



## Bright Futures and Florida Prepaid Plans Cover Costs of Tuition Increases for Many Students; the Impact Varies by Institution

### *Highlights*

- 42% of SUS Undergraduates have Bright Futures scholarships covering 75-100% of tuition and fees.
- 15% of SUS Undergraduates use Prepaid tuition plans purchased on their behalf that cover 100% of tuition and fees.
- 47% of undergraduates have Prepaid tuition, Bright Futures or both. The percentage varies, however, from 16% at Florida A&M University to 73% at the University of Florida.
- Tuition and fees account for approximately 25% of the average cost of attendance (often exceeding \$16,000). Bright Futures and standard Prepaid tuition plans do not cover those costs, although the Prepaid program offers separate dormitory contracts.
- Some students qualify for additional aid based on need. The Federal Pell Grant program is the largest need-based program.
- 20% of Bright Futures scholarship recipients and 12% of Prepaid beneficiaries qualified for Federal Pell Grants of up to \$4,000. Pell grants do not increase when tuition increases and are not affected by Bright Futures or Florida Prepaid program participation.

### *Background*

[Bright Futures](#) is a state-funded scholarship program that pays either 75% or 100%, depending on the scholarship level, for up to 132 credits hours in a 120-credit-hour program. [Prepaid plans](#) are purchased for a student, usually by a family member, prior to their attending college, and usually when the future college student is a young child. The plans guarantee the student 100% of tuition for up to 120 credit hours. The

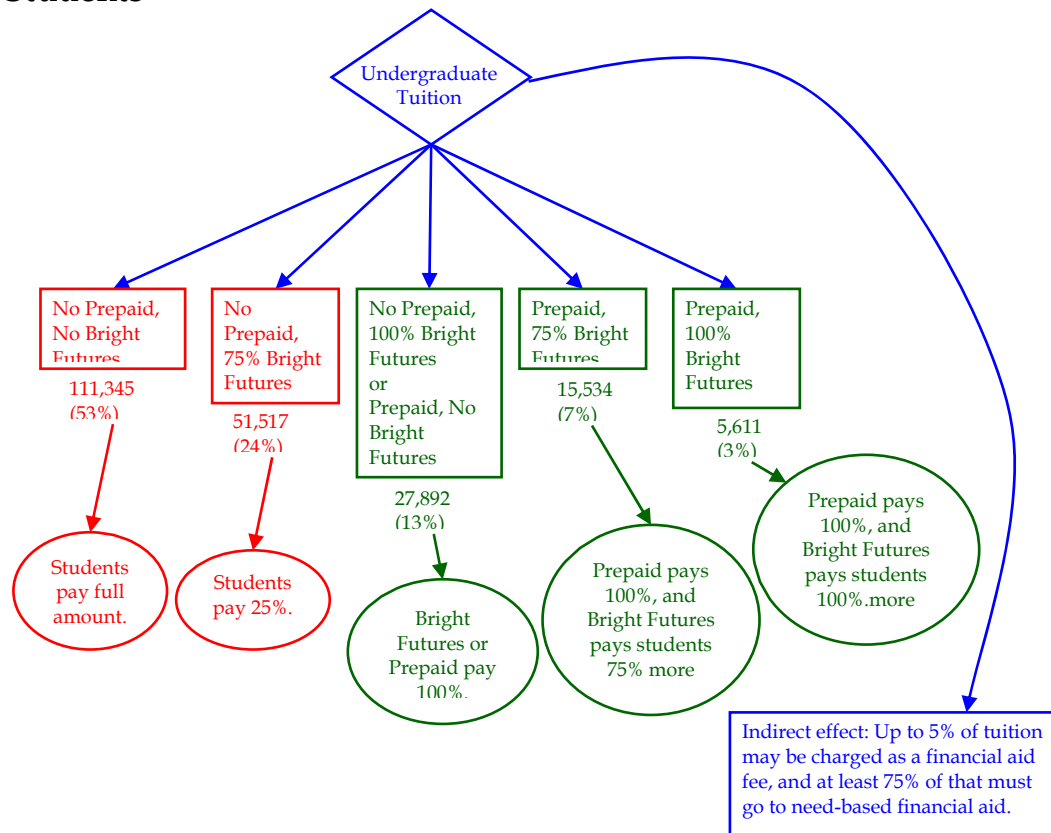
Prepaid College Board also sells separate contracts that cover local fees and dormitory expenses.

