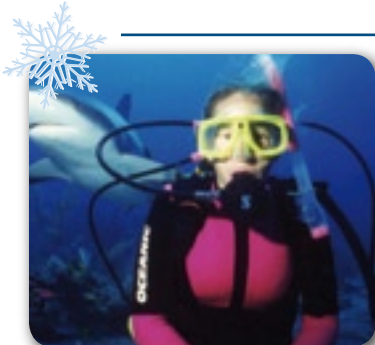
One day, you may leave them money, property and precious memories tucked away in a photo album. You don't have to wait though to leave something special to your children and grandchildren, if you open a college savings plan today.

The Florida College Investment Plan, established in 2002, offers parents and grandparents a way to show commitment to your children's and grandchildren's future college education.



By The Numbers...

27,336 account owners
\$5,579 average account balance
\$147 million, market value of investments



Susanne Grieve, shown here under the sea and swimming with sharks in the Bahamas, is working now amid the snow, ice and sub-zero temperatures of Antarctica.

FEELING CHILLY?

Susanne Grieve Does Scientific Work in Antarctica After Prepaid Plan Helped Her Earn College Degree

Susanne Grieve discovered her calling in life while studying underwater archeology and anthropology at the University of West Florida. She was able to afford going to college because her widowed mother scrimped and saved to pay for Susanne's Florida Prepaid College Plan. Grieve graduated with a bachelor's degree from UWF in Pensacola and earned her master's degree at University College London.

Now Grieve is shivering in Antarctica on the adventure of a lifetime, a scientific expedition to

conserve artifacts left behind by famous early 20th century explorers of the frozen continent. Sub-zero temperatures, ferocious winds and total darkness in winter will test the endurance of this 26-year-old sun worshipper. "I hate the cold," Grieve said.

"It's definitely a once in a lifetime opportunity and the biggest personal and professional challenge of my life," Grieve said. "I will be working on conservation of the earliest explorers' huts built when exploring the South Pole and the continent -- two by Robert Scott, (story continued on pg 4...)



Chairman's Message By Chairman Ted Hoepner

Great things have been accomplished as the Florida Prepaid College Plan reaches its 20th anniversary of helping Florida families save affordably for college.

- Nearly 1.3 million Prepaid College Plans have been purchased for more than 881,000 children since our inception in 1988.
- One out of every 10 Florida children has a Prepaid College Plan.
- An entire generation of Prepaid College Plan students has attended college, and many now are buying a savings plan for their children.

During this period of growth, the Prepaid College Trust Fund remains financially sound with \$7.42 billion in assets as of June 30, 2007 and a projected actuarial reserve of \$847 million.

While it is important to report on these successes, it is equally important to recognize the looming challenges. Certain higher education leaders have stated that without much higher tuition rates, the access to a quality education in Florida will not be possible. The highly respected Kiplinger Report in 2008 recognized Florida as having six of the top 100 public universities in the nation. Moreover, the Legislature is facing the greatest revenue shortfall in decades. The combined pressures could have an adverse effect on our Prepaid College Plan unless we continue to be proactive.

During the 2007 legislative session our Prepaid College Plan faced similar pressures, and a "model approach" for safeguarding the Trust Fund, keeping the promise to contract

holders and allowing universities to generate additional revenue was achieved. Governor Charlie Crist, the Florida Legislature, and the Florida Board of Governors worked together to authorize research universities (currently the University of Florida, Florida State University and University of South Florida) to charge newly enrolled students a tuition differential fee. The new fee can increase to as much as 40 percent of existing regular tuition. The revenue generated will be used to improve the quality of undergraduate instruction and support services at the research universities. *Importantly*, as a result of much effort by Plan participants and the Prepaid College Board, combined with compromise by everyone else concerned, beneficiaries of four-year contracts purchased prior to July 1, 2007 are exempt from having to pay this new fee and the Prepaid College Plan continues to be financially sound. New customers now have the option of including a tuition differential fee plan at an added cost.

A separate challenge has come from those suggesting that the funds held by the Board should be invested more aggressively, so that potentially higher returns would allow the Board to fund greater tuition increases. The Board has resisted such pressure in the past since our highest priority has always been the safety and soundness of the Trust Fund. Due to our conservative investment strategy, we have not suffered from the recent subprime mortgage crisis or the negative swings in the equity markets. You should have peace of mind knowing the Trust Fund is safe and secure.

