

Presentation to the Board of Governors

April 22, 2004

F L O R I D A
PREPAID
COLLEGE
B O A R D

FLORIDA 529 PLANS

From Our Customers

“I am depending on the Florida Prepaid College Plan to make sure I’m able to afford my children’s higher education. I am doing my part; I am saving and planning ahead.”

Katrina - Jacksonville

“Had it not been for the Florida Prepaid College Plan, college would not have been affordable for our single-parent household.”

Grace - Flagler

“As a typical working class family, we want the best for our children. The Florida Prepaid College Plan has made it financially affordable for us to contribute to our children’s college education.”

Amy and Glenn - Bradenton

“The Florida Prepaid College Plan gives us options when some of us thought we didn’t have any. Although at times saving for college may seem overwhelming, it is no longer impossible.”

Angelitha - Plantation

Annual Contract Sales

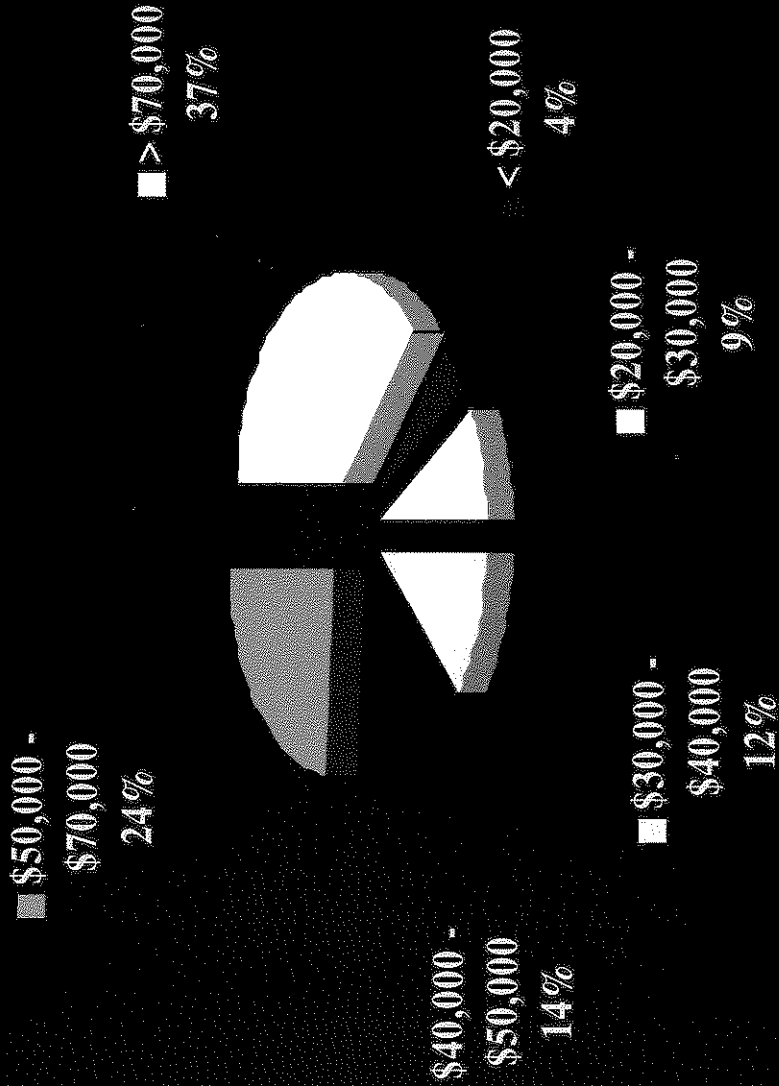
973,690 through March 31, 2004

Contract Sales - By Enrollment Year

Year	Total	Cumulative Total
1988-1989	58,651	58,651
1989-1990	46,764	105,415
1990-1991	34,176	139,591
1991-1992	36,503	176,094
1992-1993	44,467	220,561
1993-1994	56,361	276,922
1994-1995	51,263	328,185
1995-1996	48,197	376,382

Year	Total	Cumulative Total
1996-1997	51,512	427,894
1997-1998	40,683	468,577
1998-1999	70,277	538,854
1999-2000	56,563	595,417
2000-2001	62,779	658,196
2001-2002	78,406	736,602
2002-2003	159,190	895,792
2003-2004	77,898	973,690

Family Income



SUMMARY:

