

By the Committee on Education Appropriations and
Representative Wise

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 Guaranty Administrative Fund within the
5 Department of Education; providing for sources
6 of funds and purposes; exempting the fund from
7 various service charges; providing for annual
8 carryforward of funds; providing for future
9 review and termination or re-creation of the
10 fund; providing for transfer of certain funds
11 to the fund; providing an effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Section 240.4595, Florida Statutes, is
16 created to read:

17 240.4595 Student Loan Guaranty Administrative Fund.--
18 (1) The Student Loan Guaranty Administrative Fund is
19 hereby created, to be administered by the Department of
20 Education. Funds shall be credited to the fund pursuant to the
21 Higher Education Act of 1965, as amended, from loan processing
22 and issuance fees, administrative cost allowances, account
23 maintenance fees, default aversion fees, amounts remaining
24 from collection of defaulted loans, amounts borrowed from the
25 Student Loan Guaranty Reserve Fund, and other amounts
26 specified in federal regulation. The purpose of the fund is to
27 segregate funds used for administration of the guaranteed
28 student loan program from the reserve funds used to guarantee
29 student loans contained in the Student Loan Guaranty Reserve
30 Fund. The fund is exempt from the service charges imposed by
31 s. 215.20.

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

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

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

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

17
18 *****

19 HOUSE SUMMARY

20
21 Creates the Student Loan Guaranty Administrative Fund
22 within the Department of Education. Provides for sources
23 of funds and purposes. Exempts the fund from various
24 service charges. Provides for annual carryforward of
25 funds. Provides for future review and termination or
26 re-creation of the fund. Provides for transfer of funds
27 for administration of the guaranteed student loan program
28 from the Student Loan Guaranty Reserve Fund to the fund.
29
30
31