
HOUSE BILL No. 2437

By Representatives Garner, Dillmore, Findley, Kirk, Larkin, Levinson,
Loganbill, Nichols, O'Brien, Phelps, Showalter, Toelkes and Wells

2-7

AN ACT establishing the Kansas education students forgivable loan program; prescribing powers, duties and functions for the state board of regents; guidelines and limitations for the loan program, service-cancelable loans, repayment of obligations and periods of service.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) There is hereby established the Kansas education students forgivable loan program which shall be developed, implemented and administered by the state board of regents in accordance with this section. The Kansas education students forgivable loan program shall provide teaching service-cancelable loans for eligible students at postsecondary educational institutions while in enrolled and actively engaged in an undergraduate program of teacher education leading to a degree, certification as a teacher and employment in full-time positions as teachers in the public elementary or secondary schools in Kansas. In developing, implementing and administering the Kansas education students forgivable loan program and in adopting policies therefor, the state board of regents may adopt policies and guidelines similar to those of the PROMISE teacher scholarship program of Georgia which are not in conflict with the provisions of this section.

(b) The Kansas education students forgivable loan program shall provide service-cancelable loans for eligible students to pay tuition, fees, and room and board charges and other direct or indirect education-related costs related to attending a postsecondary educational institution. Each service-cancelable loan may be in an amount that is less than or equal to \$1,500 for each semester during the junior or senior year. The aggregate of all amounts loaned under service-cancelable loans to one student shall not exceed \$6,000.

(c) A student entering into a service-cancelable loan agreement under this section shall agree (1) to obtain a teaching certificate issued by the state board of education and to engage in teaching in a full-time position with a public elementary school or secondary school in Kansas within 12 months after receiving such degree and to continue for a period of time determined by the state board of regents on the basis of one school year

1 of teaching for each semester for which a service-cancelable loan agree-
2 ment was entered into, and to comply with such other terms and condi-
3 tions that may be specified by the loan agreement, or (2) to repay all loan
4 amounts plus an interest premium specified by the loan agreement at the
5 annual rate applied to the aggregate of the amounts loaned and accruing
6 from the date the loan agreement is entered into. The interest premium
7 rate shall be established at a rate that is equal to or greater than the market
8 rate determined by the director of investments under K.S.A. 75-4237 and
9 amendments thereto, except that in no case shall the interest premium
10 rate be greater than 10% per annum. The state board of regents may
11 prescribe minimum repayment amounts and periods for repayment under
12 service-cancelable loan agreements and such other terms and conditions
13 as may be required or appropriate in order to effectuate the purposes of
14 the program.

15 (d) Repayments under a service-cancelable loan agreement shall be-
16 gin within six months after the date after the student graduates or oth-
17 erwise withdraws from attendance at the postsecondary educational in-
18 stitution, unless the student (1) enrolls or re-enrolls at a postsecondary
19 educational institution and becomes actively engaged in an undergraduate
20 program of study leading to a degree from the postsecondary educational
21 institution during such six-month period or (2) is otherwise permitted to
22 postpone the repayment obligation under the program and policies
23 adopted under this section.

24 (e) The state board of regents shall adopt policies to implement and
25 administer the provisions of the Kansas education students forgivable loan
26 program. Among other policies adopted, the state board of regents shall
27 adopt policies providing for:

28 (1) Postponement of the repayment obligation under service-cancel-
29 able loan agreements during any period of temporary medical or other
30 disability in which the person obligated is unable to satisfy the repayment
31 obligation or under other appropriate circumstances; and

32 (2) discharge of the obligation to repay if the person obligated com-
33 pletes the teaching service obligation, dies, or becomes permanently phys-
34 ically or otherwise disabled and is unable to satisfy the teaching service
35 obligation after making the best effort possible.

36 (f) (1) There is hereby established the Kansas education students for-
37 givable loan program fund in the state treasury which shall be adminis-
38 tered by the state board of regents. All moneys in the Kansas education
39 students forgivable loan program fund shall be used for teaching service-
40 cancelable loans under this section. All expenditures from the Kansas
41 education students forgivable loan program fund shall be made on war-
42 rants of the director of accounts and reports issued pursuant to vouchers
43 approved by the chief executive officer of the state board of regents or

1 by the officer's designee.

2 (2) The state board of regents shall remit to the state treasurer all
3 repayments and other amounts received under service-cancelable loan
4 agreements entered into under this section. Upon receipt of each such
5 remittance, the state treasurer shall deposit the entire amount in the state
6 treasury to the credit of the Kansas education students forgivable loan
7 program fund.

8 (g) (1) Except as otherwise specifically provided in this section, the
9 words and phrases used in this section have the meanings respectively
10 ascribed thereto in K.S.A. 2000 Supp. 74-3201b and amendments thereto;

11 (2) "eligible student" means a student (A) who is enrolled at a pos-
12 tsecondary educational institution in a program of teacher education lead-
13 ing to a degree that will enable the recipient to attain certification as a
14 teacher by the state board of education and to teach in a public elemen-
15 tary or secondary school in Kansas, and (B) who has satisfactorily com-
16 pleted the equivalent of two years in a program of teacher education
17 leading to such degree and is in the junior or senior year of such program
18 of teacher education; and

19 (3) "postsecondary educational institution" means a postsecondary
20 educational institution located in Kansas and includes Washburn univer-
21 sity of Topeka.

22 Sec. 2. This act shall take effect and be in force from and after its
23 publication in the statute book.

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