

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: SB 774

SPONSOR: Senator Carlton

SUBJECT: Re-create - Student Loan Guaranty Reserve Fund

DATE: January 27, 2003 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bryant</u>	<u>Newman</u>	<u>AED</u>	<u>Favorable</u>
2.	_____	_____	<u>AP</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This legislation re-creates the Student Loan Guaranty Reserve Fund, FLAIR number 482718, which is administered by the Department of Education. Re-creation is effective for four years beginning on November 4, 2004, the current termination date of the fund. This fund was last re-created effective November 4, 2000, by Chapter 99-35, Laws of Florida.

II. Present Situation:

Section 1009.92, F.S., creates the trust fund and provides for the receipts and uses of the fund. Section 1009.86, F.S., describes the fund's relationship to the Student Loan Operating Trust Fund.

The fund is to be used in the administration of the Guaranteed Student Loan Program. The Department of Education is a guaranty agency for the Federal Family Education Loan Program. Provisions of the Higher Education Amendments of 1998 (Public Law 105-244) require that guaranty agencies establish a federal fund and an operating fund. The Student Loan Guarantee Trust Fund serves as the federal fund.

The major sources of revenue for the fund are federal funds, repayment of loans, loan insurance premiums, and interest earnings. According to LAS/PBS data, receipts to this fund for FY 2001-2002 were \$136.1 million.

III. Effect of Proposed Changes:

This bill re-creates the trust fund without modification.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.