

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 250
SPONSOR: Judiciary Committee and Senator Campbell
SUBJECT: Student Loans/Attorneys
DATE: December 09, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Greenbaum</u>	<u>Lang</u>	<u>JU</u>	<u>Fav/CS</u>
2.	_____	_____	<u>GO</u>	_____
3.	_____	_____	<u>AAV</u>	_____
4.	_____	_____	<u>AP</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill requires the Justice Administrative Commission (JAC) to administer a student loan repayment program for certain assistant state attorneys and assistant public defenders. The purpose of the program is to provide financial assistance to those lawyers in these positions with outstanding government student loans used for law school.

This bill provides that once an assistant state attorney or assistant public defender has served in that position for three years, the JAC may make yearly payments of \$3,000 to the student loan lender on behalf of the attorney. When an attorney completes six years of continuous service, the payment amount is increased to \$5,000. Student loan assistance ends upon completion of payment on the loan, completion of twelve years of continuous service, or when payments made on behalf of the attorney equal \$44,000.

This bill creates section 43.201 of the Florida Statutes.

II. Present Situation:

State Attorneys and Public Defenders

In Florida, criminal prosecutions are conducted by the state attorney.¹ Florida is divided into twenty judicial circuits and each circuit has an elected state attorney. Indigent criminal defendants are represented by a public defender.² Each judicial circuit has an elected public

¹ Art. V, s. 17, Fla. Const.

² Art. V, s. 18, Fla. Const.

defender. State attorneys and public defenders are permitted to hire assistants to help them fulfill their duties.³

Effective December 1, 2003, the annual minimum salary for assistant state attorneys and assistant public defenders will be \$37,566. Assistant state attorneys and assistant public defenders are considered senior management service for retirement purposes.

Costs of Attending Law School

Tuition at the Florida State University College of Law for an in-state student is \$195.97 per credit hour and for an out-of-state student is \$788.93 per credit hour for the 2003-04 academic year.⁴ A full-time class load for a law student is 24 credit hours.⁵ An in-state student pays \$5,393.04 and an out-of-state student pays \$19,624.08 annually for tuition at this school.⁶ Private law school tuition costs are significantly greater. For example, tuition at the Nova-Southeastern University Shepard Broad School of Law for the 2003-2004 school year for a full-time student is \$22,500.⁷

Students may borrow money through the federal Stafford Loan Program where the loan is either subsidized by the federal government or not subsidized. Under the subsidized program, where eligibility is based on a student's financial need, student loan interest is paid by the federal government while the student is in school. Under the unsubsidized program, available to students who do not qualify for the subsidized program, interest accrues while the student is in school but repayment is deferred until the student leaves school. According to the Florida State University Financial Aid Office, students are allowed to borrow as much as \$18,500 per academic year under these programs, which would amount to \$55,000 for the three year law school program.

III. Effect of Proposed Changes:

This bill creates s. 43.201, F.S., to require the JAC to administer a student loan repayment program for assistant state attorneys and assistant public defenders. The purpose of the program is to provide financial assistance to these attorneys for repayment of certain law school loans.

This bill provides that once an assistant state attorney or assistant public defender has served in that position for three years, the state attorney or the public defender may submit an affidavit of certification. Once the certification is received, the JAC may make yearly payments of \$3,000 to the government student loan lender on behalf of the attorney. When an attorney completes six years of continuous service, the payment amount is increased to \$5,000. Upon completion of twelve years of continuous service or completion of payment of the student loan, payments must cease. Total payments on behalf of any one individual under the program may not exceed \$44,000.

³ Art. V, ss. 16 & 17, Fla. Const.

⁴ Office of Data Analysis and Institutional Research, Div. of Colleges and Univ., Dept. of Educ., *2003-04 Tuition and Required Fees*, (August 5, 2003), <<http://www.fldcu.org/planning/2003-04Fees.pdf>>.

⁵ *Id.*

⁶ *Id.* The annual fee amounts apparently include additional costs but the chart does not indicate these additional costs.

⁷ Nova-Southeastern University, *Nova Southeastern University Law Center Top Twenty Most Frequently Asked Questions* (2003), <<http://www.nsulaw.nova.edu/admissions/faq.cfm>>.

This bill provides that the program shall be funded out of the General Revenue Fund to the JAC on an annual basis. This bill does not provide an appropriation.

This bill takes effect on July 1, 2004.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Any financial assistance provided by this bill will presumably constitute taxable income to the assistant state attorney or assistant public defender.

C. Government Sector Impact:

The JAC indicates there are 377.67 assistant public defenders and 582.35 assistant state attorneys with at least three years of continuous service.⁸ If every assistant state attorney and public defender has outstanding student loans and the appropriate payment was made on behalf of each attorney, the program would cost \$3,809,000.⁹

The JAC indicates that it will need 1.00 FTE to administer this program. This FTE would be funded as follows:

Recurring revenues	\$65,000
Non recurring	\$ 4,603

⁸ Based on a COPES inquiry done November 24, 2003, by the Justice Administrative Commission. E-mail correspondence from June Hart, Justice Administrative Commission (Nov. 26, 2003).

⁹ *Id.*

It should be noted that, in the 2002-03 General Appropriations Act, the state attorneys and the public defenders had been given authority to use their funding for financial assistance to assistant state attorneys and assistant public defenders for law school government loans. The state attorneys and public defenders reported that they did not use this authority as they feel they do not have sufficient funds to use for this purpose.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The program could aid the state attorneys and public defenders in their recruitment efforts. Student loan obligations prohibit some law school graduates from pursuing careers as assistant state attorneys and assistant public defenders because the salaries are not high enough to cover the costs of their monthly student loan payments. Likewise, the program could lower the turnover rates in the offices of the state attorneys and public defenders as the loan repayment assistance will provide the attorneys with incentive to make long-term commitments to their respective offices. However, the impact is indeterminate.

VIII. Amendments:

None.