

Bill No. SB 862

Barcode 812452

CHAMBER ACTION

Senate

House

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

.
. .
. .
. .
. .
. .

The Committee on Education (Wise) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Section 1009.9997, Florida Statutes, is created to read:

1009.9997 Educational Loan Marketing Corporation of Florida, Inc.--

(1) There is created a not-for-profit corporation, to be known as the Educational Loan Marketing Corporation of Florida, Inc., which shall be registered, incorporated, organized, and operated in compliance with chapter 617. The Legislature finds, however, that public policy dictates that the Educational Loan Marketing Corporation of Florida, Inc., operate in the most open and accessible manner consistent with its public purpose. To this end, the Legislature specifically declares that the Educational Loan Marketing Corporation of Florida, Inc., and its boards and advisory committees or

Bill No. SB 862

Barcode 812452

1 similar groups created by the Educational Loan Marketing
2 Corporation of Florida, Inc., are subject to chapter 119,
3 relating to public records, and chapter 286, relating to
4 public meetings and records.

5 (2)(a) The corporation shall purchase, service, and
6 otherwise provide access and service as a secondary market for
7 student loans in this state. The corporation is authorized to
8 borrow funds and incur debt, including the issuance of revenue
9 bonds, for the purposes set forth in this section. The
10 corporation is authorized to apply for private activity bond
11 allocation in accordance with part VI of chapter 159.

12 (b) Proceeds of the corporation shall be used for the
13 creation of incentive programs serving Florida residents, such
14 as, but not limited to, interest rate reductions for automated
15 and timely payments and programs for students pursuing a
16 degree in areas of critical need in the state.

17 (3) The corporation shall be administered by a
18 13-member board of directors composed of 11 members appointed
19 by the Governor, one member appointed by the President of the
20 Senate, and one member appointed by the Speaker of the House
21 of Representatives. The members appointed by the Governor
22 shall be confirmed by the Senate. The 11 members of the board
23 of directors appointed by the Governor shall include:

24 (a) Two members who are representatives of lending
25 institutions that originate student loans in the state and who
26 have a favorable reputation for skill, knowledge, and
27 experience in the field of higher education loan finance.

28 (b) Two members who are representatives of state
29 universities.

30 (c) Two members who are representatives of community
31 colleges.

Bill No. SB 862

Barcode 812452

1 (d) One member who represents technical schools that
2 are eligible to receive student loans.

3 (e) One member who represents independent colleges and
4 universities.

5 (f) Two members who are chosen from a list of five
6 names submitted by the Chief Financial Officer.

7 (g) One lay citizen who does not derive a majority of
8 his or her income from education or an education-related
9 field.

10 (h) A member of the Senate, who shall be appointed by
11 the President of the Senate as a nonvoting ex officio member
12 of the board of directors and who shall serve at the pleasure
13 of the President of the Senate.

14 (i) A member of the House of Representatives, who
15 shall be appointed by the Speaker of the House of
16 Representatives as a nonvoting ex officio member of the board
17 of directors and who shall serve at the pleasure of the
18 Speaker of the House of Representatives.

19
20 Except for the members of the Legislature, all members of the
21 board of directors, including the chair, shall be appointed to
22 serve 3-year terms. However, for the purpose of providing
23 staggered terms, of the initial appointments three members
24 shall be appointed to 1-year terms, three members shall be
25 appointed to 2-year terms, and five members shall be appointed
26 to 3-year terms.

27 (4)(a) The board of directors shall annually elect a
28 chair and vice chair.

29 (b) Members of the board of directors may be
30 reimbursed from moneys of the corporation for expenses
31 incurred as members, under s. 112.061, but shall not otherwise

Bill No. SB 862

Barcode 812452

1 be compensated for their services.

2 (c) Each member of the board of directors who is not
3 otherwise required to file financial disclosure under s. 8,
4 Art. II of the State Constitution or s. 112.3144 shall file
5 disclosure of financial interests under s. 112.3145.

6 (5) The board of directors may employ or retain such
7 persons as are necessary to perform the administrative and
8 financial transactions and responsibilities of the corporation
9 and to perform other necessary and proper functions required
10 by law.