Recently a lawsuit has been filed contesting the authority of the Legislature to set tuition

rates, among other things. The outcome of this lawsuit could represent the Prepaid College Plan's greatest threat. Consequently, we have decided to ask the court to allow us to participate in the litigation as a party supporting the Legislature's position.

While we want you to be aware of our various challenges, we also want you to have the comfort in knowing that we are fully committed to our mandate of providing families an affordable and safe means to save for their children's college expenses. We believe we have consistently honored that mandate and pledge to continue.



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CONTACT US

Call 1-800-552-GRAD (4723) or visit
www.florida529plans.com.

Please share what the Florida Prepaid College Plan or Florida College Investment Plan is doing for your child and your family. E-mail your stories and photos to:
diane.murdock@myfloridaprepaid.com.



NEW CHANCELLOR OF COMMUNITY COLLEGES JOINS BOARD

We're pleased to welcome Dr. Will Holcombe, Chancellor for Florida's Community College System, to the Florida Prepaid College Board. Community colleges are the primary access to higher education for more than 800,000 students. Dr. Holcombe brings more than 30 years of experience in educational leadership to the Board.

Dr. Holcombe completed undergraduate studies at Baldwin-Wallace College and earned a master's degree in education and Ph.D. in college administration from the University of Florida. A former U.S. Marine Corps Captain, Dr. Holcombe began his teaching career at Ford Junior High School in Brook Park, Ohio. He was an English professor at Santa Fe Community College and Broward Community College, where he eventually became president in 1987. Dr. Holcombe also served as Vice President of Brevard Community College, provost and academic dean for Broward's Central Campus and assistant to the President for Broward Community College.

Students Earning 4-Year Degrees at Community Colleges Can Use Prepaid College Plan Benefits



Indian River Community College,
Main Campus in Fort Pierce

Students at Indian River Community College no longer have to leave their home campus to earn a bachelor's degree.

Four-year college degrees in teaching math and science in middle and high school, nursing, and managing organizations are obtainable for the first time this year at the community college based in Fort Pierce.

As more of Florida's 28 community colleges begin awarding bachelor's degrees or expanding their four-year degree programs, students with Prepaid College Plans can use their tuition plans to earn a bachelor's degree at a community college.

While prepaid tuition plans come in three sizes – the 4-Year University Tuition Plan, 2+2 Tuition Plan (two years at community college and two years at a university) and 2-Year Community College Tuition Plan – credit hours from all three tuition plans can be converted for use toward earning a bachelor's degree at a community college.

So whether your student with a Prepaid College Plan is considering

St. Petersburg College's bachelor's degrees in paralegal studies and veterinary technology or Edison College's planned four-year degree program in secondary education biology, your child will be able to use Prepaid College Plan benefits there, as well as at a university.

Eight community colleges currently offer baccalaureate degrees: Chipola College, Daytona Beach Community College, Edison College, Florida Community College at Jacksonville, Indian River Community College, Miami Dade College, Okaloosa-Walton College and St. Petersburg College. Broward Community College and Palm Beach Community College will begin offering baccalaureate degrees in 2009.

"We are identifying critical need areas, such as teaching, nursing, and technology, and are working to help meet student and employer needs for higher education," said Will Holcombe, Florida Community Colleges Chancellor. "These baccalaureate degree programs are designed to help strengthen our state's workforce, and improve the quality of life for students."

In the future, students should expect more opportunities to earn four-year degrees at Florida's community colleges.

Bachelor's degrees also are provided at community colleges through partnerships between community colleges and a public or private four-year institution. While the courses are taken on the community college campus or via distance learning, the degree is awarded by the partnering four-year institution.

For more information on bachelor's degree programs at community colleges, go to www.fldoe.org/CC/Students/bach_degree.aspx



"My father started the program for me when I was in middle school (probably somewhere around the same time the program began). My father says to this day that he could not have afforded to pay for all of my college expenses at one time had he not taken advantage of the Florida Prepaid program... We enrolled our son Jackson this past enrollment period as an infant in the Florida Prepaid program. We celebrated Jackson's first birthday on 9/20/07, and we (parents & grandparents) are thrilled to give him the same gift my parents gave me."

