



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

3           1009.9997 Educational Loan Marketing Corporation of  
4 Florida, Inc.--

5           (1) There is created a not-for-profit corporation, to  
6 be known as the Educational Loan Marketing Corporation of  
7 Florida, Inc., which shall be registered, incorporated,  
8 organized, and operated in compliance with chapter 617 and s.  
9 501(c)(3) of the Internal Revenue Code, as amended. The  
10 Legislature finds, however, that public policy dictates that  
11 the Educational Loan Marketing Corporation of Florida, Inc.,  
12 operate in the most open and accessible manner consistent with  
13 its public purpose. To this end, the Legislature specifically  
14 declares that the Educational Loan Marketing Corporation of  
15 Florida, Inc., and its boards and advisory committees or  
16 similar groups created by the Educational Loan Marketing  
17 Corporation of Florida, Inc., are subject to chapter 119,  
18 relating to public records, and chapter 286, relating to  
19 public meetings and records.

20           (2)(a) The corporation shall purchase, service, and  
21 otherwise provide access and service as a secondary market for  
22 student loans in this state. The corporation is authorized to  
23 borrow funds and incur debt, including the issuance of revenue  
24 bonds, for the purposes set forth in this section. The  
25 corporation may apply for private activity bond allocation in  
26 accordance with part VI of chapter 159.

27           (b) Proceeds of the corporation shall be used for the  
28 creation of incentive programs serving state residents, such  
29 as, but not limited to, interest rate reductions for automated  
30 and timely payments and programs for students pursuing a  
31 degree in areas of critical need in the state.

1           (3) The corporation shall be administered by a  
2 13-member board of directors composed of 11 members appointed  
3 by the Governor, one member appointed by the President of the  
4 Senate, and one member appointed by the Speaker of the House  
5 of Representatives. The members appointed by the President of  
6 the Senate and the Speaker of the House of Representatives  
7 shall serve as nonvoting, ex officio members of the board of  
8 directors and shall serve at the pleasure of the appointing  
9 officers. The members appointed by the Governor shall be  
10 confirmed by the Senate. The 11 members of the board of  
11 directors appointed by the Governor shall include:

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

16           (b) Two members who are representatives of state  
17 universities.

18           (c) Two members who are representatives of community  
19 colleges.

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

22           (e) One member who represents independent colleges and  
23 universities.

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

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

29  
30 Except for the members of the Legislature, all members of the  
31 board of directors, including the chair, shall be appointed to

1 serve 3-year terms. However, for the purpose of providing  
2 staggered terms, of the initial appointments three members  
3 shall be appointed to 1-year terms, three members shall be  
4 appointed to 2-year terms, and five members shall be appointed  
5 to 3-year terms.

6 (4)(a) The board of directors shall annually elect a  
7 chair and vice chair.

8 (b) Members of the board of directors are entitled to  
9 reimbursement from moneys of the corporation for expenses  
10 incurred as members under s. 112.061, but may not otherwise be  
11 compensated for their services.

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

16 (5) The board of directors may employ or retain such  
17 persons as are necessary to perform the administrative and  
18 financial transactions and responsibilities of the corporation  
19 and to perform other necessary and proper functions required  
20 by law.

21 (6)(a) The corporation shall annually prepare and  
22 submit a business plan to the Department of Education. The  
23 department shall monitor the corporation and set performance  
24 standards that are consistent with its mission.

25 (b) The corporation must maintain adequate accounting  
26 records that comply with all applicable federal and state laws  
27 and must authorize the department to have access to and  
28 conduct audits of all records concerning the contracted and  
29 outsourced functions or services.

30 (c) The corporation must meet all legal and auditing  
31 requirements for record retention and transfer to the state,

1 at no cost to the state, of all public records in its  
2 possession upon termination or dissolution. All records stored  
3 electronically must be provided to the state in a format that  
4 is compatible with state information technology systems.

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

9 (b) The revenues of the corporation are funds received  
10 for providing services as a secondary student loan market as  
11 required by this section and for conducting all other  
12 activities of the corporation and are not taxes, fees,  
13 licenses, or charges for services imposed by the Legislature  
14 on individuals, businesses, or agencies outside state  
15 government. Bonds and other debt obligations issued by or on  
16 behalf of the corporation shall be payable solely from funds  
17 derived directly from sources other than state tax revenues,  
18 do not constitute a general obligation or indebtedness of the  
19 state or any of its agencies or political subdivisions, and  
20 shall not be a debt of the state or any of its agencies or  
21 political subdivisions, and the full faith and credit of the  
22 state is not pledged to the payment of the principal of,  
23 premium if any on, or interest on these obligations. The  
24 issuance of these obligations does not directly, indirectly,  
25 or contingently obligate the state to use state funds, to levy  
26 or to pledge any form of taxation whatsoever, or to make any  
27 appropriation for payment of the principal of, premium if any  
28 on, or interest on such obligations. Any bonds issued by the  
29 corporation, their transfer, and the income therefrom,  
30 including any profit made on the sale thereof, shall at all  
31 times be free from taxation of every kind by the state or any

1 political subdivision, local unit, or other instrumentality  
2 thereof. However, this exemption does not apply to any tax  
3 imposed by chapter 220 on interest, income, or profits on debt  
4 obligations owned by corporations other than the Educational  
5 Loan Marketing Corporation of Florida, Inc.

6 (8)(a) It is the intent of the Legislature that the  
7 corporation be self-sustaining and that all operational costs,  
8 with the exception of reasonable and necessary start-up costs,  
9 be paid through income received by the corporation from  
10 activities authorized under this section. Any funds received  
11 from the state to assist in start-up costs must be repaid by  
12 the corporation.

13 (b) In keeping with its public mission, the  
14 corporation shall keep expenses, including salaries and  
15 benefits, on par with similarly situated public-private  
16 entities, subject to approval by the Department of Education.  
17 The corporation shall annually submit a proposed budget to the  
18 department, which shall approve it consistent with this  
19 section.

20 (9) The corporation shall submit an annual report to  
21 the President of the Senate, the Speaker of the House of  
22 Representatives, and the Department of Education 3 months  
23 after the end of each fiscal year of the corporation. The  
24 annual report must describe the corporation's efforts in  
25 achieving performance standards established by the department  
26 and the objectives of the annual business plan, and the status  
27 of developing and implementing incentive programs such as, but  
28 not limited to, interest-rate reductions for automated and  
29 timely payments and programs for students pursuing degrees in  
30 areas of critical need in the state. The annual report must  
31

1 also include annual audited financial statements of the  
2 corporation for the prior fiscal year.

3           Section 2. This act shall take effect upon becoming a  
4 law.

5  
6                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
7                   COMMITTEE SUBSTITUTE FOR  
8                   Senate Bill 686

- 9 1. Requires the Educational Loan Marketing Corporation  
10 (corporation) to comply with the provisions relating to  
11 tax-exempt entities created pursuant to s. 501(c)(3) of  
12 the Internal Revenue Code, as amended.  
13 2. Requires the corporation to submit an annual report to  
14 the Legislature and the Department of Education  
15 describing its financial and operational performance for  
16 the prior fiscal year.  
17 3. Provides technical and clarifying changes related to the  
18 board of directors and the budget approval process.  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31