Because both programs are directly linked to tuition, students with either Bright Futures or prepaid plans pay little or nothing out of pocket when tuition increases. However, students without these benefits must absorb the increases with additional family resources, earned wages, or financial aid not directly linked to tuition.

### Program Impacts

Among the fall 2004 undergraduates, 47% had Bright Futures and/or prepaid plans. Students without either (53% of undergraduates) had to find other resources to cover the cost of tuition. Most students with Bright Futures scholarships are required to pay one fourth of tuition. Students with higher-level Bright Futures scholarships or a prepaid plan, but not both, are not directly affected positively or negatively by a tuition increase. Students with both Bright Futures and a prepaid plan (10% of undergraduates in 2004-05) generally benefit financially from a tuition increase, receiving cash in addition to tuition because of the overlap in the two programs.

**Figure 1. Bright Futures and Prepaid Reduce the Impact of Tuition on Students**



There are also indirect effects of a tuition increase because a portion of tuition revenue is spent on student financial aid. State law ([Ch. 1009.24\(6\), F.S.](#)) allows

universities to charge a financial aid fee of up to 5% of tuition, of which at least three-quarters must be used for need-based aid, and universities choose to put additional dollars into both need-based and merit-based aid as well. In fiscal year 2004-05, Florida universities spent \$152 million on institutional financial aid.

A tuition increase costs students more at universities with a lower proportion of Bright Futures scholarships and prepaid contracts. A tuition increase affects students at each university differently because of the variation in the percentages with Bright Futures scholarships and prepaid tuition contracts. A 1% increase in the 2006-07 undergraduate resident tuition (and financial aid fee) would cost the average full-time student nearly \$20 more per year at Florida A&M University and less than \$4 more per year at the University of Florida.

**Table 1. The Percentage of Undergraduates Affected by a Tuition Increase Varies Among The State Universities in Florida**

University	Maximum Percentage of Students Who Pay Some of a Tuition Increase*	Percentage of Students for Whom Bright Futures and/or Prepaid Pay 100% or More of a Tuition Increase	Cost of a 1% Tuition (and Financial Aid Fee) Increase to the Average Full-Time Student
FAMU	93%	7%	\$19.80
FAU	88%	12%	\$17.07
FIU	87%	13%	\$16.16
UWF	87%	13%	\$15.79
USF	84%	16%	\$13.89
FGCU	83%	17%	\$13.44
UNF	81%	19%	\$12.85
UCF	75%	25%	\$9.98
FSU	71%	29%	\$7.99
NCF	49%	51%	\$5.83
UF	52%	48%	\$3.66

\* Some of the cost of a tuition increase may be covered by need-based aid generated by tuition.

## *Where can I apply for these programs?*

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Application and eligibility information for Bright Futures is available through the [Bright Futures program web site](#). Prepaid plan enrollment information is also available on the Florida [Prepaid College Board](#) web site.

## *Where can I learn more?*

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Detailed tuition, fees, and financial aid tables are in the State University System Fact Books at <http://www.flbog.org/factbook/>. Annual summaries of tuition and fees at different academic levels are at <http://www.flbog.org/planning/>. Learn more about these two financial aid programs from the Prepaid College Board's [annual report](#) and from the [Office of Student Financial Assistance](#).

For a comparison of State University System tuition and fees to public universities nationwide, see Board of Governors Information Brief: [State Comparisons of Resident Undergraduate Tuition and Fees](#).

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