- Erin Jenkins Pagan of Orlando

PREPAID FAMILY GROWS DURING 20TH ENROLLMENT

Adding a plan is easy...

Children keep growing and growing, and so does the Florida Prepaid College Plan.

More than 76,000 additional Prepaid College Plans were purchased by families during the recently completed 2007/2008 open enrollment.

Families can add a local fee plan, tuition differential fee plan or dormitory plan, or all three, to an existing Florida Prepaid College tuition plan for the same beneficiary (student). The purchaser must be the account owner listed on the existing tuition plan. The child must be in the eighth grade or younger at the time these additional plans are purchased.

Go online to www.florida529plans.com/signuptoday/addacct to add a plan. The price will depend on the age or grade of your child. Or you may request an add-a-plan paper application by calling 1-800-552-GRAD (4723). You may sign up now but will be subject to the new plan prices effective October 2008.

For more details, go to: www.florida529plans.com.



By The Numbers...

1,297,064 prepaid plans purchased
881,089 children enrolled
\$7.42 billion, total assets

Feeling Chilly This Winter?

(story continued from pg 1)

one by Ernest Shackleton and one by a lesser known explorer. The contents are completely intact inside, beds and clothing, but in bad condition."

Her seven-month expedition with the Antarctica Heritage Foundation began in February. She is on sabbatical from the Mariners' Museum in Newport News, Virginia,

where she has been conserving the Civil War-era ironclad warship, the USS Monitor.

"People don't know where these kinds of foundations you lay for your children may lead. We are just so grateful for the Florida Prepaid program," said Susanne's mother, Susan Grieve of St. Cloud, who sometimes worked as many as four jobs at a time to support her family. "It was really hard to make

those payments. But it was just as important as buying food."

"I knew she was paying every month. I knew it was difficult," Grieve said of her mother's dedication to paying for her Prepaid College Plan. "I definitely could not have gotten through college without the prepaid program. I wouldn't have had the same opportunities and I would be so far in debt."

TO OUR CUSTOMERS: YOU'VE GOT MAIL

Annual Statement: If the beneficiary (student) on your account is expected to enroll in college in fall 2008 or later, you should have received by now a Prepaid College Plan Annual Statement, which contains a financial summary of your account as of December 31, 2007.

1099 Tax Form: In preparation for the upcoming tax season, a 1099 tax form was mailed in late January to beneficiaries who have used their plan benefits during the 2007 calendar year. The form also will be mailed to account owners who have received a scholarship refund or reimbursement during the calendar year. Please contact your tax advisor for assistance in completing this form.

First Time in College Letter and ID Card: In February, Prepaid College Plan beneficiaries who are scheduled to start college in fall 2008 received a Prepaid College Plan identification card and a letter explaining what to expect as they begin the college enrollment process.

Usage Statement: In February, Prepaid College Plan account owners received a Usage Statement reflecting an updated status of all benefits paid out, as well as the remaining balances of each account, effective December 31, 2007.

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INVEST IN YOUR CHILD'S HEALTH

Did you know that your child being overweight can increase the chances that he or she will develop health problems such as type 2 diabetes?

The good news is that you can help your child adopt healthy habits. Here are some tips from the Florida Department of Health on investing in your child's good health:

1. Offer healthy snacks to your children such as raisins or other dried fruit, graham crackers, 100% juice, carrots, low-fat popcorn, sugar-free gum, sugar-free gelatin or pudding cups and non-sugary cereal.
2. Encourage physical activity as a family. Walk to places close to your neighborhood. Physical activity helps strengthen bones, muscles and joints, reduces depression and anxiety, controls body weight and blood pressure, boosts self-confidence and improves the overall feeling of well-being.
3. Have your children participate in at least one hour of physical activity most days of the week.

In Florida, the Governor's Council on Physical Fitness was established by Governor Charlie Crist on March 26, 2007. The Council developed a state plan of action to increase Floridians' level of physical fitness through regular exercise and sound nutrition practices. The Florida Department of Health's Obesity Program provides support to the council. For more information, view the State Plan of Action and calculate your and your child's Body Mass Index at www.healthyfloridians.org.

