

1                                   A bill to be entitled  
2           An act relating to trust funds; creating s.  
3           240.4595, F.S.; creating the Student Loan  
4           Operating Trust Fund within the Department of  
5           Education; providing for sources of funds and  
6           purposes; exempting the trust fund from various  
7           service charges; providing for annual  
8           carryforward of funds; providing for future  
9           review and termination or re-creation of the  
10          trust fund; providing for transfer of certain  
11          funds to the trust fund; providing an effective  
12          date.

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14 Be It Enacted by the Legislature of the State of Florida:

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16           Section 1. Section 240.4595, Florida Statutes, is  
17 created to read:

18           240.4595 Student Loan Operating Trust Fund.--

19           (1) The Student Loan Operating Trust Fund is hereby  
20 created, to be administered by the Department of Education.  
21 Funds shall be credited to the trust fund pursuant to the  
22 Higher Education Act of 1965, as amended, from loan processing  
23 and issuance fees, administrative cost allowances, account  
24 maintenance fees, default aversion fees, amounts remaining  
25 from collection of defaulted loans, amounts borrowed from the  
26 Student Loan Guaranty Reserve Fund, and other amounts  
27 specified in federal regulation. The purpose of the trust fund  
28 is to segregate funds used for administration of the  
29 guaranteed student loan program from the reserve funds used to  
30 guarantee student loans contained in the Student Loan Guaranty

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1 Reserve Fund. The fund is exempt from the service charges  
2 imposed by s. 215.20.

3 (2) Notwithstanding the provisions of s. 216.301 and  
4 pursuant to s. 216.351, any balance in the trust fund at the  
5 end of any fiscal year shall remain in the trust fund at the  
6 end of the year and shall be available for carrying out the  
7 purposes of the trust fund.

8 (3) Pursuant to the provisions of s. 19(f)(2), Art.  
9 III of the State Constitution, the trust fund shall, unless  
10 terminated sooner, be terminated on July 1, 2003. However,  
11 prior to its scheduled termination, the trust fund shall be  
12 reviewed as provided in s. 215.3206(1) and (2).

13 Section 2. Funds for administration of the guaranteed  
14 student loan program pursuant to the Higher Education Act of  
15 1965, as amended, shall be transferred from the Student Loan  
16 Guaranty Reserve Fund to the Student Loan Operating Trust Fund  
17 on July 1, 1999.

18 Section 3. This act shall take effect July 1, 1999.  
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