11 (6)(a) The corporation shall annually prepare and
12 submit a business plan to the Department of Education. The
13 department shall monitor the corporation and set performance
14 standards that are consistent with its mission.

15 (b) The corporation must maintain adequate accounting
16 records that comply with all applicable federal and state laws
17 and must authorize the department to have access to and
18 conduct audits of all records concerning the contracted and
19 outsourced functions or services.

20 (c) The corporation must meet all legal and auditing
21 requirements for record retention and transfer to the state,
22 at no cost to the state, of all public records in its
23 possession upon termination or dissolution. All records stored
24 electronically must be provided to the state in a format that
25 is compatible with state information technology systems.

26 (7)(a) It is the intent of the Legislature that the
27 tax exemptions provided in this subsection will augment the
28 financial resources of the corporation to better enable the
29 corporation to fulfill its public purpose.

30 (b) The revenues of the corporation are funds received
31 for providing services as a secondary student loan market as

Bill No. SB 862

Barcode 812452

1 required by this section and for conducting all other
2 activities of the corporation and shall not be considered
3 taxes, fees, licenses, or charges for services imposed by the
4 Legislature on individuals, businesses, or agencies outside
5 state government. Bonds and other debt obligations issued by
6 or on behalf of the corporation shall be payable solely from
7 funds derived directly from sources other than state tax
8 revenues, do not constitute a general obligation or
9 indebtedness of the state or any of its agencies or political
10 subdivisions, and shall not be a debt of the state or any of
11 its agencies or political subdivisions, and the full faith and
12 credit of the state is not pledged to the payment of the
13 principal of, premium if any on, or interest on these
14 obligations. The issuance of these obligations does not
15 directly, indirectly, or contingently obligate the state to
16 use state funds, to levy or to pledge any form of taxation
17 whatsoever, or to make any appropriation for payment of the
18 principal of, premium if any on, or interest on such
19 obligations. Any bonds issued by the corporation, their
20 transfer, and the income therefrom, including any profit made
21 on the sale thereof, shall at all times be free from taxation
22 of every kind by the state or any political subdivision, local
23 unit, or other instrumentality thereof. However, this
24 exemption does not apply to any tax imposed by chapter 220 on
25 interest, income, or profits on debt obligations owned by
26 corporations other than the Educational Loan Marketing
27 Corporation of Florida, Inc.

28 (8)(a) It is the intent of the Legislature that the
29 corporation be self-sustaining and that all operational costs,
30 with the exception of reasonable and necessary start-up costs,
31 be paid through income received by the corporation from

Bill No. SB 862

Barcode 812452

1 activities authorized under this section. Any funds received
2 from the state to assist in start-up costs must be repaid by
3 the corporation.

4 (b) In keeping with its public mission, the
5 corporation shall keep expenses, including salaries and
6 benefits, on par with similarly situated public-private
7 entities, subject to approval by the Department of Education.
8 The corporation shall annually submit a proposed budget to the
9 department, which shall approve it consistent with this
10 subsection.

11 Section 2. This act shall take effect upon becoming a
12 law.

13
14

15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 Delete everything before the enacting clause

18

19 and insert:

20 A bill to be entitled
21 An act relating to educational loan marketing;
22 creating s. 1009.9997, F.S.; creating the
23 Educational Loan Marketing Corporation of
24 Florida, Inc., to provide services as a
25 secondary student loan market; requiring
26 compliance with not-for-profit corporation
27 requirements and public records and public
28 meetings requirements; authorizing the
29 corporation to borrow through public bonds and
30 private financial sources; providing uses of
31 proceeds of the corporation; providing for a

Bill No. SB 862

Barcode 812452

1 board of directors and specifying membership;
2 providing for powers and duties of the board of
3 directors; requiring the corporation to submit
4 a business plan to the Department of Education;
5 providing accounting and audit requirements;
6 requiring revenues of the corporation to be
7 used for providing secondary student loan
8 market services; prohibiting state indebtedness
9 or obligation; exempting bonds issued by the
10 corporation, their transfer, and the income
11 therefrom from taxation; providing intent and
12 requirements relating to costs; requiring
13 budget approval by the department; providing an
14 effective date.

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31