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 96

SPONSOR: Judiciary Committee and Senators Campbell and Fasano

SUBJECT: Student Loans/Asst. State Attorneys

DATE: February 5, 2003 REVISED:

STAFF DIRECTOR	REFERENCE	ACTION
Roberts	JU	Favorable/CS
	GO	
	AAV	
	AP	
		RobertsJUGO

I. Summary:

This committee substitute requires the Justice Administrative Commission 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 for assistant state attorneys and assistant public defenders with government student loans used for law school.

This committee substitute provides that once an assistant state attorney or assistant public defender has served in that position for three years, the Justice Administrative Commission may make yearly payments of up to \$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 an amount up 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 committee substitute creates section 43.2010f the Florida Statutes.

II. Present Situation:

State Attorneys and Public Defenders

In Florida, criminal prosecutions are conducted by the state attorney. *See* Art. V, s. 17, Fla. Const. Florida is divided into twenty judicial circuits and each circuit has an elected state attorney. Indigent criminal defendants are represented by a public defender. *See* Art. V, s. 18, Fla. Const. Each judicial circuit has an elected public defender. State attorneys and public defenders are permitted to hire assistants to help them fulfill their duties. *See* Art. V, s.s. 16, 17, Fla. Const.

Assistant state attorneys and assistant public defenders were guaranteed a minimum salary of \$35,931, effective January 1, 2002, under the 2001-2002 General Appropriations Act.¹ Assistant state attorneys and assistant public defenders are considered senior management service for retirement purposes.

Costs of Attending Law School

According to the Florida State University College of Law, an in-state student paid \$199.43 per credit hour and an out-of-state student paid \$712.59 per credit hour for tuition during the 2002-2003 academic year. Eighty-eight credit hours are required for graduation so the tuition costs would be approximately \$17,500 for an in-state student and \$62,700 for an out-of-state student.² The University of Florida Levin College of Law estimates approximately \$10,400 per year for books and living expenses while in law school. Private law schools are significantly greater. For example, tuition at the University of Miami is approximately \$26,000 per year, totaling \$78,000 over the three year program.

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 committee substitute creates s. 43.201, F.S., to require the Justice Administrative Commission to administer a student loan program for assistant state attorneys and assistant public defenders. The purpose of the program is to provide financial assistance for assistant state attorneys and assistant public defenders with eligible student loans. The term "eligible student loan" is defined to mean a loan that was issued pursuant to the Higher Education Act of 1965, as amended, to an assistant state attorney or assistant public defender to fund his or her law school education.

This committee substitute provides that once an assistant state attorney or assistant public defender has served in that position for three years, the state attorney or public defender office shall submit an affidavit of certification. Once the certification is received, the Justice Administrative Commission may make, for the benefit of the qualified assistant state attorney or assistant public defender, yearly payments of up to \$3,000 to the lender that services the eligible student loan. When an attorney completes six years of continuous service, the payment amount is increased to an amount up to \$5,000. Upon completion of twelve years of continuous service or

¹ Attorneys at executive branch agencies start at \$35,931.

² Tuition at the University of Florida Levin College of Law is approximately \$200 per credit hour for an in-state student during 2002-2003.

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.

This committee substitute provides that the program shall be funded out of the General Revenue Fund to the Justice Administrative Commission on an annual basis. This committee substitute does not provide an appropriation.

This committee substitute takes effect on July 1, 2003.

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:

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

B. Private Sector Impact:

The Justice Administration Commission indicates that, as of January 27, 2003, there were 553.30 assistant state attorneys and 368.80 assistant public defenders with at least three years of continuous service. The number of these attorneys who currently have outstanding government student loan obligations is unknown. However, those who do have loan obligations would receive the benefit of up to \$3,000 per year in assistance.

C. Government Sector Impact:

The exact cost of the program is not known. The Justice Administrative Commission provided information showing that on January 27, 2003, there were 553.30 assistant state attorneys and 368.80 assistant public defenders with at least three years continuous service. However, it is not known how many of those attorneys have outstanding government loans or how many eligible attorneys would be working on the bill's effective date. If every attorney has outstanding student loans and the appropriate payment was made on behalf of each attorney, the program would cost \$3.65 million during the first year. It is not known what the program would cost in subsequent years.

It should be noted that, in the current General Appropriations Act, the state attorneys and the public defenders (proviso associated with specific appropriation 881A) have 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 have reported that they have not used this authority to date as they feel they do not have sufficient funds to use for this purpose.

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 ratios of 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.

The Justice Administration Commission contends it will need an additional FTE to administer the program. The Commission said that \$65,000 would be required in FY 2003-2004. The Commission also indicates it will have a first year, non-recurring cost of \$4,603.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.