\$0 - \$40,000	25%
\$40,000 - \$70,000	38%
\$70,000+	37%

Diversity

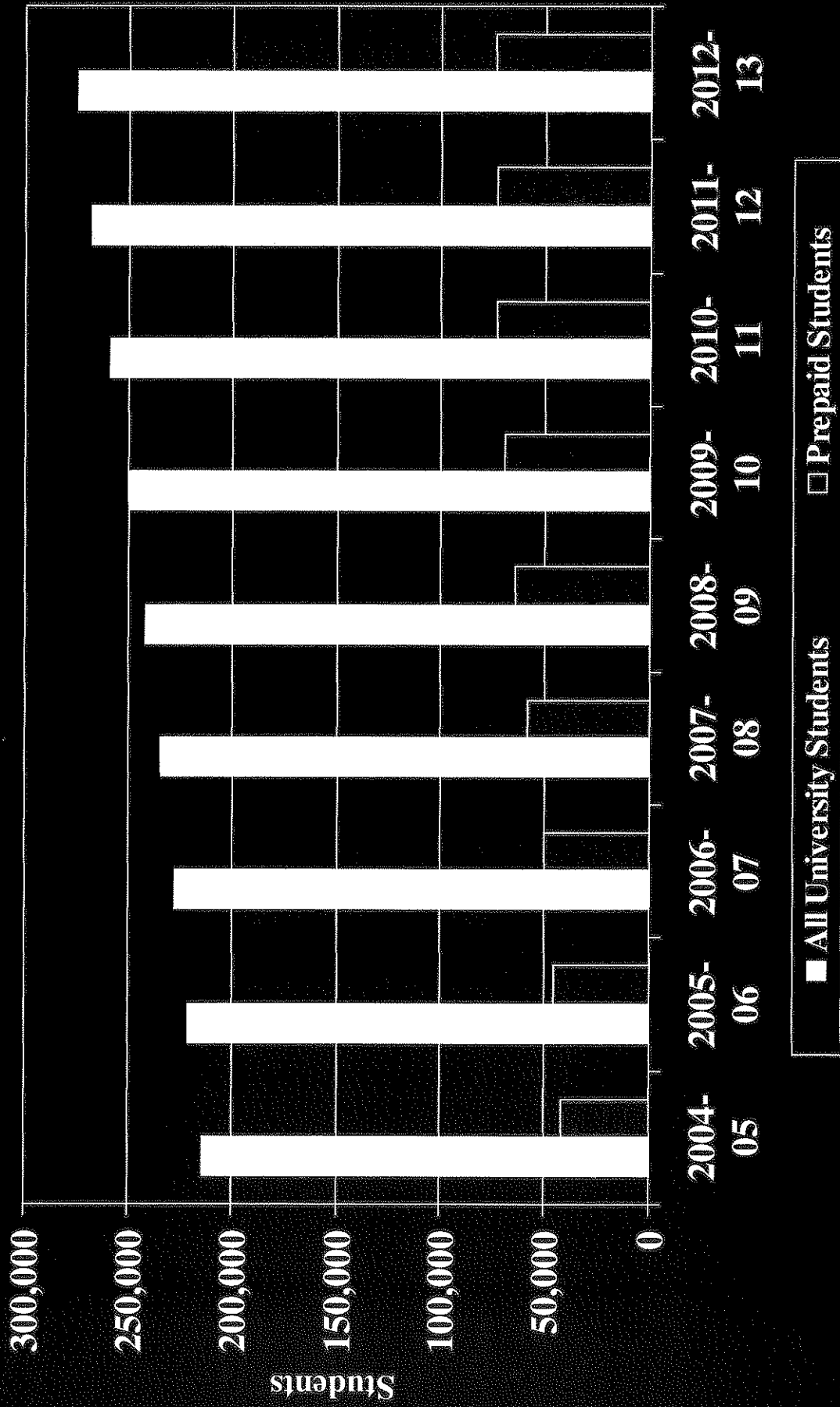
	Florida Population Census 2000	Families Purchasing Florida Prepaid College Plan	
		2003	Last 5 Years First 10 Years
White Families	78%	74%	73%
Minority Families	22%	26%	27%
			84%
			16%

College Enrollment

	University	Community College	Total
Projected Student Enrollment Fall 2004	50,330	10,820	61,150

Since inception, 120,000 Florida Prepaid students have used their prepaid benefits.

Enrollment Facts



The Council Report

More money, from Florida families, is not the only solution.

More money, from Florida families, is not the best solution.

Not sure more money, from Florida families, is a solution.

A Few Other Observations

Unless something is missing, the Council report:

- Cuts current need-based financial aid by close to 50 percent.
- Suggests a 13.9 percent increase in tuition is acceptable because it's only a 3 percent increase in the total cost of education.
- Redirects Florida taxpayer dollars from an already under-funded, need-based financial aid program for public schools to Independent Colleges and Universities of Florida.

OPPAGA Says

“... the average annual cost of sending a child to a Florida university is 17% of Florida’s median family income”

“Consequently, Florida families are likely to pay a higher percentage of their income for college expenses in comparison to families in other parts of the country.”

Keep The Promise

If university tuition increases 13.9 percent a year for the next five years:

- \$1 billion Florida Prepaid deficit
- Legislature appropriates \$101 million, each year for the next 19 years

Today's Legislature cannot bind a future Legislature to fund any state program into the future.

Keep Florida Prepaid Affordable

Under the Council of 100 proposal, the cost of 4-year university tuition and local fee plans will nearly double (90.9% increase) in five years.

Prepaid Tuition and Local Fee Plan	
2003/2004 with Current Assumptions	\$11,915
2008/2009 with Council of 100 Proposal	\$22,742
Increase	90.9%

Note: Under current assumptions the 2008/2009 price would be \$16,436

Source: Ernst & Young LLP

Florida's Affordability By Population

Florida has over 16.7 million people, with 31 percent living in Miami-Dade, Broward and Palm Beach counties. The average household income in these counties is \$39,906, which is slightly higher than the statewide average of \$38,819.

The three largest counties by population and the counties with the highest and lowest average household income:

	Population	Average Income
Miami-Dade	2,332,599	\$ 35,966
Broward	1,709,118	\$ 41,691
Palm Beach	1,190,390	\$ 45,062
Leon	243,995	\$ 37,517
St. Johns	136,038	\$ 50,099
Hamilton	13,710	\$ 25,638

In Closing

- Florida has one of the best and most affordable higher education systems in the country.
- For college to be accessible, it must be affordable.
- Governor Bush said, *“Low tuition is not a bad thing. It provides access to a quality education.”*
- If families cannot afford college, our children and the State of Florida will pay the price.